

**Reports and evaluations
of the Supervisory Board¹**

**Stalexport Autostrady S.A.
in Katowice
for 2012**



Rome, 05 March, 2013

¹ Approved by Resolution of SB no 9/2013 dated 05.03.2013

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This Report was drawn up with regard to the following regulations:

- Commercial Companies Code - Art. 382 §3;
- "Good Practices of WSE Listed Companies" (Part 3 section 1 subsection 1), which is an Appendix to the Resolution no. 19/1307/2012 of the Supervisory Board of WSE (Warsaw Stock Exchange) of 21 November 2012;
- Statutes of Stalexport Autostrady S.A.;
- Regulations of the Supervisory Board of Stalexport Autostrady S.A.

I. Report of the Supervisory Board of Stalexport Autostrady S.A. with its seat in Katowice on the activity in 2012

1. Subject and period of the report

The report on the activity of the Supervisory Board of Stalexport Autostrady Joint Stock Company with its seat in Katowice („The Company”) covers the period from 01 January 2012 to 31 December 2012.

2. Legal basis of the Supervisory Board activities

The Supervisory Board performed its functions on the basis of art. 382 and the subsequent ones of the Commercial companies code, the appropriate provisions of the Company's Statutes and the Supervisory Board's Regulations (available on the corporate website of Stalexport Autostrady S.A.).

3. Number of members and the composition of the Supervisory Board

Pursuant to §14 of the Company's Statutes, Supervisory Board consists of 5 to 9 persons appointed for the joint term of three years. GM appoints and recalls the members of Supervisory Board fixing first their number for a given term.

According to the resolution No. 22 the General Meeting on March 30, 2010 decided that the Stalexport Autostrady Supervisory Board of VII term (2010-2012) will consist of eight members. Next, General Meeting on December 22, 2010, in the resolution no 3 and also Ordinary General Meeting on March 4, 2012 in the resolution No. 19 decided that the Supervisory Board of VII term (2010-2012) will consist of seven members.

Between January 01, 2012 and February 14, 2012 the Supervisory Board has been acting in the following, of seven members composition:

1. Roberto Mengucci - Chairman
2. Aleksander Galos - Vice-Chairman
3. Michelangelo Damasco - Secretary
4. Costantino Ivoi
5. Christopher Melnyk
6. Massimo Lapucci
7. Tadeusz Włudyka.

On February 14, 2012 the Company received resignation of Mr Massimo Lapucci, a member of the Supervisory Board, from that function, it was followed by resignation of another member, Mr Christopher Melnyk, on April 2, 2012.

On April 4, 2012 the General Assembly of Stalexport Autostrady appointed Mr Nicolò Caffo and Mr Stefano Cusmai as members of the Supervisory Board.

At present the Supervisory Board has the following composition:

1. Roberto Mengucci - Chairman
2. Aleksander Galos - Vice-Chairman
3. Michelangelo Damasco - Secretary
4. Nicolò Caffo
5. Stefano Cusmai
6. Costantino Ivoi
7. Tadeusz Władyka.

Mr Aleksander Galos and Mr Tadeusz Władyka meet the criteria of independent members.

4. Basic forms and directions of the Supervisory Board's activity

The Supervisory Board constantly supervised the activity of the Company in 2012 in all domains and also performed duties and exercised powers resulting from the provisions of the Statutes, the Commercial companies code and other provisions of the law.

The Supervisory Board performed its duties jointly, what means that the actions of the Supervisory Board were performed, first of all, at the meetings. In the reporting period, the Supervisory Board held 3 recorded meetings (01 March 2012, 30 July 2012 and 19 December 2012), in the composition which enabled the Board to pass the resolutions. The meetings of the Supervisory Board with the participation of the members of the Supervisory Board and the Management Board were held in Katowice. All absences of the Supervisory Board's members from the meetings were justified.

During the meetings the Supervisory Board examined the issues resulting from the provisions of the Commercial Companies Code as well as from the current Company's activity. The Board dealt with the matters which in accordance with generally applicable law are included in competence of the Supervisory Board.

