STALEXPORT AUTOSTRADY S.A.

SEPARATE FINANCIAL STATEMENTS

as at the day and for the year ended
31 December 2016

Mysłowice, 1 March 2017

Contents

Separate statement of comprehensive income
for the year ended 31 December

In thousands of PLN, unless stated otherwise	***Note***	***2016***	***2015***
Revenue	5,7	3 774	3 752
Cost of sales	8	(4 035)	(3 917)
Gross loss		**(261)**	**(165)**
Other income	9	46	155
Administrative expenses	8	(3 226)	(3 718)
Other expenses	10	(33)	(53)
Results from operating activities		**(3 474)**	**(3 781)**
Finance income		181 424	9 007
Finance expenses		(93)	(153)
Net finance income	11	**181 331**	**8 854**
Profit before income tax		**177 857**	**5 073**
Income tax expense	12	2 890	41
Profit for the period		**180 747**	**5 114**
Other comprehensive income			
Items that will never be reclassified to profit or loss for the period			
Remeasurement of employee benefits	25	3	4
Income tax on other comprehensive income	12.3	(1)	-
		2	**4**
Other comprehensive income for the period, net of income tax		**2**	**4**
Total comprehensive income for the period		**180 749**	**5 118**
Earnings per share	24		
Basic earnings per share (PLN)		0.73	0.02
Diluted earnings per share (PLN)		0.73	0.02

The separate statement of comprehensive income should be analyzed together with notes, which constitute integral part of the separate financial statements

Separate statement of financial position
as at

In thousands of PLN	*Note*	*31 December 2016*	*31 December 2015*
ASSETS			
Non-current assets			
Property, plant and equipment	13	223	40
Investment property	15	4 401	4 176
Investments in subsidiaries and associates	16	67 118	67 118
Other non-current investments	17	69	69
Finance lease receivables	20	3 642	4 507
Deferred tax assets	18	3 497	606
Total non-current assets		**78 950**	**76 516**
Current assets			
Current investments	17	1 488	1 581
Finance lease receivables	20	1 867	1 642
Trade and other receivables	21	5 248	7 965
Cash and cash equivalents	22	302 118	123 386
Total current assets		**310 721**	**134 574**
Total assets		**389 671**	**211 090**
EQUITY AND LIABILITIES			
Equity	23		
Share capital		185 447	185 447
Treasury shares		(20)	(20)
Share premium reserve		7 430	7 430
Other reserve and supplementary capitals		13 975	8 861
Retained earnings		180 753	5 118
Total equity		**387 585**	**206 836**
Liabilities			
Non-current liabilities			
Employee benefits	25	1 109	69
Total non-current liabilities		**1 109**	**69**
Current liabilities			
Trade and other payables	26	871	1 055
Employee benefits	25	106	3 130
Total current liabilities		**977**	**4 185**
Total liabilities		**2 086**	**4 254**
Total equity and liabilities		**389 671**	**211 090**

Separate statement of cash flows
for the year ended 31 December

In thousands of PLN	***Note***	***2016***	***2015***
Cash flows from operating activities			
Profit before income tax		**177 857**	**5 073**
Adjustments for			
Depreciation and amortisation	8	546	535
Reversal of impairment on property, plant and equipment and intangible assets	9	-	(2)
Loss on investment activity	11	93	153
(Gain)/Loss on disposal of intangible assets, property, plant and equipment and investment property	9,10	(36)	30
Interest and dividends		(180 894)	(8 717)
Change in receivables		1 607	1 694
Change in trade and other payables		(2 044)	1 152
Cash used in operating activities		**(2 871)**	**(82)**
Income tax paid		(2)	(36)
Net cash used in operating activities		**(2 873)**	**(118)**
Cash flows from investing activities			
Investment proceeds		**182 680**	**6 969**
Proceeds from sale of intangible assets and property, plant and equipment		36	2
Dividends received	11	179 430	4 244
Interest received		3 214	2 723
Investment expenditures		**(1 075)**	**(481)**
Acquisition of intangible assets and property, plant and equipment		(1 075)	(481)
Net cash from investing activities		**181 605**	**6 488**
Cash flows from financing activities			
Net cash from/(used) in financing activities		**-**	**-**
Total net cash flows		**178 732**	**6 370**
Change in cash and cash equivalents	22	**178 732**	**6 370**
Cash and cash equivalents at 1 January		**123 386**	**117 016**
Cash and cash equivalents at 31 December		**302 118**	**123 386**

The separate statement of cash flows should be analyzed together with notes, which constitute integral part of the separate financial statements

Separate statement of changes in equity

In thousands of PLN

	Share capital	Treasury shares	Share premium reserve	Other reserve and supplementary capitals	Retained earnings	Total equity
As at 1 January 2015	**185 447**	**(20)**	**7 430**	**4 178**	**4 683**	**201 718**
Profit for the period	**-**	**-**	**-**	**-**	***5 114***	***5 114***
Other comprehensive income	**-**	**-**	**-**	**-**	***4***	***4***
Remeasurement of employee benefits	-	-	-	-	4	**4**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	***5 118***	***5 118***
Allocation of profit to supplementary capital	-	-	-	4 683	(4 683)	**-**
As at 31 December 2015	**185 447**	**(20)**	**7 430**	**8 861**	**5 118**	**206 836**

	Share capital	Treasury shares	Share premium reserve	Other reserve and supplementary capitals	Retained earnings	Total equity
As at 1 January 2016	**185 447**	**(20)**	**7 430**	**8 861**	**5 118**	**206 836**
Profit for the period	-	-	-	-	**180 747**	**180 747**
Other comprehensive income	**-**	**-**	**-**	**-**	***2***	***2***
Remeasurement of employee benefits	-	-	-	-	3	**3**
Income tax on other comprehensive income	-	-	-	-	(1)	**(1)**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	***180 749***	***180 749***
Allocation of profit to supplementary capital	-	-	-	5 114	(5 114)	**-**
As at 31 December 2016	**185 447**	**(20)**	**7 430**	**13 975**	**180 753**	**387 585**

The separate statement of changes in equity should be analyzed together with notes, which constitute integral part of the separate financial statements

1. Company overview

Stalexport Autostrady S.A. („the Company”) with its seat in Mysłowice, Piaskowa 20 Street, is a public listed company registered in the National Court Register under registration number KRS 16854.

As at 31 December 2016 the Company's business activity includes management and business advisory, rental of office space and also finance lease services.

The Company is a parent entity of Stalexport Autostrady S.A. Capital Group and prepares consolidated financial statements.

The Company is a part of the Capital Group Atlantia S.p.A. (Italy) and it is included within the consolidated financial statements drawn up by the ultimate parent entity Atlantia S.p.A.

2. Basis of preparation of the separate financial statements

2.1. Statement of compliance

The separate financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (“IFRS EU”) and other regulations in force.

The Company prepares also the consolidated financial statements drawn up in accordance with IFRS EU.

The separate financial statements were approved by the Management Board of the Company on 1 March 2017.

