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STALEXPORT AUTOSTRADY S.A.

Financial Report for 2007

(consolidated)

1. Auditor's Opinion and Report
2. Consolidated financial results
3. Letter of the Chairman of the Management Board
4. Report of the Management Board on the activity of the Capital Group

Katowice, 13th March 2008

TRANSLATION

Stalexport Autostrady S.A. Group
(formerly Stalexport S.A. Group)

Opinion and Report of the Independent Auditor Financial Year ended 31 December 2007

The opinion contains 2 pages
The report supplementing the auditor's opinion
contains 15 pages
Opinion of the independent auditor
and report supplementing the auditor's opinion
on the consolidated financial statements
for the finacial year ended
31 December 2007

This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.

OPINION OF THE INDEPENDENT AUDITOR

To the General Meeting of Stalexport Autostrady S.A.

We have audited the accompanying consolidated financial statements of Stalexport Autostrady S.A. Group (previously Stalexport S.A. Group) seated in Katowice, 29 Mickiewicza Street ("Group"), which comprise the consolidated balance sheet as at 31 December 2007, with total assets and total liabilities and equity of PLN 749,032 thousand, the consolidated profit and loss account for the year then ended with a net profit of PLN 35,164 thousand, the consolidated statement of changes in equity for the year then ended with an increase in equity of PLN 231,104 thousand, the consolidated cash flow statement for the year then ended with a decrease in cash amounting to PLN 21,274 thousand and notes to the consolidated financial statements, comprising of a summary of significant accounting policies and other explanatory notes. The corresponding figures presented are based on the consolidated financial statements of the Group as of and for the year ended 31 December 2006, which were audited by another auditor who expressed an unqualified opinion on those financial statements on 26 June 2007.

Management's Responsibility for the Financial Statements

Management of the parent entity is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by European Union and with other applicable regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility, based on our audit, is to express an opinion on these consolidated financial statements. We conducted our audit in accordance with section 7 of the Accounting Act dated 29 September 1994 (Official Journal from 2002, No. 76, item 694 with amendments) ("the Accounting Act"), the professional standards established by the Polish National Council of Certified Auditors and International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the accompanying consolidated financial statements of Stalexport Autostrady S.A. Group have been prepared and present fairly in all material respects the financial position of the Group as at 31 December 2007 and the results of its operations and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, and are in compliance with the respective regulations that apply to the consolidated financial statements, applicable to the Group.

Other Matters

As required under the Accounting Act we also report that the Report of the Management Board on the Group's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 October 2005 on current and periodic information provided by issuers of securities (Official Journal from 2005, No 209, item 1744) and the information is consistent with the consolidated financial statements.

Signed on the Polish original
....
Certified Auditor No. 90066/7583
Arkadiusz Cieślik

Signed on the Polish original
....
For KPMG Audyt Sp. z o.o.
ul. Chłodna 51; 00-867 Warsaw
Certified Auditor No. 90046/7419
Marcin Domagała,
Member of the Management Board

Cracow, 12 March 2008

TRANSLATION

Stalexport Autostrady S.A. Group
(formerly Stalexport S.A. Group)

Report supplementing the auditor's opinion on the consolidated financial statements

Financial Year ended
31 December 2007

The report supplementing the auditor's opinion
contains 15 pages
Report supplementing the auditor's opinion
on the consolidated financial statements
for the financial year ended
31 December 2007

This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation

Contents

1	General	3
1.1	Identification of the Group	3
1.1.1	Name of the Group	3
1.1.2	Registered office of the Parent Company of the Group	3
1.1.3	Registration of the Parent Company in the National Court Register	3
1.1.4	Registration of the Parent Company in the Tax Office and Statistical Office	3
1.2	Information about companies comprising the Group	3
1.2.1	Companies included in the consolidated financial statements	3
1.3	Auditor information	4
1.4	Legal status	4
1.4.1	Share capital	4
1.4.2	Management of the Parent Company	5
1.4.3	Scope of activities	5
1.5	Prior period consolidated financial statements	6
1.6	Audit scope and responsibilities	7
1.7	Information on audits of the financial statements of the consolidated companies	8
1.7.1	Parent Company	8
1.7.2	Other consolidated entities	8
2	Financial analysis of the Group	10
2.1	Summary of the consolidated financial statements	10
2.1.1	Consolidated balance sheet	10
2.1.2	Consolidated profit and loss account	12
2.2	Selected financial ratios	13
2.3	Interpretation of selected financial ratios	13
3	Detailed report	14
3.1	Accounting principles	14
3.2	Basis of preparation of the consolidated financial statements	14
3.3	Method of consolidation	14
3.4	Consolidation of equity and calculation of minority interest	14
3.5	Consolidation eliminations	15
3.6	Notes to the consolidated financial statements	15
3.7	Report of the Management Board of the Parent Company on the Group's activities	15
3.8	Information on the opinion of the independent auditor	15

1 General

1.1 Identification of the Group

1.1.1 Name of the Group

Stalexport Autostrady S.A. Group (till 30 August 2007 Stalexport S.A. Group)

1.1.2 Registered office of the Parent Company of the Group

29 Mickiewicza Street
40-085 Katowice

1.1.3 Registration of the Parent Company in the National Court Register

Registration court:	District Court in Katowice, Commercial Department of the National Court Register
Date:	3 July 2001
Registration number:	0000016854

1.1.4 Registration of the Parent Company in the Tax Office and Statistical Office

NIP number:	634-01-34-211
REGON:	271936361

1.2 Information about companies comprising the Group

1.2.1 Companies included in the consolidated financial statements

As at 31 December 2007, the following companies were consolidated by the Group:

Parent Company:

- Stalexport Autostrady S.A. (previously Stalexport S.A.)

Subsidiaries consolidated on the full consolidation basis:

- Stalexport Autoroute S.a.r.l.,
- Stalexport Autostrada Małopolska S.A.,
- Stalexport Transroute Autostrada S.A.,
- Stalexport Autostrada Dolnośląska S.A.,
- Autostrada Mazowsze S.A.,
- Biuro Centrum Sp. z o.o.

The following subsidiaries were consolidated on the full consolidation basis for the first time during the year ended 31 December 2007, as a result of the Parent Company acquiring a controlling interest:

- Autostrada Mazowsze S.A. – subject to consolidation for the period from 26 November to 31 December 2007,
- Biuro Centrum Sp. z o.o. – subject to consolidation as of 31 December 2007 (previously accounted for based on the equity method).

1.3 Auditor information

Name:	KPMG Audyt Sp. z o.o.
Registered office:	Warsaw
Address:	ul. Chłodna 51, 00-867 Warsaw
Registration number:	KRS 0000104753
Registration court:	District Court for the Capital City Warsaw in Warsaw, XII Commercial Department of the National Court Register
Share capital:	PLN 125,000
NIP number:	526-10-24-841

KPMG Audyt Sp. z o.o. is entered in the register of entities authorised to audit financial statements under number 458.

1.4 Legal status

1.4.1 Share capital

The Parent Company was established for an indefinite period under the terms of its Statute dated 26 October 1993.

The share capital of the Parent Company amounted to PLN 494,524,046.00 as at 31 December 2007 divided into 247,262,023 ordinary shares with a nominal value of PLN 2 each.

Since November 1993 till December 1996 the Parent Company operated in the hyperinflationary economy. IAS 29 *Financial Reporting in Hyperinflationary Economies* requires restating the components of shareholders equity (except from retained earnings and revaluation reserve) using general price index for the hyperinflation period. This retrospective application of IAS 29 resulted in the decrease in retained earnings during that period in the total amount of PLN 18,235 thousand and restatement of the share capital in the same amount.

On 26 June 2007 the share capital of the Parent Company was increased by PLN 179,000 thousand through the issue of 89,500 G serie shares with a nominal value of PLN 2 each which were acquired by Atlantia S.p.A. and contributed in cash.

As at 31 December 2007, the shareholder structure was as follows:

Name of the Shareholder	Number of shares	Voting rights (%)	Nominal value of shares PLN	Percentage of share capital (%)
Atlantia S.p.A.	139,059,182	56.2%	278,118,364	56.2%
Others	108,202,841	43.8%	216,405,682	43.8%
	247,262,023	100.0%	494,524,046	100.0%

On 18 January 2008, as a result of non-monetary contribution in 139,059,182 shares of Stalexport Autostrady S.A. to its subsidiary Autostrade per 1'Italia S.p.A., the main shareholder of the Parent Company was changed. Prior to the acquisition of the shares, Autostrade per 1'Italia S.p.A. was not a shareholder of the Parent Company.

1.4.2 Management of the Parent Company

The Management Board is responsible for management of the Parent Company.

At 31 December 2007, the Management Board of the Company was comprised of the following members:

- Emil Wąsacz - President of the Management Board,
- Mieczysław Skołożyński - Vice-president of the Management Board,

As of 29 September 2007, Ms. Urszula Dzierżoń resigned from the post of the Member of Management Board of the Parent Company.

1.4.3 Scope of activities

The business activities listed in the Parent Company's Statute include the following:

- Business and management advisory,
- Holding management activities,
- Wholesale of metals and metal ores,
- Wholesale of solid, liquid and gas fuels,
- Production of metal constructions excluding service activities.

On 1 October 2007 the Parent Company signed a contract on disposal of the organized part of an enterprise comprising wholesaling of metals and metal ores and production of metal constructions.

The business activities of subsidiaries of the Group, according to their Statutes, include the following:

- business operations relating to the management, construction by adaptation of the motorway to the requirements of toll motorway and operation of motorway A-4 Katowice-Kraków,
- construction of roads and railroads,
- providing services related to maintenance and operation of motorway A-4 Katowice-Kraków.

1.5 Prior period consolidated financial statements

The consolidated financial statements for the financial year ended 31 December 2006, prior to restatements described in note 40 of the consolidated financial statements, were audited by BDO Numerica Sp. z o.o. which on 4 June 2007 issued a qualified opinion with the following qualifications:

"We draw your attention to the fact that the continuation of the Parent Company's operations is still dependent on the realization of the provisions of the settlement concluded with the creditors, and the timely repayment of credit installments and interest, which can only be possible if sufficient funds are generated.

The activities undertaken to generate a financial surplus by:

- finding an investor and obtaining his direct cash engagement was suspended until the court resolves the validity of the resolutions to increase the share capital and have it taken up by the investor, thereby postponing the moment at which the share capital increase will be registered and the funds that were deposited to cover the increase and then blocked will become available,
- realizing the signed agreement for the sale of the wholesale portion of operations, which is conditioned on registering the capital, which also postpones the time when funds will be obtained,

have thus far failed to produce the anticipated results.

Despite undertaking activities to sell the wholesale business, the Parent Company did not present its value under assets designated for sale and did not estimate the result of the transaction.

We would like to stress that the repayment of liabilities at the expense of limiting working capital may further worsen the situation by accelerating the Parent Company's loss of its ability to continue as a going concern."

On 26 June 2007, as a result of subsequent events, BDO Numerica Sp. z o.o. reissued its opinion dated 4 June 2007. The new opinion was unqualified with the following explanatory paragraph:

"Without qualifying our opinion we would like to draw your attention to the fact that despite undertaking activities to sell the wholesale business, the Parent Company did not present its value under assets designated for sale and did not estimate the result of the transaction."

The consolidated financial statements were approved at the General Meeting on 28 June 2007.

The closing balances as at 31 December 2006, including the restatements described in note 40 of the consolidated financial statements, have been properly recorded as the opening balances of the audited year.

The consolidated financial statements were submitted to the Registry Court on 10 July 2007 and were published in Monitor Polski B No. 2211 on 18 December 2007.

1.6 Audit scope and responsibilities

This report was prepared for the General Meeting of Stalexport Autostrady S.A. seated in Katowice, 29 Mickiewicza Street and relates to the consolidated financial statements comprising: the consolidated balance sheet as at 31 December 2007, with total assets and total liabilities and equity of PLN 749,032 thousand, the consolidated profit and loss account for the year then ended with a net profit of PLN 35,164 thousand, the consolidated statement of changes in equity for the year then ended with an increase in equity of PLN 231,104 thousand, the consolidated cash flow statement for the year then ended with a decrease in cash amounting to PLN 21,274 thousand, and the notes to the consolidated financial statements, comprising of a summary of significant accounting policies and other explanatory notes.

The audited Company prepares its financial statements in accordance with International Financial Reporting Standards as adopted by the European Union on the basis of the decision of Extraordinary General Meeting dated 20 January 2005.

The consolidated financial statements have been audited in accordance with the contract dated 25 June 2007, concluded on the basis of the resolution of Supervisory Board dated 26 April 2007 on the appointment of the auditor.

We conducted the audit in accordance with section 7 of the Accounting Act, the professional standards established by the Polish National Council of Certified Auditors and International Standards on Auditing.

We audited the consolidated financial statements in the Parent Company's head office during the period from 2 to 4 January 2008 and from 11 to 15 February 2008.

Management of the Parent Company is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations.

Our responsibility is to express an opinion, and to prepare a supplementing report, on the financial statements.

The Management Board of the Parent Company submitted a statement, dated the same date as this report, as to the true and fair presentation of the consolidated financial statements presented for audit, which confirmed that there were no undisclosed matters which could significantly influence the information presented in the consolidated financial statements.

All our requests for additional documents and information necessary for expressing our opinion and preparing the report have been fulfilled.

KPMG Audyt Sp. z o.o., the members of its Management Board and Supervisory Board and other persons involved in the audit of the consolidated financial statements fulfil independence requirements from the companies included in the Group. The scope of the work planned and performed has not been limited in any way. The method and scope of our audit is detailed in working papers prepared by us and retained in the offices of KPMG Audyt Sp. z o. o.

1.7 Information on audits of the financial statements of the consolidated companies

1.7.1 Parent Company

The financial statements of the Parent Company for the year ended 31 December 2007 were audited by KPMG Audyt Sp. z o.o., certified auditor number 458, and received an unqualified opinion.

1.7.2 Other consolidated entities

Entity's name	Authorised auditor	Financial year end	Type of auditor's opinion
Stalexport Autoroute S.a.r.l.	Fiduciaire Patrick Sganzerla S.a.r.l.	31.12.2007	unqualified opinion
Stalexport Autostrada Małopolska S.A.	KPMG Audyt Sp. z o.o.	31.12.2007	unqualified opinion
Stalexport Transroute Autostrada S.A.	KPMG Audyt Sp. z o.o.	31.12.2007	qualified opinion
Stalexport Autostrada Dolnośląska S.A.	Bufiks Biuro Usług Finansowo-Księgowych Stowarzyszenia Księgowych w Polsce Sp. z o.o.	31.12.2007	unqualified opinion with explanatory paragraph
Autostrada Mazowsze S.A.	not audited	31.12.2007	not applicable
Biuro Centrum Sp. z o.o.	not audited	31.12.2007	not applicable

The opinion on the financial statements of Stalexport Transroute Autostrada S.A. issued on 25 February 2008 was qualified with the following qualification:

"We were not able to observe the counting of the physical inventories as of 31 December 2006 because the Company did not perform the counting as of this date and we were appointed auditors of the Company during 2007. We were unable to satisfy ourselves as to inventory quantities or condition as at 31 December 2006 by other audit procedures. Since opening inventories enter into the determination of the Company's financial performance for the financial year ended 31 December 2007, we were not able to determine whether any adjustments might have been necessary to amounts presented in the income statement for cost of sales, income taxes and net profit for the financial year ended 31 December 2007 and to inventory, income tax settlements and retained earnings in the balance sheet as at 31 December 2006."

The opinion on the unconsolidated financial statements of Stalexport Autostrada Dolnośląska S.A. issued on 29 February 2008 was unqualified with the following explanatory paragraph:

"Without qualifying our opinion we draw attention to the uncovered losses, which constitute 54.2% of share capital and to the necessity of adjusting the Company's Statute describing the rules regarding the preference shares to the requirements of Art. 352 of the Code of Commercial Companies".

The opinion on the consolidated financial statements of Stalexport Autostrada Dolnośląska S.A. Group (comprising subsidiaries Stalexport Autostrada Dolnośląska S.A., Autostrada Mazowsze S.A. and associate Stalexport Autostrada Śląska S.A.) issued on 29 February 2008 was unqualified with the following explanatory paragraph:

"Without qualifying our opinion on the consolidated financial statements, we inform, that due to lasting tender procedures the entities comprising the Stalexport Autostrada Dolnośląska Spółka Akcyjna Group have not obtained the concession for constructing or operating of motorways.

Moreover, we draw attention to the uncovered losses of parent entity, which constitute 54.2% of share capital of Stalexport Autostrada Dolnośląska Spółka Akcyjna."

The financial statements of four subsidiaries included in the consolidated financial statements were audited by certified auditors other than KPMG Audyt Sp. z o.o. or were not required to be audited. The total assets presented in the financial statements of these entities as at 31 December 2007 amount to 18.8% of the total consolidated assets of the Group before consolidation eliminations and the revenues of these entities for the financial year ended 31 December 2007 amount to 14.8% of the consolidated revenues of the Group, before eliminations of intercompany transactions.

2 Financial analysis of the Group

2.1 Summary of the consolidated financial statements

2.1.1 Consolidated balance sheet

ASSETS	31.12.2007 PLN '000	% of total	31.12.2006 *restated* PLN '000	% of total
Non-current assets				
Property, plant and equipment	417,975	55.8	335,634	46.7
Intangible assets	179	0.1	264	0.0
Prepayments for perpetual usufruct	116	0.0	116	0.0
Investment property	4,677	0.6	3,060	0.4
Investments in associates	362	0.1	3,349	0.5
Other investments	4,247	0.6	11,240	1.6
Long-term receibvables	100	0.0	-	-
Long-term prepayments for commissions and other	6,160	0.8	5,639	0.8
Deferred tax assets	33,099	4.4	25,957	3.6
Total non-current assets	466,915	62.4	385,259	53.6
Current assets				
Inventories	1,794	0.2	1,422	0.2
Other investments	58,578	7.8	4,545	0.6
Income tax receivable	-	-	1,342	0.2
Trade and other receivables	175,343	23.4	10,482	1.4
Cash and cash equivalents	46,310	6.2	77,199	10.7
Short-term prepayments for commissions and other	92	0.0	447	0.1
Assets classified as held for sale	-	-	238,711	33.2
Total current assets	282,117	37.6	334,148	46.3
TOTAL ASSETS	749,032	100.0	719,407	100.0

EQUITY AND LIABILITIES	31.12.2007 PLN '000	% of total	31.12.2006 *restated* PLN '000	% of total
Equity				
Share capital	494,524	66.0	315,524	43.9
Share capital revaluation adjustment	18,235	2.4	18,235	2.5
Treasury shares	(19)	0.0	(21)	0.0
Share premium	20,916	2.8	2,887	0.4
Other reserve capital	196,389	26.2	149,424	20.8
Foreign exchange translation differences	(37)	0.0	(46)	0.0
Retained earnings and uncovered losses	(411,911)	(55.0)	(399,670)	(55.6)
Total equity attributable to equity holders of the parent	318,097	42.4	86,333	12.0
Minority interest	3,448	0.5	4,108	0.6
Total equity	321,545	42.9	90,441	12.6
Liabilities				
Interest-bearing loans and borrowings	68,969	9.2	26,575	3.7
Financial lease laibilities	1,343	0.2	2,591	0.4
Employee benefits	482	0.1	89	0.0
Deffered income and goverment grants	16,902	2.3	18,059	2.5
ther long-term provisions	198,111	26.5	219,852	30.5
	53,123	7.1	167,884	23.3
Total non-current liabilities	338,930	45.4	435,050	60.4
Interest-bearing loans and borrowings	3,859	0.5	27,971	3.9
Financial lease liabilities	1,373	0.2	1,360	0.2
Income tax payable	1,039	0.1	2,224	0.3
Trade and other payables	76,004	10.1	52,404	7.3
Employee benefits	153	0.0	-	-
Deffered income and goverment grants	1,053	0.1	1,367	0.2
Short-term provisions	5,076	0.7	171	0.0
Liabilities classified as held for sale	-	-	108,419	15.1
Total current liabilities	88,557	11.7	193,916	27.0
Total liabilities	427,487	57.1	628,966	87.3
TOTAL EQUITY AND LIABILITIES	749,032	100.0	719,407	100.0

2.1.2 Consolidated profit and loss account

	1.01.2007 - 31.12.2007				1.01.2006 - 31.12.2006 *restated*			
	Continuing operations PLN '000	Discontinued operations PLN '000	Total PLN '000	% of revenue	Continuing operations PLN '000	Discontinued operations PLN '000	Total PLN '000	% of revenue
Revenue	127 379	414 081	541 460	100,0	123 760	613 352	737 112	100,0
Cost of sales	(54 708)	(395 488)	(450 196)	(83,1)	(87 005)	(563 546)	(650 551)	(88,3)
Gross profit on sales	72 671	18 593	91 264	16,9	36 755	49 806	86 561	11,7
Other operating income	13 746	1 186	14 932	2,7	34 576	2 048	36 624	5,0
Distribution expenses	-	(12 647)	(12 647)	(2,3)	-	(35 953)	(35 953)	(4,8)
Administrative expenses	(35 363)	(15 836)	(51 199)	(9,5)	(25 048)	(27 570)	(52 618)	(7,1)
Other operating expenses	(983)	(2 702)	(3 685)	(0,7)	(3 753)	(3 992)	(7 745)	(1,1)
Operating profit/(loss) before financing costs	50 071	(11 406)	38 665	7,1	42 530	(15 661)	26 869	3,7
Loss on discontinued operation	-	(21 964)	(21 964)	(4,1)	-	-	-	-
Finance income	54 173	1 405	55 578	10,3	18 731	661	19 392	2,6
Finance expenses	(27 063)	(1 773)	(28 836)	(5,3)	(56 016)	(1 453)	(57 469)	(7,8)
Net finance costs	27 110	(368)	26 742	5,0	(37 285)	(792)	(38 077)	(5,2)
Share of profit of associates	101	-	101	-	(34)	-	(34)	-
Profit/(loss) before tax	77 282	(33 738)	43 544	8,0	5 211	(16 453)	(11 242)	(1,5)
Income tax expense	(8 232)	(148)	(8 380)	(1,5)	(125)	(105)	(230)	-
Profit/(loss) for the period	69 050	(33 886)	35 164	6,5	5 086	(16 558)	(11 472)	(1,5)
Attributable to:								
Equity holders of the parent	65 715	(33 846)	31 869		2 028	(16 648)	(14 620)	
Minority interest	3 335	(40)	3 295		3 058	90	3 148	

2.2 Selected financial ratios

	2007	2006 *restated*
1. Return on sales		
net profit x 100% / net revenues	6.5%	negative value
2. Return on equity		
net profit x 100% / equity - net profit	12.3%	negative value
3. Debt ratio		
liabilities x 100% / equity and liabilities	57.1%	87.4%
4. Current ratio		
current assets / current liabilities	3.2	1.7

- Net revenues are comprised of the sale of finished products, merchandise and raw materials.

2.3 Interpretation of selected financial ratios

Return on sales and return on equity
Due to the net profit earned in 2007, return on sales and return on equity ratios present positive values. The significant impact on the net profit in 2007 had the agreement achieved with Walcownia Rur Silesia S.A. related to the guarantee given to Walcownia Rur Jedność Sp. z o.o. which resulted in the reversal of PLN 37.6 million the excess of provisions for this guarantee. Simultaneously, the Group incurred loss on sale of discontinued operations of PLN 22.0 million. The net loss incurred in prior year was mainly a result of significant increase in the provisions for motorway resurfacing, due to increase in prices of materials and construction works in 2006.

Debt ratio
Decrease in debt ratio is related primarily to the contribution to Parent Company's share capital resulting from the shares' issue.

Current ratio
Significant increase of current ratio in 2007 relates to the disposal of discontinued operations.

3 Detailed report

3.1 Accounting principles

The Parent Company maintains current documentation describing the accounting principles applied by the Group and adopted by the Management Board of the Parent Company.

The accounting principles are described in the notes to the consolidated financial statements to the extent required by International Financial Reporting Standards as adopted by the European Union.

Entities included in the Group apply common accounting principles consistent with the accounting principles applied by the Parent Company.

The financial statements of the entities included in the consolidated financial statements were prepared at the same balance sheet date as the financial statements of the Parent Company.

3.2 Basis of preparation of the consolidated financial statements

The consolidated financial statements of the Stalexport Autostrady S.A. Group were prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations.

The consolidated financial statements were prepared on the basis of the consolidation documentation prepared in accordance with the requirements of the Decree of the Ministry of Finance dated 12 December 2001 on principles for the preparation of financial statements of related entities by entities other than banks and insurance companies (Official Journal from 2001, No 152, item 1729).

3.3 Method of consolidation

The method of consolidation is described in note 5.1 of the notes to the consolidated financial statements.

3.4 Consolidation of equity and calculation of minority interest

The share capital of the Group is equal to the share capital of the Parent Company.

Other equity items of the Group are determined by adding the equity balances of subsidiaries included in the consolidated financial statements in the proportion reflecting the Parent Company's share in the subsidiaries' equity as at the balance sheet date to the corresponding positions of the equity of the Parent Company.

Only equity of subsidiaries arising after the Parent Company obtained control of the subsidiary is included in the equity of the Group.

Minority interests in subsidiaries included in the consolidated financial statements were determined based on the minority shareholders' share in the subsidiaries' equity as at the balance sheet date.

3.5 Consolidation eliminations

Intercompany balances within the Group were eliminated on consolidation.

Sales between entities and other intercompany operating revenues and expenses and financial revenues and expenses were eliminated on consolidation.

The consolidation eliminations were based on the accounting records of Stalexport Autostrady S.A. (or subsidiary entities) and agreed with information received from the subsidiaries.