In 2012 the Supervisory Board passed 20 resolutions. The resolutions were passed after prior analysis and discussion of the examined cases.

The Supervisory Board supervised the activity of the Company by reviewing the documents presented by the Management Board. In 2012 the Supervisory Board focused in particular on:

- the financial standing of the Company, including the periodic reports on the activity,
- the periodic reports on performance of the Company's budget,
- the activity of the Capital Group.

5. Report on the activity of the Supervisory Board's committees in 2012

Acting under §25 section 2 of the Regulations of Stalexport Autostrady's Supervisory Board and in accordance with Best Practices of the Companies listed on WSE, including in particular, best practices implemented by the members of the supervisory boards - the Board appointed the Audit and Remuneration Committees from its members.

As at 01 January 2012 the committees of the Supervisory Board acted in the following composition:

Remuneration committee:

- Roberto Mengucci – Chairman,
- Aleksander Galos,
- Costantino Ivoi,
- Tadeusz Władyka.

2) Audit Committee:

- Costantino Ivoi - Chairman,
- Aleksander Galos,
- Massimo Lapucci.

Following the resignation of Mr Massimo Lapucci, the Audit Committee was supplemented by the Supervisory Board resolution no. 12/2012 and as of 01.03.2012 the Committee has been acting in the following composition:

- Costantino Ivoi - Chairman,
- Aleksander Galos,
- Michelangelo Damasco.

The committees acted on the basis of regulations passed by the Supervisory Board which are enclosed to the Supervisory Board's Regulations. The Regulations are available on Company's corporate website.

The aforementioned Committees analyzed the Company's financial statements, the principles, forms and level of remuneration of the Management Board's members, and presented the motions and proposals to the Supervisory Board in this respect

5.1 Report on the operations of the Audit Committee

The Audit Committee expressed their opinion and recommended to the Management Board a candidate for the position of the Expert Auditor to carry out the audit of the financial report for 2012 and the following years, and concentrated upon the analysis of Stalexport Autostrady S.A. and Stalexport Autostrady Group financial report for the accounting year from 1 January

2012 to 31 December 2012, and on the review of the interim financial reports drawn up in 2012.

5.2 Report on the operations of the Committee for the Management Board Member Remuneration

The Committee for the Management Board Remuneration expressed their opinion on the following:

- the mutual agreement of the parties, terminating the employment contract with the Vice-President of the Management Board (Mieczysław Skołożyński),
- the management contract of the Vice-President of the Management Board (Mariusz Serwa),
- execution of bonus tasks, which were the basis for granting the annual bonus for 2011 to the members of the Management Board,
- execution of bonus tasks, which were the basis for the settlement of the three-year incentive plan with the members of the Management Board for the period between July 2009 and June 2012,
- bonus tasks for the members of the Management Board for 2012.

Taking the above into consideration, the Supervisory Board hereby grants a favourable evaluation to the Supervisory Board Committees' work in 2012.

II. Report on evaluation:

- A) (of) the report of the Management Board on the operations of Stalexport Autostrady S.A. and of the individual financial statement,
 - B) (of) the report of the Management Board on the operations of Stalexport Autostrady Group and of the consolidated financial statement,
- for the accounting year 2012, within the scope of their conformity with the books and documents, as well as with the actual state.

The Supervisory Board performing its statutory duties read and assessed the following documents, drawn up in accordance with the International Accounting Standards:

- 1) the statutory financial statement of Stalexport Autostrady S.A. for the period between 1 January 2012 and 31 December 2012,
- 2) consolidated financial statement of Stalexport Autostrady Group for the period between 1 January 2012 and 31 December 2012.

The audit of the financial report of the Company, as defined in the provisions of the Law on Accounting, for the period between 1 January 2012 and 31 December 2012, was carried out by Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp.k. (previously known

as Deloitte Audyt Sp. z o.o.), with its registered seat in Warszawa, al. Jana Pawła II 19, entered into the list of entities authorised to audit financial statements kept by the National Chamber of Statutory Auditors under no. 73, which was selected by the Supervisory Board.