IFRS EU contain all International Accounting Standards (“IAS”), International Financial Reporting Standards (“IFRS”) as well as related Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) except for Standards and Interpretations which are awaiting approval of the European Union as well as those Standards and Interpretations which have been approved by the European Union but are not yet effective.

2.2. Basis of measurement

The separate financial statements have been prepared on the historical cost basis, except for available-for-sale financial assets measured at fair value.

2.3. Functional and presentation currency

The separate financial statements are presented in Polish zloty, being the functional currency and presentation currency of the Company, rounded to full thousands.

2.4. New standards and interpretations not adopted

New standards, amendments to standards and interpretations, which are effective for annual periods beginning after 1 January 2016, have not been applied in preparation of these separate financial statements. Apart from IFRS 16 *Leasing,* which awaits EU endorsement and already endorsed IFRS 9 *Financial instruments*, neither of the new standards nor amendments to the already existing standards, are expected to have a significant impact on the separate financial statements of the Company for the period for which they will become effective, however it needs to be underlined that aforementioned impact couldn't have been reasonably estimated at the end of reporting period.

2.5. Use of estimates and judgements

The preparation of the separate financial statements in conformity with IFRS EU requires that the Management Board makes judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, equity and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances and the results of which form a basis for professional judgment on carrying values of assets and liabilities that are not readily apparent from other sources. The actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period or in the period of the revision and future periods, if the revision affects both current and future periods.

Judgments and estimates made by the Management Board while applying IFRS EU, which had significant impact on the separate financial statements, have been discussed in notes 16, 17, 18, 19, 21, 25 and 29.

3. Going concern

The separate financial statements have been prepared under the assumption that the Company will continue to operate as a going concern for the foreseeable future.

4. Description of significant accounting principles applied

The accounting principles set out below have been applied consistently in all accounting periods presented within the separate financial statements.

The application of amendments to standards, which became effective for annual periods beginning on 1 January 2016, had no significant impact on Company's accounting policies, and as a result on these separate financial statements

4.1. Foreign currency transactions

Transactions in foreign currencies on the day of transaction are translated into Polish zloty at the National Bank of Poland ("NBP") average exchange rate for particular currency at the transaction date. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the average NBP rate at that date. Foreign exchange differences arising on settlement of foreign transactions or balance sheet translation are recognized in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated at the average NBP rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at the average NBP rate at the date the fair value was determined.

4.2. Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses (see note 4.11).

The cost includes the purchase price of the assets and costs directly related to the purchase and completion of the asset, so that it can be available for use, including the transport, loading, unloading and storing costs. Rebates, discounts and other similar reductions decrease the cost. The construction cost of property, plant and equipment or assets under construction includes total cost incurred by the entity in the period of their construction, assembly, adjustment and modernization till the date of their transfer to use (or up to the end of the reporting period, if the asset was not transferred to use before this date). If required, the construction cost also includes preliminary estimates of the cost of dismantling and removing the components of tangible fixed assets and the restoration cost.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) shall be capitalised as part of the cost of that asset. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are costs which could have been avoided, if the capital expenditure on qualified asset had not been incurred. The capitalisation of borrowing costs as part of the cost of a qualifying asset shall commence when expenditures for the asset are being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs shall cease when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net within other income/other expenses in profit or loss.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property.

Subsequent expenditures

The Company recognizes in the carrying amount of an item of property, plant and equipment, the cost of replacing part of such an item when that cost is incurred, if it is probable that the future economic benefits embodied with the item will flow to the Company and the cost can be measured reliably. The expenditures related to maintenance of property part and equipment are recognized as incurred.

Depreciation

Items of property, plant and equipment, relatively their significant and separate components, are depreciated on a straight – line basis over their estimated useful lives, considering residual values. Land is not depreciated.

The Company adopted following useful lives for particular categories of property plant and equipment:

- buildings 25-40 years
- plant and equipment 1-15 years
- vehicles 5 years
- other 1-5 years

The adequacy of useful lives, depreciation methods and residual values (if significant) is reassessed annually.

4.3. Intangible assets

Intangible assets that are acquired by the Company are measured at cost less accumulated depreciation and impairment losses (see note 4.11).

Subsequent expenditures

Subsequent expenditures on existing intangible assets are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred.

Amortisation

Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite.

The estimated useful lives are as follows:

- intellectual property rights — up to 5 years
- computer software — up to 5 years
- licenses — 3-5 years

The adequacy of amortisation methods, useful lives and residual values is reviewed at each reporting date and adjusted if appropriate.

4.4. Investment property

Investment property is a property held either to earn rental income or for capital appreciation or for both. Investment property is measured at cost less accumulated depreciation and impairment losses (see note 4.11).

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of investment property (residual values are taken into account). The Company assumed 40-year period of economic useful life for the part of the office building classified as investment property.

Considering that the aforementioned office building and its component parts are only marginally used in administrative activities, all these assets are treated entirely as investment property.

4.5. Leases

4.5.1. Company as a lessor

The Company recognises assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. Under a finance lease substantially all the risks and rewards incidental to legal ownership are transferred by the Company, and thus the lease payment receivable is treated by the Company as repayment of principal and finance income to reimburse and reward the lessor for its investment and services.

Other leases which are not classified as finance lease contracts are treated as operating lease.

Payments made under operating leases are recognised in profit and loss on a straight-line basis over the term of the lease.

4.5.2. Company as a lessee

Lease agreements in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases.

Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments, and then are subject to depreciation and impairment losses (see note 4.11). Subsequent to initial recognition, the property, plant and equipment under financial lease is accounted for in accordance with the accounting policy applicable to entity-owned property, plant and equipment. If it is not certain, that at the conclusion of the lease agreement the ownership of the leased assets will be transferred to the Company, the assets are depreciated over the shorter of periods of the lease and economic useful life of the assets.

Minimum lease payments made under finance leases are apportioned between reduction of the outstanding liability and the finance expense. The finance expenses is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Other leases which are not classified as finance lease contracts are treated as operating lease. Payments made under operating leases are recognised in profit and loss on a straight-line basis over the term of the lease.

4.6. Perpetual usufruct of land

The Company classifies perpetual usufruct of land as operating lease. The prepayments for perpetual usufruct of land are disclosed separately on the face of the separate statement of financial position. The prepayments for perpetual usufruct are expensed to profit or loss during the period of lease.

4.7. Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at cost less impairment losses (see note 4.11).

4.8. Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is determined based on the first in, first out principle. The cost includes expenditure incurred directly in acquiring the inventories and their adoption for use or sale.

4.9. Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Company's accounting policies. Thereafter, as at the day of initial classification as held for sale, the assets (or disposal group) are measured at the lower of their carrying amount or fair value less cost to sell.

4.10. Financial instruments

4.10.1. Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

The Company recognises loans, receivables and deposits when they arise. All other financial assets (including assets designated at fair value through profit or loss) are recognised on the trade date at which the Company becomes a party to the contractual provisions of the financial instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the separate statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Held-to-maturity financial assets

If the Company has the positive intent and ability to hold debt securities (State Treasury bonds etc.) to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale and would prevent the Company from classifying investment securities as held-to-maturity for the current and the following two financial years.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company’s cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets.