3.6 Notes to the consolidated financial statements

All information included in the notes to the consolidated financial statements, comprising of a summary of significant accounting policies and other explanatory notes, is, in all material respects, presented accurately and completely. This information should be read in conjunction with the consolidated financial statements taken as a whole.

3.7 Report of the Management Board of the Parent Company on the Group's activities

The Report of the Management Board of the Parent Company on the Group's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 October 2005 on current and periodic information provided by issuers of securities (Official Journal from 2005, No 209, item 1744) and the information is consistent with the consolidated financial statements.

3.8 Information on the opinion of the independent auditor

Based on our audit of the consolidated financial statements of the Group as at and for the year ended 31 December 2007, we have issued an unqualified opinion.

Signed on the Polish original
....
Certified Auditor No. 90066/7583
Arkadiusz Cieślik

Signed on the Polish original
....
For KPMG Audyt Sp. z o.o.
ul. Chłodna 51; 00-867 Warsaw
Certified Auditor No. 90046/7419
Marcin Domagała,
Member of the Management Board

Cracow, 12 March 2008

CAPITAL GROUP
STALEXPORT AUTOSTRADY S.A.
(previously STALEXPORT S.A. CAPITAL GROUP)

CONSOLIDATED FINANCIAL STATEMENT
made as of the day and for the year ending on 31st December 2007

Contents

Consolidated profit and loss statement	**3**
Consolidated balance sheet	**4**
Consolidated statement of cash flows	**6**
Consolidated statement of changes in equity	**8**
Additional information to the consolidated financial statement	**9**

Consolidated profit and loss statement

In thousands of PLN	*Note*	*01.01.2007 - 31.12.2007*		*01.01.2006 - 31.12.2006 ** *after transformation*	
		Continuing operations	Discontinued operations	Continuing operations	Discontinued operations
Revenue on sales		127 379	414 081	123 760	613 352
Cost of sales		(54 708)	(395 488)	(87 005)	(563 546)
Gross sale profit		**72 671**	**18 593**	**36 755**	**49 806**
Other income	10	13 746	1 186	34 576	2 048
Distribution expenses		-	(12 647)	-	(35 953)
General administrative expenses		(35 363)	(15 836)	(25 048)	(27 570)
Other expenses	11	(983)	(2 702)	(3 753)	(3 992)
Profit (loss) from operating activities		**50 071**	**(11 406)**	**42 530**	**(15 661)**
Loss from disposal of discontinued activity			**(21 964)**		
Financial income		54 173	1 405	18 731	661
Financial expenses		(27 063)	(1 773)	(56 016)	(1 453)
Net financial expense	12	**27 110**	**(368)**	**(37 285)**	**(792)**
Share in profit/(loss) of associated entities		**101**	**-**	**(34)**	-
Profit (loss) before taxation		**77 282**	**(33 738)**	**5 211**	**(16 453)**
Income tax	13	(8 232)	(148)	(125)	(105)
Net profit/ (loss)		**69 050**	**(33 886)**	**5 086**	**(16 558)**
including the one on:					
Shareholders of the parent company		65 715	(33 846)	2 028	(16 648)
Minority shareholders		3 335	(40)	3 058	90
Profit/(loss) per 1 share	25				
Basic earnings per share (PLN)		0,32	(0,16)	0,02	(0,13)
Diluted earnings per share (PLN)		0,32	(0,16)	0,02	(0,13)
Profit/(loss) per 1 share (together continued and discontinued activity)					
Basic earnings per share (PLN)		0,16		(0,11)	
Diluted earnings per share (PLN)		0,16		(0,11)	

***** - after taking into account the changes described in note 40.

Consolidated balance sheet

In thousands of PLN	*Note*	*31.12.2007*	*31.12.2006 ** *after transformation*
ASSETS			
Non-current assets			
Property, plant and equipment	14	417 975	335 634
Intangible assets	15	179	264
Prepaid perpetual usufruct of land		116	116
Investment property	16	4 677	3 060
Investments in associates	17	362	3 349
Other long-term investments	18	4 247	11 240
Long-term receivables		100	-
Long-term prepayments for commissions and other	19	6 160	5 639
Deferred tax assets	20	33 099	25 957
Total non-current assets		**466 915**	**385 259**
Current assets			
Inventories		1 794	1 422
Short-term investments	18	58 578	4 545
Income tax receivables	21	-	1 342
Trade and other receivables	22	175 343	10 482
Cash and cash equivalents	23	46 310	77 199
Short-term prepayments for commissions and other	19	92	447
Assets classified as held for sale	8	-	238 711
Total current assets		**282 117**	**334 148**
Total assets		**749 032**	**719 407**

***** - after taking into account the changes described in note 40.

Consolidated balance sheet

In thousands of PLN	*Note*	*31.12.2007*	*31.12.2006 ** *after transformation*
EQUITY AND LIABILITIES			
Equity	24		
Issued share capital		494 524	315 524
Share capital revaluation adjustment		18 235	18 235
Treasury shares		(19)	(21)
Share premium reserve		20 916	2 887
Other reserve capitals and supplementary capital		196 389	149 424
Foreign currency translation reserve		(37)	(46)
Retained earnings and uncovered losses		(411 911)	(399 670)
Equity of shareholders in parent entity		**318 097**	**86 333**
Minority interest		3 448	4 108
Total equity		**321 545**	**90 441**
Liabilities			
Long-term liabilities			
Loans and borrowings	26	68 969	26 575
Finance lease liabilities	27	1 343	2 591
Employee benefit liabilities	28	482	89
Deferred income and government grants	30	16 902	18 059
Other long-term liabilities	29	198 111	219 852
Long-term provisions	31	53 123	167 884
Total long-term liabilities		**338 930**	**435 050**
Short-term liabilities			
Loans and borrowings	26	3 859	27 971
Finance lease liabilities	27	1 373	1 360
Income tax liabilities	21	1 039	2 224
Trade and other payables	32	76 004	52 404
Employee benefit liabilities	28	153	-
Deferred income and government grants	30	1 053	1 367
Short-term provisions	31	5 076	171
Liabilities classified as held for sale	8	-	108 419
Total short-term liabilities		**88 557**	**193 916**
Total liabilities		**427 487**	**628 966**
Total equity and liabilities		**749 032**	**719 407**

***** - after taking into account the changes described in note 40.

Consolidated statement of cash flows

In thousands of PLN	*Note*	*01.01.2007 - 31.12.2007*	*01.01.2007 - 31.12.2007* *after transformation*
Cash flows from operating activities			
Profit / (Loss) before taxation		**43 544**	**(11 242)**
Adjustments for:			
Depreciation	9	22 002	22 867
Loss from disposal of discontinued activity		21 964	-
Investment activity profit/loss		(2 833)	2 522
Profit/Loss on sale of property, plant and equipment	11	107	3 617
Interests and dividends		314	7 552
Profit/ (loss) from shares in associated entities		(101)	35
Change in receivables		26 206	(13 078)
Change in inventories		(15 290)	(16 424)
Change in prepayments for commissions and other		(167)	(4 484)
Change in trade and other payables		(60 943)	(14 541)
Change in provisions		(106 574)	39 225
Change in deferred income		(1 471)	1 705
Revenues/(expenditures) related to securities demanded from debtors		5 822	(10 000)
Other adjustments		40	(1 192)
Cash generated on operation activity		**(67 381)**	**6 564**
Income tax		(16 993)	(18 124)
Net cash from operational activities		**(84 374)**	**(11 560)**

* after taking into account presentation changes and changes to income statement described in note 40.

Consolidated statement of cash flows

In thousands of PLN		*01.01.2007 - 31.12.2007*	*01.01.2007 - 31.12.2007* *po przekształceniu*
Cash flows from investing activities			
Investments proceeds		**17 008**	**78 205**
Sale of intangible assets and property, plant and equipment		165	10 559
Sale of investment property		-	61 541
Sale of discontinued activity after reductions by sold cash	8	9 720	-
Dividends received		32	99
Interest received		5 921	5 062
Repayment of granted borrowings		-	743
Disposal of financial assets		620	200
Net cash purchased due to gaining control over subsidiary	7	550	-
Investment expenditure		**(162 076)**	**(46 945)**
Acquisition of intangible assets and property, plant and equipment		(111 928)	(44 564)
Borrowings granted		-	(319)
Acquisition of financial assets		(50 149)	-
Other expenditure		-	(2 063)
Net cash from investing activities		**(145 068)**	**31 260**
Cash flows from financing activities			
Financial proceeds		**259 985**	**78 319**
Net proceeds from shares issue		199 985	68 319
Drawing of loans and borrowings		60 000	10 000
Financial expenditures		**(51 820)**	**(54 554)**
Purchase of own shares		-	-
Paid dividend		(2 991)	(2 297)
Repayment of loans and borrowings		(40 967)	(37 361)
Interest paid		(6 129)	(13 165)
Payment of payables upon finance lease contract		(1 732)	(1 732)
Net cash from financing activities		**208 166**	**23 765**
Change of cash and cash equivalents		**(21 274)**	**43 464**
Balance-sheet change of the status of cash		**(21 274)**	**43 464**
Cash and cash equivalents after deducting loans in the current account on 1st January		**67 584**	**24 120**
Cash and cash equivalents after deducting loans in the current account on 31 December including:	23	**46 310**	**67 584**
Cash and cash equivalents of limited possibility of disposal		81	-

- after taking into account the presentation changes and changes to income statement described in note 40.

STALEXPORT AUTOSTRADY S.A Capital Group
(previously STALEXPORT S.A Capital Group)
Consolidated financial statement as of the day and for the year ending on 31 December 2007

Consolidated statement of changes in equity

In thousands of PLN

	Note	Issued Share Capital	Share capital revaluation adjustment	Treasury shares	Share premium reserve	Revaluation reserve	Other reserve capitals and supplementary capital	Foreign currency translation reserve	Retained earnings and uncovered losses	Equity of shareholders in parent entity	Minority capital	Equity in total
As of 1 January 2006		**215 524**	**-**	**(73)**	**-**	**16 393**	**152 692**	**-**	**(355 179)**	**29 357**	**4 048**	**33 405**
Adjustments		-	18 235	50	-	(16 393)	-	-	(32 926)	**(31 034)**	(791)	**(31 825)**
As of 1 January 2006 after adjustments		**215 524**	**18 235**	**(23)**	**-**	**-**	**152 692**	**-**	**(388 105)**	**(1 677)**	**3 257**	**1 580**
Net profit		-	-	-	-	-	-	-	(14 620)	**(14 620)**	3 148	**(11 472)**
Conversion of foreign								(46)		**(46)**		**(46)**
Total of profits presented in the period		-	-	-	-	-	-	*(46)*	*(14 620)*	*(14 666)*	*3 148*	*(11 518)*
Issue of shares		100 000			2 887					*102 887*		*102 887*
Coverage of losses from previous years							(51 017)		51 017	-		-
Payment of dividend		-	-	-	-	-	-	-	-	-	(2 297)	**(2 297)**
Transfer of profit for reserve capital		-	-	-	-	-	47 699	-	(47 699)	-	-	-
Other		-	-	2	-	-	50		(263)	**(211)**	-	**(211)**
As of 31 December 2006		**315 524**	**18 235**	**(21)**	**2 887**	**-**	**149 424**	**(46)**	**(399 670)**	**86 333**	**4 108**	**90 441**

	Note	Issued Share Capital	Share capital revaluation adjustment	Treasury shares	Share premium reserve	Revaluation reserve	Other reserve capitals and supplementary capital	Foreign currency translation reserve	Retained earnings and uncovered losses	Equity of shareholders in parent entity	Minority capital	Equity in total
As of 1 January 2007		**315 524**	**-**	**(71)**	**2 887**	**19 338**	**149 424**	**(46)**	**(301 682)**	**185 374**	**5 636**	**191 010**
Adjustments	40	-	18 235	50	-	(19 338)	-	-	(97 988)	**(99 041)**	(1 528)	**(100 569)**
As of 1 January 2007after adjustments		**315 524**	**18 235**	**(21)**	**2 887**	**-**	**149 424**	**(46)**	**(399 670)**	**86 333**	**4 108**	**90 441**
Net profit		-	-	-	-	-	-	-	31 869	**31 869**	3 295	**35 164**
Conversion of foreign		-	-	-	-	-	-	9	-	**9**	-	**9**
Total of profit/(loss) presented in the period		-	-	-	-	-	-	*9*	*31 869*	*31 878*	*3 295*	*35 173*
Shares issue	24	179 000	-	-	20 985	-	-	-	-	**199 985**	-	**199 985**
Covering losses from previous years		-	-	-	(2 887)	-	(43)	-	2 931	-	-	-
Payment of dividend		-	-	-	-	-	-	-	-	-	(2 991)	**(2 991)**
Transfer of profit for reserve capital		-	-	-	-	-	47 014	-	(47 014)	-	-	-
Changes in capital group		-	-	-						-	(965)	**(965)**
Other		-	-	2	(69)	-	(6)	-	(26)	**(98)**	-	**(98)**
As of 31 December 2007		**494 524**	**18 235**	**(19)**	**20 916**	**-**	**196 389**	**(37)**	**(411 911)**	**318 097**	**3 448**	**321 545**

Consolidated statement of changes in equity should be analyzed together with additional information, which constitutes integral part of the consolidated financial statement

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

1. Basic data about the Group

The company Stalexport Autostrady S.A (previously Stalexport S.A.), („The Company”) is a joint-stock company registered in Poland under the National Court Register No. 16854. Company`s seat is located in Katowice, ul. Mickiewicza 29.

On 30th August 2007, on the basis of the decision of the District Court in Katowice, VIII Economic Department of the National Court Register, the previous name - Stalexport Spółka Akcyjna was striked off and the new name - Stalexport Autostrady Spółka Akcyjna was entered into.

The Company together with its subsidiaries consitutes Stalexport Autostrady Capital Group (“Group”, “Capital Group”)

The activity of the group includes:

- consulting concerning pursuing an economic activity and management,
- construction of roads and railroads and especially economic activity connected with management, construction through adjusting to the requirements of a toll motorway and using the section of A-4 motorway at the distance Katowice-Kraków,
- activity connected with holding management,

Apart from the Company, the following entities were the members of the Capital Group as of 31 December 2007:

Name of a company	Seat	Main area of activity	Participation in capital and in number of votes	Date of taking control/Date of purchase
Stalexport Autoroute S.a.r.l.	Luksemburg	Management activity	100%	2005
Stalexport Autostrada Małopolska SA	Mysłowice	Motorway construction and using	100%*	1998
Stalexport Transroute Autostrada SA	Mysłowice	Motorway usage	55.00%*	1998
Stalexport Autostrada Dolnośląska SA	Katowice	Motorway construction and using	100%	1997
Autostrada Mazowsze SA	Katowice	Motorway construction and using	100%**	2007
Biuro Centrum Sp. z o.o.	Katowice	Administering real properties	74.38%	2007
Stalexport Autostrada Śląska S.A.	Katowice	Motorway construction and using	37.50%**	2001

* through Stalexport Autoroute S.a.r.l.

**through Stalexport Autostrada Dolnośląska S.A.

Consolidated financial statement for 2007 covers financials statements of the Company and its subsidiaries and participation of the Group in net assets of affiliated and co-subsidiary entities.

The Capital Group is also included within the consolidated financial statements of the parent entity of the highest level Atlantia S.p. A. (Italy).

Changes in the Capital Group’s structure in 2007 were described in note No. 7.

2. The basis of drawing up the consolidated financial statement.

Declaration of conformity

The consolidated financial statement was drawn up pursuant to the requirements of International Financial Reporting Standards approved by the European Union (IFRS EU).

The consolidated financial statement was approved by Company`s Management Board on 12 March 2008.

IFRS EU comprise all International Accounting Standards, International Financial Reporting Standards and Interpretations connected with them, apart from the below mentioned Standards and Interpretations, which are to be approved by the EU and the Standards and Interpretations, which have been approved the EU but they have not come into force yet.

The basis of valuation

The consolidated financial statement was drawn up based on the rule of historical cost, except:

- Derivatives of financial instruments assessed according to fair value
- Financial instruments available for sale assessed according to fair value

Functional and presentation currency

Data in the financial statement are presented in Polish zlotys, the currency of Group presentation which is also its functional currency, after rounding to full thousands.

New standards and interpretations

The Group did not take the opportunity of earlier application of new Standards and Interpretations , which had already been published and approved by the European Union and will come into force after reporting date. Moreover, as for the reporting date the Group has not finished the process of estimating the influence of new Standards and Interpretations, which will come into force after the reporting date, on the consolidated financial statement of the Group for the period in which they will be used for the first time.

Standards and Interpretations approved or to be approved by the EU	**Effective date for the periods commencing on or after**
Standards and Interpretations approved by the EU	
IFRIC 11 IFRS 2 - *Group and Treasury Share Transactions.* The Interpretation requires that transactions, in which the entity pays for the received goods and services with treasury shares, are deemed as transactions in treasury shares irrespective whether the entity can or must redeem these capital instruments in order to fulfil its duty. The Interpretation also indicates whether the transactions in the shares of dominating entity, in which the goods or services supplier for the entity receives the capital instruments of the dominating entity, should be classified as settled by cash or by capital in the entity`s financial statement.	*1st March 2007*

Standards and Interpretations approved or to be approved by the EU	**Effective date for the periods commencing on or after**
IFRS 8 *Operating segments* The Standard requires that the information on segments is disclosed on the basis of components of the entity. They are monitored by managing entities as for the scope of making operational decisions. Operating segments are components of the entity, for which the disclosed financial information is available and regularly assessed by the persons making key decisions concerning allocation of resources and assessing the activity.	*1st January 2009*
Standards and Interpretations to be approved by the EU	
Updated IAS 23 *Borrowing costs* The amended standard requires that the borrowing costs were capitalized if the refer to assets, which require much time to be adjusted to the usage or sale.	*1st January 2009*
Updated IAS 1 *Presentation of financial statements* The amended standard requires the aggregation of information in financial statements based on the criterium of common characteristics and introduces a statement of comprehensive invoice. The entries of revenue and costs as well as entries which belong to other consolidated returns can be presented either in a single statement of consolidated returns showing individual amounts or in two separate statements (separately a profit and loss statement and statement of consolidated returns).	*1st January 2009.*
IFRIC 12 *Service Concession Agreements* The Interpretation specifies the instructions for private sector entities in relation to the issues of identification and valuation, which arise while settling transactions connected with service concessions granted to private entities by public sector entities.	*1st January 2008*
Standards and Interpretations approved or awaiting to be approved by the EU	**Effective date for the periods commencing on or after**
IFRIC 13 *Customer Loyalty Programmes* The Interpretation explains how the entities which grant loyalty award credits to customers who buy goods or services from them should account for their obligations to provide these awards in the form of free or discounted goods and services sale. These entities are obliged to allocate some of the proceeds of the sale to the award credits in loyalty programmes. This part of proceeds of sale is recognized only when the entities fulfil their obligations.	*1st July 2008*

Additional information for the consolidated financial statement
(all amounts in thousand of PLN, unless stated otherwise)

Standards and Interpretations approved or to be approved by the EU	**Effective date for the periods commencing on or after**
IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction The Interpretation specifies 1) in which cases refunds from the plan or reductions in future contributions to the plan shall be treated as available pursuant to paragraph 58 of IAS 19, 2) how the minimum funding requirements ("MFR") may influence the availability of reductions in contributions to the plan, and 3) in which cases minimum funding requirements ("MFR") may result in arising the liability. The employer does not need to recognize additional liability under IFRIC 14, unless the contributions paid as the minimum financing requirements cannot be returned to the company.	*1st January 2008*
Updated IFRS 3 Business Combinations To the scope of the amended standard a part of the business combinations which were excluded from using in the standard was included. The definition of a *business* was defined in more details. The scope of conditional liabilities was limited, to which cost of business combination can be added. The possibility of embracing transaction costs in the cost of business combination was excluded. The rules of embracing adjustments of the cost of combination dependent on the future events were changed. The possibility of appraisal of shares of minority in the fair value.	*1st July 2009*
Changes in IAS 27 *Consolidated and Separate Financial Statements* In relation to the amendment of IFRS 3 (above), the following changes were introduced to IAS 27: - change of the definition of the shares of the minority - setting out the way of embracing transactions with minority shareholders - change of embracing the transaction of lost of control over the entity - new requirements of disclosure.	*1st July 2009*
Changes to IFRS 2 *Share-based payment* Providing more details for the issues of an influence of conditions other than conditions of gaining powers for the appraisal of equity instrument.	1st January 2009
Changes to IAS 32: *Financial Instruments: Presentation* and IAS 1: *Presentation of financial Statements* – Financial instruments with the option of sale and obligations arising at liquidation. The changes introduce discharging from the rule resulting from IAS 32, concerning the classification of financial instruments with the option of sale, allowing the classification of some of them as an element of the capital. According to the requirements resulting from the changes, the specified financial instruments, representing final shares (residual) in net assets of the entity, which, in a different situation, would be classified as financial liabilities, will be classified as elements of the capital, if both theses financial instruments and the general capital structure of the entity issuing these instruments will meet specified conditions.	1st January 2009

Decisions and estimations done

Drawing up a financial statement pursuant to IFRS EU requires from the Management Board the decisions, estimations and assumptions, which influence the approved rules and the presented values of assets, liabilities, incomes and costs. The estimations and assumptions connected with them are based on the historical experience and other factors which are deemed to be rational in the specified circumstances and constitute the basis to specify the value of assets and liabilities of the balance, which do not come directly from other sources. The Actual values may differ from estimated values.

Estimations and assumptions which are connected with them are subject to constant verification. The change of accounting estimations is included in the period, when the change was introduced or in the current or future periods, if the change of estimation refers to both the current and future periods.

Opinions and estimations performed by the Management Board in application of IFRS EU, which have vital influence on consolidated financial statement, were presented in appropriate notes.

3. The assumption that the economic activity shall continue

The consolidated financial statement was drawn up with the assumption that the economic activity of the Group shall continue in the foreseeable future.

The Management Board made a decision on the reorganization of the Group. The Group decided to concentrate on the activity consisting in management and counselling regarding construction and operation of motorways and to resign from trade and production of steel products.

4. Information concerning Concession Agreement

The continued activity of the Group includes among other things economic activity connected with management, construction thriugh adjustment to the requirements of toll motorway and wuth using section of A-4 motorway at the distance Katowice-Kraków, concentrated in the subsidiary Stalexport Autostrada Małopolska S.A. ('Concessionaire' ' SAM S.A.'). The activity is performed subject to concession agreement.

The subject of Concession Agreement is realization of the undertaking of constructing toll motorway by adjusting to A-4 motorway at the distance Katowice (Murckowska 340.2 km grade separated interchange) – Kraków (Balice I 401.1 km grade separated interchange) to the requirements of toll motorway and its usage, as well as conducting and finishing other construction works stipulated therein.

The Concession Agreement was concluded for the period of concession validity i.e. 30 years ending on 2027. the Concession Agreement stipulates the way of acquiring by the concessionaire the revenue from realization of the undertaking. The basic revenue of the Concessuinaire are the following :

a) toll collection revenue
b) revenue from a refund for passing of Vehicles released from toll

Rates of tolls for passing constituting revenue, as stipulated in pouint (a) above, are established according to the following provisions :

- Toll Motorways Act
- Regulation concerning detailed rules of establishing and collecting tolls for motorways passing and stipulations of Concession Agreement.

The conditions of acquiring revenue listed in point (b) above are defined by provisions of above-mentioned regulations.

During the term of the Concession Agreement, the Concessionaire has the right to use and collect benefits from the lane of the motorway. The right includes among other things the right to demolish and remove buildings, structures, devices, forest stand and crops from the lane of the motorway, with the stipulation of all relevant legal provisions.

The Concessionaire is obliged to use and maintain the toll motorway to the day of expiry or termination of the Concession Agreement. The Concession Agreement stipulates detailed scope of duties of the Concessionaire as for the usage and maintenance.

The concessionaire is obliged to perform construction works, whose scope was stipulated in the concession Agreement.

The performed Stage I covered, among other things, construction of the system of toll collecting, activating motorway maintenance circuit inj Brzęczkowice and construction of communication and management system and motorway communication system.

Further investment stages, which are or are to be performed include, among other things, bridges repairs, development of grade separated interchange of motorways, construction of travellers service places and works concerning environment protection (constructing acoustic boards, motorways dehydration, construction of crossings for animals).

After the term of the Concession Agreement the right to use and collect benefits from all buildings and structures and devices carried by the Concessionaire will be transferred to the State Treasury.

During the term of the Concession Agreement, the Concessionaire is obliged to keep the proper condition of motorway surface and to perform periodic major repairs of motorway surface. In 2007 a first major repair commenced, the finishing of which is planned till the end of 2009.

Within the obligations stipulated by the Concession Agreement, after meeting conditions stipulated therein, the Concessionaire will be obliged to make payments concerning the concession to the benefit of the National Road Fund constituting the so-called subordinated debt (liability taken, resulting from the credit in the European Bank for Reconstruction and Development borrowed by the state Treasury for construction of the section of A-4 motorway Katowice-Kraków).

As stipulated by the Concession Agreement between SAM S.A. and the Minister of Transport and Project Loan Agreement between SAM S.A. and consortium of following banks: BPH S.A., DEPFA BANK PLC, KfW, WESTLB BANK POLSKA S.A. and WESTLB AG (London Branch), the possibility of making paymentd of dividends for the shareholders of SAM S.A. are dependent on, among other things, finishing the specified stage of the Construction Works, achieving the minimal rates of debt service and assuring the coverage of reserve account at the required amount.

5. Description of important accounting principles in use

Apart from issues presented in note 40, the below principles of accounting policy were applied permanently in relation to two periods presented in the consolidated financial statement by all entities of the Group.