The assessment of the financial reports for 2012 was carried out by the Audit Committee of the Supervisory Board.

Performing the duties resulting from art. 382 §3 of the Commercial Companies Code, the Supervisory Board carefully examined the evaluation of the audited financial statements of the Stalexport Autostrady S.A. and the consolidated financial statements of Stalexport Autostrady Group as well as the reports of the Management Board on the activity of the Company and the Group for 2012, stating that they were drawn up in conformity with books and the Company's documents, actual state and they present in proper way – *in all aspects* – the financial standing of the Company and Stalexport Autostrady Group.

When executing the above-mentioned assessment, the Supervisory Board paid special attention to the level of transparency and openness of the financial reports in order to present the actual and accurate situation of Stalexport Autostrady S.A.

The Management Board, as well as the Auditing Company, in a due manner presented the Supervisory Board with existing material risks and performed a careful valuation of assets, in accordance with the respective rules of law.

III. Evaluation of the Company's situation (resulting from applying the Best Practices of the Companies listed on WSE)

The Supervisory Board of Stalexport Autostrady S.A., acting in accordance with the Good Practices of WSE Listed Companies observed by the Company (referred to in detail in section 7 of the Management Board Report on the Company's Operations in 2012), including the good practices observed by the members of supervisory boards, **carried out a brief assessment of the Company's situation, paying special attention to the assessment of the internal audit system and risk management system, significant to the Company.** The assessment was carried out on the basis of the knowledge of the Supervisory Board's members, which was up-to-date as of the date of its preparation, and on the basis of the reports drawn up for 2012.

The detailed analysis of the Stalexport Autostrady S.A.'s situation in 2012 was presented in the financial report and the Management Board Report for 2012. The Supervisory Board shares the Management Board's opinions presented therein regarding, among others, macroeconomic conditions, the Company's direct market environment, analysis and assessment of the financial situation. The above-mentioned reports include the most important information concerning Stalexport Autostrady S.A.'s operations in 2012.

It is the opinion of the Supervisory Board that the year 2012 was favourable for Stalexport Autostrady S.A. and the Group. Several investments important to A4 Katowice-Kraków users were completed – in particular the repair of 22 bridge structures, which commenced in 2010. Currently, there are no difficulties in traffic on the motorway. Additionally, in order to increase the flow capacity of the Toll Collection Area in Mysłowice, 4 new toll lanes were constructed – as a result of which the travellers' service time was decreased. In 2013, similar works should be executed in the second Toll Collection Area, i.e. in Balice.

Moreover, there were some changes to the organisation structure of the Company, which resulted in a significant decrease in operation costs of the Company and of the Group. With this end in view, in December 2012 the Supervisory Board appointed Mr. Mariusz Serwa to the position of the Vice-President of the Management Board of Stalexport Autostrady S.A. He was also performing this function in a subsidiary company – Stalexport Autostrada Małopolska S.A. That solution shall increase the synergy of both companies' activities.

The scope of operations in 2013 shall include the elimination of the negative effect of the motorway on the natural environment by means of, for instance, construction of the next 16-km section of the motorway water drainage system. For the next years, the following operations are planned: reconstruction of Myslowice junction, construction of Service Areas in Rudno and Grojec, construction of further noise screens, development of Rudno junction and Byczyna junction.

Year 2012 may be considered as a successful one, not only due to a number of completed investments, but also due to the high level of safety on A4 Katowice-Kraków. The road maintained the status of one of the safest roads in Poland – in 2012 no fatal accidents were recorded.

The Stalexport Autostrady Capital Group comprises also the other special purpose vehicles created to participate in the new motorway project in Poland, for example construction and operation of A1 Motorway on the section Tuszyn-Pyrzowice and A2 Motorway on east of Warsaw. The company awaits the decision to be published by the Public Side regarding the possibility of executing those investments within the framework of the public-private partnership.