Available-for-sale financial assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at fair value, based on their market value as at the reporting date. If the financial assets are not listed on a stock exchange and if there are no alternative ways to verify their fair value, available-for-sale financial assets are valued at costs less any impairment loss.

Gains or losses, except for impairment losses, if there is a market price established by the regulated market or for which the fair value may be established in a reliable way, are recognised in other comprehensive income. A decline in the value of the available-for-sale financial assets resulting from impairment loss is recognized in profit or loss.

Non-derivative financial liabilities

The Company recognises debt securities issued and subordinated liabilities when they arise. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the separate statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company qualifies only trade and other payables as non-derivative financial liabilities.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

4.10.2. Derivative financial instruments

Derivative financial instruments are recognized initially at fair value - attributable transaction costs are recognized in profit or loss when incurred. Subsequent to initial recognition, derivatives are valued at fair value and changes therein are recognized immediately in profit or loss.

4.11. Impairment losses

4.11.1. Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired.

A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include: default or delinquency by a debtor, restructuring of an amount due to the Company on terms that it would not consider otherwise; indications that a debtor or issuer will enter bankruptcy; the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost, is objective evidence of impairment.

The Company considers evidence of impairment for loans granted, receivables and held-to-maturity investment securities at both a specific asset and collective level. All individually significant loans granted, receivables and held-to-maturity investment securities are assessed for specific impairment.

All individually significant loans granted, receivables and held-to-maturity investment securities found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans granted, receivables and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity, to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss.

If, in a subsequent periods, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

4.11.2. Non-financial assets

The carrying amounts of the Company's non-financial assets, other than biological assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In case of assets, which do not generate independent cash flows, value in use is estimated for the smallest identifiable cash-generating unit to which the asset belongs.

4.11.3. Non-current assets held for sale

An impairment loss in respect of disposal group is allocated to assets on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, which continue to be measured in accordance with the Company's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

4.12. Equity

Ordinary shares

Incremental costs directly attributable to issue of ordinary shares are recognised as a deduction from equity.

Repurchase of treasury shares

When treasury shares are bought, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity.

Fair value reserve

All profits and losses from valuation of available-for-sale financial assets (apart from impairment losses and exchange rate changes), for which it is possible to declare their fair value based on regulatory market, or in any other reliable way, are attributed to this item of the equity.

4.13. Employee benefits

4.13.1. Retirement and disability benefits

The Company in accordance with its remuneration rules is obliged to payment of retirement and disability benefits.

The Company's obligation resulting from retirement/disability benefits is measured by estimation of future salary of a given employee for the period in which an employee will receive the benefit and by estimation of future retirement/disability benefit. Retirement/disability benefits are discounted using market Treasury bond return rate at the end of reporting period. The retirement/disability benefits obligation is recognized proportionally to the projected length of service of a given employee. Recognising the liability due to retirement/disability benefits, the Company discloses total actuarial gains or losses in other comprehensive income, for the period in which they arisen.

4.13.2. Jubilee bonuses

The Company offers to some of its employees jubilee bonuses, which depend on the current length of service of a given employee and the current average remuneration in the industry.

The Company's obligation resulting from jubilee bonuses is measured by estimation of future salary of a given employee for the period in which an employee will become entitled to a particular jubilee bonus and by estimation of future jubilee bonus. Jubilee bonuses are discounted using market Treasury bond return rate at the end of the reporting period. Disclosing liability due to jubilee bonuses, the Company discloses total actuarial gains or losses in profit or loss, within the period in which they arisen.

Staff rotation is estimated on the basis of historical data and forecasts on level of employment in the future.

4.13.3. Current employee benefits

Current employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised in the amount expected to be paid under short-term employee benefits, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

4.14. Provisions

A provision is recognized in the separate statement of financial position, when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

4.15. Revenue

Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease.

4.16. Finance income and expenses

Finance income comprises interest income on funds invested by the Company and due to finance lease agreements, dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Company's right to receive payment is established.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, losses on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets, and losses on hedging instruments that are recognised in profit or loss. All borrowing costs are recognised in profit or loss using the effective interest method.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance costs depending on whether foreign currency movements are in a net gain or net loss position.

4.17. Income tax

Income tax expense comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payables or receivables due to tax on taxable income of the year, calculated using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit, temporary differences in relation to investments in subsidiaries, which utilization in foreseeable future is considered doubtful. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized. These reductions are reversed when it is probable that sufficient taxable profits will be available.

4.18. Discontinued operations

A discontinued operation is a component of the Company's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively for future resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

4.19. Earnings per share (EPS)

In preparation of the separate financial statements basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares for the reporting date.

(all amounts in PLN thousand (TPLN), unless stated otherwise)

5. Segment reporting

5.1. Business and geographical segments

The Company's business activity includes management and business advisory and also rental of office space and its revenues derive exclusively from Poland.

5.2. Major customer

Revenues from one of the customers of management, advisory and rental services segment exceeded 10% of revenue and amounted to TPLN 647 for 2016 (for 2015: TPLN 648).

6. Non-current assets held for sale

As at 31 December 2016 and 31 December 2015 the Company had no assets classified as non-current assets held for sale.

7. Revenue

	2016	2015
Rental of investment property	3 304	3 303
Other services	470	449
Total	**3 774**	**3 752**

8. Expenses by nature

	2016	2015
Depreciation and amortisation	(546)	(535)
Energy and materials consumption	(1 124)	(1 072)
External services	(2 660)	(2 701)
Taxes and charges	(472)	(467)
Employee benefit expenses	(2 297)	(2 763)
Other costs	(162)	(97)
Total expenses by nature	**(7 261)**	**(7 635)**
Cost of sales and administrative expenses	**(7 261)**	**(7 635)**

8.1. Employee benefit expenses

	2016	2015
Wages and salaries	(1 671)	(1 578)
Social security contributions and other benefits	(183)	(166)
Movement in employee benefits liabilities included in profit and loss:	(443)	(1 019)
Post-employment benefits	(12)	(10)
Jubilee bonuses liabilities	(2)	(5)
Other employee benefits	(429)	(1 004)
Total	**(2 297)**	**(2 763)**

(all amounts in PLN thousand (TPLN), unless stated otherwise)

9. Other income

	2016	*2015*
Reversal of allowances for receivables	-	1
Compensations, contractual penalties and costs of court proceedings received	3	24
Interest from receivables	7	116
Reversal of other provisions and allowances	-	2
Net gain on sale of property, plant and equipment and intangible assets	36	-
Other	-	12
Total	**46**	**155**

10. Other expenses

	2016	*2015*
Allowances for receivables	(27)	-
Penalties, compensations, charges	(4)	(19)
Net loss on sale of property, plant and equipment, intangible assets and investment property	-	(30)
Unrecoverable input VAT	(2)	(4)
Total	**(33)**	**(53)**