Presentation of some comparative data was changed in order to adjust it to currently accepted presentation principles. The details of changes were presented in note 40. Moreover, comparative data in profit and loss statement in relation to the activity discontinued in 2007 were presented in such a way that the activity is discontinued at the beginning of comparative period (see note 6).

5.1. *Consolidation rules*

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. The control takes place when the Company possesses the ability to directly or indirectly manage the financial and operational policy of the said entity in order to achieve benefits resulting from ots activity. At the assessment of the control level, the influences of existing and potential vote rights are taken into consideration, which may be realized on reporting day or may be converted. The financial statements of of subsidiaries are included in the consolidated financial statement starting from the day of gaining control over them till the moment of its expiration.

(ii) Affiliated entities

Affiliated entities are economic entities, whose operational anf financial policies are significantly influenced by the Group, however, they are not controlled by the Group. The consolidated financial statement include the participation of the Group in profits and losses of affiliated entities presented by the method of property roghts, from the moment of achieving significant influence to the moment of expiry thereof. When the Gropu participation in losses is higher than the value of shares in the affiliated entity, balance value is reduced to zero. In this situation, embracing any additional losses is ceased, with the exception of losses resulting from accepting legal and regular duties by the group or from the fact of mnaking payments on behalf of the affiliated entity.

(iii) Consolidation adjustments

Balances of internal settlements between the entities of the Group, transactions concluded within the Group and all unrealized profits or losses resulting from that, as well as revenue and costs of the Group are eliminated during drawing up the consolidated financial statement.

Unrealized profits resulting from transactions with affiliated entities are excluded from the consolidated statement in proportion to Group participation in these entities. Unrealized losses are excluded from the consolidated financial statement according to the same rule as unrealized profits, but only in the situation when there are no assumptions of value loss.

5.2. *Foreign currencies*

(i) Transactions in foreign currency

Transactions in foreign currencies on the day of transaction are presented in zlotys with the application of the National Bank of Poland exchange rate for particulare currency as of the transaction date. Cash items of assets and liabilities in foreign currency are converted as of the reporting date according to the National Bank of Poland exchange rates for the specific currency on the specific day. The differences in exchange rates resulting from the settlement of transactions in foreign currencies and the balance valuation of cash assets and liabilities presented in foreign currencies are included in the profit and loss statement. Non-cash items of assets and liabilities evaluated according to historical rate in foreign currency are converted according to the National Bank of Poland exchange rates on the transaction date. Non-cash balance items presented in the foreign currency and evaluated according to the fair value are converted according to the National Bank of Poland exchange rate on the day of estimating the fair value.

(ii) Conversion concerning entity acting abroad

Assets and liabilities of entities acting abroad, including the goodwill and adjustments concerning fair value made at consolidation are converted on the basis of exchange rate of the National Bank of Poland [NBP] effective on reporting date.

Revenue and costs of entities acting abroad, excluding entities acting abroad in the conditions of hyperinflation are converted according to the exchange rate of the National Bank of Poland effective on reporting date. Revenue and costs of entities acting abroad in the conditions of hyperinflation are converted according to exchange rate of the National bank of Poland effective on reporting date. Differences in rates arising at convertion are embraced directly in a separate position of the equity – “Foreign currency translation reserve”. In case of disposal of entities acting abroad, partly or as a whole, adequate amounts embraced in capitals are recognized in profit and loss statement.

Prior to conversion of financial statements of entities acting abroad in the conditions of hyperinflation, a financial statement, including comparative data, are transformed in order to embrace changes of purchasing power of hyperinflation currency. The convertion is performed on the basis of adequate rates of prices increase for the reporting day.

(iii) Securing net investments in entities acting abroad

Differences in rates arising from conversion of net investments in entities acting abroad and from conversion of securities referring to this investments are embraced in a separate position of equity. They are transferred to profit and loss statement at disposal.

5.3. *Property, plant and equipment*

The components of the property, plant and equipment are included in the books according to the price of purchase or costs of manufacture, from which depreciation charges and writes off upon the loss of value were deducted (see point 5.12).

The components of the property, plant and equipment include, among other things, lane of the motorway, which at the beginning was evaluated according to the cost that was equal in value to discounted payments from concessions and was depreciated during concession period.

The purchase price includes the price of buying the element of the assets and liabilities and the costs directly connected with the purchase and adjustment of the element of assets and liabilities to the state of being disposable for usage, including freight, loading, discharging and storage expenses. Discounts, rebates and other similar deductions and recoveries reduce the purchase price of assets element. The cost of manufacture of element of property, plant and equipment and property, plant and equipment in building comprises all costs paid by the entity during its building, assembling, adjusting and improving. The aforementioned costs refer to those, which were paid till the day of accepting this element of assets and liabilities for usage (or till the reporting date if the element has not been put into operation). The cost of manufacture includes also (in cases when it is required) the provisional estimate of costs of disassembling and removing the elements of property, plant and equipment and restoring the original state. The purchased software, which is necessary for the proper function of the device connected with it, is activated as a part of this device. The financing costs referring to the purchase of the element of property, plant and equipment are related to profit and loss statement once they are born.

If the specified element of property, plant and equipment consists of separate and vital components of various period of usage, these components are treated as separate assets elements.

Reclassification to investment property

The elements of property, plant and equipment manufactured in order to be used as investment property in the future are property, plant and equipment and are presented on the basis of the cost of their manufacture till the construction is finished, when they are transformed into investment property.
If the property is not used for the own needs any more and it is used for investments, the property is reclassified to investment property.

Expenditures paid later

The costs of the changed elements of the property, plant and equipment, which are paid later and may be reliably estimated, are activated. It is also probable that the Group will achieve economical benefits connected with the changed elements of the property, plant and equipment. The other expenditures are presented on a current basis in profit and loss statement, as costs at the moment of being incurred.

Depreciation

The components of the property, plant and equipment or relatively their vital and separate components are under linear rate depreciation during the period of usage taking into account the net sale price of the remaining part of fixed assets (residual value) estimated at the liquidation. Lands are nor depreciated.

The Group approved the following periods of use for the particular categories of fixed assets:

Motorway lane	concession period
Other buildings	40 years
Technical equipment and machines	5-12 years
Vehicles	5-10 years
Furniture and fixtures and fittings	3-5 years

In case of property, plant and equipment connected with the Concession Agreement, if the stipulated period of their usage exceeds concession period, depreciation period is limited to the end of concession period.
The correctness of the applied periods of use, methods of depreciation and residual values of the fixed assets (unless it is insignificant) is verified by the Group each year.

5.4. *Intangible values*

Intangible values purchased by the Group are presented on the basis of the purchase price from which depreciation and write offs upon the loss of value were deducted (see point 5.12).

Expenditures paid later

Later expenditures on components of the existing intangible values are activated only when they increase the future economical benefits connected with this element. The remaining expenditures are presented in profit and loss statement as costs at the moment of being incurred.

Intangible values depreciation

Intangible values are under linear rate depreciation taking into account the period of usage unless it is not specified. The estimated period of usage is the following:

- Copyrights up to 5 years
- Software up to 5 years
- Licenses 2-5 years

5.5. *Investment property*

Investment real properties are kept in order to get income from lease, increase of their value or for both these reasons. Investment real properties are assessed according to purchase price or manufacture cost from which depreciation and write offs upon the loss of value were deducted (see point 5.12).

Investment real properties are under linear rate depreciation during the period of usage taking into account the net sale price of the remaining investment real property, which was estimated at the liquidation. The Group approved the 40-year period of usage for the part of the building classified as investment real property.

5.6. *Components of property, plant and equipment used on the basis of leasing contracts*

Leasing contracts within which the Group bears the whole risk and derives all benefits resulting from possessing components of property, plant and equipment are classified as finance lease contracts.

Assets acquired under finance lease are presented at the beginning in fair value or the current value of minimum leasing fees depending on which of them is lower. Then depreciation and write offs upon the loss of value are deducted (see point 5.12). The components of property, plant and equipment used under finance lease are subject to depreciation according to the rules applied for own fixed assets. In case of lack of confidence that after the termination of leasing period the Group will obtain the ownership right, these assets are under depreciation within leasing period or period of economic utility, whichever is shorter.

Minimum leasing payments from finance lease are divided into a part constituting cost of financing and part which reduces the liability. The part constituting cost of financing is attributed to particular periods in the leasing contract term using the method of effective rate of interest.

Leasing contracts which are not finance lease contracts are treated as operating leasing.

5.7. *Perpetual land usufruct*

The Group introduces perpetual land usufruct rights as operational leasing contacts. The payments made in order to get the perpetual land usufruct are introduced as prepayments upon perpetual land usufruct and are settled in the period of land usage at the profit and loss statement.

5.8. *Long-term receivables, short-term receivables*

Long-term and short-term receivables are financial assets which are not derivatives and financial assets which are not listed on the active market, of a specified amount of payment. At the beginning they are included in fair value. After the first presentation, they are assessed according to the amortized cost from which write offs upon the loss of value were deducted (see point 5.12).

5.9. *Inventories*

Stocks components are assessed in the purchase price or manufacture cost, not higher than the net sale price possible to be achieved. The purchase price or manufacture cost of the remaining stocks is established according to the method “first in first out”. Purchase price includes the buying price to which costs directly connected with buying and adjusting the assets element to the state of usage or introducing on the market are added. In case of ready made products and production in progress, the costs include the appropriate part of fixed indirect production costs, calculated with the assumption that production capabilities are used on an ordinary basis. Net sale price possible to be achieved is the difference between the estimated price of sale performed during business activity and the estimated costs of finishing and costs necessary to perform the sale.

5.10. *Noncurrent assets for sale*

Fixed assets (or assets and liabilities constituting the group designated for disposal) in relation to which it is assumed that they will produce profits for the entity as a result of sale, and not as a result of long-term usufruct are classified as held for sale. Just before reclassification to fixed assets designated for sale, these assets (or components of the group held for sale) are assessed according to the accounting principles of the Group. Then as at the day of beginning classification, as held for sale, fixed assets or group held for sale are presented according to either the balance value or the fair value, whichever is lower, from which costs of finalising sale are deducted.

5.11. *Cash and cash equivalents*

Cash and cash equivalents include financial assets held in safe and on demand bank deposits. Balance of cash and cash equivalents, as included in consolidated cash flows, is comprised of the cash and cash equivalents stipulated above, further reduced by outstanding credits in operating account, which constitute an integral element of the Group's system for cash management.

5.12. *Impairment*

Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect to financial asset measured at the amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for sale financial asset is calculated by reference to its fair value.

The carrying amount of individually significant financial assets is tested for impairment at each reporting date. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. If the impairment loss for the fair value of an available-for-sale financial asset was previously recognised in equity, the cumulative loss in respect of such assets is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For available-for-sale financial assets that are debt securities, impairment loss is not reversed in profit and loss. If the fair value of available-for-sale bond instruments grows and objective evidence attributes that growth to an event after impairment loss recognition, a previous impairment loss is reversed by profit and loss.

Non-financial assets

The carrying amounts of non-financial assets, other than 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, the Group estimates the asset's recoverable amount. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

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 defined as the smallest identifiable group of assets that generates cash inflows that are largely independent pf the cash inflows of other assets or groups of assets. Impairment losses are recognised in profit and loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units (group of units) and then to reduce the carrying amount of other assets in the unit (group of units) on a *pro rata* basis.

The recoverable amount of an asset or cash-generating units is the greater of its fair value less costs to sell and its value in use. 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 assessment of the time value of money and the risks specific to the asset. For asset which do not generate independent cash inflows, value in use is estimated for the smallest identifiable cash-generating unit which such asset belongs to.

An impairment loss in respect of goodwill is not reversed. In respect to other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Non-current assets held for sale

Any possible impairment loss on a group of assets held for sale is allocated to asset's carrying value on *pro rata* basis, except that not loss is allocated to inventories, financial assets, deferred tax assets or 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 are recognised in profit and loss. The same applies to subsequent gains and losses on changes in value. Gains on remeasurement to fair value are nor recognised in excess of any cumulative impairment loss.

5.13. *Equity*

Until the end of 1996, the Group conducted its activity in the conditions of hyperinflation. According to IAS 29 *Financial Reporting in Hyperinflation Economies*, from 31st December 1996 on, the Group has converted the components of equity capital using a monthly consumer price index, beginning with the dates at which these capitals were contributed or otherwise came into existence. This retrospective application of IAS 29 resulted in a growth of share capital, comparable to a reduction in the balance of retained earnings.

Ordinary shares

Costs directly attributable to the issue of ordinary shares are recognised as deduction from equity.

Repurchase of share capital

When share capital is repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as a separate deduction from total equity.

5.14. *Employee benefits*

Retirement severance pays

The Group is bound by law or by collective labour agreement to offer retirement severance pays to its employees.

Obligations of the Group in connection with retirement severance pays are estimated on the basis of future remuneration of an employee in the period of reaching retirement age and on the basis of their future retirement severance pay. Retirement severance pays are discounted using market Treasury bond return rate at the balance sheet date. Obligations in connection with retirement severance pays is recognised proportionally to the expected period of employment for a given employee.

Jubilee benefits

Some of the Group's companies offer to its employees jubilee benefits in the amount depending on seniority of the given employee and his remuneration at the moment of acquiring rights to a jubilee benefit.

Obligations of the Group in connection with jubilee benefits are estimated on the basis of future remuneration of an employee in the period of acquiring rights to a given jubilee benefit and on the basis of their future jubilee benefit. Jubilee benefits are discounted using market Treasury bond return rate at the balance sheet date.

Staff turnover is estimated on account of historical data and forecasts for future employment levels.

Short-term employee benefits

Short-term employee benefit obligations are measure on an undiscounted basis and are expensed as the related service is provided.

The Group makes a provision in expenses for the amount to be paid under short-term cash bonus plans for the employees, if the Group has present legal or regular obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

5.15. *Provisions*

A provision is recognised if, as a result of past event, the Group has a present obligation and it is probable that an outflow of economic benefits will be required to settle the obligation. In case the effect of time value money are substantial, provisions are determined by discounting the expected future cash flows at pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(i) Provision for repairs of surface of motorway lane

The Group creates a provision for the costs of replacing the road surface of the motorway lane in connection with the obligation resulting from Concession Agreement concerning maintenance of the motorway lane. The provision is specified on the basis of predicted cost of replacement of the surface in proportion to the period of use. The estimated value is discounted for the reporting day.

5.16. *Trade and other payables*

Trade and other payables are initially recognised at their fair value. Subsequent to initial recognition, they are measured at the amortised cost. Short-term payables are not discounted.

5.17. *Interest-bearing bank loans and borrowings*

Initially, bank loans, borrowings and debt securities are measured at their fair value net of the costs of receiving this loan or borrowing.

After the initial measurement, interest-bearing loans, borrowings and debt securities are measured at the amortised cost, using the effective interest method.

5.18. *Revenue*

Goods sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. Revenue is not recognised when the recovery of future economic benefits is highly uncertain, or when such is the estimation of associated costs and possible return of goods, or when the Group remains permanently engaged in managing the goods sold.

Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Special promotion offers constituting additional encouragement to conclude leasing contract are presented together with rental income.

5.19. *Revenue from motorway management and exploitation*

Revenue from motorway exploitation is identified according to accrual principle, that is in respective periods when motorway lane is used.

5.20. *Lease payments*

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense part is attributed to particular periods using the effective interest rate method.

5.21. *Financial income and expenses*

Finance income comprises interest income on funds invested by the Group, 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, currency translation differences and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, currency translation differences, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets, and gains 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.

5.22. *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. In the latter case it is recognised in equity.

Current tax is the expected tax payable on the taxable income of the year, 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 and liabilities for financial reporting purposes and the amounts used for taxation purposes. There are no provisions made for the following temporary differences: initial recognition of assets and liabilities that affects neither accounting nor taxable profit. Deferred tax is recognised on the basis of expected method for carrying amount realization of the assets and liabilities, at the tax rates enacted at the reporting date.

A deferred tax asset is recognised to the extent that it is probable that the future taxable profit will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that related tax benefit will be realised. Such reductions are adjusted upwards to the extent that it is probable that the future taxable profit will be available in the sufficient amount.

5.23. *Discontinued operations*

A discontinued operation is a component of the Group'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 with view to resale.

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

5.24. *Earnings per share (EPS)*

In preparation of consolidated financial statement of the unit, basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the controlling company by the weighted average number of ordinary shares outstanding during at the reporting date for the consolidated financial statement for the unit.

No factors that would cause dilution of EPS were found in the periods covered by this consolidated financial statement.

5.25. *Financial instruments*

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.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

A financial instrument is recognised if the Group becomes a party to an agreement on this financial instrument. Financial assets are excluded from the balance sheet when the title of the Group to these assets, as defined in such agreement, terminate or when the Group transfers the title to these assets to another entity, retaining no rights to control, taking no risk and not benefiting from them. Standardised sales agreements on a financial assets are recognised at the date of transaction, i.e. at the date when the Group taken an obligation to buy or sell an asset. Financial liabilities are derecognised when they cease (i.e. when the obligation stipulated by the agreement is fulfilled, remitted or ceases).

Held-to-maturity financial assets

Assets are classified as held-to-maturity when they have a strictly defined value and redemption date, and the Group has the positive intent and ability to hold them to maturity. Held-to maturity investments are measured at amortised cost using the effective interest method.

Assets of this group are classified as non-current assets, on condition that their maturity does not terminate later than 12 months from the reporting date.

Financial assets at their fair value through profit or loss

Financial assets which are purchased by the Group to generate gain in a short term, are classified as financial assets at their fair value through profit or loss. Such instruments are measured at their fair value, considering the market value of such instrument at the reporting date. Changes in fair value are recognised directly in profit or loss.

Assets of this category are classified as current assets, on condition that the Management Board of the Group intends to dispose of them within 12 months from the reporting date.

Available-for-sale financial assets

All remaining financial assets, which have not been classified as prime loans and receivables are included in available-for-sale financial assets.

Available-for-sale financial assets are measured at their fair value, transaction costs excluded, considering the market value of such instrument at the reporting date. If such financial asset is not quoted in stock exchange and when there are no alternative ways of verifying its fair value, such asset is measured at its purchase price net of impairment losses. Gains or losses, other than impairment losses, are recognised directly in equity, on condition that their fair value can be established on the basis of regulated market or in a different, reliable way. Impairment losses are recognised directly in profit or loss as financial expense.

Prime loans and receivables

Subsequent to initial recognition, prime loans and receivables are measured at amortised cost.

Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency risk exposure.
Derivatives are recognises initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, gains and losses resulting from the changes therein being recognised directly in profit or loss.
The fair value of forward foreign exchange contracts is established on the basis of current quotations at the reporting date, which constitute the current value of quoted price for a forward contract.

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

6. Segment reporting

The Group presents its activity, dividing it into business and geographical segments. The main reporting pattern follows the business segment division and results from the structure of management and internal reporting in the Group.

Business segments

Business segments include:
- administration and consulting, as well as property lease,
- motorway management and maintenance,
- trade activity in steel goods branch,
- production activity: steel structures,
- other activities.

In connection with Group reorganization from the fourth quarter of 2007 on, the Group is not active in the following segments: trade activity in steel goods branch, production activity: steel structures and other activities.

Results of business segments

From 1st January 2007 to 31 st December 2007

	Administration, consulting and office space lease	Motorway management and maintenance	Steel goods trade	Steel structures production	Other activity	Total
I. Operational revenues						
External revenue	1 927	125 452	360 826	48 216	5 039	**541 460**
Total segment revenue	**1 927**	**125 452**	**360 826**	**48 216**	**5 039**	**541 460**
II. Operational expenses						
External expense	(2 174)	(52 534)	(343 718)	(48 625)	(3 145)	**(450 195)**
Total segment expense	**(2 174)**	**(52 534)**	**(343 718)**	**(48 625)**	**(3 145)**	**(450 195)**
Other revenues	7 057	6 689	1 034	138	14	**14 932**
Other expenses	(644)	(339)	(2 279)	(383)	(40)	**(3 685)**
Distribution expenses	-	-	(11 096)	(1 404)	(147)	**(12 647)**
General administrative costs for continued operations	(13 338)	(22 025)	-	-	-	**(35 363)**
Loss from disposal of discontinued activity	-	-	(19 139)	(2 557)	(267)	**(21 964)**
III. Result of the segment	**(7 172)**	**57 243**	**(14 372)**	**(4 616)**	**1 455**	**32 537**
IV. Notattributable expenses and revenues						
General administrative costs for discontinued operations						**(15 836)**
Net financial expenses						**26 742**
Shares in associated entities						**101**
Income tax						**(8 380)**
V. Net financial result						**35 164**
Major nonmonetary positions						
Depreciation	(658)	(21 344)	-	-	-	**(22 002)**
Loss from disposal of discontinued activity	-	-	(19 139)	(2 557)	(267)	**(21 964)**
Write downs or theor reversal	4 603	9	(699)	-	-	**3 912**
Release of a provision at liability from surety for WRJ	37 577	-	-	-	-	**37 577**
Revaluation of investment value	2 713	-	-	-	-	**2 713**

Allocation of loss from disposal of discontinued activity was performed on the basis of Revenues from sales structure within the discontinued operations.

Additional information for the consolidated financial statement

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

From 1st January 2006 to 31st December 2006

	Continued operations		Discontinued operations			
	Administration, consulting and office space lease	Motorway management and maintenance	Steel goods trade	Steel structures production	Other activity	Total
I. Operational revenues						
Revenues of the segment (external sales)	1 738	122 022	547 078	61 323	4 951	737 112
Total revenues of the segment	**1 738**	**122 022**	**547 078**	**61 323**	**4 951**	**737 112**
II. Operational expenses						
Expenses of the segment (external sales)	(1 983)	(85 023)	(496 640)	(63 802)	(3 103)	**(650 551)**
Total expenses of the segment	**(1 983)**	**(85 023)**	**(496 640)**	**(63 802)**	**(3 103)**	**(650 551)**
Other revenues	23 820	10 756	1 824	204	20	**36 625**
Other expenses	(3 073)	(679)	(3 555)	(398)	(40)	**(7 745)**
Distribution expenses	-	-	(32 010)	(3 588)	(356)	**(35 953)**
General administrative costs for continued operations	(4 028)	(21 020)	-	-	-	**(25 048)**
III. Result of the segment	**16 473**	**26 056**	**16 697**	**(6 261)**	**1 473**	**54 439**
IV. Non-attributable expenses and revenues						
General administrative costs for discontinued operations						**(27 570)**
Net financial expenses						**(38 077)**
Share in the loss of associated entities						**(34)**
Income tax						**(230)**
V. Net financial result						**(11 472)**
Mai nonmonetary items:						
Depreciation	(397)	(19 927)	(2 295)	(247)	(1)	**(22 867)**
Write downs or their reversals	20 891	-	(10 737)	-	-	**10 154**
Revaluation of investment value	(6 346)	-	-	-	-	**(6 346)**

Financial situation of business segments

At the day of 31st December 2007

Balance sheet data as of 31 Dec 2007	Continued operations		Discontinued operations			
	Administration, consulting and office space lease	Motorway management and maintenance	Steel goods trade	Steel structures production	Other activity	Total
Assets of the segment	227 799	521 233				**749 032**
Inattributable assets						
Total assets						**749 032**
Liabilities of the segment	119 728	307 759				**427 488**
Inattributable liabilities						
Total liabilities						**427 488**

At the day of 31st December 2006

	Continued operations		Discontinued operations			
	Administration, consulting and office space lease	Motorway management and maintenance	Steel goods trade	Steel structures production	Other activity	Total
Assets of the segment	16 581	401 765	181 399	25 393	97	**625 235**
Non-attributable assets						**94 172**
Total assets						**719 407**
Liabilities of the segment	269 665	246 530	89 669	9 217	-	**615 081**
Non-attributable liabilities						**13 885**
Total liabilities						**628 966**

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

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of Group's customers.

Investment expenses are not allocated to geographical segments, as the same non-current assets serve the activity in all segments were located in Poland.

Results of geographical segments from 1st January 2007 to 31st December 2007

	Poland		Other countries					Total
	Continued operations	Discontinued operations	Discontinued operations					
			Argentina	Ukraine	Germany	USA	Other	
External revenues	127 379	228 884	74 558	39 004	30 952	16 053	24 630	**541 460**

Results of geographical segments from 1st January 2006 to 31st December 2006

	Poland		Other countries					Total
	Continued operations	Discontinued operations	Discontinued operations					
			Argentina	Ukraine	Germany	USA	Other	
External revenues	123 760	296 370	107 651	38 821	50 987	41 522	78 001	**737 112**

7. Changes in the Capital Group structure

On 31 May, 2007 Stalexport Autostrady S.A. (previously Stalexport S.A.) concluded a contract (the "Investment Contract") with Złomrex S.A, the company based in Poraj, regarding the sale of organised part of the enterprise ("ZCP") including the trade and production activity in the scope of steel products. On 1 October, 2007, after fulfilling of suspending conditions, the transaction was closed (see also the Note 8).

On November 26, 2007 the Group obtained an extract from the National Court Register, confirming that Autostrada Mazowsze Spółka Akcyjna, the company based in Katowice, in which Stalexport Autostrada Dolnośląska S.A. is the only shareholder, was entered into a register on 26 November, 2007. Stalexport Autostrada Dolnośląska S.A. took over 100% of Autostrada Mazowsze S.A. initial capital for cash contribution of 5 million PLN.

In December 2007 Stalexport Autostrady S.A. purchased 33.75% of shares in Biuro Centrum Sp. z o.o. for the amount of TPLN 30, acquiring the control over this entity (total share is 74.38% of share capital). Prior to the purchase the Group's share in this company amounted to 40.63%. The activity of this company consists mainly in administration of real estates.