In 2011, the Government of the Republic of Poland accepted the “National road construction programme for the years 2011-2015” (hereinafter referred to as the “Programme”), which creates a potential market for the Company and the member companies of Stalexport Autostrady Group.

The Ministry of Transport, Construction and Maritime Economy is announcing conducting the update of the above mentioned Programme and replacing it with new construction program for years 2014-2020. It should be noted that already in 2011-2012 the initial range of investments was reduced.

Within the Programme, the priority tasks include connections between most important economic centers in the country, which generate the biggest demand for transport, including:

- A1 Motorway – completion of construction along its entire length;
- A2 Motorway – completion of construction of the section Świecko - Mińsk Mazowiecki, possibly commencing of construction of the section between Mińsk Mazowiecki and eastern Polish border.

The following sections of toll motorways are or will be built using the PPP system:

- motorway A1, section Tuszyn - Pyrzowice (138.9 km),
- motorway A2, section Warszawa – state border.

These two sections are of interest to Stalexport Autostrady Group.

The Company also considers the participation in the following undertakings, if the public side implements them as public-private partnership projects:

- adaptation of the existing sections of motorways built in traditional system to the toll motorways standards, including the delivery of security and traffic management systems, as well as the infrastructure for motorway maintenance;
- entering operation and maintenance contracts for virtually all existing and planned sections of motorways built in the traditional system, with regard to daily road maintenance on behalf of the State Treasury.

The Company also considers the option of equity investment in some of the existing concession projects in Poland, if another participant of the projects intended to exit the project or one of consortiums looked for additional capital support.

Moreover, bearing in mind the high levels of public debt and of budget deficit, one should not overlook the possibility of infrastructure privatization, also with regard to motorways currently under the management of public side. The experiences of Italy and France in this respect show that such a step allows for a rapid reduction in public debt, as well as for speeding up the process of infrastructure development, with the standards of safety and quality met. This issue, however, has not yet entered the public debate.

The Management Board of Stalexport Autostrady S.A. is responsible for the **internal control system**. The internal control and risk managing systems in relation to the process of drawing up the financial statements have been implemented on the basis of the procedures in this respect, being in force in Stalexport Autostrady S.A. It enables monitoring of the level of liabilities, controlling the costs' level and the results. The financial data which are the basis for financial statements and periodic reports come from IMPULS - the accounting-financial system (in which the documents consistent with Company's accounting policy based on the International Accounting Standards are registered).

The financial statements are drawn up by the financial –accounting staff under the control of the Chief Accountant of the Company and next verified by Vice-President and CFO in cooperation with the Finance Management Division Director, and its final contents are approved by the Management Board in its resolution.

The financial reports approved by the Management Board were verified by an independent auditor, i.e. expert auditor (in 2012 it was Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k., with its registered seat in Warszawa), selected by the Supervisory Board of the Company.

Then pursuant to §18 passage 2 point 1 of the Company's Statutes, the Supervisory Board - following the recommendation of the Audit Committee, each year evaluates the audited financial statements of the Company and the Capital Group in the range of their conformity with books and documents as well as with the actual state, and it informs the shareholders about the results of this evaluation in its annual Report.

The Company has been systematically monitoring the external provisions and regulations relating to the requirements of the stock exchange reporting and it takes steps to implement them properly.

Political and economic stability is one of the main conditions to ensure steady development of the motorway business. The basic reasons of economic and financial risks are - *in case of decline in dynamics of economic growth of the country* - a potential decrease in traffic and in consequence the reduction in toll proceeds. The Group reduces this risk by applying the appropriate pricing policies, as well as by taking actions to improve the quality of customer support by developing of toll plazas on its motorway section and by currently implemented replacement of toll collecting equipment, allowing the customers to diversify the forms of payment for the use of the motorway.