11. Net finance income

	2016	*2015*
Recognised in profit or loss for the period		
Dividends	177 680	5 994
Interest income, including:	3 734	3 013
- on bank deposits	3 444	2 683
- on finance lease	290	330
- from related entities	290	330
Net foreign exchange gain	6	-
Other finance income	4	-
Finance income	**181 424**	**9 007**
Revaluation of investments	(93)	(153)
Finance expenses	**(93)**	**(153)**
Net finance income recognised in profit or loss for the period	**181 331**	**8 854**
Recognised in other comprehensive income		
Finance income/(expenses) recognised in other comprehensive income	**-**	**-**

(all amounts in PLN thousand (TPLN), unless stated otherwise)

12. Income tax

12.1. Income tax recognised in profit or loss for the period

	2016	*2015*
Current income tax expense	**(2)**	**(36)**
Current income tax on profits for the year	(2)	(36)
Deferred tax	**2 892**	**77**
Recognition and reversal of temporary differences	2 892	77
Income tax impacting profit or loss for the period	**2 890**	**41**

The income tax rate which embraced the Company's activity amounted to 19% in 2015-2016. It is assumed that the income tax rate shouldn't change in upcoming years.

In 2016 the Company incurred a tax loss of TPLN 2,155 (2015: tax profit of TPLN 73). The income tax recognised on the face of statement of comprehensive income comprises exclusively the withholding tax related to dividends received by the Company.

Considering the uncertainty of utilization of the excess of negative temporary differences and also outstanding tax losses carried forward over positive temporary differences in the foreseeable future, as at 31 December 2015 the Company did not recognise the full amount of deferred tax assets.

As at 31 December 2016, following the review of expected utilization of temporary differences in the foreseeable future, the Company recognised the full amount of deferred tax assets (see also note 18).

12.2. Effective tax rate

	2016		*2015*	
	%		%	
Profit before income tax		177 857		5 073
Income tax calculated using domestic tax rate	(19.0%)	(33 793)	(19.0%)	(964)
Non-deductible expenses (permanent differences)	(0.0%)	(64)	(1.1%)	(55)
Tax exempt income (permanent differences)	(19.0%)	33 734	22.0%	1 116
Utilization of previously adjusted tax losses	-	-	0.3%	14
Valuation adjustment/ temporary differences previously adjusted	1.7%	3 013	(1.4%)	(70)
	1.6%	**2 890**	**0.8%**	**41**

12.3. Income tax recognised in other comprehensive income

	2016		*2015*	
	Before tax	**Tax (expense) /benefit**	**Before tax**	**Tax (expense) /benefit**
Remeasurement of employee benefits	3	(1)	4	-

(all amounts in PLN thousand (TPLN), unless stated otherwise)

13. Property, plant and equipment

	Buildings	Plant and equipment	Vehicles	Other	Under construction	Total
Cost as at 1 January 2015	**598**	**17**	**308**	**745**	**-**	**1 668**
Acquisitions	-	-	-	-	600	**600**
Transfer from property, plant and equipment under construction	-	-	-	-	(589)	**(589)**
Disposals	-	-	-	(24)	-	**(24)**
Reclassification to investment property	(515)	(15)	-	-	-	**(530)**
Cost as at 31 December 2015	**83**	**2**	**308**	**721**	**11**	**1 125**
Cost as at 1 January 2016	**83**	**2**	**308**	**721**	**11**	**1 125**
Acquisitions	-	-	211	2	741	**954**
Transfer from property, plant and equipment under construction	-	-	-	-	(752)	**(752)**
Disposals	-	-	(182)	(43)	-	**(225)**
Cost as at 31 December 2016	**83**	**2**	**337**	**680**	**-**	**1 102**
Depreciation and impairment losses as at 1 January 2015	**(458)**	**(7)**	**(284)**	**(734)**	**-**	**(1 483)**
Depreciation for the period	(3)	-	(24)	(9)	-	**(36)**
Disposals	-	-	-	24	-	**24**
Reclassification to investment property	405	5	-	-	-	**410**
Depreciation and impairment losses as at 31 December 2015	**(56)**	**(2)**	**(308)**	**(719)**	**-**	**(1 085)**
Depreciation and impairment losses as at 1 January 2016	**(56)**	**(2)**	**(308)**	**(719)**	**-**	**(1 085)**
Depreciation for the period	(2)	-	(14)	(3)	-	**(19)**
Disposals	-	-	182	43	-	**225**
Depreciation and impairment losses as at 31 December 2016	**(58)**	**(2)**	**(140)**	**(679)**	**-**	**(879)**
Carrying amounts						
As at 1 January 2015	140	10	24	11	-	**185**
As at 31 December 2015	27	-	-	2	11	**40**
As at 1 January 2016	27	-	-	2	11	**40**
As at 31 December 2016	25	-	197	1	-	**223**

(all amounts in PLN thousand (TPLN), unless stated otherwise)

14. Intangible assets

	Concessions, licences, software and other	Other intangible assets	Total
Cost as at 1 January 2015	**506**	**970**	**1 476**
Disposals	-	-	-
Cost as at 31 December 2015	**506**	**970**	**1 476**
Cost as at 1 January 2016	**506**	**970**	**1 476**
Disposals	-	-	-
Cost as at 31 December 2016	**506**	**970**	**1 476**
Amortisation and impairment losses as at 1 January 2015	**(506)**	**(970)**	**(1 476)**
Amortisation for the period	(2)	-	**(2)**
Reversal of impairment loss	2	-	**2**
Amortisation and impairment losses as at 31 December 2015	**(506)**	**(970)**	**(1 476)**
Amortisation and impairment losses as at 1 January 2016	**(506)**	**(970)**	**(1 476)**
Amortisation for the period	-	-	-
Amortisation and impairment losses as at 31 December 2016	**(506)**	**(970)**	**(1 476)**
Carrying amounts			
As at 1 January 2015	-	-	-
As at 31 December 2015	-	-	-
As at 1 January 2016	-	-	-
As at 31 December 2016	-	-	-

The amortisation of intangible assets is recognized in administrative expenses.

As at 31 December 2016 and 31 December 2015, the intangible assets were not subject to any impairment.

(all amounts in PLN thousand (TPLN), unless stated otherwise)

15. Investment property

	31 December 2016	*31 December 2015*
Cost at the beginning of the period	**29 728**	**28 757**
Disposals	-	(148)
Transfer from property, plant and equipment under construction	752	589
Reclassification from property, plant and equipment	-	530
Cost at the end of the period	**30 480**	**29 728**
Depreciation and impairment losses at the beginning of the period	**(25 552)**	**(24 761)**
Depreciation for the period	(527)	(497)
Disposals	-	116
Reclassification from property, plant and equipment	-	(410)
Depreciation and impairment losses at the end of the period	**(26 079)**	**(25 552)**
Carrying amounts at the beginning of the period	**4 176**	**3 996**
Carrying amounts at the end of the period	**4 401**	**4 176**

Investment property is measured at cost less accumulated depreciation and impairment losses (see note 4.4).