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

The purchase described in the paragraph above had the following influence upon Capital Group's assets and liabilities:

	Value recognised
Plant, property and equipment	65
Intangible assets	1
Long-term receivables	99
Inventories	106
Trade and other receivables	830
Cash and cash equivalents	580
Long-term liabilities	(99)
Provision due to deferred tax	(20)
Employee benefits liabilities	(85)
Trande and other liabilities	(966)
Net identifiable assets	**511**
% of net identifiable assets purchased	33,75%
Purchased net assets	173
Share in bet assets of the company before taking control	303
Surplus of share in goodwill of net identifiable assets over the cost of purchse	143
Remuneration payable in cash	(30)
Purchased cash	580
Purchased net cash	550

8. Group held for sale and discontinued operations

In the end of 2006, the Management Board of the Group took a decision to reorganise the economic activity of the Group. The aim was to concentrate on business activity regarding construction and operation of motorways, terminating the activities of trade and production in the steel industry. To achieve this aim, the Management Board of Stalexport SA decided to section out an organised division of the enterprise including Group's assets and liabilities connected in particular with trade in steel goods and their production.

On 31 May 2007, Stalexport S.A. (at present Stalexport Autostrady S.A.) concluded an agreement (the "Investment Agreement") with Złomrex S.A., the company based in Poraj, on disposal of the organised division of the enterprise (ZCP) comprising trade and production activity of steel products. On 1st October 2007, after the fulfillment of suspending conditions the transaction was closed. In compliance with the agreemnet ZCP was purchased by Stalexport S.A. (previously Stalexport Trade S.A.), which 100% shares were sold by Stalexport Autostrady S.A.to Złomrex S.A. as a part of above-mentioned agreement for the amount of TPLN 500.

Sale price of the organized part of an enterprise (ZCP) was settled as for the day of transaction based on the price formula stipulated in the agreement and then verified by appropriate expert. On 23rd January 2008 the transaction parties signed an agreement settling the final sale price of the organized part of an enterprise (ZCP) at the amount of TPLN 138,700. Income from the sale was in total presented within the net result of 2007.

Additional information for the consolidated financial statement
(all amounts in thousand of PLN, unless stated otherwise)

Components of assets and liabilities of the Group constituting a group held for sale as for 1st October 2007 (i.e. the day of sale) and 31st December 2006 are presented in the following chart:

	1 Oct 2007	31 Dec 2006
Property, plant and equipment	55 652	53 160
Intangible assets	44	156
Investment real properties	12 763	12 859
Investment in associated entities and other	497	497
Assets upon deferred tax	258	315
Stocks	82 521	67 603
Trade account receivable and others	49 004	97 284
Cash and cash equivalents	8 302	6 837
Sum of assets for disposal	**209 041**	**238 711**
Long-term liabilities upon finnacial leasing	(118)	(270)
Other long-term liabilities	(997)	(4 343)
Long-term provisions	(2 938)	(100)
Overdrafts on current account	(20 720)	(16 452)
Liabiliteis upon financial leasing	(49)	(267)
Trade payables and other	(25 334)	(86 171)
Short-term provisions	(1 260)	(816)
Sum of liabilities for disposal	**(51 415)**	**(108 419)**
Net assets of the group held for disposal	**157 626**	**130 292**
Cash obtained for selling the organised part of the enterprise	-	
Cash spent	(8 302)	
Spent overdraft on current account	20 720	
Incurred sale costs	(2 699)	
Net cash flow	**9 720**	

Cash flow from discontinued activity

	9 months 2007	12 months 2006
Net cash flow from operational activity	2 617	18 770
Net cash flow from investment activity	(4 342)	(4 976)
Net cash flow from financial activity	(1 078)	(869)
Net cash flow	**(2 803)**	**12 925**

As for 31st December 2007 the Group does not possess assets or liabilities qualified for the group held for sale.

Additional information for the consolidated financial statement
(all amounts in thousand of PLN, unless stated otherwise)

Cash and cash equivalents within the group held for sale

	31 Dec 2007	31 Dec 2006
Cash embraced in a group held for disposal	-	6 837
Overdrafts on current account presented in liabilities connected with a group held for disposal	-	(16 452)
Cash and cash equivalents, value presented in cash flow statement	**-**	**(9 615)**

9. Expenses by type

	01.01.2007-31.12.2007		*01.01.2006-31.12.2006*	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
Amortisation (notes 14, 15, 16)	22 002	-	20 324	2 543
Material and energy consumption	2 184	42 412	1 335	52 518
External services	18 125	17 112	18 016	30 975
Taxes and charges	808	2 180	785	3 727
Employee benefits, including:	22 007	16 343	12 460	15 186
- Remuneration	18 774	13 418	10 296	12 541
- Social insurance and other benefits	3 234	2 926	2 164	2 645
Other	3 768	1 141	3 456	1 751
Total expenses by type	**68 894**	**79 188**	**56 377**	**106 700**

10. Other income

	01.01.2007-31.12.2007		*01.01.2006-31.12.2006*	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
Income from tenancy of Points of Travellers' Service	2 073	-	2 052	-
Release of write-downs updating receivables	4 612	-	13 860	-
Reversal of write-downs updating value of fixed assets	-	-	7 093	-
Received damages, contractual penalties	3 207	150	5 281	228
Writing down of prescripted liabilities	1 934	7	-	-
Other	1 920	1 028	6 290	1 821
	13 746	**1 186**	**34 576**	**2 048**

11. Other expenses

	01.01.2007-31.12.2007		*01.01.2006-31.12.2006*	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
Shortages of fixed and current assets	(52)	-	-	-
Penalties, damages, payments	(378)	(886)	-	(572)
Other provisions and write-downs	(31)	(60)	(42)	(569)
Loss from disposal of property, plant and equipment	(103)	(4)	(3 305)	(312)
Other	(419)	(1 752)	(405)	(2 539)
	(983)	**(2 702)**	**(3 753)**	**(3 992)**

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

12. Net financial expenses

	01.01.2007-31.12.2007		*01.01.2006-31.12.2006*	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
Dividends and share in subsidiary profits	32	-	69	30
Interest, including:	7 944	79	14 522	107
- bank accounts and deposits	7 102	47	2 469	18
- loans granted	31	-	-	22
- other	811	32	12 053	67
Profit on investment disposal	120	-	3 765	58
Revaluation of investment	2 713	-	-	-
Release of a provision at liability from surety for WRJ	37 577	-	-	-
Sale of claims of recourse accounts receivable	1 900	-	-	-
Other financial revenue, including:	3 887	1 326	375	465
- surplus of positive differences in rates	27	-	147	299
- realized	27	-	103	299
- unrealized	-	-	44	-
- wound up write downs upon accrued interest	-	-	-	(21)
- interest waived of credits	3 464	-	-	-
- profit from transactions on derivatives	-	1 150	-	-
- other financial revenue	396	176	228	187
Financial revenue	**54 173**	**1 405**	**18 731**	**661**
Interest, including :	(26 175)	(1 400)	(44 944)	(881)
- loans and borrowings, including:	(5 373)	(1 199)	(12 345)	(199)
- towards associated entities	(187)	-	(219)	-
- discount	(12 980)	(70)	(24 979)	(124)
- other	(7 823)	(131)	(7 620)	(558)
- for associated entities	-	-	(32)	-
Revaluation of investments	-		(6 346)	
Other financial costs including:	(888)	(374)	(4 726)	(572)
- surplus of negative differences in rates	-	(44)	-	-
- created write-downs for due interest	(613)	-	(3 369)	(242)
- other financial costs	(275)	(330)	(1 358)	(330)
Financial costs	**(27 063)**	**(1 773)**	**(56 016)**	**(1 453)**
Net financial costs	**27 110**	**(368)**	**(37 285)**	**(792)**

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

13. Income tax

Income tax expense recognised in profit or loss

	01.01.2007-31.12.2007	*01.01.2006-31.12.2006*
Current income tax	**(15 808)**	**(15 027)**
from continued activity	(15 717)	(14 740)
from discontinued activity	(91)	(287)
Deferred tax	**7 428**	**14 798**
Creatiion/ reversal of temporary differences in continued activity	7 485	14 615
Creatiion/ reversal of temporary differences in discontinued activity	(57)	183
Income tax presented in profit and loss statement (together continued and discontinued activity)	**(8 380)**	**(230)**

The income tax rate which embraces the Group's activity was 19% in 2006-2007. It is not predicted that the income tax rate should change in upcoming years.

Effective tax rate

	01.01.2007-31.12.2007		*01.01.2006-31.12.2006*	
	%		%	
Profit before taxation from the continued activity		77 282		5 211
Loss before taxation from discontinued activity		(33 738)		(16 453)
Profit/(loss) before taxation (together continued and discontinued activity)		**43 544**		**(11 242)**
Tax based on current tax rate	(19,0%)	(8 274)	(19,0%)	2 136
Fixed differences	(2,9%)	(1 268)	17,3%	(1 946)
Unused tax losses and other unused deff. tax assets	(110,2%)	(47 974)	110,7%	(12 446)
Valuation adjustment of assets from the deffered income tax	112,8%	49 136	(107,0%)	12 026
	(19,2%)	**(8 380)**	**2,0%**	**(230)**

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

14. Property, plant and equipment

	Land and buildings	Plant and equipment	Means of transport	Other	Under construction	Total
Gross value at 1 January 2006	**334 631**	**50 901**	**11 672**	**8 350**	**25 173**	**430 728**
Purchase	303	561	569	123	44 356	**45 912**
Transfer from construction in process	11 892	2 699	47	32	(14 606)	**64**
Sale/liquidation	(7 153)	(1 364)	(438)	(80)	(11 106)	**(20 142)**
Reclassification*	(27 535)	(11 445)	(3 047)	(1 228)	(13 935)	**(57 189)**
Gross value as of 31 December 2006	**312 139**	**41 353**	**8 803**	**7 198**	**29 881**	**399 374**
Gross value of fixed assets as of 1 January 2007	**312 139**	**41 353**	**8 803**	**7 198**	**29 881**	**399 374**
Purchase	13	208	250	21	105 102	**105 594**
Transfer from construction in process	23 202	89	1 296	71	(24 658)	**-**
Sale/liquidation	(332)	(750)	(77)	(62)	-	**(1 222)**
Reclassification**	(4 635)	54	288	(75)	315	**(4 053)**
Purchase through business combination		136	13	155	40	**343**
Gross value as of 31 December 2007	**330 388**	**41 090**	**10 573**	**7 307**	**110 679**	**500 036**

* - includes mainly the transfers of assets within the group held for sale
** - includes mainly the transfer of the part of building to the investment real estates (see also the Note 16).

Additional information for the consolidated financial statement

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

	Land and buildings	Plant and equipment	Means of transport	Other	Under construction	Total
Depreciation and impairment losses at 1 January 2006	**(10 808)**	**(31 504)**	**(7 178)**	**(5 571)**	**(812)**	**(55 874)**
Depreciation for the period	(18 078)	(2 300)	(1 292)	(638)	-	**(22 307)**
Sale/liquidation	223	921	386	70	-	**1 600**
Reclassification*	4 379	5 400	1 960	1 104	-	**12 842**
Redemption and appropriations because of the loss of value as of 31 December 2006	**(24 284)**	**(27 484)**	**(6 124)**	**(5 036)**	**(812)**	**(63 740)**
Redemption and appropriations because of the loss of value as of 1 January 2007	**(24 284)**	**(27 484)**	**(6 124)**	**(5 036)**	**(812)**	**(63 740)**
Depreciation for the period	(18 595)	(1 433)	(1 126)	(501)	-	**(21 655)**
Sale/liquidation	308	684	64	62	-	**1 118**
Reclassification**	2 798	13	(75)	73	(315)	**2 494**
Purchase through business combination	-	(111)	(13)	(154)	-	**(279)**
Redemption and appropriations because of the loss of value as of 31 December 2007	**(39 773)**	**(28 331)**	**(7 275)**	**(5 556)**	**(1 127)**	**(82 061)**
Net value						
At 1 Jan 2006	323 823	19 397	4 493	2 779	24 361	374 854
At 31 Dec 2006	287 855	13 869	2 679	2 162	29 069	335 634
At 1 Jan 2007	287 855	13 869	2 679	2 162	29 069	335 634
At 31 Dec 2007	290 615	12 759	3 298	1 751	109 552	417 975

* - includes mainly the transfers of assets within the group held for sale
* - includes mainly the transfer of the part of building to the investment real estates (see also the Note 16).

Write-downs due to the loss of value
As for 31st December 2007, the Group recognised the write-downs on loss of capital in progress value in amount of TPLN 812 (31st December 2006: TPLN 812). These write-downs regard ceased investment projects.

Leased tangible assets
The Group utilizes some equipment and transport means within the framework of financial leasing contracts. In case of all the contracts the Group has the possibility to purchase these tangible assets for reduced prices after termination of the leasing period. As for 31st December 2007 the balance sheet value of leased machines and equipment amounted to TPLN 1,266 (31st December 2006: TPLN 2,132). Until the repayment of financial leasing liabilities these machines constitute the security for leasing payments.

Securities
As for 31st December 2007, the tangible fixed assets with the balance sheet value of TPLN 14,334 (31st December 2006: TPLN 20,483) constituted the security for bank credits.

Capital work under construction
As for 31st December 2007 the capital work under construction include mainly modernization work on bridge objects, located by the motorway and commenced construction of acoustic baffles.

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

15. Intangible assets

	Concessions, licences, software and other	Other intangible assets	Total
Gross value at 1 Jan 2006	**3 082**	**979**	**4 061**
Additions	57	240	**297**
Reductions	(419)	-	**(419)**
Reclassification*	(2 058)	(120)	**(2 178)**
Gross value at 31 Dec 2006 r.	**663**	**1 098**	**1 761**
Gross value at 1 Jan 2007 r.	**663**	**1 098**	**1 761**
Additions	17	-	**17**
Reductions	(177)	-	**(177)**
Reclassification*	181	111	**292**
Purchase through business combination	49		**49**
Gross value at 31 Dec 2007	**733**	**1 210**	**1 943**

* - includes mainly the transfers to/from the group of assets held for sale.

Amortisation of intangible assets and impairment loss

	Concessions, licences, software and other	Other intangible assets	Total
Accumulated depreciation and write-downs at 1 Jan 2006	**(2 671)**	**(968)**	**(3 639)**
Depreciation for the period	(223)	(50)	**(273)**
Reclassification*	1 903	110	**2 013**
Reductions from liquidation/sale	401	-	**401**
Accumulated depreciation and write-downs at 31 Dec 2006r.	**(590)**	**(907)**	**(1 497)**
Accumulated depreciation and write-downs at 1 Jan 2007	**(590)**	**(907)**	**(1 497)**
Depreciation for the period	(68)	(58)	**(126)**
Reclassification*	(138)	(110)	**(249)**
Reductions from liquidation/sale	157	-	**157**
Purchase through business combination	(48)		**(48)**
Accumulated depreciation and write-downs at 31 Dec 2007	**(688)**	**(1 076)**	**(1 764)**
Net value			
at 1 Jan 2006 r.	411	12	422
at 31 Dec 2006 r.	73	191	264
at 1 Jan 2007 r.	73	191	264
at 31 Dec 2007 r.	45	134	179

Amortisation write-downs on intangible assets are recognised under general administrative costs.
In the 12-month periods ending with 31st December 2007 and 31st December 2006 no impairment loss on intangible assets was made.

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

16. Investment property

	31 December 2007	31 December 2006
Gross value at the beginning of the period	**7 641**	**68 192**
Sales	-	(46 945)
Reclassification	4 635	(13 606)
Gross value at the end of the period	**12 276**	**7 641**
Accumulated depreciation and impairment losses at the beginning of the period	**(4 581)**	**(5 041)**
Depreciation for the period	(220)	(287)
Reclassification	(2 798)	747
Accumulated depreciation and impairment losses at the end of the period	**(7 599)**	**(4 581)**
Net value at the beginning of the period	**3 060**	**63 151**
Net value at the end of the period	**4 677**	**3 060**

Property investments of the Group include a part of office building (including car parks) assigned for lease.

On the basis of a valuation made by a property expert in August 2006, fair value of the building, a part of surface of which is classified as investment property, was estimated at PLN 15.1 million. As of 31st December 2007 the Group recognises 92% of the surface in this building as investment property.

Revenues from building lease in 2007 amounted to TPLN 1,927 (in 2006: TPLN 1,738) and were presented in profit or loss under “Revenue on sales” - attributable costs were presented under “Cost of sales”.

Investment property has been burdened with a mortgage to the total of TPLN 1,118 (for 31st December 2006: TPLN 6,412 as a security for the Group’s liabilities.

17. Investments in associates

Basic financial data of associated units are presented below:

	% of shares owned	Balance sheet value	Assets	Liabilities	Equity	Sales revenues	Profit / (loss) for the period
31 Dec 2007							
Stalexport Autostrada Śląska S.A.	37,50%	362	8 656	7 689	966	-	114
Total		**362**					
31 Dec 2006							
Biuro Centrum Sp. z o.o.	40,63%	184	2 024	1 571	453	7 591	(23)
Stalexport Autostrada Śląska S.A.	37,50%	3 165	8 550	109	8 441	-	(69)
Total		**3 349**					

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

18. Other investments

Other long-term investments

	December 31, 2007	December 31, 2006
Long-term investment	4 178	10 000
Other	69	1 240
Other long-term investments in total	**4 247**	**11 240**

As for 31st December 2006 long-term investments were connected with the blockade of financial assets for security of liabilities due to long-term credit. The investment was terminated in the current period, after establishment of other securities for the credit.

As for 31st December 2007 long-term investments were connected with the blockade of financial assets on reserve account designated to cover uninsured losses, established in accordance with the provision of License Agreement and credit agreement.

Short-term investments

	December 31, 2007	December 31, 2006
Borrowings granted	-	24
Equity instruments available for sale (shares of non-connected companies)	8 405	4 521
Investments in investment funds	50 172	-
Short-term investments in total	**58 578**	**4 545**

Capital instruments avaliable for sale regards the shares of Centrozap S.A and BDM S.A.

As for 31st December 2007 the shares of these companies were included in write-downs due to the loss of value in amounts of TPLN 6,330 (as for 31st December 2006: TPLN 9,043) and TPLN 1,468 (as for 31st December 2006: TPLN 1,468) respectively.

19. Prepayments fo commissions and other

This position includes prepaid commission and the costs of financial consultancy regarding non-used part of consortial bank loan, which will be settled with the method of effective interest rate during the period of crediting.

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

20. Deferred tax

Deferred tax assets and a provision for deferred tax regards the following assets and liabilities:

	Assets		Provisions		Net value	
	December 31, 2007	**December 31, 2006**	**December 31, 2007**	**December 31, 2006**	**December 31, 2007**	**December 31, 2006**
Plant, property and equipment	44	232	(4 274)	(13 768)	(4 230)	(13 536)
Investment property	508	320	-	-	508	320
Investments in subsidiaries and associates	63	-	-	-	63	-
Other long-term investments	-	223	-	-	-	223
Long-term advanced payments upon commission and other	-	-	(1 170)	(1 071)	(1 170)	(1 071)
Trade and other receivables	5 028	26 503	(714)	(624)	4 314	25 879
Short-term investments	1 482	1 718	-	-	1 482	1 718
Cash and cash equivalents	-	-	(7)	(23)	(7)	(23)
Short-term advanced payments upon commission and other	-	-	(18)	(50)	(18)	(50)
Assets in group held for sale	-	1 991	-	-	-	1 991
Long-term liabilities upon leasing	255	493	-	-	255	493
Other long-term liabilities	24 092	22 501	-	-	24 092	22 501
Long-term future incomes upon goverment subsidies and other	3 210	3 428	-	-	3 210	3 428
Liabilities from employee benefits	118	16	-	-	118	16
Long-term provisions	10 092	15 638	-	-	10 092	15 638
Liabilities from credits and loans	-	263	(117)	-	(117)	263
Short-term liabilities upon leasing	237	258	-	-	237	258
Trade and other payables	1 716	214	-	-	1 716	214
Short-term provisions	962	17	-	-	962	17
Short-term future incomes upon goverment subsidies and other	200	158	-	-	200	158
Liabilities within the group held for disposal	-	1 459	-	-	-	1 459
Assets / (provision) from deffered tax at temporary differences	48 008	75 432	(6 300)	(15 537)	41 708	59 895
Assets upon unsettled tax losses	39 745	63 552	-	-	39 745	63 552
Compensation	(6 300)	(15 537)	6 300	15 537	-	-
Valuation correction	(48 354)	(97 490)	-	-	(48 354)	(97 490)
Assets/Defereed tax provision (recognised) in balance sheet	33 099	25 957	-	-	33 099	25 957

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

Due to uncertain realisation of surplus of negative temporary differences over positive temporary differences in foreseeable future, the Group has recognised only a part of deferred tax assets both for 31st December 2007, and for 31st December 2006.

Change in temporary differences within the period

	1 January 2007	Changes in the capital group	Change of deffered tax from temporary differences specified in profit and loss statement	31 December 2007
Property, plant and equipment	(13 536)	-	9 306	(4 230)
Investment real properties	320	-	188	508
Investments in subsidiaries and affiliated entities	-	-	63	63
Other long-term investments	223	-	(223)	-
Long-term prepayments from commissions and other	(1 071)	-	(99)	(1 170)
Trade receivables and other	25 879	(60)	(21 505)	4 314
Stocks	-		-	-
Short-term investments	1 718	-	(236)	1 482
Cash and cash equivalents	(23)	-	16	(7)
Short-term prepayments from commissions and other	(50)	-	33	(18)
Assets within the group held for disposal	1 991	(258)	(1 733)	-
Long-term liabilities from credits and loans	-	-	-	-
Long-term liabilities from leasing	493	-	(238)	255
Other long-term liabilities	22 501	-	1 591	24 092
Long-term revenue from future periods from government grants and other	3 428	-	(218)	3 210
Employee benefits liabilities	16	16	86	118
Long-term provisions	15 638	-	(5 546)	10 092
Liabilities from credits and loans	263	-	(379)	(117)
Short-term liabilities from leasing	258	-	(21)	237
Trade and other payables	214	16	1 485	1 716
Short-term provisions	17	-	945	962
Short-term revenue from future periods and from governmenr grants	158	-	42	200
Liabilities within the group held for disposal	1 459	-	(1 459)	-
Assets from unsettled tax losses	63 552	-	(23 807)	39 745
Valuation adjustment	(97 490)	-	49 136	(48 354)
	25 957	**(286)**	**7 428**	**33 099**

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

	1 January 2006	Change of deffered tax from temporary differences specified in profit and loss statement	31 December 2007
Property, plant and equipment	644	(14 180)	(13 536)
Investment real properties	320	-	320
Investments in subsidiaries and affiliated entities	11 560	(11 560)	-
Other long-term investments	-	223	223
Long-term prepayments from commissions and other	-	(1 071)	(1 071)
Trade receivables and other	30 516	(4 637)	25 879
Stocks	264	(264)	-
Short-term investments	-	1 718	1 718
Cash and cash equivalents	(7)	(16)	(23)
Short-term prepayments from commissions and other	(6)	(44)	(50)
Assets within the group held for disposal	-	1 991	1 991
Long-term liabilities from credits and loans	-	-	-
Long-term liabilities from leasing	257	236	493
Other long-term liabilities	574	21 927	22 501
Long-term revenue from future periods from government grants and other	3 174	254	3 428
Employee benefits liabilities	14	2	16
Long-term provisions	8 712	6 926	15 638
Liabilities from credits and loans	198	65	263
Short-term liabilities from leasing	751	(493)	258
Short-term trade and other payables	941	(727)	214
Short-term provisions	26	(9)	17
Short-term revenue from future periods from government grants and other	158	0	158
Liabilities in the group held for sale	-	1 459	1 459
Assets from unsettled tax losses	62 579	973	63 552
Valuation adjustment	(109 516)	12 026	(97 490)
	11 159	**14 798**	**25 957**

Tax losses

According to law, a loss incurred in a tax year may diminish the income to be taxed in the following five consecutive tax years, provided that the diminishment in any of these years does not exceed 50% of such loss. As for 31st December 2007, the amount of tax losses remaining equalled TPLN 209,183 (for 31st December 2006: TPLN 334,490). Both for 31st December 2007 and 31st December 2006, the Group did not recognise deferred tax assets to the limit of tax losses, due to uncertain possibility of exploitation.

as for 31 Dec 2007

Amount of loss	*Expiry date*
81 125	2008
95 601	2009
19 940	2010
8 705	2011
3 812	2012
209 183	

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

21. Income tax receivables and liabilities

Gross income tax receivables, as for 31st December 2007, amount to TPLN 1,348 (for 31st December 2006: TPLN 1,342). This amount is owed to the Group in a future income tax settlement with the Polish Tax Office. Since getting back the said amount is doubtful, it was in whole covered by the write-down.
Income tax liability in amount of TPLN 1,039 (as for 31st December 2006: TPLN 2,224) constitutes the amount of liabilities to the Polish Tax Office, due to the difference between the payments made for current and previous financial year and the amount of due tax.

22. Trade and other receivables

	December 31, 2007	December 31, 2006
Trade accounts receivable from associated entities	9	-
Trade accounts receivable from other entities	8 084	5 835
Receivables from taxes, duties, social and health insurances and other benefits	21 893	354
Other receivables from associated entities	2 846	-
Other receivables from other entities	142 511	4 293
	175 343	**10 482**

Trade and others receivables are presented at net values net of write-downs in the amount of TPLN 162,027 (for 31st December 2006: TPLN 289,748).

The following chart includes ageing of overdue trade debts and of other receivables, with the information on write-down amounts. In 2007 the Group additionally covered with a write-down at the amount of TPLN 292 the non-overdue debts, getting back of which is threatened.