In the case of making a decision regarding participation in tenders connected with the motorway infrastructure development, the important risk factor is worsening of the investment climate, which may lead to difficulties in obtaining a long-term investment capital. The Company strives to minimise such risks by constant cooperation with financial institutions, which have an extensive knowledge and experience in the infrastructure project sector, as for example Atlantia Capital Group entities, by participation in public consultations aiming at development and implementation of innovative solutions in that respect, for instance consisting in risk allocation in the infrastructure project sphere and placing them on the side of the entities, which can best manage the risks.

Instability of institutional and legal environment governing the sector of infrastructure in Poland were the main group of legal and political risks. The Company has been trying to counteract these risks, by inter alia promoting good practices and solutions aimed at creating an appropriate legal framework for the implementation of infrastructure projects, active participation in public discussion on new legislative solutions.

Information on financial instruments, the risks associated and accepted by the Company goals and methods of financial risk management are described in the note no. 29 to the financial statement of Stalexport Autostrady S.A.

The Supervisory Board, after having reviewed the Management Board's report on the Company's activities in 2012, states that it comprises necessary information relating to the operation of the Company in the fiscal year and it assesses them positively.

Summarising, the Supervisory Board did not find any irregularities in the Management Board's work as well as in the activity of Stalexport Autostrady S.A. It positively evaluates both the Company's situation and the Management Board's activity in fiscal year 2012.

IV. Assessment of the Management Board's motion regarding the coverage of losses for 2012

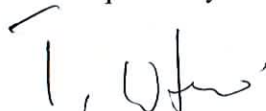
Pursuant to §18 section 2 subsection 2 of the Statutes of the Company, the Supervisory Board read and assessed the project of the resolution of the General Shareholders' Meeting concerning the method of covering the losses for 2012, drawn up by the Management Board, without any reservations as to the proposed content.

V. Motions

The Company's Supervisory Board requests the Ordinary General Meeting of Stalexport Autostrady S.A. to:

- approve the Management Board's report on performance of the Company and the statutory financial statements of Stalexport Autostrady S.A. for 2012,
- approve the Management Board's report on performance of the Capital Group and the consolidated financial statement of the Capital Group of Stalexport Autostrady for 2012,
- extending a vote of acceptance to the Management Board's members for performing the duties in 2012,
- adopting the resolution on loss coverage for 2012, in accordance with the Management Board's motion.

Member
of the Supervisory Board


/Tadeusz Wludyka/

President
of the Supervisory Board


/Roberto Mengucci/

Rome, 05.03.2013

VI. List of the Supervisory Board's resolutions passed in 2012.

No	on
01/2012	assessing draft resolutions of OGM (no: 1,2,3)
02/2012	assessing draft resolutions of OGM (no: 4,5,8)
03/2012	assessing draft resolutions of OGM (no: 6,7)
04/2012	assessing draft resolutions of OGM (no 9 discharge E.Wąsacz)
05/2012	assessing draft resolutions of OGM (no 10 discharge M.Skołoczyński)
06/2012	assessing draft resolutions of OGM (no 11 discharge W.Gębicki)
07/2012	assessing draft resolutions of OGM (no: 12-18 discharge SB members)
08/2012	assessing draft resolutions of OGM (no 19-20)
09/2012	approving the reports of the Supervisory Board for 2012
10/2012	appointing the chartered auditor examining the financial statements for the turnover year 2012-2013.
11/2012	changes to the Regulations of the Supervisory Board
12/2012	supplementing the Audit Committee of the Supervisory Board of the company Stalexport Autostrady S.A.
13/2012	annual bonus for the Management Board members for 2011
14/2012	assessing the three-year incentive plan for the Management Board
15/2012	approval of the plan of investment outlays for 2013
16/2012	dismissal of the Vice President of the Management Board of Stalexport Autostrady S.A.
17/2012	conclusion of the mutual agreement terminating the employment contract with the Vice President of the Management Board of Stalexport Autostrady S.A.
18/2012	appointing the Vice President of the Management Board of Stalexport Autostrady S.A.
19/2012	approving the management contract of the Vice President of the Management Board of Stalexport Autostrady S.A.
20/2012	determining bonus tasks for the Management Board's members for 2012