Investment property comprises a designated for rental part of office building situated at Mickiewicza St. as well as adjacent parking lots (including parking lot at Sokolska St.).

Based on property expert's valuation conducted in June 2016, the fair value of the Company-owned part of the building at Mickiewicza St., and the fair value of perpetual usufruct of land on which aforementioned building is situated, were estimated at PLN 15.2 million – the fair value of the investment property situated at Sokolska St. was estimated at PLN 4.4 million. The property was appraised using income-based approach, investment method, simple capitalization technique.

As at 31 December 2016, the Company classified 100% of the owned part of the building at Mickiewicza St. and 100% of the parking lot at Sokolska St. as the investment property (these indicators are subject to revision on semi-annual basis).

Rental income (office and parking space) in 2016 amounted to TPLN 3,304 (in 2015: TPLN 3,303) and it was presented in profit or loss under "Revenue" – costs directly attributable to rental income amounted to TPLN 4,035 (in 2015: TPLN 3,917) and were presented in profit or loss under "Cost of sales".

(all amounts in PLN thousand (TPLN), unless stated otherwise)

16. Investments in subsidiaries and associates

Investments in subsidiaries and associates included following entities:

	Cost	Impairment loss	Carrying amount	Ownership
31 December 2016				
Petrostal S.A. w likwidacji	1 727	(1 727)	-	100.00%
Stalexport Autoroute S.a r.l	67 086	-	67 086	100.00%
Biuro Centrum Sp. z o.o.	32	-	32	40.63%
Total	**68 845**	**(1 727)**	**67 118**	
31 December 2015				
Petrostal S.A. w likwidacji	1 727	(1 727)	-	100.00%
Stalexport Autoroute S.a r.l	67 086	-	67 086	100.00%
Biuro Centrum Sp. z o.o.	32	-	32	40.63%
Total	**68 845**	**(1 727)**	**67 118**	

Financial information on above entities, which shares were not subject to 100% impairment was as follows:

	Ownership	Assets	Liabilities	Equity	Revenue	Profit or loss
31 December 2016						
Stalexport Autoroute S.a r.l	100.00%	274 704	65	274 639	-	175 758
Biuro Centrum Sp. z o.o.	40.63%	2 854	1 015	1 839	10 249	463
Total		**277 558**	**1 080**	**276 478**	**10 249**	**176 221**
31 December 2015						
Stalexport Autoroute S.a r.l	100.00%	266 335	1 788	264 547	-	5 941
Biuro Centrum Sp. z o.o.	40.63%	2 443	1 066	1 377	10 100	249
Total		**268 778**	**2 854**	**265 924**	**10 100**	**6 190**

There is a pledge established on shares of company Stalexport Autoroute S.a r.l and shares of companies Stalexport Autostrada Małopolska S.A. and VIA4 S.A. owned by Stalexport Autoroute S.a r.l, as a security of a bank loan granted to a subsidiary Stalexport Autostrada Małopolska S.A.

17. Other investments

	31 December 2016	*31 December 2015*
Non-current		
Other	69	69
Total	**69**	**69**
Current		
Available-for-sale financial assets (shares in unrelated entities)	1 488	1 581
Total	**1 488**	**1 581**

Financial instruments available-for-sale comprise shares of Ideon S.A. and Dom Maklerski BDM S.A. As at 31 December 2016 the shares of these companies were subject to an impairment amounting to TPLN 13,565 (as at 31 December 2015: TPLN 13,475) and TPLN 1,151 (as at 31 December 2015: TPLN 1,148) respectively.

(all amounts in PLN thousand (TPLN), unless stated otherwise)

18. Deferred tax

18.1. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following items of assets and liabilities:

	Assets		Liabilities		Net	
	31 December 2016	*31 December 2015*	*31 December 2016*	*31 December 2015*	*31 December 2016*	*31 December 2015*
Property, plant and equipment	848	1 043	-	-	**848**	**1 043**
Investment property	180	277	-	-	**180**	**277**
Other non-current investments	6	6	-	-	**6**	**6**
Finance lease receivables	-	-	(1 047)	(1 168)	**(1 047)**	**(1 168)**
Trade and other receivables	280	288	(62)	(62)	**218**	**226**
Current investments	1 937	1 919	-	-	**1 937**	**1 919**
Cash and cash equivalents	-	-	(114)	(70)	**(114)**	**(70)**
Employee benefits	231	608	-	-	**231**	**608**
Trade and other payables	90	76	-	-	**90**	**76**
Deferred tax assets/liabilities on temporary differences	**3 572**	**4 217**	**(1 223)**	**(1 300)**	**2 349**	**2 917**
Tax loss carry-forwards	1 148	739	-	-	**1 148**	**739**
Set off of tax	(1 223)	(1 300)	1 223	1 300	**-**	**-**
Valuation adjustment	-	(3 050)	-	-	**-**	**(3 050)**
Net deferred tax assets as in statement of financial position	**3 497**	**606**	**-**	**-**	**3 497**	**606**

Considering the uncertainty of utilization of the excess of negative temporary differences and also outstanding tax losses carried forward over positive temporary differences in the foreseeable future, the Company as at 31 December 2015 recorded a valuation adjustment as a result of which net deferred tax assets were not recognized in full. As at 31 December 2016, following the review of expected utilization of temporary differences in the foreseeable future, the Company reversed the aforementioned valuation adjustment, thereby recognising the full amount of deferred tax assets.

(all amounts in PLN thousand (TPLN), unless stated otherwise)

18.2. Changes of temporary differences

	1 January 2016	Change of deferred tax on temporary differences recognised in		31 December 2016
		profit or loss for the period	other comprehensive income	
Property, plant and equipment	1 043	(195)	-	848
Investment property	277	(97)	-	180
Other non-current investments	6	-	-	6
Finance lease receivables	(1 168)	121	-	(1 047)
Trade and other receivables	226	(8)	-	218
Current investments	1 919	18	-	1 937
Cash and cash equivalents	(70)	(44)	-	(114)
Employee benefits	608	(376)	(1)	231
Trade and other payables	76	14	-	90
Tax loss carry-forwards	739	409	-	1 148
Valuation adjustment	(3 050)	3 050	-	-
Total	**606**	**2 892**	**(1)**	**3 497**

18.3. Tax losses

According to the tax regulations, tax loss incurred in a given tax year can reduce taxable income over the next five consecutive tax years, however the decrease in whichever of those years cannot exceed 50% of the loss for a given year. As at 31 December 2016 the maximum amount of tax losses remaining to be utilized during next five tax years amounted to TPLN 6,041 (31 December 2015: TPLN 3,886).

Amount of loss	*Expiry date*
1 943	2018
1 943	2019
1 078	2020
1 077	2021
6 041	

19. Income tax receivables

As at 31 December 2016 the income tax receivables accounted for TPLN 1,341 (31 December 2015: TPLN 1,341). These receivables will be settled with future income tax liabilities due to tax authorities. Due to uncertain recovery of these receivables as at 31 December 2016, an impairment loss of TPLN 1,341 was recognized (as at 31 December 2015: TPLN 1,341).