	December 31, 2007	December 31, 2006
Gross overdue debts		
up to 1 month	495	19
1-6 months	595	3 508
6 months-1 year	315	28 947
over 1 year	164 212	261 114
	165 617	**293 588**
write-downs updating value of overdue debts	(161 735)	(289 748)
Net overdue receivables	**3 882**	**3 840**

Change in write-downs is as follows:

	2007 r.	2006 r.
Value of the write-down at the receivable as of 1 January	(289 748)	(333 011)
Created write-downs	(1 989)	(20 709)
Released write-downs	7 112	20 953
Making use of write-downs	142 765	17 176
Reclassification of write-downs *	(20 167)	25 843
Value of the write-down at the receivable as of 31 December	**(162 027)**	**(289 748)**

***** transfers to/from the group of assets held for sale

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

Trade write-downs have been created due to predicted difficulties in payments by some clients. Write-downs on other receivables regard above all the receivables resulting from loan guarantees granted to companies which lost the ability to repay their liabilities.

The Group believes that the repayment of receivables not included in the write-downs is beyond doubt. Overdue net receivables are secured on the customer's property and such securities exceed the value of these receivables. Fair value of these securities on the basis of expert's evaluation, conducted in 2004 is 14.3 million PLN.

23. Cash and cash equivalents

	December 31, 2007	December 31, 2006
Cash on hand	52	44
Cash balances with banks	21 743	39 455
Short-term bank deposits	24 288	37 027
Cash balances with banks of the limited disposal	81	-
Float	146	673
Cash and cash equivalents, amount presented in the balance sheet	**46 310**	**77 199**
Cash included in the group held for sale (Note 8)	-	6 837
Credits at the current account embraced in the payables connected with the group held for sale (Note 8)	-	(16 452)
Cash and cash equivalents, the amount presented in the cash flow account	**46 310**	**67 584**

The amount of cash with confined disposability refers to cash of the company social contribution fund.

24. Equity

a. Share capital

	December 31, 2007	December 31, 2006
Shares at the beginning of the period	157 762 023	107 762 023
F-series shares issue		50 000 000
G-series shares issue	89 500 000	-
Shares at the endof the period (fully paid up)	247 262 023	157 762 023
Nominal value of shares (PLN)	2	2
Nominal value of A-series issue	16 682	16 682
Nominal value of B-series issue	986	986
Nominal value of D-series issue	8 000	8 000
Nominal value of E-series issue	189 856	189 856
Nominal value of F-series issue	100 000	100 000
Nominal value of G-series issue	179 000	-
	494 524	**315 524**

From November 1993 until December 1996, the Group conducted its activity in the conditions of hyperinflation. IAS 29 *Financial Reporting in Hyperinflation Economies* requires a conversion of each component of shareholders' equity (apart from retained profits and revaluation surplus) by general indexation of prices in the hyperinflation period. Such retrospective application resulted in a diminishment of retained earnings for the period in the total of TPLN 18,235 and an share capital correction to the same amount.

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

In the second semester 2006, share capital was increased by the issue of F-series shares for Atlantia S.p.A., in the total value of TPLN 68,319 and by a conversion of liabilities towards banks for securities granted in the amount of TPLN 31,681. The difference of TPLN 2,887 between the value of liabilities subject to conversion and the value of attributable shares issued, was added to share premium reserve.

On 25th June 2007, share capital of Stalexport Autostrady S.A. was increased by TPLN 179,000 due to the issue of 89,500 thousand G-series shares in the nominal value of PLN 2. The shares were covered by existing shareholder of the Company, Atlantia S.p.A. (previously Autostrade S.p.A.), and paid entirely in cash. Issue price per one share was PLN 2.2458.

The Company's expenses on the issue of G-series shares in the total of TPLN 1,047 reduced the share premium reserve.

Holders of common shares are entitled to receive dividends passed and have one vote per share in General Meetings of the Company. All shares equally entitle their holders to the Company's property in case of property division.

b. 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 companies constituting the Group. General meeting may also stipulate an aim to which such resources should be assigned.

25. Earnings per share

Calculation of basic earnings per share has been done separately for continued and discontinued operations, based on, respectively, net profit of Parent Company shareholders in the total of TPLN 65,715 and net loss of TPLN 33,846 (for 31st December 2006 respectively: net profit, TPLN 2,028 and net loss TPLN 16,648) and on weighted average of shares number at the reporting date in the amount of 204,105,859 shares (for 31st December 2006: 130,317,230 shares). The figures were established as follows:

a. Net profit of Parent Company Shareholders

	2007 year	**2007 year**	**2006 year**	**2006 year**
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
Net profit/(loss)	**65 715**	**(33 846)**	**2 028**	**(16 648)**

b. Weighted average of common shares number

	2007	**2007**	**2006**	**2006**
Common shares at the beginning of the period	157 762 023	157 762 023	107 762 023	107 762 023
Influence of F-series shares issue			22 555 207	22 555 207
Shares attributable to Atlantia S.p.A. (158 days)			14 786 852	14 786 852
Shares attributable to other shareholders (179 days)			7 768 355	7 768 355
Influence of G-series shares issue (189 days)	46 343 836	46 343 836		
Weighted average number of shares at the end of the period	**204 105 859**	**204 105 859**	**130 317 230**	**130 317 230**

c. Parent Company shareholders' net earnings/(loss) per share

	2007 year Continued operations	2007 year Discontinued operations	2006 year Continued operations	2006 year Discontinued operations
Shareholders' net profit/(loss) (thousands PLN)	65 715	(33 846)	2 028	(16 648)
Weighted average number of common shares at the end of the period (thousands of shares)	204 106	204 106	130 317	130 317
Shareholders net profit/(loss) per common share (PLN)	**0,32**	**(0,16)**	**0,02**	**(0,13)**

As for 31st December 2007 and 31st December 2006, no factors were established so as to dilute earnings/(loss) per share.

26. Loans and borrowings

	December 31, 2007	December 31, 2006
Long-term loans and borrowings secured on Group property	68 969	26 575
Long-term liabilities upon loans and borrowings	**68 969**	**26 575**
Short-term loans and borrowings secured on Group property	420	24 409
Short-term loans and borrowings from associates	3 439	3 562
Short-term liabilities upon loans and borrowings	**3 859**	**27 971**

a. Loans and borrowings repayment schedule

	Total	up to 1 year	1 year to 3 years	3 years to 5 years	over 5 years
Loans and borrowings secured on Group property	69 388	420	-	65 846	3 123
Loans from associates	3 439	3 439	-	-	-
TOTAL	**72 827**	**3 859**	**-**	**65 846**	**3 123**

b. Repayment time and conditions

	Currency	Nominal rate	Repayment year	Liability value at 31 Dec 2007	Liability value at 31 Dec 2006
Restructured credits					
Bank loan BPH	PLN	WIBOR 1M + 1,5% margin	2007	-	2 338
Bank loan ING Bank Śląski	PLN	WIBOR 1M + 1,5% margin	2007	-	400
Bank loan PKO BP	PLN	WIBOR 1M + 1,5% margin	2007	-	14 364
Bank loan Bank Handlowy	PLN	WIBOR 1M + 1,5% margin	2007	-	3 315
Bank loan Bank Handlowy	PLN	WIBOR 1M + 1,5% margin	2007	-	8 663
Bank loan Bank Handlowy	PLN	WIBOR 1M + 1,5% margin	2007	-	8 598
Bank loan BRE	PLN	WIBOR 1M + 1,5% margin	2007	-	3 291
Bank Consotrium	PLN	WIBOR 6M + 1,75% margin	2020	69 388	10 015
Loans from associates					
Stalexport Autostrada Śląska S. A.	PLN	WIBOR 6M + 1% margin	2007	3 439	3 562
Total liabilities upon loans and borrowings				**72 827**	**54 546**

*payments max. up to year 2020

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

c. Securities established in the property of the Group

Apart from securities established in tangible assets and investment real estates described in Notes 14 and 16 respectively there are no other securities established in the property of the Group.

27. Finance lease liabilities

Schedule of repayments due to financial leasing.

December 31, 2007	Payments upon leasing	Interest	Capital
up to 1 year	1 627	253	1 373
1 to 5 years	1 389	46	1 343
	3 016	**300**	**2 716**
December 31, 2006			
up to 1 year	1 812	452	1 360
1 to 5 years	2 889	298	2 591
	4 701	**750**	**3 951**

As it is described in Note 14, the tangible assets being the subject of leasing, constitute the security of leasing payments until the rapayment of leasing liabilities

28. Employee benefits liabilities

Long-term	**December 31, 2007**	**December 31, 2006**
Retirement pay liabilities	220	89
Annuity pay liabilities	11	-
Service anniversary awards liabilities	251	-
Total	**482**	**89**
Short-term		
Retirement pay liabilities	34	-
Annuity pay liabilities	1	-
Service anniversary awards liabilities	118	-
Total	**153**	-

Amounts of the future employee benefits liabilities were specified on the basis of the model of actuarial appraisal.
As for 31st December 2007 the total liabilities due to retirement bonuses and jubilee rewards is presented within the group for sale.

Employee benefits liabilities were calculated according to following assumptions:

	2007	**2006**
Discount rate as at 31st December	6,0%	6,0%
Future remuneration increase	2,5%-3,0%	3,0%

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

29. Other long-term liabilities

	December 31, 2007	December 31, 2006
Liability upon guarantee granted	72 541	77 954
Payments upon concession	125 471	118 425
Arrangement liabilities	-	23 473
Other liabilities	99	-
	198 111	**219 852**

Liabilities upon guarantees granted include liabilities towards State Treasury upon guarantees on loans granted to Huta Ostrowiec steelworks for a modernisation of production line. Repayment of these liabilities is to start after all liabilities upon the arrangement with creditors procedure are settled, that is in August 2008. Repayment schedule for these guarantee liabilities is presented in the chart below. Information on liabilities upon the arrangement with creditors procedure is presented in note 32.
In accordance with the Concession Agreement Stalexport Autostrada Małopolska S.A. is obliged to bear the payments due to the concession towards the National Road Fund (overtaken liability due to European Bank for Reconstruction and Development credit incurred by the Treasury). The nominal value of this liability is TPLN 223,870, in accordance with the Annex no. 7 to the Concession Agreement.

a. Repayment schedule for other long-term liabilities

As for 31 Dec 2007	**Total**	**up to 1 year**	**1-3 years**	**3-5 years**	**Over 5 years**
Liabilities upon guarantees granted	77 955	5 414	25 985	25 985	20 571
Paymanets upon concession	125 471	-	-	-	125 471
Liabilities upon arrangement with creditors	23 685	23 685	-	-	-
Other liabilieis	99	-	99	-	-
TOTAL	**227 209**	**29 098**	**26 084**	**25 985**	**146 042**

As for 31 Dec 2006	**Total**	**up to 1 year**	**1-3 years**	**3-5 years**	**Over 5 years**
Liabilities upon guarantees granted	77 954	-	18 403	25 987	33 564
Paymanets upon concession	118 425	-	-	-	118 425
Liabilities upon arrangement with creditors	54 842	31 369	23 473	-	-
TOTAL	**251 221**	**31 369**	**41 876**	**25 987**	**151 989**

30. Deferred income and government grants

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

Long-term	**December 31, 2007**	**December 31, 2006**
Future incomes from tenancy (mainly Points of Travellers' Services)	15 050	15 875
Other	1 853	2 184
Total	**16 902**	**18 059**
Short-term		
Future incomes from tenancy (mainly Points of Travellers' Services)	825	825
Other	228	542
Total	**1 053**	**1 367**

31. Provisions

Long-term provisions	**Provision for liabilities on guarantee for WRJ**	**Provision for other costs upon arrangement with creditors**	**Provisions for motorway resurfacing**	**Other provisions**	**Total**
Value at 1 Jan 2006	**85 577**	**10 257**	**35 763**	**69**	**131 666**
Increases, including:	-	-	57 159	12	57 171
- due to discounting	-	-	*2 919*	-	*2 919*
Exploitation	-	-	(17 122)	-	(17 122)
Release	-	(3 754)	-	-	(3 754)
Reclassification*	-	-	-	(76)	(76)
Value at 31 Dec 2006	**85 577**	**6 503**	**75 800**	**5**	**167 884**
Value at 1 Jan 2007	**85 577**	**6 503**	**75 800**	**5**	**167 884**
Increases, including:	-	773	25 318	-	26 091
- due to discounting	-	-	*5 934*	-	*5 934*
Exploitation	(48 000)	(3 812)	(47 999)	-	(99 811)
Release	(37 577)	(3 464)	-	-	(41 041)
Value at 31 Dec 2007	**-**	**-**	**53 118**	**5**	**53 123**

Short-term provisions	**Provision for other costs upon arrangement with creditors**	**Other provisions**	**Total**
Value at 1 Jan 2006	**644**	**2 592**	**3 236**
Additions	2 385	16	**2 401**
Exploitation	(2 812)	(2 592)	**(5 404)**
Release	-	-	-
Reclassification*	(46)	(16)	**(62)**
Value at 31 Dec 2006	**171**	**-**	**171**
Value at 1 Jan 2007	**171**	**-**	**171**
Additions	-	5 076	**5 076**
Exploitation	(171)		**(171)**
Release	-	-	-
Value at 31 Dec 2007	**-**	**5 076**	**5 076**

*transfers to/from the group of liabilities held for sale

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

As a result of the arrangement concluded on 21 August 2007 between Stalexport Autostrady S.A. and Walcownia Rur Silesia S.A. ("WRS"), on 12 November 2007 the agreement between Stalexport Autostrady S.A. and WRS was concluded, on the basis of which the final settlement between the parties took place, which settlement concerns liabilities of Stalexport Autostrady SA regarding surety for the bill of exchange granted on 7 November 1997 by Stalexport S.A. for the benefit of the State Treasury.

On the basis of the aforementioned agreement the Group paid to WRS the compromise amount of PLN 48 million and therefore liabilities regarding surety for the bill of exchange granted by the Group for the benefit of the State Treasury for Walcownia Rur Jedność Sp. z o.o. ("WRJ") expired. The said bills of exchange constituted security of the surety granted by the State Treasury concerning PLN basic credit and exchange basic credit rasied on 6 October 1997 by WRJ.

The surplus existing for the abovementioned provision aim in the amount of TPLN 37,577 was related to the other financial income.

In 2007 the Group changed the assessments constituting the basis for establishing the provisions for pavement replacement in connection with changes of prices on the local building market as well as with the value of offers received from the contractors.

The value of established short-term provisions constitutes the write-down connected with the estimated rate decrease for drives of vehicles released from charges (so-called "toll sticker vehicles").

32. Trade and other payables

	December 31, 2007	December 31, 2006
Trade payables from associated entities	-	339
Trade payables to other entities	16 238	10 437
Amounts due to taxes, duties, social insurance and other benefits	1 708	1 470
Amounts owed to other entities as a result of reorganization proceedings in the period of payment up to 1 year	23 685	31 369
Amounts due to renumeration	7 340	424
Other amounts owed to associated entities and inter-period settlement of costs	-	295
Other payables and accrued liabilieties of costs	27 033	8 070
	76 004	**52 404**

According to the arrangement with creditors, approved by the decision of Regional Court in Katowice of 27th June 2002, after all conditions of the agreement are fulfilled, the Company is entitled to have the liabilities under the arrangement with creditors remitted.

In previous business years, the Group recognised the entire remission of liabilities under the arrangement with creditors in the total of TPLN 241,558. As for 31st December 2007, the payment remaining to fulfil of the arrangement with creditors equals TPLN 23,685(for 31st December 2006: TPLN 54,842).

The Management Board of the Group identifies no threat to the fulfilment of the remaining part of the arrangement.

The balance of other liabilities and inter-periodical settlements was significantly influenced by suspended amounts from the realization of building contracts and guarantee deposits connected with performed construction works. The value of aforementioned liabilities for 31st December 2007 amounted to TPLN 20,059 (for 31st December 2006: TPLN 5,710).

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

33. Financial instruments

a. Classification of financial instruments

December 31, 2007

	Long-term	**Short-term**	**Total**
Financial assets held for sale	69	58 578	58 647
Financial instruments held until due date	4 178	-	4 178
Loans and receivables	-	221 653	221 653
Financial liabilities assessed with the method of depreciated cost	(268 905)	(82 428)	(351 333)

December 31, 2006

	Long-term	**Short-term**	**Total**
Financial assets available for sale	1 171	4 521	5 692
Financial instruments held until due date	10 000	-	10 000
Loans and receivables	-	193 168	193 168
Financial liabilities assessed with the method of depreciated cost	(250 579)	(186 010)	(436 589)

Available-for-sale financial instruments comprise of the shares of Centrozap S.A. and Beskidzki Dom Maklerski S.A. and investments in investment funds, which are recognised in short-term investments (note 18).

Financial instruments held until due date were connected with the blockade of financial assets on reserve account designated to cover uninsured losses, established in accordance with the provision of License Agreement and credit agreement.

Loans and receivables include above all receivables from the sale agreement of the organised part of the enterprise (ZCP) in the amount of TPLN 138,700 as well as cash, trade receivables and other receivables.

Liabilities estimated at their depreciated cost include trade payables, other payables, loans and borrowings, liabilities due to financial leasing and liabilities under the arrangement with creditors.

b. Effective interest rates and appraisal dates

The charts below contain effective interest rates on assets and liabilities on which interest is counted, divided into the following groups:

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

December 31, 2007

	Effective rate	Total	< 6 months	> 5 years
Cash and cash equivalents	5,05%	46 310	46 310	-
Trade receivables and other	7,49%	8 062	8 062	
Loans received	6,99%	3 439	3 439	-
Consortium loan	6,20%	(69 386)	(69 386)	-
Payments upon Concession	5,95%	(125 471)	-	(125 471)
Liabilities due to financial leasing	13,40%	(2 716)	(2 716)	
Other long-term liabilities	7,02%	(77 955)	(77 955)	-
Other short-term liabilities	7,18%	(23 685)	(23 685)	-

December 31, 2006

	Effective rate	Total	< 6 months	> 5 years
Cash and cash equivalents	3,80%	84 036	84 036	-
Trade receivables and other	5,80%	8 317	8 317	
Loans received	4,89%	(3 562)	(3 562)	-
Bank credits and credits on current account	5,62%	(57 421)	(57 421)	-
Consortium loan	6,08%	(10 015)	(10 015)	
Payments upon Concession	5,95%	(118 425)	-	(118 425)
Liabilities due to financial leasing	5,62%	(3 951)	(3 951)	
Other long-term liabilities	5,62%	(105 770)	(105 770)	-
Other short-term liabilities	5,60%	(31 369)	(31 369)	-

c. Fair value

Fair value of financial instruments

The details below regard fair values of financial instruments for which an estimation is possible:

- Cash and cash equivalents, short-term bank deposits and short-term bank loans. Carrying amount of these instruments is comparable to their fair value due to their fast maturity.
- Trade receivables, other receivables, trade payables. Carrying amount of these instruments is comparable to their fair value due to their short-term character.
- Bank loans and long-term borrowings received. Carrying amount of these instruments is comparable to their fair value due to their changeable interest rate.
- Capital instruments available for sale. These are shares presented at purchase price corrected by any impairment losses. Impairment losses charge financial expenses. Shares owned by the Company are not quoted in financial markets, thus the Company has no reference sources so as to establish their fair value.
- Investment in investment funds. Carrying amount equals their fair value from an appraisal done on the basis of market quotations.

For concession payments it is not possible to assess their fair value due to the lack of active market of similar financial instruments.

34. Financial risk management

a. Credit risk

Credit risk is a risk that the Group may incur financial losses as a result of a customer or contractor, who is a party to a financial instrument, not fulfilling their contractual obligations. Credit risk is mainly connected with Groups's receivables from customers and with financial investments. Most of these positions is classified in the group for sale. Cash and cash equivalents are invested in financial institutions of the highest financial credibility.

The chart present maximum exposure of the Group to credit risk:

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

	December 31, 2007	December 31, 2006
Other long-term investments	4 247	11 240
Short-term investments	58 578	4 545
Receivables due to deliveries and services and others	175 343	107 766
Cash and cash equivalents	46 310	84 036
	284 478	**207 587**

As for 31st December 2007 main portion of Company's receivables was due to sale of organised part of the enterprise (TPLN 138,700).

b. Market risk

Market risk involves changes in demand, supply and prices, as well as many other factors which may affect Group's results or the value of assets held (such as foreign currency rates, interest rates, capital prices). The aim of market risk management is maintaining the exposure to risk in an acceptable range, at the same time optimising the return on risk.

Interest rate risk

Exposure of the Group to changes in interest rates affects mainly cash, cash equivalents, bank loans and borrowings and other liabilities based on floating interest rate based on WIBOR rate + margin. The Group does not hedge against the risk of interest rate changes.

The chart shows a susceptibility profile (maximum exposure) of the Group towards the risk of interest rate changes by presenting financial instruments in division to those of floating interest rate and those of fixed interest rate:

	Current value December 31, 2007	Current value December 31, 2006
Fixed iunterest rate instruments		
Financial assets	30 945	10 000
	30 945	**10 000**
Instruments with variable interest rate		
Financial assets	77 777	92 353
Financial liabilities	(297 340)	(327 998)
	(219 563)	**(235 645)**

Actions aimed at reduction of the risk of interest rate changes include systematic monitoring of the situation in cash market. Moreover, a part of investments are located in instruments independent from changes of the WIBOR rate.

The Group has no financial instruments of fixed interest rate measured at their fair value in profit or loss. Thus, a change of interest rate at the reporting date will not affect the measurement of these instruments nor will it affect profit or loss. The Group has also no instruments of fixed interest rate recorded directly in capitals, therefore a change of interest rate will not influence equities.

The Group has conducted an analysis of sensitivity of floating interest rate financial instruments to changes in market interest rates. The chart below presents the influence of interest rate growing and falling by 100 bp on financial result and equities. The analysis was conducted with the assumption that all other variables, e.g. currency rates, remain stable. The analysis regards a period of this year and a comparable period.

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

	Profit and loss account		Equity	
	increases 100 pb	decreases 100 pb	increases 100 pb	decreases 100 pb
2007	(2 196)	2 196	(2 196)	2 196
2006	(2 356)	2 356	(2 356)	2 356

Exchange risk

At the end of 2007 exchange risk concerns only deposited cash.
The chart below shows a susceptibility profile (maximum exposure) of the Group towards the risk of changes in foreign exchange rates by presenting financial instruments in division by the currency in which they are denominated:

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

December 31, 2007	**Continued activity**		**Ceased activity**	
	EUR	**USD**	**EUR**	**USD**
Receivables due to deliveries and services and others	-	-	-	-
Cash and cash equivalents	2 205	597	-	-
Liabilities due to deliveries and services and others	(108)	-	-	-
Balance exposition to exchange risk	**2 097**	**597**	**-**	**-**

December 31, 2006	**Continued activity**		**Ceased activity**	
	EUR	**USD**	**EUR**	**USD**
Receivables due to deliveries and services and others	4	35	7 799	21 987
Cash and cash equivalents	1 011	628	5 917	-
Liabilities due to deliveries and services and others	(202)	-	(2 110)	(1 249)
Balance exposition to exchange risk	**813**	**663**	**11 606**	**20 738**

The Group has conducted an analysis of sensitivity of financial instruments denominated in foreign currencies to changes in exchange rates. The chart below presents the influence, related to the valuation of these financial instruments, of strengthening or weakening of PLN at the reporting date by 5% in relation to all other currencies on financial result and equities. The analysis was conducted with the assumption that all other variables, e.g. interest rates, remain stable.

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

	Profit and loss account		Equity	
	Increase of foreign currencies exchange rate by 5%	Decrease of foreign currencies exchange rate by 5%	Increase of foreign currencies exchange rate by 5%	Decrease of foreign currencies exchange rate by 5%
2007	135	(135)	135	(135)
2006	1 691	(1 691)	1 691	(1 691)

c. Risk of loss of financial liquidity

Risk of loss of financial liquidity is the risk that the Group will lose its capacity to repay its financial obligations at the moment of maturity.
Risk management policy in this context consists in securing financial resources essential for the Group to fulfil its financial and investment obligations, employing the most attractive sources of finance.

Group liquidity management concentrates on detailed analysis, planning and undertaking appropriate actions in the areas of working capital and net financial indebtedness.
The chart presents the Group's maximum exposure to risk of loss of financial liquidity:

December 31, 2007

	Balance value	Contracted value of cash flow	to 6 months	6-12 months	1 - 2 years	2-5 years	above 5 years
Long-term liabilities due to granted guarantees	**77 955**	**97 795**	2 751	8 100	17 662	47 515	21 767
Payments upon Concession	**125 471**	**223 870**	-	-	-	-	223 870
Secured bank loans	**69 386**	**83 913**	1 688	1 688	3 376	72 907	4 254
Loans received	**3 439**	**3 439**	3 439	-	-	-	-
Liabilities due to financial leasing	**2 716**	**3 016**	898	729	1 322	67	-
Liabilities due to deliveries and services and others	**52 319**	**52 319**	52 319	-	-	-	-
Liabilities due to arrangement	**23 685**	**24 579**	16 521	8 058	-	-	-
	354 971	**488 931**	**77 616**	**18 575**	**22 360**	**120 489**	**249 891**

December 31, 2006

	Balance value	Contracted value of cash flow	to 6 months	6-12 months	1 - 2 years	2-5 years	above 5 years
Long-term liabilities due to granted guarantees	**77 954**	**103 214**	2 210	2 539	11 192	50 507	36 766
Payments upon Concession	**118 425**	**223 870**	-	-	-	-	223 870
Other long-term liabilities							
Secured bank loans	**50 984**	**54 546**	9 053	33 664	610	11 219	-
Borrowings received	**3 562**	**3 586**	88	99	3 399	-	-
Secured bank loans classified in the group held for sale	**16 452**	**17 125**	1 898	15 227	-	-	-
Liabilities due to financial leasing	**3 951**	**4 701**	923	889	1 517	1 372	-
Liabilities upon financial leasing classified in the group held for sale	**537**	**552**	210	67	130	145	-
Liabilities due to deliveries and services and others	**20 959**	**20 959**	20 959	-	-	-	-
Liabilities due to deliveries and services and others classifeid in the group for sale	**85 408**	**85 494**	85 277	217	-	-	-
Long-term liabilities classified in the group for sale	**1 291**	**1 301**	-	-	434	867	-
Liabilities due to arrangement	**62 245**	**62 245**	16 823	19 106	26 316	-	-
	441 768	**577 593**	**137 441**	**71 808**	**43 598**	**64 110**	**260 636**

d. Capital management

The fundamental assumption for the Group's policy in capital management is to hold a strong capital basis which will contribute to build the trust of investors, creditors and of the market and which will facilitate future development of the Group. The Group monitors changes in share ownership, rate of return on capital and the relation between equity and liabilities.

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

The objective of the Group is to achieve a rate of return on capital at the level satisfactory for its shareholders.

The dominating unit and subsidiaries, which are the joint stock companies, subject to the regulation resulting from art. 396 § 1 of the Comercial Companies Code, which requires that at least 8% of profit for a given business year should be assigned for reserve capital, until this capital reaches at least 1/3 of the initial capital.

During the business year no changes were introduced in Group's policy on capital management.

35. Operating leases

Operating lease agreements, where the Group is as a lessee

Estimated minimal payments on operating lease agreements are as follows:

	December 31, 2007	December 31, 2006
continued operations		
until 1 year	73	212
1 -5 years	35	370
discontinued operations		
until 1 year	-	283
1 -5 years	-	915
	108	**1 780**

36. Investment liabilities

Within the framework of liabilities resulting from the License Agreement for the balance day the construction work was conducted within the scope of contracts:

1. Contract F2a-6-2006 – Repair of motorway bridge objects and motorway pavement.

The contract for execution of works was concluded on 26 February 2007 with Budimex Dromex S.A. compamy. The contract is at the stage of works realization. Net contract's value is TPLN 178,447.

The value of works performed under the contracts F2a-4-2005 and F21-6-2006 for 31st December 2007 is TPLN 150,812. The Group establishes the reserves for motorway pavement repair works (see also the Note 31), in accordance with the rules described in point 5: Description of important applied accounting rules".

2. Contract F2a-3-2005 – Construction of acoustic baffles No. 5, 6, 7a, 8, 9, 28, 29, 30 and 31.
The contract was concluded with Signalco Ltd. Sp. z o.o. and Tubosider S.p.A. By now the works regarding the baffles 5, 6, 7a, 8, 9 and 29 are finished. The works at the baffles 28, 30 and 31 are in progress.
Net contract value is TPLN 20,349. The value of works performed until 31st December 2007 amounted to TPLN 14,274.

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

37. Contingent commitments

Contingent commitments relate to guarantees granted to associated entities in the total of TPLN 14,405 (31 December 2006: TPLN 12,327), to other entities in the total of TPLN 1,529 (31 December 2006: TPLN 11,622).

In October 2007 the Office for Competition and Consumer Protection commenced an antimonopoly proceeding against Stalexport Autostrada Małopolska S.A., in connection with the suspicion of overusing by the company its dominant position on the market of paid drive on Katowice – Kraków A-4 motorway section by imposing of unfair prices in amount provided in the price list during the repair of this section, causing significant difficulties in vehicle traffic, which can constitute a violation of art. 9, paragraph 2, point 1 of the Act on Competition and Consumers Protection. Within this period the Group, upon the Office's call, provided information required by the Office in connection with ongoing proceeding.

In the Group's opinion the realization of repair and investment tasks performed on the basis of the Concession Agreement and commonly binding regulations regarding the toll motorways does not constitute a violation of the regulations on competition and consumers protection.
The Management Board of the Group cannot exclude the risk of occurring and bearing the liabilities resulting from antimonopoly proceeding, although it considers that such a risk is insignificant. In consolidated financial statement for 31st December 2007 no provisions were created to cover the possible liabilities, which can arise if this matter will be resolved in a way unfavourable for the Group.

38. Transactions with associated entities

a. State of settlements with associated entities

December 31, 2007	Receivables	Payables	Loans received
Stalexport Autostrada Śląska SA	2 855	-	3 439
TOTAL	**2 855**	**-**	**3 439**

December 31, 2006	Receivables	Payables	Loans received
Biuro Centrum Spółka z o.o.	-	613	-
Stalexport Autostrada Śląska SA	-	-	3 562
TOTAL	**-**	**613**	**3 562**

b. Value of transactions with associated entities

year 2007	Sales revenues	Costs of purchased services	Financial expenses
Stalexport Autostrada Śląska SA	13	4	187
TOTAL	**13**	**4**	**187**

year 2006	Sales revenues	Financial revenues	Costs of purchased services	Financial expenses
Biuro Centrum Spółka z o.o.	57	58	2 804	-
Stalexport Autostrada Śląska SA	46	-	-	218
TOTAL	**103**	**58**	**2 804**	**218**

c. Transactions with key management personnel

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

Remuneration of people managing and supervising the Group was as follows:

	2007 year	2006 year
Controlling entity		
Management Board*	5 304	2 012
Key Management Personnel	1 377	1 612
Supervisory Board	155	150
Subsidiary entities		
Management Boards	1 578	1 435
Supervisory Boards	450	412
Key Management Personnel	378	105
	9 242	**5 726**

*Remuneration includes provision for Management Board bonuses created as at 31 Dec 2007 in amount of TPLN 3,500

In 2007 and in 2006 no loans were granted to members of the Management or Supervisory Boards of companies belonging to the Group, to their spouses, relatives, in-laws in a straight line up to the second level or to persons related by guardianship, adoption or custody with persons managing or supervising the entity, which they are substantial shareholders (partners) of. The Group did not grant any advance payments or guarantees to such persons.

39. Events after the reporting date

- On 9th January 2008 the dominating entity obtained from the Regional Court in Katowice a suit brought by the company CTL Maczki Bór Sp. z o.o. against: (i) State Treasury represented by the General Directorate for National Roads and Motorways (ii) Stalexport Autostrady SA and (iii) Stalexport Autostrada Małopolska SA for using some plots without agreement, which plots are a part of motorway lane for the period from 26 May 1998 to 2 June 2006. The claimant suited for payment of PLN 4.3 million including interests. The claimant suited for determining common responsibility for payment of the aforementioned amount including respectively: (i) from the State Treasury the whole claim (ii) from Stalexport Autostrady SA about PLN 3.3 million (iii) from Stalexport Autostrada Małopolska SA about PLN 1 million. In January 2008 the Group submitted a reply to the suit, asking for dismissing the suit as a whole because of the right granted by the Minister of Transport to possess land in good faith on the basis of the Concession, Concession Agreement and accompanying agreements.

- On 11th January 2008 Stalexport Autostrady S.A. got from attorney-in-fact of the Consortium SlovakPASS (Autostrade per l'Italia, Stalexport-Autostrady SA, Efkon AG) the copy of the official report of the ordering party (National Road Directorate of the Slovakian Republic) that SlovakPASS was finally qualified to the proper bid for construction and management of the national network of electronic fee collection from lorries.

- On 21st January 2008 the Group obtained notices from the Companies: Atlantia S.p.A seated in Rome and Autostrade per l'Italia S.p.A. informing that on 18 January 2008 as a result of submitting by the company Atlantia S.p.A non-cash contribution in the form of 139,059,182 shares of the company Stalexport Autostrady S.A. to its subsidiary Company Autostrade per l'Italia S.p.A. seated in Rome. The shares were received by Autostrade per l'Italia S.p.A. Prior to acquiring the shares, Autostrade per l'Italia S.p.A. was not a shareholder of the company Stalexport Autostrady SA. As a result of acquiring the shares, Autostrade per l'Italia S.p.A. has currently a block of 139,059,182 shares and the same number of votes at the General Meeting of the company Stalexport Autostrady SA. The shares possessed by the company Autostrade per l'Italia S.p.A. constitute in total 56.24 % participation in the capital of the company Stalexport Autostrady SA and the same percentage participation in the total number of votes at the General Meeting of Shareholders of the company Stalexport Autostrady S.A.. Within 12 months from the date of this notice, Autostrade per l'Italia S.p.A is not going to increase its participation in the capital of the company Stalexport Autostrady S.A..

- On 29th February 2008 the subsidiary Stalexport Autostrada Dolnośląska S.A. based in Katowice, signed an agreement with Atlantia S.p.A. to sell 70% of shares of Autostrada Mazowsze S.A..

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

40. Corrections of previous years and changes in recognition

The Capital Group introduced following adjusments to approved financial statement as of the day and for the year ending on 31 December 2006.

Balance sheet

	Correction	As of 31 Dec 2006	Correction value	31 Dec 2006 after corrections
ASSETS				
Plant, property and equipment	a, b, c, d, e, f, g	336 996	(1 362)	335 634
Intangible assets	g	420	(156)	264
Prepaid perpetual usufruct of land	d	-	116	116
Investment property	a, g	10 000	(6 940)	3 060
Investments in associates		3 349	-	3 349
Other long-term investments	g	11 687	(447)	11 240
Long-term prepayments for commissions and other	e, t	208 552	(202 913)	5 639
Deferred tax assets	g, v	8 795	17 162	25 957
Total non-current assets		**579 799**	**(194 540)**	**385 259**
Inventories	g	69 436	(68 014)	1 422
Short-term investments		4 546	(1)	4 545
Income tax receivables	h	-	1 342	1 342
Trade and other receivables	g	108 160	(97 678)	10 482
Cash and cash equivalents	g	84 036	(6 837)	77 199
Short-term prepayments for commissions and other	e	11 800	(11 353)	447
Assets in group held for sale	g	-	238 711	238 711
Total current assets		**277 978**	**56 170**	**334 148**
Total assets		**857 777**	**(138 370)**	**719 407**

Additional information for the consolidated financial statement

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

	Correction	As of 31 Dec 2006	Correction value	31 Dec 2006 after corrections
EQUITY AND LIABILITIES				
Issued share capital		315 524	-	315 524
Share capital revaluation adjustment	i	-	18 235	18 235
Treasury shares	g	(71)	50	(21)
Share Premium reserve	j	-	2 887	2 887
Revaluation reserve	a, b, c	19 338	(19 338)	-
Other reserve capitals and supplementary capital	j	152 311	(2 887)	149 424
Foreign currency translation reserve		(46)	-	(46)
Retained earnings and uncovered losses	a, b, e, i, k, m, n, u	(301 682)	(97 988)	(399 670)
Equity of shareholders in parent entity		**185 374**	**(99 041)**	**86 333**
Minority interest	c, u	5 637	(1 529)	4 108
Total equity		**191 011**	**(100 570)**	**90 441**
Liabilities				
Long-term liabilities				
Loans and borrowings	g	26 717	(142)	26 575
Finance lease liabilities	g, l	4 489	(1 898)	2 591
Employee benefit liabilities		-	89	89
Deferred income and government grants	n	133 577	(115 518)	18 059
Long-term provisions	b, m, p	13 861	154 023	167 884
Deferred tax liabilities	g, v	4 092	(4 092)	-
Other long-term liabilities	g, n, o, p	290 774	(70 922)	219 852
Total long-term liabilities		**473 510**	**(38 460)**	**435 050**
Short-term liabilities				
Loans and borrowings	g, o	44 048	(16 077)	27 971
Finance lease liabilities	l	-	1 360	1 360
Income tax liabilities	h	-	2 224	2 224
Trade and other payables	g	135 921	(83 517)	52 404
Deferred income and government grants	n	11 496	(10 129)	1 367
Short-term provisions	g	1 791	(1 620)	171
Liabilities in group held for sale	g	-	108 419	108 419
Total short-term liabilities		**193 256**	**660**	**193 916**
Total liabilities		**666 766**	**(37 800)**	**628 966**
Liabilities in total		**857 777**	**(138 370)**	**719 407**

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

Profit or loss account

	Correction	1 Jan 2006 r. - 31 Dec 2006 before corrections	Correction value	1 Jan 2006 - 31 Dec 2006 after corrections
Revenue	q	737 113	-	737 113
Cost of sales	m	(575 345)	(75 207)	(650 552)
Gross sale profit		**161 768**	**(75 207)**	**86 561**
Other income	q, r	46 892	(10 268)	36 624
Distribution expenses	s	(24 695)	(11 258)	(35 953)
General administrative expenses	e	(79 825)	27 207	(52 618)
Other expenses	r, s	(33 134)	25 389	(7 745)
Profit (loss) from operating activities		**71 006**	**(44 137)**	**26 869**
Financial income		28 208	(8 816)	19 392
Financial expenses	m, n, t	(41 185)	(16 284)	(57 469)
Net financial expenses		**(12 977)**	**(25 100)**	**(38 077)**
Share in profit/(loss) of associated entities		**(34)**	**-**	**(34)**
Profit (loss) before taxation		**57 994**	**(69 236)**	**(11 242)**
Income tax	v	(4 203)	3 973	(230)
Net profit/(loss)		**53 791**	**(65 263)**	**(11 472)**
including falling to:				
Shareholders of parent entity		50 822	(65 442)	(14 620)
Minority shareholders		2 969	179	3 148
Profit/(loss) per share				
Basic earnings per share (PLN)		0,20	(0,31)	(0,11)
Diluted earnings per share (PLN)		0,20	(0,31)	(0,11)

Additional information for the consolidated financial statement
(all amounts in thousand of PLN, unless stated otherwise)

Correction	Description
a	Reclassification of leased part of the office building to investment property
b	Valuation of property, plant and equipment at the date of first application of IFRS EU in the Company, according to IAS 29 "Financial Reporting in Hyperinflation Economies". Application of IAS 29 caused changes in initial value of property, plant and equipment, which was the base for depreciation.
c	Elimination of revaluation of perpetual usufruct of land
d	Change in presentation of payments made in order to gain perpetual usufruct of land
e	Inclusion within plant and property of a motroway lane as discounted value Payments upon Concession.
f	Reduction of property plant and equipment by the value of works within the first resurfacing of the motorway for which provisions are made.
g	Reclassification of assets and liabilities belonging to the group held for sale
h	Presentation of income tax settlements under a separate item in the balance sheet
i	Hyperinflation revaluation of share capital
j	Change of presentation within the components of equity
k	Inclusion of transport costs related to sales for 2006 (initially included in 2007)
l	Presentation of short-term liabilities upon financial lease
m	Creation of provisions for the resurfacing of motorway lane
n	Valuation of long-term Payments upon Concession
o	Change in presentation of loan interest
p	Change in presentation of estimated liabilities upon guarantees granted
q	Change in presentation of elimination of intercompany revenues
r	Netting of other expenses and income
s	Change in presentation of costs of write-downs for receivables.
t	Correction of presentation of bank commission costs
u	Correction of minority interest calculation
v	Recognition of deferred tax due to intrduced adjustments and presentation of assets and liabilities upon deferred tax as a whole.

Stalexport Autostrady
Spółka Akcyjna

ul.Mickiewicza29
40-085 Katowice

Letter of the Chairman of the Management Board
of Stalexport Autostrady S.A. to the Shareholders

Dear Shareholders,

I am presenting You the consolidated report of the Capital Group of Stalexport Autostrady for the year 2007.

It is the first year since the year 2000, when I can, with full satisfaction, state that the restructuring programme of the Company and the Capital Group had been completed. Our Company had gone through very difficult time during the past seven years. At least several times we were at the edge of bankruptcy.

Commencing in 2006 and completing in 2007 of the process of the capital increase, allowed the Company for winning in total ca PLN 260 m, which secured not only the possibility to meet the arrangement and off-arrangement commitments, and also to collect the funds necessary for further dynamic development. It is really vital that owing to obtaining the strategic motorway investor, which is Atlantia Sp.A., (previously Autotrade A.p.A.) the trends of this development have been clearly determined and also the execution of these development trends has commenced in 2007.

The previous year was the year of executing the liabilities as well as the tasks resulting from the signed, on 26.06.2006, the Investment agreement with Autostrade S.p.A. (at present Atlantia S.p.A.), and also the year of commencing the execution of new development trends based on extremely reliable financial bases.

The main issues, which were carried out in this scope, in 2007, are:

1) executing the second phase of increase of the Company stock capital,
2) the disposal of the segment of the Company connected with conducting the trade activities, mainly in the scope of steel products,
3) participation in tenders arranged by the government circles for constructing new motorways or adapting the existing motorways to the toll collecting.
4) joint participation with Atlantia in international tender for constructing of the toll collection system on motorways announced by the Slovakia government,
5) earlier settlement of liabilities resulting from the off-arrangement agreements due to obtaining means from the capital increase
6) final dissolving of guarantees granted by company in 1997 for the credits for Walcownia Rur Jedność. For memento – this threat was shown in our books

in the amount of almost PLN 300 m, and finally due to the efforts of the Management Board and owing to means from the capital increase resulted solely in the expenditure of PLN 43 m in cash, and in ca PLN 33m, as an increase in capital.

Dear Ladies and Gentlemen,

All these events which occurred in 2007 caused that our Capital Group is entirely different than a year ago. The most essential attributes of this new “quality” are:

- establishing the solid financial base for the dynamic development of the Company and the Capital Group in future,
- coming of the Company and its Capital Group to the Atlantia family, one of biggest and the most dynamically developing company in motorway industry in Europe,
- resignation from the trade activities,
- focusing on motorway activities,
- changes of the firm name from Stalexport S.A. for Stalexport Autostrady S.A.

Dear Shareholders,

Our consolidated report for 2007 drawn up according to the International Accounting Standards and verified by the Auditing Company KPMG Polska Audyt Sp. z o.o. in Warsaw, presents the Capital Group with good results, capable of further intensive extension of business.

At present before the Capital Group of Stalexport Autostrady S.A. there are new challenges connected with the development of the motorway activity, and because in this range of activity, especially in our country, there is still a lot to be made up for - I would like to express hope that the Capital Group of Stalexport Autostrady – with the support of its strategic investor - will systematically and considerably contribute to the change of the existing state of affairs.

The Management Board will give special attention to this purpose in 2008, i.e. in already 45th year of the activity of the Company.

I encourage You to read the consolidated financial report of Stalexport Autostrady and the report of the Management Board on the activity of the Capital Group of Stalexport Autostrady in 2007, there You will find the detailed description of the condition of the Capital Group. These reports are also available on website www.stalexport-autostrady.pl

Yours faithfully,

The Chairman of the Management Board

General Director

/Emil Wąsacz/

REPORT OF THE MANAGEMENT BOARD ON THE ACTIVITIES OF

THE CAPITAL GROUP OF STALEXPORT AUTOSTRADY

(previously STALEXPORT)

for 2007

Katowice, March 2008

REPORT OF THEMANAGEMENT BOARD
ON THE ACTIVITIES OF THE CAPITAL GROUP OF STALEXPORT AUTOSTRADY
(previously STALEXPORT)
for the year 2007

Contents:

1. INTRODUCTION...5

2. BASIC INFORMATION ABOUT THE CAPITAL GROUP OF STALEXPORT AUTOSTRADY6

2.1. Segments of activities of Capital Group of Stalexport Autostrady 6
2.2. Characteristics of the Companies of the Capital Group of Stalexport Autostrady 7
2.2.1. Stalexport Autostrady S.A. 8
2.2.2. Stalexport Autoroute S.a.r.l. 9
2.2.3. Stalexport Autostrada Małopolska S.A. (SAM) 10
2.2.4. Stalexport Transroute Autostrada S.A. (STA)..10
2.2.5. Stalexport Autostrada Dolnośląska S.A. (SAD) 11
2.2.6. Stalexport Autostrada Śląska S.A. (SAŚ)..11
2.2.7. Autostrada Mazowsze S.A. (AMSA) 11
2.2.8. Steel companies – relinquished activities..11

3. FINANCIAL ANALYSIS OF THE CAPITAL GROUP OF STALEXPORT AUTOSTRADY ...13

3.1. Discussion of financial results 13
3.1.1. Revenues and costs of basic operations (sales, costs of purchase and sales, costs of general management) 13
3.1.2. Other operating revenues (incomes) and costs..14
3.1.3. Financial income and expenses 15
Financial results - summary..15
3.2. Evaluation of factors and unusual events having impact upon the results of economic activities, taking into consideration events after balance sheet date 15
3.3. Property and financial standing including depiction of financing sources, policy regarding indebtedness as well as policy regarding risk management...17
3.3.1. The Capital Group Assets 17
3.3.2. The Company's Capital Group Liabilities 19
3.3.3. Structure of financing sources and financial resources management.......................................20
3.4. Description of investment activity 20

4. ANALYSIS OF THE TRADE ACTIVITY OF THE CAPITAL GROUP (REFERS TO THE RELINQUISHED ACTIVITIES)...21

4.1. Sale – Information on basic products, goods and services 21
4.2. Information on markets and suppliers 22
4.2.1. Export sale...22
4.2.2. Internal and import sale 22
4.2.3. Main suppliers...22
4.2.4. Main contractors..23

5. OTHER INFORMATION ON CAPITAL GROUP OF STALEXPORT AUTOSTRADY 23

5.1. Information on concluded contracts of material importance for the activity of the Company and its Capital Group, including contracts known to the Company as closed between stock-shares holders, insurance contracts, cooperation 23
5.2. Information on changes in the Company's organizational or capital relationships with other entities and qualification of the Company's general internal and foreign investments as well as description of methods for investment financing 24
5.3. Description of transactions with related entities (for one time or total value of transactions exceeding in business year the amount of EUR 500,000) 30
5.4. Information on drawn loans, loan agreements with taking into account their due date and about granted sureties and guarantees. 30
5.5. Information on granted loans with taking into account their due dates, as well as granted sureties and guarantees, in particular loans, sureties and guarantees granted to entities related to the Company. 31

5.6. Information on issuing securities jointly with description of use bty the Company of revenue from the said issuing 32
5.7. Explanations as to differences between financial results revealed in annual statement (SA-RS) and in quarterly report (SAQ) 32
5.8. Evaluation jointly with grounds of financial resources management, especially with taking into account the ability to meet the liabilities and specifying potential dangers and actions taken or intended to be taken by Stalexport Autostrady S.A. in order to prevent such dangers....... 32
5.9. Evaluation of investment task performance possibility....... 33
5.10. Evaluation of result and unusual events that affect the financial result for a given business year with specifying the extend of the said factors or unusual events impact on the obtained result....... 33
5.11. Characteristics of internal and external factors that are significant for the development of the Capital Group and description of commercial activity development prospects....... 33
Characteristics of internal and external factors that are significant for the development of the Capital Group and description of commercial activity development prospects is included in Chapter 6. 33
5.12. Changes in basic rules concerning the way of the Company management as well as its Capital Group management. 33
5.13. Changes in management and supervising bodies of the Company and its Capital Group in the last business year, rules concerning dismissing and appointing managing people, in particular right to make a decision about issuing or stock redemption....... 34
a) Management Board of the Company 34
b) Supervisory Board of the Company 34
5.14. Information on agreements between the Company or the companies of the Capital Group and managing people, that have predict compensation in case of their resignation or dismissal from their position without an important reason or when their dismissal or lay off results from joining the Company by taking over. 37
5.15. Remuneration for persons managing and supervising the Capital Group of Stalexport Autostrady38
5.16. Amounts due upon unpaid loans. Information on loans, advance payments or guarantees granted to persons managing the Company....... 39
5.17. Company shares or shares of its associated entities in possession of persons managing and supervising the Company and the Capital Group 39
5.18. List of shareholders in possession of at least 5% of general number of votes....... 39
5.19. Information on agreements known to the Company, due to which in the future some changes could occur in the proportion of shares held by current shareholders....... 39
5.20. Shareholders of the shares which give special rights of control with regard to the Company, together with the description of such rights 39
5.21. Information on the control system of staff shares programmes....... 40
5.22. Information regarding any restrictions in transferring the title to securities and restrictions in executing the right to vote connected with the Company shares. 40
5.23. Date of concluding the agreement with an entity entitled to audit financial statements and the consolidated financial statement, the period for which it has been concluded as well as total remuneration for the entity and consolidated audit in the given business year. 40

6. PERSPECTIVES FOR DEVELOPMENT AND DESCRIPTION OF MAIN RISKS AND HAZARDS. CHARACTERIZATION OF EXTERNAL AND INTERNAL FACTORS CRUCIAL FOR THE FUTURE DEVELOPMENT OF THE CAPITAL GROUP OF STALEXPORT AUTOSTRADY42

6.1. Perspectives for development 42
6.2. Description of main risks and hazards. Characterization of external and internal factors crucial for the future development of the Capital Group and counteracting such risks. 42

7 CONCLUSION....... 44

8. ATTACHMENTS 45

8.1. A statement of the Management Board, stating that to the best of their knowledge the yearly consolidated financial report and the comparable data have been prepared in accordance with the binding principles of accounting, and that they reflect in true, reliable and clear manner the property and finances of the Capital Group, as well as its financial result, and that the report contains a true picture of the development and achievements and the situation of the Capital Group, including the description of the basic risks.45
8.2. A statement of the Management Board, stating that the entity qualified to carry out the audit of the yearly consolidated financial report has been selected in accordance with the legal regulations, and that this

entity and the certified auditors performing the audit complied with the conditions to express an unbiased and independent opinion about the audit, in accordance with the regulations of the national law.46

1. INTRODUCTION

The Report of the Management Board on the activities of the Capital Group of Stalexport Autostrady located in Katowice, for the year 2007 contains the most important information concerning the functioning of the Company and its Capital Group in the reporting period.