(all amounts in PLN thousand (TPLN), unless stated otherwise)

20. Finance lease receivables

The receivables derive from lease agreements struck with a related company VIA4 S.A., which acts as operator on Katowice-Kraków section of A-4 Motorway. Assets subject to the lease included cars, trucks and special purpose vehicles, which are used by VIA4 S.A. in its activity. The finance lease receivables were recognized at an amount equal to the net investment in the lease.

	31 December 2016	*31 December 2015*
Gross investment in leases	5 970	6 781
Unearned finance lease income	(461)	(632)
Net investment in leases	**5 509**	**6 149**

Future lease payments to be received are as follows:

	Lease payments	Finance income (interest)	Net investment in leases
31 December 2016			
up to 1 year	2 095	228	1 867
from 1 to 5 years	3 875	233	3 642
Total	**5 970**	**461**	**5 509**
31 December 2015			
up to 1 year	1 916	274	1 642
from 1 to 5 years	4 830	357	4 473
over 5 years	35	1	34
Total	**6 781**	**632**	**6 149**

21. Trade and other receivables

	31 December 2016	*31 December 2015*
Trade receivables from related entities	148	136
Trade receivables from other entities	5 042	5 885
Receivables from taxes, duties, social and health insurances and other benefits	8	160
Other receivables from related entities	-	1 750
Other receivables from other entities	50	34
Total	**5 248**	**7 965**

Trade and other receivables are presented net of allowances for doubtful debts amounting to TPLN 91,565 (31 December 2015: TPLN 91,517).

The table below presents overdue trade and other receivables together with the amount of the allowances for doubtful debts.

	31 December 2016	*31 December 2015*
Overdue receivables (gross)		
up to 1 month	61	43
1-6 months	29	17
6 months-1 year	36	1
over 1 year	96 492	97 143
	96 618	**97 204**
allowances for overdue and doubtful debts	(91 352)	(91 304)
Overdue receivables (net)	**5 266**	**5 900**

(all amounts in PLN thousand (TPLN), unless stated otherwise)

Movements of allowances for doubtful debts were as follows:

	2016	*2015*
Allowances for bad debts as at 1 January	**(91 517)**	**(91 567)**
Allowances recognised	(66)	(40)
Allowances reversed	39	40
Allowances utilized	10	63
Reclassifications	(31)	(13)
Allowances for bad debts as at 31 December	**(91 565)**	**(91 517)**

The allowances for doubtful debts within trade receivables were recognized due to expected difficulties in collection of amounts due from some customers. The allowances for other receivables concern mainly receivables deriving from activities discontinued in previous periods, resulting from loan guarantees granted to entities which were not able to settle their liabilities.

According to the Company, the collection of receivables which have not been subject to allowances is not doubtful. Overdue net receivables in amount of TPLN 4,986 are secured on the customer's property, which value exceeds the value of these receivables.

In 2016, in line with received payments and based on analysis of probability of post reporting date retrieval, the Company reversed some allowances for overdue receivables concerning the activity discontinued in previous years and current activity. Allowances amounting to TPLN 39 were reversed (in 2015 amounting to TPLN 40).

22. Cash and cash equivalents

	31 December 2016	*31 December 2015*
Bank balances	18	16
Current deposits	302 100	123 370
Cash and cash equivalents in the statement of financial position	**302 118**	**123 386**
Cash and cash equivalents in the statement of cash flows	**302 118**	**123 386**

23. Equity

23.1. Share capital

	31 December 2016	*31 December 2015*
Number of shares at the beginning of the period	247 262 023	247 262 023
Number of shares at the end of the period (fully paid)	247 262 023	247 262 023
Nominal value of 1 share (PLN)	0.75	0.75
Nominal value of A-series issue	6 256	6 256
Nominal value of B-series issue	370	370
Nominal value of D-series issue	3 000	3 000
Nominal value of E-series issue	71 196	71 196
Nominal value of F-series issue	37 500	37 500
Nominal value of G-series issue	67 125	67 125
Total	**185 447**	**185 447**

The holders of ordinary shares are entitled to dividends as declared and are entitled to one vote per share at General Meeting of the Company. All shares entitle the shareholders to Company's assets in the same extent in case of its division.

23.2. Other reserve capitals and supplementary capital

Other reserve capitals may be created by the General Meeting from a part or total of approved profits of the Company. The General Meeting may also define a particular aim to which such resources should be assigned.

24. Earnings per share

The calculation of basic earnings per share was performed based on the net profit attributable to the ordinary shareholders of the Company of TPLN 180,747 (2015: net profit of TPLN 5,114) and a weighted average number of ordinary shares at the reporting date of 247,262 thousand (31 December 2015: 247,262 thousand).

Net profit attributable to shareholders per ordinary share

	2016	*2015*
Profit for the period attributable to Company's shareholders (in TPLN)	180 747	5 114
Weighted average number of ordinary shares at the end of the period (thousands of shares)	247 262	247 262
Profit for the period per ordinary share attributable to Company's shareholders (in PLN)	**0.73**	**0.02**

As at 31 December 2016 and 31 December 2015 no factors were determined that would result in dilution of profit per one share.

(all amounts in PLN thousand (TPLN), unless stated otherwise)

25. Employee benefits

	31 December 2016	*31 December 2015*
Non-current		
Retirement benefits	42	37
Disability benefits	2	2
Jubilee bonuses liabilities	31	30
Other employee benefits	1 034	-
Total	**1 109**	**69**
Current		
Retirement benefits	106	102
Jubilee bonuses liabilities	-	16
Other employee benefits	-	3 012
Total	**106**	**3 130**

Amounts of future liabilities due to retirement benefits, disability benefits and jubilee bonuses were calculated on the basis of actuarial appraisal model.

Other employee benefits as at 31 December 2016 constituted a forecasted bonus payment for which Company's Management Board is eligible based on 3-year incentive scheme endorsed by the Supervisory Board in 2016.

25.1. Movement in employee benefits liabilities

	Post-employment benefits		**Jubilee bonuses liabilities**		**Other employee benefits**		**Total**	
	2016	***2015***	***2016***	***2015***	***2016***	***2015***	***2016***	***2015***
As at 1 January	**141**	**135**	**46**	**41**	**3 012**	**2 008**	**3 199**	**2 184**
Included in profit or loss	**12**	**10**	**2**	**5**	**429**	**1 004**	**443**	**1 019**
Current service cost	11	9	2	2	1 034	1 004	**1 047**	**1 015**
Gains arising from settlements	-	-	-	-	(605)	-	**(605)**	**-**
Interest cost	1	1	1	1	-	-	**2**	**2**
Actuarial (gain)/loss	-	-	(1)	2	-	-	**(1)**	**2**
Included in other comprehensive income	**(3)**	**(4)**	**-**	**-**	**-**	**-**	**(3)**	**(4)**
Actuarial gain arising from:	(3)	(4)	-	-	-	-	**(3)**	**(4)**
- demographic assumptions	6	4	-	-	-	-	**6**	**4**
- financial assumptions	(4)	7	-	-	-	-	**(4)**	**7**
- other assumptions	(5)	(15)	-	-	-	-	**(5)**	**(15)**
Benefits paid	**-**	**-**	**(17)**	**-**	**(2 407)**	**-**	**(2 424)**	**-**
As at 31 December	**150**	**141**	**31**	**46**	**1 034**	**3 012**	**1 215**	**3 199**

25.2. Actuarial assumptions

Liabilities due to retirement benefits, disability benefits and jubilee bonuses were calculated according to following assumptions:

	31 December 2016	*31 December 2015*
Discount rate	3.50%	2.75%
Future remuneration increase	3.50%-5.00%	3.50%
Probability of resignation	1.96%	1.95%
Weighted-average duration of liabilities (in years)		
Post-employment benefits	11.57	14.47
Jubilee bonuses liabilities	7.79	6.81

(all amounts in PLN thousand (TPLN), unless stated otherwise)

25.3. Sensitivity analysis

Below a sensitive analysis has been disclosed, showing how reasonably possible changes of material actuarial assumptions made at the reporting date, holding other assumptions constant, would have impacted the liabilities due to employee benefits.

	Discount rate change		Remuneration increase change		Probability of resignation change	
31 December 2016	- 0.5 ppt	+ 0.5 ppt	- 0.5 ppt	+ 0.5 ppt	- 0.5 ppt	+ 0.5 ppt
Retirement benefits	150	145	145	150	149	145
Disability benefits	2	2	2	2	2	2
Jubilee bonuses liabilities	32	30	30	32	32	30
Total	**184**	**177**	**177**	**184**	**183**	**177**

31 December 2015	- 0.5 ppt	+ 0.5 ppt	- 0.5 ppt	+ 0.5 ppt	- 0.5 ppt	+ 0.5 ppt
Retirement benefits	142	136	136	142	141	136
Disability benefits	2	2	2	2	2	2
Jubilee bonuses liabilities	47	45	45	47	47	45
Total	**191**	**183**	**183**	**191**	**190**	**183**

26. Trade and other payables (current)

	31 December 2016	*31 December 2015*
Trade payables to related entities	93	175
Trade payables to other entities	204	260
Amounts due to taxes, duties, social and other benefits	73	45
Payroll liabilities	302	256
Other payables and accruals to related entities	-	147
Other payables and accruals to other entities	199	172
Total	**871**	**1 055**

(all amounts in PLN thousand (TPLN), unless stated otherwise)

27. Financial instruments – classification and fair value

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2016		Carrying amount				Fair value			
	Note	Loans and receivables	Available-for-sale financial assets	Financial liabilities valued at amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value									
Equity instruments*	17	-	1 557	-	**1 557**				
Finance lease receivables	20	5 509	-	-	**5 509**				
Trade and other receivables**	21	5 240	-	-	**5 240**				
Cash and cash equivalents	22	302 118	-	-	**302 118**				
		312 867	**1 557**	**-**	**314 424**				
Financial liabilities not measured at fair value									
Trade and other payables**	26	-	-	798	**798**				
		-	**-**	**798**	**798**				

(all amounts in PLN thousand (TPLN), unless stated otherwise)

31 December 2015		**Carrying amount**				**Fair value**			
	Note	**Loans and receivables**	**Available-for-sale financial assets**	**Financial liabilities valued at amortised cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value									
Equity instruments	17	-	90	-	**90**	90	-	-	**90**
		-	**90**	**-**	**90**				
Financial assets not measured at fair value									
Equity instruments*	17	-	1 560	-	**1 560**				
Finance lease receivables	20	6 149	-	-	**6 149**				
Trade and other receivables**	21	7 805	-	-	**7 805**				
Cash and cash equivalents	22	123 386	-	-	**123 386**				
		137 340	**1 560**	**-**	**138 900**				
Financial liabilities not measured at fair value									
Trade and other payables**	26	-	-	1 010	**1 010**				
		-	**-**	**1 010**	**1 010**				

* Shares of companies which are not listed on financial markets, and for which there are no alternative measures to define their fair value, are disclosed at cost net of any impairment losses.

** Without consideration of receivables/payables due to taxes, duties, social and health insurance and other benefits.

Fair value hierarchy

Financial instruments measured at fair value can be classified according to the following valuation methods:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities,
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly,
- Level 3: inputs that are not based on observable market data (unobservable inputs).

(all amounts in PLN thousand (TPLN), unless stated otherwise)

28. Financial risk management

28.1. Credit risk

Credit risk is a risk of financial loss to the Company if a customer or a counterparty fails to meet its contractual obligations, and it arises principally from the Company's receivables from customers and investment securities. The Company places its cash and cash equivalents in financial institutions with high credit ratings.

The following table shows the Company's maximum exposure to credit risk:

	31 December 2016	*31 December 2015*
Other non-current investments	69	69
Current investments	1 488	1 581
Finance lease receivables	5 509	6 149
Trade and other receivables	5 248	7 965
Cash and cash equivalents	302 118	123 386
Total	**314 432**	**139 150**

28.2. Stock exchange indexes fluctuations risk

Stock exchange indexes fluctuations risk relates to risk of possible financial losses due to fluctuations of stock exchange quotations. The risk concerns the shares of public listed companies recognised as available-for-sale financial assets.

The following table shows the Company's maximum exposure to stock exchange indexes fluctuations risk:

	31 December 2016	*31 December 2015*
Available-for-sale financial assets	-	90

28.3. Market risk

Market risk is the risk that changes in market demand, supply and prices, as well as other factors will affect the Company's financial results or controlled assets value (such as foreign exchange rates, interest rates and cost of capital). The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest rate risk

The Company's exposure to the interest rate risk relates mainly to cash and cash equivalents with floating interest rates based on WIBOR + margin. The Company doesn't hedge against the risk of interest rate fluctuations.

The table below presents susceptibility profile of the Company (maximum exposure) to the risk of interest rate fluctuations by means of financial instruments presentation according to the fixed and floating interest rate:

	Carrying amount *31 December 2016*	**Carrying amount** *31 December 2015*
Floating interest rate instruments		
Financial assets	307 627	129 535
Financial liabilities	-	-
Total	**307 627**	**129 535**

(all amounts in PLN thousand (TPLN), unless stated otherwise)

While managing interest rate risk, the Company aims to reduce the impact of interest rate fluctuations via current monitoring of financial market.

The Company has conducted sensitivity analysis of floating interest rate financial instruments to fluctuations of market interest rates. The table below presents the impact of increase or decrease of interest rate by 100 basis points on the profit or loss and equity. The analysis assumes that all other variables such as foreign exchange rates remain constant. The analysis was performed for current and comparable reporting periods.