The main tasks assumed by Stalexport Autostrady S.A. (previously STALEXPORT S.A.) for implementation in 2007 resulted from the programme accepted in 2002, entitled **"Programme of implementation of strategy of STALEXPORT S.A. in the years 2002-2007 in the conditions of arrangement proceedings"** as well as the Investment Agreement signed in 2006 with the strategic investor. Namely the company Atlantia S.p.A.

They have comprised in particular:
1) further replenishment of the Company's capital, for the amount of over 200 million PLN, by coming into possession of further shares by the Company Atlantia S.p.A.,
2) repayment of liabilities resulting from arrangement agreements and liabilities which have not been part of arrangement proceedings,
3) change of the profile of Company's activities, by selling its steel part,
4) final settlement of liabilities resulting from the guarantees granted in favour of WRJ.

The coming of the Company Atlantia S.p.A. to Stalexport Autostrady S.A. and the execution of the agreement concluded resulted in obtaining some 269 million PLN in cash. This cash injection eliminated the risk of bankruptcy of the Company for good, allowed to complete the process of financial restructuring, and created conditions for its further development.

In 2007 Stalexport Autostrady S.A., having the financial means, paid the liabilities resulting from arrangement proceedings, for the amount of 33.2 million PLN. In addition, in the first half of 2007 the liabilities amounting to 7.7 million PLN, which have not been part of the arrangement proceedings, on top of that in July 2007 Stalexport Autostrady S.A. pre-paid the 33.3 million PLN of liabilities which have not been part of the arrangement proceedings. Thus, before due date, all the restructured liabilities towards banks have been paid, which liabilities have not been part of the arrangement proceedings.

Simultaneously, throughout the year intensive work has been carried out with the aim to sell the steel part of the belonging to the Capital Group of Stalexport Autostrady to the investor, namely the Company Złomrex S.A. A suitable agreement was signed on 01.10.2007.

Moreover, final settlement was made concerning the liabilities in the form of guarantees granted in favour of WRJ, in the amount of 48 million PLN.
The discussion of actions taken and results obtained is included in subsequent chapters of this report.
The presented report covers issues stated in the Ordinance of the Minister of Finance, dated 19.10.2005, concerning the current and period information to be provided by issuers of securities (Official Journal of Law, No 209, year 2005 item 1744).

<u>The report of the Management Board consists of the following:</u>

1. **Introduction,**
2. **Basic information about the Capital Group**
3. **Financial part,** which comprises the discussion of financial results, description of non-typical factors that exert influence upon the result of activities, description of the assets structure and financial situation of the Capital Group,
4. **Commercial part**, which contains basic information about the market and sales,
5. **Other information** about the Company and the Capital Group
6. **Descriptive part dealing with development perspectives, and description of basic risks and threats of the Capital Group Stalexport Autostrady** as well as the actions of the Management Board taken to define the conditions of further development of the Company**,**
7. **Conclusions**
8. **The part containing statements of Management Board,** required by the Ordinance of the Minister of Finance, dated 19.10.2005, concerning the current and period information to be provided by issuers of securities.

2. BASIC INFORMATION ABOUT THE CAPITAL GROUP OF STALEXPORT AUTOSTRADY

2.1. Segments of activities of Capital Group of Stalexport Autostrady

In the year 2007, the Company activities were characterised by the two phases which were separated by the disposal of the Organised Division of Enterprise.

To 30.09.2007 the activities of Capital Group of Stalexport Autostrady focused upon the two main segments:
- **the segment of motorway services** comprising among others upgrading to the toll motorway conditions and operation of the A4 motorway section Katowice-Kraków,
- **trade segment** comprising export, import, domestic trade in steel goods, raw materials for metallurgy, as well as processing of steel products, including manufacturing and assembling/ installation of prefabricated reinforcements.

In the segment of motorway business there are the following dependent companies of Stalexport Autostrady S.A:

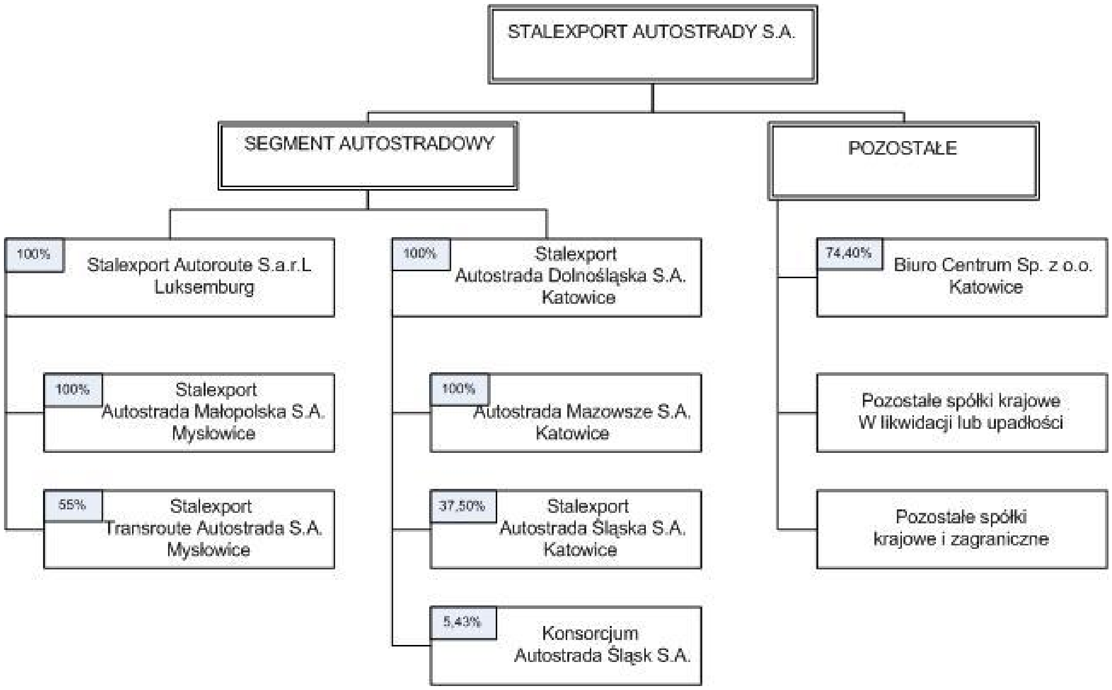
1. Stalexport Autoroute S.a.r.l., Luxembourg, which is the shareholder in the following companies:
   - Stalexport Autostrada Małopolska S.A., Mysłowice (which holds the licence for the operation of the section of A4 motorway, Katowice-Kraków),
   - Stalexport Transroute Autostrada S.A., Mysłowice,
2. Stalexport Autostrada Dolnośląska S.A., Katowice, which is the shareholder in the following companies:
   - Autostrada Mazowsze S.A.
   - Stalexport Autostrada Śląska S.A.,
   - Konsorcjum Autostrada Śląsk S.A.

The trade segment comprised the Organised Part of the Enterprise (Zorganizowana Część Przedsiębiorstwa - ZCP) Stalexport Autostrady S.A. together with the following dependent companies:

1. Stalexport Serwis Centrum S.A., Katowice,
2. Stalexport Centrostal S.A., Lublin,
3. Stalexport - Metalzbyt Sp. z o. o., Białystok,
4. Stalexport Serwis Centrum Bełchatów S.A., Rogowiec,
5. In-Bud Sp. z o.o.

On 1.10.2007 the Organised Part of the Enterprise (Zorganizowana Część Przedsiębiorstwa was sold. After the disposal of steel business Group Stalexport Autostrady S.A. as from 01.10.2007 focuses solely on motorway activities and the renting of the office space at the office building at 29 Mickiewicza Street in Katowice, of which the Company is part owner and in which the Company is situated.

The organisation chart of the Capital Group Stalexport Autostrady S.A. as of 31.12.2007 is presented below.



* segment autostradowy – motorway segment pozostałe – others
under others: other domestic companies in liquidation or bankruptcy
other domestic and foreign companies

Basis data about the Capital Group and the changes in the organisation of the Capital Group were description in the Additional Information for the Consolidated Financial Statement (notes no 1 and 7).

2.2. Characteristics of the Companies of the Capital Group of Stalexport Autostrady

The activity of the company **Stalexport Autostrady S.A.** and its Capital group after 01.10.2007 focuses at present on the motorway services comprising:

- § Adapting to the conditions of the toll motorway
- § Operating the section of A4 motorway Katowice-Kraków
- § Participating in selected tenders for constructing and/or operating successive motorway projects

Table no 1 Basic financial data of the selected companies

Item	STALEXPORT AUTOSTRADY S.A.		SAM S.A.		STA S.A.	
In thousand PLN	31.12.2007	31.12.2006	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Long-term assets	91 070	90 693	459 206	369 647	3 453	4 320
Short-term assets	219 538	272 202	45 044	42 566	10 511	11 291
Equity	184 246	-22 863	148 193	134 166	7 361	6 681
Long-term liabilities	72 919	213 491	314 926	254 834	1 447	2 667
Short-term liabilities	53 443	172 268	41 130	23 213	5 155	6 262
	re continued activity 2007*	2006*	2007	2006	2007	2006
Revenues from sale	2 017	1 738	126 215	121 538	27 976	26 015
Gross profit (loss) on sale	-191	-245	44 560	23 872	13 406	11 850
Profit (loss(on operating activity	-7 176	16 430	34 962	17 543	9 513	8 412
Result on financial activity	46 564	-7 627	-17 651	-27 740	-364	-520
Net profit (loss)	39 387	8 802	14 027	-8 737	7 327	6 325
Margin EBIT**	-356%	945%	28%	14%	34%	32%

Equity profitability ROE***	21%	-38%	9%	-7%	100%	95%

Explanations to table no1:
*Data for Stalexport Autostrady S.A. concern entirely continued activities
Margin EBIT calculated as: PROFIT ON OPERATING ACTIVITY / REVENUES FROM SALE x 100%
*** **Profitability of equity ROE** calculated as: NET PROFIT / EQUITY x 100%

2.2.1. Stalexport Autostrady S.A.

Stalexport Autostrady S.A. (previously STALEXPORT S.A.) began its activities on January 1, 1963 as the Foreign Trade Enterprise (Przedsiębiorstwo Handlu Zagranicznego) „Stalexport", specialising in the export and import of steel and metal goods, as well as import of raw materials for the Polish steel and metal sector. In 1993 the neterprise was transformed into a Joint Stock Company, with the State Treasury as its only shareholder, and underwent privatisation. At present the company has the legal status of a Joint Stock Company, the shares of which have been approved for trading at the Warsaw Stock Exchange (Warszawska Giełda Papierów Wartościowych) on October 26, 1994.

In 1997, following a tender procedure, the Company was awarded the licence for the period of 30 for construction by adaptation and operation of the section of toll motorway A4 between Katowice and Kraków, length of the section 61 km.

In 2006 Stalexport Autostrady S.A. gained a strategic investor, namely the Company Atlantia S.p.A. with registered office in Rome (Italy) – the leader on the European market of motorway management Atlantia S.p.A. manages a network of over 3 400 km of toll motorways in Europe and the USA, it is also a leader in systems for automatic toll collection on motorways. Atlantia S.p.A. is quoted at the stock exchange in Milan, its market value as at the end of February 2008 is some 13 billion EUR.

In line with the investment agreement concluded, in June 2006 Atlantia S.p.A. came into the possession of 34 159 378 shares of the series F (2nd tranche), issued within the framework of actions meant to increase the share capital within the limits of target capital, which amounted to 21.7% in the share capital of the Company. The registration of that increase took place on 02.08.2006. Then, in March 2007 r. Atlantia S.p.A. came into the possession of another series of shares (series G) having the total value of some 201 million PLN. That increase of share capital of the Company took place on 25.06.2007. The financial means obtained from the above issue of shares allow, on the one hand to pay the restructured debts of the Company, which has already been achieved in a substantial portion, and on the other hand to implement the strategy of developing the activities in the motorway segment.

Moreover, as a result of settlement made on 06.08.2007 of the stock exchange transaction, which has been the result of stipulations made in the call for subscribing to shares of the company Stalexport Autostrady S.A. with seat in Katowice, Atlantia S.p.A. purchased 15 399 804 shares of Stalexport Autostrady S.A. Following the purchase of the above shares Atlantia S.p.A. held a total of 139 059 182 shares of Stalexport Autostrady S.A., which amounted to 56.24 % of shareholding of the company capital and of the total number of voting rights at the General Assembly of Shareholders of Stalexport Autostrady S.A. At present, following the operation of 18.01.2008 when the company Atlantia S.p.A brought in the non-pecuniary contribution in the form of 139 059 182 shares of the company Stalexport Autostrady S.A. to its dependent company Autostrade per l'Italia S.p.A. with seat in Rome, all the above shares are held by the company Autostrade per l'Italia. The transaction was settled on 05.03.2008.

The Company is in the process of execution of the arrangements made with its creditors, approved by the decision of the Regional Court (Sąd Rejonowy) in Katowice, dated 27.06.2002. In line with the conditions of the arrangement, the payment of liabilities shall be in 20 quarterly instalments. Until the date of drawing this statement, the Company paid 18 of those 20 instalments. The remaining two instalments are due on: 07.04.2008 and 07.07.2008.

In connection with the process of selling the steel section in 2007, as a result of the resolution passed by the Gneral Assembly of Shareholders, the company name under which the company carried out its activities also changes from Stalexport Spółka Akcyjna (Stalexport Joint Stock Company) to Stalexport Autostrady Joint Stock Company (Spółka Akcyjna) (decision of the Regional Court - Sąd Rejonowy in Katowice Wydział VIII Gospodarczy Krajowego Rejestru Sądowego ((Division VIII - Economy, of the National Court Register) dated August 30, 2007)

In the year 2007, the Company activities were characterised by the two phases which were separated by the disposal of the Organised Division of Enterprise.

Until 30.09.2007 the activities of the Company and the Capital Group focused upon the two main segments, namely: **the segment of motorway services** and **trade segment** comprising export, import, domestic trade in steel goods, raw materials for metallurgy, as well as processing of steel products, including manufacturing and assembling/ installation of prefabricated reinforcements.

After disposal of steel business Stalexport Autostrady S.A. as from 01.10.2007 focuses entirely on motorway activity and letting the offices in the office building at 29 Mickiewicza Street of which the Company is part owner and in which the seat of the Company is situated.

The Italian company Autostrade per l'Italia S.p.A. belonging to the Group ATLANTIA S.p.A. with seat in Rome which is the leader on European market of managing the motorways, is the major shareholder of Stalexport Autostrady S.A.

Atlantia S.p.A. engagement to Stalexport Autostrady S.A. resulted in obtaining total amount of 269,700 thousand PLN by virtue of the increase in capital (out of which 68,619 thousand PLN in 2006 and 201,081 thousan PLN in 2007).

In 2007 Stalexport Autostrady S.A. possessing financial means repaid the arrangement liabilities for the total amount of 33,156 thousand PLN. Moreover in the 1st half 2007 – 7,716 thousand was repaid of off-arrangement liabilities and additionally I July 2007 Stalexport Autostrady S.A. prepaid 33,252 thousand PLN of off-arrangement liabilities. The same all the restructured liabilities towards banks, which were not covered by the arrangement agreement were repaid ahead of time. At the end of 2007 the balance of the arrangement liabilities amounted to 26,315 thousand PLN, and at present this balance amounts to 18,044 thousand PLN. Two instalments remain to be still repaid.

In 2007 the liabilities in the amount of 8,000 thousand PLN were finally settled which resulted from bill of exchange guarantee granted on 07.11.1997 by the Company for the State Treasury in connected with the credits contracted by WRJ.

By virtue of disposal of steel business the Company obtained the revenue of 138,700 thousand PLN and the result on this transaction after considering the book value of the disposed asset was negative and amounted to 19,839 thousand PLN.

As far as the gross result is concerned, the Company discloses the profit on continued activity in the amount of 39,387 thousand PLN (while on the relinquished activity the gross loss was shown in the amount of 32,196 thousand PLN).
Because of the lack of burdens by virtue of income tax the gross profit constitutes at the same time the net result, which the Company achieved in 2007.

2.2.2. Stalexport Autoroute S.a.r.l.

Stalexport Autoroute S.a.r.l. with the seat in Luxembourg was registered on 30th December 2005. Setting up this company was one of the conditions for obtaining the Financial Closing by Stalexport Autostrada Małopolska S.A., ie. an effective conclusion of a long-term credit agreement with the Consortium of Banks for the value up to 380 m PLN. This Company does not conduct any other activity, apart from holding shares in the companies Stalexport Autostrada Małopolska S.A. and Stalexport Transroute Autostrada S.A.in order to properly implement the package of securities (pledge on shares) to the above mentioned credit agreement.

Stock capital of the company amounts to 47,565,000 EUR. The Company is in 100% dependent upon Stalexport Autostrady S.A.

The Company is the shareholder of the companies:

- Stalexport Autostrada Małopolska S.A., Mysłowice (100%),
- Stalexport Transroute Autostrada S.A., Mysłowice (55%).

2.2.3. Stalexport Autostrada Małopolska S.A. (SAM)

Stalexport Autostrada Małopolska S.A. with the seat in Mysłowice was set up on the basis of a notarial deed of 19th December 1997. The statutory activity of the company is motorway activity in the range of managing motorway projects and the entirety of tasks resulting from the binding Concession Agreement (which was originally granted to Stalexport Autostrady S.A. Katowice and which by the decision of the Minister of Infrastructure was transferred to Stalexport Autostrada Małopolska S.A. on 28th July 2004) encompassing the construction management, adapting to the requirements of a toll motorway and the operation of a motorway fragment on the Katowice-Kraków section.

The initial capital amounts to 29 553 thousand PLN. The Company is 100% dependent upon Stalexport Autoroute S.a.r.L

On the strength of the Concession Agreement the company was authorized to collect toll and rental rates.
Among the duties of the company are the current maintenance of the motorway and the continuation of investment tasks. On 21st March 2005 appendix No.5 to the Concession Agreement was signed. After signing all appendices on 17th October 2005, the agreement came into force, what made the financial closing possible in the form of a long-term credit appropriated for further financing of investment works and settlements resulting from transferring the concession by Stalexport Autostrady S.A. to Stalexport Autostrada Małopolska S.A.

The value of net incomes from sale in the year 2007 amounted to 126,215 thousand PLN, while in 2006 it was 121,538 thousand PLN. A ca. 4% increase of incomes concerned the sale connected with the refunding for vehicles exempted from tolls (toll stickers system) and resulted from considerable increase of the traffic volume of these types of vehicles.

The Company generated in 2007 net profit of 14,027 thousand PLN.
The investment activity executed in 2007 was a part of building work the execution of which is the commitment of the Concessionaire resulting from the provision of the Concession Agreement. The work was mainly connected with the repairs of the surface and the bridges as well as with building the sound screens.
The Company is financing its activity by revenues from the toll collection and the bank credit. According to the credit agreement concluded in December 2005 with Bank Consortium the Company obtained the external financing up to 380,000 thousand PLN. The nominal value of the debt at the end of 2007 amounted to 70,000 thousand PLN.

2.2.4. Stalexport Transroute Autostrada S.A. (STA)

Stalexport Transroute Autostrada S.A. with the seat in Mysłowice was set up on 14th May 1998 on the basis of a notarial deed. The core business of the Company is activity connected with the operation of the A-4 toll (Katowice-Kraków) motorway section. Stalexport Transroute Autostrada S.A. renders its services for only one user – Stalexport Autostrada Małopolska S.A. The company for its services receives a payoff of global sum which is mainly subordinated to inflation.
The most important tasks executed by STA S.A. comprise services of current operating and maintaining of Małopolska Motorway:
- operating the toll collecting system,
- traffic managing on the motorway,
- maintaining the equipment of the motorway in the proper technical condition,
- full maintaining of the roadway,
- winter upkeep of motorway,
- managing and advising especially in case of future overhauls and repairs of the surfaces and the project to improve the standard of the road.

The initial capital of the company amounts to 500 000 PLN. The Company is 55% dependent upon Stalexport Autoroute S.a.r.l. The remaining 45% belongs to Transroute International S.A., France.

The incomes from sales amounted to 27 976 thousand PLN in 2007 and were higher than income of 2006 by 1 960 thousand PLN.
In 2007 the Company noted a net profit in the amount of 7,327 thousand PLN which was higher by 15,8% than the result obtained previous year. This result resulted from the increase in income from sale by almost 8%, with an increase in prime costs of sale only by somewhat less than 3%.

2.2.5. Stalexport Autostrada Dolnośląska S.A. (SAD)

The Company Stalexport Autostrada Dolnośląska S.A. with the seat in Katowice was set up on the basis of a notarial deed of 2nd July 1997. The core business of the company is managing motorway projects.

The initial capital of the company amounts to 40 100 000 PLN. Stalexport Autostrady S.A. has 100% of shares in Stalexport Autostrada Dolnośląska S.A.

The Company Stalexport Autostrada Dolnośląska S.A. via its subsidiary company Stalexport Autostrada Śląska S.A. of which STRABAG and Egis Project are the other shareholders - made attempts to sign the agreement on management and maintenance of the A-4 motorway on the Katowice-Wrocław section, what was discontinued by annuling the tender proceedings by the government party.

The company SAD S.A. set up consortia with the Italian company Atlantia S.p.A. (the leader in managing the motorway infrastructure in Europe) and Autostrade per l'Italia S.p.A. (the daughter company of Atlantia S.p.A), which participate in proceedings published by GDDKiA: for constructing and operating the A2motorway section Stryków-Konotopa (91 km); for adapting to toll collecting of A2 motorway section Konin-Stryków (103 km); for adapting to toll collecting the A4 motorway Wrocław-Sośnica(Gliwice) (162km). In case of the latter SAD on 05.03.2008 was informed by GDDKiA that the bid of the consortium was not approved for execution. In two latest tenders the company Polimex-Mostostal S.A. is the building partner and the member of the consortium.

2.2.6. Stalexport Autostrada Śląska S.A. (SAŚ)

The Company Stalexport Autostrada Śląska S.A. with the seat in Katowice was set up on the basis of a notarial deed of 24th August 2000. The core business of the company is managing motorway projects.

Stalexport Autostrada Śląska S.A. made endeavors to obtain the concession for the operation of the A-4 on the Wrocław–Katowice motorway section, however, the tender was revoked on 27th February 2006 by the Minister of Infrastructure. In connection with the above, at present, the actions have been carried out aimed at winding up this entity.

The initial capital of the company amounts to 44,000,000 PLN. The shareholders of the company are Stalexport Autostrada Dolnośląska S.A. (37.5% of shares), Egis Project SA (37.5%) and Strabag AG (25%).

2.2.7. Autostrada Mazowsze S.A. (AMSA)

The Company Autostrada Mazowsze S.A. with seat in Katowice was set up on the basis of a notarial deed of 6th November 2007. The core business of the company is managing motorway projects.

AMSA was set up as the subject of special target – so as to participate in the proceedings announced by GDDKiA to select the entity which will get the concession for constructing and operating the A2 motorway section Stryków II-Konotopa (91km).

The initial capital of the company amounts to 20,000,000 PLN. While setting up the company 100 % of shares belonged to Stalexport Autostrada Dolnośląska S.A. On 29.02.2008 - 140,000 shares, belonging to SAD S.A., (constituting 70% of the capital) were sold the other members of consortium – the company Atlantia S.p.A.

2.2.8. Steel companies – relinquished activities

The steel activities conducted within Capital Group of Stalexport Autostrady covered import, export, import, domestic trade in steel goods, raw materials for metallurgy, as well as processing of steel products, including manufacturing and assembling/ installation of prefabricated reinforcements.
The commercial –production activities in 2007 were executed till it disposal (i.e. to the end of 3rd qtr 2007) in the company Stalexport Autostrady S.A. (presented as the relinquished activities) and in subsidiary companies from among the considerable importance had: Stalexport Serwis Centrum S.A. in Katowice and Stalexport Centrostal in Lublin.

The revenues of Stalexport Autostrady S.A. by virtue of the relinquished activities amounted in 2007 to 338,168 thousand PLN; the operating loss occurred in the amount of 12,048 thousand PLN and the net loss in the amount of 32,196 thousand PLN.

The core business of the company Stalexport Serwis Centrum was distribution of steel products through its storing-trading base in Katowice and in its branch offices: in Opole and Wrocław. The Company noted the revenues from sale in 2007 in the amount of 64,703 thousand PLN and generated net profit in the amount of 332 thousand PLN.

The core business of the company Stalexport Centrostal Lublin S.A. was the trade with metallurgical products and the purchase, processing and sale of scrap. The Company also rendered services in the range of „cutting to size" long products and sheets and transport. In the year 2007 the company noted incomes from sales at the level of 18,129 thousand PLN while net result was negative and amounted to 133 thousand PLN.

3. FINANCIAL ANALYSIS OF THE CAPITAL GROUP of STALEXPORT AUTOSTRADY

3.1. Discussion of financial results

In connection with the investment agreement signed on 31.05.2007, concerning the sale by Stalexport Autostrady S.A. of the assets and liabilities referring to the steel business, in the profit and loss account the results of relinquished activities have been separated.