	Profit or loss for the period		**Equity**	
	increase 100 bp	decrease 100 bp	increase 100 bp	decrease 100 bp
31 December 2016				
Floating interest rate instruments	3 076	(3 076)	3 076	(3 076)
31 December 2015				
Floating interest rate instruments	1 295	(1 295)	1 295	(1 295)

Foreign currency risk

At the end of 2016 foreign currency risk concerns mainly trade and other payables.

The table below shows profile of the Company’s sensibility (maximum exposure) to exchange rate change by means of presentation of financial instruments by currencies in which they are denominated:

Assets/liabilities by currency after conversion into PLN (in TPLN)

31 December 2016	**EUR**	**GBP**
Trade and other payables	(18)	(46)
Statement of financial position exposure	**(18)**	**(46)**

31 December 2015	**EUR**	**GBP**
Trade and other payables	(17)	(52)
Statement of financial position exposure	**(17)**	**(52)**

The Company performed sensitivity analysis of financial instruments denominated in foreign currencies to rate fluctuations. The table below presents the impact of strengthening or weakening of Polish zloty by 5% in relation to all foreign currencies, on profit or loss and on equity. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or loss for the period		**Equity**	
	increase of exchange rates by 5%	decrease of exchange rates by 5%	increase of exchange rates by 5%	decrease of exchange rates by 5%
31 December 2016	(3)	3	(3)	3
31 December 2015	(3)	3	(3)	3

(all amounts in PLN thousand (TPLN), unless stated otherwise)

28.4. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's approach to managing liquidity is to ensure, possession of financial means, necessary to fulfil Company's financial and investment liabilities using the most attractive sources of financing.

Liquidity management focuses on detailed analysis, planning and undertaking suitable actions related to working capital and net financial indebtedness.

The table below shows the Company's maximum exposure to liquidity risk:

31 December 2016			
Non-derivative financial liabilities	**Carrying amount**	**Expected cash flows**	**up to 6 months**
Trade and other payables	**871**	**(871)**	(871)
Total	**871**	**(871)**	**(871)**

31 December 2015			
Non-derivative financial liabilities	**Carrying amount**	**Expected cash flows**	**up to 6 months**
Trade and other payables	**1 055**	**(1 055)**	(1 055)
Total	**1 055**	**(1 055)**	**(1 055)**

28.5. Capital management

The Company's policy is to maintain strong capital base, which should be foundation for positive perception of the Company by investors, creditors and market and should also lead to further business development. Company monitors the changes in ownership, return on equity and debt/equity ratios.

The Company aims to achieve a return on equity ratio at the level considered satisfactory by the shareholders.

The Company is subject to the regulation resulting from art. 396 § 1 of the Polish Commercial Companies Code, which requires that at least 8% of profit for a given financial year should be assigned to supplementary capital, until this capital reaches at least 1/3 of the share capital.

The net debt to adjusted equity ratio at the end of the reporting period was as follows:

	31 December 2016	***31 December 2015***
Total liabilities	2 086	4 254
minus		
Cash and cash equivalents	302 118	123 386
Net debt	**(300 032)**	**(119 132)**
Equity	387 585	206 836
Adjusted equity	**387 585**	**206 836**
Net debt to adjusted equity ratio	**(0.8)**	**(0.6)**

There were no changes in the capital management policy during the financial year.

29. Contingencies, guarantees and other commitments

Contingent liabilities relate to guarantees given to related entities amounting to TPLN 21,540 (31 December 2015: TPLN 19,402).

(all amounts in PLN thousand (TPLN), unless stated otherwise)

30. Related party transactions

30.1. Intergroup receivables and liabilities

31 December 2016	**Receivables**	**Payables**
Atlantia SpA	-	18
Parent entities	***-***	***18***
Stalexport Autostrada Małopolska S.A.	-	3
VIA4 S.A.	5 649	-
Subsidiaries	***5 649***	***3***
Biuro Centrum Spółka z o.o.	8	62
Associates	***8***	***62***
Autogrill Polska Sp. z o.o.	-	10
Other related entities	***-***	***10***
Total	**5 657**	**93**

31 December 2015	**Receivables**	**Payables**
Atlantia SpA	-	17
Parent entities	***-***	***17***
Stalexport Autostrada Małopolska S.A.	-	3
VIA4 S.A.	6 277	-
Stalexport Autoroute S.a.r.l	1 750	-
Subsidiaries	***8 027***	***3***
Biuro Centrum Spółka z o.o.	8	292
Associates	***8***	***292***
Autogrill Polska Sp. z o.o.	-	10
Other related entities	***-***	***10***
Total	**8 035**	**322**

30.2. Related party transactions amounts

2016	**Revenue**	**Finance income (dividends)**	**Finance income (other)**	**Cost of sales**
Stalexport Autostrada Małopolska S.A.	-	-	-	(26)
VIA4 S.A.	410	-	290	-
Stalexport Autoroute S.a.r.l	-	177 675	-	-
Subsidiaries	***410***	***177 675***	***290***	***(26)***
Biuro Centrum Spółka z o.o.	277	-	-	(3 101)
Associates	***277***	***-***	***-***	***(3 101)***
Autogrill Polska Sp. z o.o.	57	-	-	-
Other related entities	***57***	***-***	***-***	***-***
Total	**744**	**177 675**	**290**	**(3 127)**

2015	**Revenue**	**Finance income (dividends)**	**Finance income (other)**	**Cost of sales**
Stalexport Autostrada Małopolska S.A.	-	-	-	(26)
VIA4 S.A.	389	-	330	-
Stalexport Autoroute S.a.r.l	-	5 805	-	-
Subsidiaries	***389***	***5 805***	***330***	***(26)***
Biuro Centrum Spółka z o.o.	269	-	-	(3 011)
Associates	***269***	***-***	***-***	***(3 011)***
Autogrill Polska Sp. z o.o.	57	-	-	-
Other related entities	***57***	***-***	***-***	***-***
Total	**715**	**5 805**	**330**	**(3 037)**

(all amounts in PLN thousand (TPLN), unless stated otherwise)

30.3. Transactions with key personnel

The remuneration cost of the managing and supervising personnel of the Company was as follows:

	2016	*2015*
Management Board	**1 268**	**1 837**
Salaries	841	836
Movement in employee benefits liabilities	427	1 001
Supervisory Board	**67**	**63**
Salaries	67	63
Total	**1 335**	**1 900**

In 2016 and 2015 the Company did not grant any loans, advances or guarantees to the members of the Management Board and Supervisory Board.

Remuneration for 2016 includes provision for Management Board bonuses for the year 2016 recognised as at 31 December 2016 in amount of TPLN 199 (corresponding provision as at 31 December 2015 amounted to TPLN 199), as well as a portion of remuneration payable on the basis of 3-year incentive scheme accrued in 2016 (see note 25).

31. Remuneration of the entity conducting audit the financial statements and its related entities

Information regarding the remuneration of entity assigned to audit the separate financial statements has been provided within point 5.19 of the Management Board Report on the activities of the Company.

32. Subsequent events

There were no significant subsequent events, which should be disclosed in the separate financial statements for the year 2016.