The financial results for the year 2007 are presented in the Table below no 2:

Data in PLN thousand	Continued activities			Relinquished activities		
	2007	2006	2007/ 2006	I-III qtr 2007	**I-III q. of 2006***	**2007/ I-III q. of 2006***
I. Net revenue from the sales of products, goods, and materials	**127 379**	**122 633**	**3,9%**	**414 081**	**455 658**	**-9,1%**
II. Cost of sold goods, products, and materials	**-54 708**	**-87 005**	**-37,1%**	**-395 488**	**-415 591**	**-4,8%**
III. Gross profit (loss) on sales	***72 672***	***35 627***	***104,0%***	***18 594***	***40 067***	***-53,6%***
IV. Other revenues	**13 746**	**34 576**	**-60,2%**	**1 186**	**1 589**	**-25,4%**
V. Cost of sales	**0**	**0**	**-**	**-12 061**	**-19 031**	**-36,6%**
VI. Cost of general management	**-35 363**	**-25 048**	**41,2%**	**-15 836**	**-20 682**	**-23,4%**
VII. Other costs	**-983**	**-3 753**	**-73,8%**	**-3 288**	**-15 893**	**-79,3%**
VIII. Operating profit (loss)	***50 071***	***41 403***	***-***	***-11 406***	***-13 950***	***-18,2%***
IX. Loss on sales of relinquished activities	***0***	***0***	***-***	***-21 964***	***0***	***-***
X. Financial income	**54 173**	**18 731**	**189,2%**	**1 405**	**1 041**	**35,0%**
XI. Financial expenses	**-27 063**	**-56 016**	**-51,7%**	**-1 773**	**-1 081**	**64,0%**
XII. Share in profits (loss) of affiliated entities	**101**	**-35**	**-**	**0**	**0**	**-**
XIII. Gross profit (loss)	***77 282***	***4 083***	***1792,8%***	***-33 737***	***-13 990***	***141,2%***
XIV. Income tax	**-8 232**	**-125**	**-**	**-148**	**-96**	**-**
XV. Net profit (loss)	***69 050***	***3 958***	***1644,6%***	***-33 886***	***-14 086***	***140,6%***

*for the sake of comparison the results of activities relinquished in 2006 apply to the period I-III quarter of the year.

3.1.1. Revenues and costs of basic operations (sales, costs of purchase and sales, costs of general management)

In 2007 the revenues on sales amounted to 541 460 thousand PLN, of which the revenues from the continued activities constitute 23,5 % while the relinquished activities 76,5 %.

The revenues from the continued activities amounted to 127 379 thousand PLN and constitute first of all the receipts in the amount of 125 453 thousand PLN from toll collecting on section of A4 toll motorway Katowice-Kraków within the framework of the concession held by Stalexport Autostrada Małopolska S.A. (SAM) and also cover the rent for letting the offices obtained by Stalexport Autostrady S.A. in the amount of 1 927 thousand PLN.

In 2007 the increase in revenues from continued activities by ca 4% in comparison with 2006 occurred.

In connection with the sale of the Organised Part of the Enterprise (Zorganizowana Część Przedsiębiorstwa – ZCP) in the end of the 3rd quarter of 2007, the activity relinquished in the 4th quarter of 2007 have not been presented in the results of the Company, thus for the sake of comparison with the previous year, one should take into consideration the results for the three quarters (I-III) of 2006.

The revenues from the relinquished activities amounted to 414 081 thousand PLN and were by more than 9 % lower than in the comparable period I-III quarters 2006.

Within the relinquished activities the trade of steel products had been conducted the revenues from which amounted to 360 826 thousand PLN, the production activities (reinforcements for building industry) which generated revenues in the amount of 48 216 thousand PLN and other activity with revenues of 5 040 thousand PLN.

The gross profit on sales in 2007, from the continued activities amounted to 72 672 thousand PLN, whereas the disclosed profit is twice higher than in the previous year, mainly due to establishing in 2006 additional provisions of 34 643 thousand PLN for the exchange of road surface out of which 14 930 thousand PLN was dissolved in 2007.
The relinquished activity generated a gross profit on sale of 18 594 thousand PLN, while in the comparable period of three quarters of 2006 it amounted to 40 067 thousand PLN, which implies a drop by nearly 53,6%.
The generation of a lower profit is the consequence of:

- reduction of the sales volume, mainly in the first half of 2007,
- losses generated in the manufacturing of reinforcements,
- diminishing of the sales profit margin in export.

The costs of sales, which entirely belong to the steel activity, amounted to 12 061 thousand PLN in 2007. The cost of general management, included in the continued activities, amounted to 35 363 thousand PLN, the cost belonging to the relinquished activities amounted to 15 836 thousand PLN.
The increase in costs of general management on the continued activity in relation to 2006 by more than 41 % resulted from the single events and concerned the social services and the third party services. In the second half of the year the bonuses for all the employees in the total amount of 3 693 thousand PLN were calculated as the form of compensation for the voluntary reduction of their salaries in the period when the company was undergoing the restructuring process envisaging the bankruptcy; and the bonus for the Management Board was calculated in the amount of 3 500 thousand PLN increased by surcharges by virtue of social insurance and other in the amount of 319 thousand PLN. While in connection with disposal of steel business the advisory costs amounted to 1 775 PLN.

3.1.2. Other operating revenues (incomes) and costs

Other operating revenues amounted to 14 932 thousand PLN, of which 1 186 thousand PLN are revenues of the relinquished activities, where the main items are: revenues amounting to 447 thousand PLN obtained through dissolution of leasing contracts connected with the assets used within the framework of steel activities, as well as the revenues of 203 thousand PLN being penalty interest on receivables.
The other revenues from continued activities amounted to 13 746 thousand PLN, of which the main item was the balance of updated provisions (reserves) for liabilities, amounting to 4 612 thousand PLN, which are made up of the dissolved (reserves) provisions in the amount of 6 896 thousand PLN an formed provisions (reserves), in the amount of 2 284 thousand PLN. Among the dissolved (reserves) provisions, 3.000 thousand PLN applied to the guarantees of bills of exchange of the Walcownia Rur Jedność (WRJ – pipe mill), while 2 391 thousand PLN applied to the receivables from the Company Stalexport Wielkopolska Sp. z o. o; while in the newly formed provisions (reserves) the main item was provisions for corporate income tax, in the amount of 1 342 thousand PLN.

Within framework of other costs the revenues from lease of places of travellers servicing on the motorway in the amount of 2 017 thousand PLN, received compensation for the total amount of 3 207 thousand PLN as well as the reimbursement of legal proceedings costs with Kapsch in the amount of 1 133 thousand PLN. Moreover the revenues were increased by limited receivables from the company Eko-Stahl (Germany), in the amount of 1 901 thousand PLN.
The lower level of other revenues in comparison with previous year results from two events which had occurred in 2006: conversion of outstanding receivables to shares of the company Centrozap – which resulted in dissolution of provisions in the amount of 11 995 thousand PLN and the disposal of real estate in Katowice – owing to that the provisions for this investment in the amount of 7 065 thousand PLN, established earlier, were dissolved. Moreover the value of received reimbursement of costs in 2007 and payments from the guarantee of proper performance connected with the motorway contracts was lower.
Other costs from the continued activities amounted to 983 thousand PLN and they comprise among other the court charges and towards Inland Revenue for the amount of 378 thousand PLN, the loss from disposal of tangible fixed assets in the amount of 103 thousand PLN, as well as assets deficit in the amount of 52 thousand PLN.
Within the other costs from relinquished activities, which amounted to 3 288 thousand PLN, the major items are: the cost of interest due on overdue liabilities related to trade activities, in the amount of 710 thousand PLN, compensation for unpunctual supplies and costs connected with overhaul of reinforcement plants in the amount of 886 thousand as ell as establishing the updating write –offs for receivables in the amount of 586 thousand PLN .

In the profit and loss account for the year 2007, within the relinquished activities, the item was revealed, separately, which disclosed the loss on the sale of the Organised Part of the Enterprise (Zorganizowana Część Przedsiębiorstwa) in the amount of 21 964 thousand PLN, which resulted from the difference between the revenues in the amount of 137 800 thousand PLN and the book value of the sold assets and liabilities.

3.1.3. Financial income and expenses

The balance on financial activities for the year 2007 is positive and amounts to 26 742 thousand PLN.
Financial income amounted to 55 578 thousand PLN, and were composed mainly of the income generated within the continued activity, in the amount of 54 173 thousand PLN. Because of settling the liabilities to the State Treasury due to the guarantees on bills of exchange, part of the liabilities in the amount of 37 577 thousand PLN was forgiven, also the revenue related to the sale of the claims to Walcownia Rur Silesia (WRS – Silesia pipe mill) in the amount of 1 900 thousand PLN was included.
On the revenue side, interest has been included, in the amount of 11 408 thousand PLN (of which 7 102 thousand PLN from bank deposits, and 3 464 thousand PLN of amortised interest on restructured loans) as well as dissolving the provisions for the possessed shares of Centrozap S.A. n the amount of 2 713 thousand PLN.

Within the framework of financial costs, which amounted to 28 836 thousand PLN, 27 063 thousand PLN applied to the continued activities of the company, while the remaining amount of 1 773 thousand PLN applied to the relinquished activities.

The financial costs for the year 2007 comprise:
- interest on discount of debt (EBRD credit, concession payment) in the amount of 12,980 thousand PLN,
- interest on bank loans, in the amount of 6 572 thousand PLN (of which 1 199 thousand PLN within the framework of relinquished activities),
- the interest on the liabilities towards the State Treasury, due in connection with guarantees granted, in the amount of 4 749 thousand PLN,
- arrangement interest in the amount of 2 619 thousand PLN,
- interest on the discounted bills of exchange, in the amount of 70 thousand PLN within the framework of relinquished activities,
- other interests in the amount of 585 thousand PLN (including 131 thousand PLN within the framework of relinquished activities),
- reserve (provision) for interest claims, in the amount of 613 thousand PLN,
- other costs, amounting to 649 thousand PLN (including 374 thousand PLN within the relinquished activities).

Financial results - summary

The Capital Group discloses in a net result, a net profit of PLN 35,164 thousand, while on the continued activities a net profit in the amount of PLN 69,050 thousand was obtained, whereas on the relinquished activities generated a net loss of PLN 33,886 thousand was born.
The net profit on continued activities for the year 2007 increased more than seventeenth times (17 times) in comparison with 2006, which resulted from the settling of liabilities towards the State Treasury by virtue of guarantees for Walcownia Rur Jedność, lower financial costs by virtue of interests and dissolving the provisions for the exchange of road surface.
The disclosed consolidated net loss on relinquished activities for 2007 results first of all from the loss on disposal of the Organise Division of Enterprise (Zorganizowanej Części Przedsiębiorstwa) amounting to PLN 21,964 thousand and reduced profits from current trade activities which do not cover the entire costs of current operating activities. On the other hand, the disclosed net profit on continued activities resulted first of all from settling the liabilities towards the State Treasury connected with the guarantees in favour of Walcownia Rur Jedność.

3.2. Evaluation of factors and unusual events having impact upon the results of economic activities, taking into consideration events after balance sheet date

Among the most substantial unusual events having impact upon the content of the financial report of the Company Stalexport Autostrady S.A. for 2007 there are:

1) increase of the share capital of the Company, through issue of shares for the strategic investor Atlantia S.p.A. in Rome (previously Autostrade S.p.A.),
2) sale of the Organised Part of the Enterprise (Zorganizowana Część Przedsiębiorstwa - ZCP),

3) repayment of restructured loans,
4) signing the settlement concerning the Walcownia Rur Jedność WRJ – pipe mill).

re. 1)

An important and crucial event in the activities of the Company was the conclusion, in June 2006, of the investment agreement with Atlantia S.p.A as the strategic investor in the Company. The investor mentioned above, in line with the investment agreement concluded, in 2006 came into the possession of share capital of the Company, amounting to 68 319 thousand PLN, resulting from the issue of shares of the series F, and further on increased in involvement in the share capital to the level of 56.24% - through:

1) increase of the share capital of the Company from 315 524 thousand PLN to 494 524 thousand PLN, that is by the amount of 179 000 thousand PLN (the registration of the share capital increase took place on 25.06.2007) by taking possession of shares of series G for the amount of 201 081 thousand PLN, paid on 27.03.2007,
2) settlement made on 06.08.2007 of the stock exchange transaction, which has been the result of stipulations made in the call for subscribing to shares of the Company, in which Atlantia S.p.A. purchased 15 399 804 shares.

In consequence of the above events, the Company Atlantia S.p.A. became the majority shareholder, which opens promising development prospects for Stalexport Autostrady S.A. and provides a new source of financing.

re. 2)

On 31.05.2007 an investment agreement (a preliminary agreement on sale) was concluded between Stalexport Autostrady S.A. and the company Złomrex S.A. in Poraj, and the company Stalexport Trade S.A. in Katowice (presently Stalexport S.A), concerning:

a) selling by Stalexport Autostrady S.A. of all held shares of Stalexport Trade S.A. to the company Złomrex S.A. or other purchaser, which may be a subsidiary of Złomrex S.A., at the price being equivalent to the value of the stock capital, amounting to 500 thousand PLN,
b) selling by Stalexport Autostrady S.A. of the organised part of the enterprise (zorganizowana część przedsiębiorstwa - ZCP), comprising the assets and liabilities belonging to the Company, related mainly to trading and manufacturing of steel products, to Stalexport Trade S.A.,

Złomrex S.A. offered to Stalexport Autostrady S.A. a reference price for the ZCP, amounting to 122 500 thousand PLN, calculated on the basis of the consolidated balance sheet of ZCP as of 30.09.2006. The sale price of ZCP has been calculated for the transaction date, on the basis of the price formula approved by the parties, and then verified by an independent expert, namely the company Ernst & Young.
The transaction was concluded on 01.10.2007, after all the suspensive conditions have been.
On 08.10.2007 the escrow account was credited with the amount of 100 million PLN, which then, on 08.01.2008, was transferred to the account of Stalexport Autostrady S.A. as payment of a part of the price for ZCP (100 million PLN) together with interest from the amount deposited on the *escrow* account
On 27.12. 2007 the Company received the Report of the Expert, namely Ernst & Young company, which stated the sales price for ZCP at the amount of 138 million PLN (138 150 639.51 PLN.).
On January 25, 2008 the Company received the agreement signed between: Złomrex S.A., STALEXPORT S.A., and Stalexport Autostrady S.A. by virtue of which the parties unanimously:

- abandon the possibility of requesting verification by Additional Expert of the ZCP sale price determined in the Report of the Expert,
- establish the sale price of ZCP for the amount of 138.7 million PLN (138 700 000 PLN),
- agree that the amount of 0.5 million PLN (549360.49 PLN), being the surplus over the sale price of ZCP indicated in the Report of the Expert, will be the reimbursement of the cost of investments made by Stalexport Autostrady S.A.,
- establish that the amount of 38.7 million PLN, being in excess of the amount of the 100 million PLN already received by Stalexport Autostrady S.A., will become due on February 29, 2008,
- agree that Złomrex S.A. shall file a statement on voluntary submission to execution against sums due, up to the amount of 38.7 million PLN, together with interest, in case of failing to make the payment on due date, which took place on the same day.

The Agreement under consideration shall exhaust all the claims of the Parties to it, which may arise in future regarding the Sale Price of ZCP.

ad. 3)

In connection with gaining new sources of financing as a result of share issue, a decision has been taken to use part of those means for earlier repayment of the restructured bank loans. The payment transaction was executed on 13.07.2007. The amounts due in connection with the restructured loans, at the payment date, amounted to a total of 33 252 thousand PLN and comprised the following banks: Citibank – Handlowy S.A., PKO BP S.A., ING Bank Śląski S.A., BRE Bank S.A., BPH SA.
As a result of that transaction the costs of debt servicing (interest) have been reduced, also the structure of liabilities in the balance sheet improved.

ad. 4)

In connection with the guarantees on the bills of exchange of the State Treasury, provided to the Walcownia Rur Jedność Sp. z o.o. (further referred to as WRJ – pipe mill) the company Stalexport Autostrady S.A. had liabilities in the amount of 85 732 thousand PLN.

In consequence of the settlement concluded on August 21, 2007 between Stalexport Autostrady S.A. and Walcownia Rur Silesia S.A. with the seat in Siemianowice Śląskie (further referred to as WRS), on 12.11.2007 an agreement was signed between the Company and WRS, on the basis of which a final settlement was made between the parties, concerning the liabilities of Stalexport Autostrady S.A. related to the guarantee on the bills of exchange provided on 07.11.1997 by the Company to the State Treasury.

The settlement defines the maximum responsibility of Stalexport Autostrady S.A., which amounts to 48 000 thousand PLN, as indorser for the bills of exchange provided by WRJ to the disposal of State Treasury, as collateral of the guarantee provided by the State Treasury of the Basic Loan in Polish Zloty and the Basic Loan in Foreign Currencies, obtained by WRJ from the Syndicated Banks.

The settlement also specifies the conditions for selling the 1 600 shares held by Stalexport Autostrady S.A. in WRJ for the amount of 100 thousand PLN, as well as the principles governing the sale of claims demandable at present or in future by Stalexport Autostrady S.A. towards WRJ having the par (nominal) value of 46 250 thousand PLN and 48 000 thousand PLN for the total price of 4 900 thousand PLN.
Within the framework of the settlement of the agreed amount with WRS, on 12.11.2007 Stalexport Autostrady S.A. made a payment for WRS in the amount of 44.9 million PLN. The remaining amount under the settlement, that is the amount of 3.1 million PLN, shall be settled by means of contractual deduction from the liabilities of WRS towards Stalexport Autostrady S.A. with the claims due to Stalexport Autostrady S.A. because of the sales made to WRS:

- receivables (claims) of the Company from WRJ, for the amount of 3.0 million PLN ,
- shares of Stalexport Autostrady S.A. held in WRJ, for the amount of 0.1 million PLN.

The settlement made on 12.11.2007, also comprised the sale by Stalexport Autostrady S.A. to WRS the recourse receivables (claims) from WRJ because of the guarantee provided in favour of WRJ. The sales price amounted to 1.9 million PLN, and was fully paid by WRS on 12.11.2007.

3.3. Property and financial standing including depiction of financing sources, policy regarding indebtedness as well as policy regarding risk management

3.3.1. The Capital Group Assets

The Balance Sheet of the Capital Group of Stalexport Autostrady S.A. as of 31.12.2007 underwent material changes in relation to the statements presented in the prior periods due to the sale of Zorganizowana Część Przedsiębiorstwa (the Organized Division of Enterprise) ["ZCP"].

The structure of the balance sheet assets presents the below table no3:

Data in PLN thousand	Position as of 31.12.2007	Position as of 31.12.2006	Dynamics 2007/2006	Structure 31.12.2007	Structure 31.12.2006
I. Long-term assets	**466 915**	**385 259**	**21,2%**	**62%**	**54%**
Tangible fixed assets	417 975	335 634	24,5%	56%	47%
Intangible assets	179	264	-32,2%	0%	0%
Advance for perpetual usufruct	116	116	0,0%	0%	0%
Investment real properties	4 677	3 060	52,8%	1%	0%
Investments in affiliates	362	3 349	-89,2%	0%	0%
Other long-term investments	4 247	11 240	-62,2%	1%	2%
Long-term receivables	99	0	-	0%	0%
Long-term prepayments	6 160	5 639	9,2%	1%	1%
Deferred income tax assets	33 099	25 957	27,5%	4%	4%
II. Short-term assets	**282 117**	**334 148**	**-15,6%**	**38%**	**46%**
Inventory	1 794	1 422	26,2%	0%	0%
Short-term investments	58 578	4 545	1188,8%	8%	1%
Receivables due to income tax	-	1 342	-100,0%	0%	0%
Receivables from deliveries and services and others	175 343	10 482	1572,8%	23%	1%
Cash and equivalents of cash	46 310	77 199	-40,0%	6%	11%
Short-term prepayments	92	447	-79,4%	0%	0%
Assets in a group intended for sale	-	238 711	-100,0%	0%	33%
Total assets	**749 032**	**719 407**	**4,1%**	**100%**	**100%**

Value of assets of the Capital Group at the end of 2007 amounted to PLN 749,032 thousand and in relation to the position at the end of the 2006 year increased by more than 4%, i.e. by PLN 29,629 thousand. In the structure of assets the long-term assets prevails, the share of which in the sum of assets amounts to 62% while the share of short-term assets does not exceed 38%.

The long-term assets sum amounts to PLN 466,915 thousand, where the primary positions are, as follows:

§ fixed assets in the amount of PLN 417,975 thousand in 99% concern the assets used by Stalexport Autostrada Małopolska S.A. within the concession for A4 motorway Katowice-Kraków which increased in a result of carried out building work,

§ deferred income tax assets in the amount of PLN 33,099 thousand concern almost in total settlements of interim differences in Stalexport Autostrada Małopolska S.A. Mysłowice by virtue of liabilities and long-term provisions,

§ the office building (in Katowice at Mickiewicza Street No. 29) included partially as tangible fixed assets (PLN 405 thousand) and as a real estate intended for rent covered by long-term investment (PLN 4,677 thousand).

§ prepayment in the amount of PLN 6,160 thousand which entirely concerns the company Stalexport Autostrada Małopolska S.A. – by virtue of commission on contracted credit for constructing and overhaul of section of the A4 motorway Katowice-Kraków and by virtue of advisory costs connected with obtaining the credit,

Within short-term assets amounting to PLN 282,117 thousand there were much more dynamic changes during the 2007 year than in fixed assets. As a consequence of sale of Zorganizowana Część Przedsiębiorstwa it was charging off of assets intended for sale which at the end of 2006 amounted to PLN 238,711 thousand, and on the day of disposal amounted to PLN 209,041 thousand, on the other hand an increase in assets in item receivables by virtue of sale in the amount of PLN 138,700 thousand.

Other positions of short-term receivables are constituted by receivables for VAT tax amounting to PLN 21,893 thousand and receivables for supplies and services amounting to PLN 8,376 thousand.

Short-term investments cover „Skarbiec” and „Credit Suisse” Investment Fund Association (Towarzystwa Funduszy Inwestycyjnych) amounting in total as of the end of 2007 to PLN 50,172 thousand, and shares of Centrozap Company amounting to PLN 7,235 thousand acquired through conversion of debts and shares of Beskidzki Dom Maklerski amounting to PLN 1,171 thousand.

Pecuniary means accumulated on bank accounts as of the end of the 2007 year amounted PLN 46,310 thousand.

3.3.2. The Company's Capital Group Liabilities

In the 2007 year the structure of the Capital Group's liabilities changed considerably. The equity that in the 2006 year amounted to PLN 90,441 thousand, currently, due to increase of capital, constitute 43% of the liabilities sum with value of PLN 321,546 thousand.
But the share of long-term liabilities decreased from 87% at the end of 2006 to 57% at the end of 2007 due to the disposal of steel business, repayment of restructuring liabilities and dissolving the long-term provisions for exchange of road surface.

The structure of the balance sheet liabilities presents the below table no4:

Data in PLN thousand	**Position as of**	**Position as of**	**Dynamics**	**Structure**	
	31.12.2007	**31.12.2006**	**2007/2006**	**31.12.2007**	**31.12.2006**
I. Equity	**321 546**	**90 441**	**255,5%**	**43%**	**13%**
Share capital	494 524	315 524	56,7%	66%	44%
Correction due to revaluation of chare capital	18 235	18 235	0,0%	2%	3%
Own stock-shares	(20)	(21)	-8,0%	0%	0%
Capital for issue of stock-shares above their nominal values	20 916	2 887	624,4%	3%	0%
Rate exchange from recalculating	(37)	(46)	-19,6%	0%	0%
Other reserve capitals and provisions	196 389	149 424	31,4%	26%	21%
Minority shares	3 448	4 108	-16,1%	0%	1%
Profits arrested and not covered losses	(411 910)	(399 670)	3,1%	-55%	-56%
II. Long-term liabilities	**338 930**	**435 050**	**-22,1%**	**45%**	**60%**
Liabilities for loans and credits	68 969	26 575	159,5%	9%	4%
Liabilities for financial leasing	1 343	2 591	-48,2%	0%	0%
Liabilities for social services	482	89	441,6%	0%	0%
Other long-term liabilities	198 111	219 852	-9,9%	26%	31%
Long-term provisions	53 123	167 884	-68,4%	7%	23%
Provision for deferred income tax	16 902	18 059	-6,4%	2%	3%
III. Short-term liabilities	**88 557**	**193 916**	**-54,3%**	**12%**	**27%**
Liabilities for loans and credits	3 859	27 971	-86,2%	1%	4%
Liabilities for financial leasing	1 373	1 360	1,0%	0%	0%
Liabilities for income tax	1 039	2 224	-53,3%	0%	0%
Liabilities for supplies and services and others	76 004	52 404	45,0%	10%	7%
Liabilities for social services	153	-	-	0%	0%
Deferred incomes and for government grants	1 053	1 367	-23,0%	0%	0%
Short-term liabilities	5 076	171	2868,4%	1%	0%
Liabilities within a group intended for sale	-	108 419	-100,0%	0%	15%
Total liabilities	**749 032**	**719 407**	**4,1%**	**100%**	**100%**

The Balance Sheet as of 31.12.2007 at the liabilities side includes three main positions:

1) The equity amounting to PLN 321,546 thousand, where the increase of share capital occurred up to PLN 494,524 thousand due to the issue of stock-shares for the strategy investor, Atlantia S.p.A., and the excess amount of the stock-shares above their nominal value was included in the supplementary capital; at the same time the capital sum is understated by the loss of the prior years amounting to PLN 411,910 thousand (decreased by the current profit);
2) Long-term liabilities amounting to PLN 338,930 thousand, including, as follows:

- § other liabilities amounting to PLN 198,111 thousand composed of the liabilities towards the State Treasury for guarantees for the Ostrowiec Steel Plant, in the amount of PLN72,541 thousand and discounted liability of Stalexport Autostrada Małopolska S.A. towards National Road Fund (Krajowy Fundusz Drogowy) by virtue of EBRD credit contracted by the State Treasury for constructing the motorway section Katowice – Kraków in the amount of PLN 125,471 thousand.
- § credit contracted for investment financing on A4 motorway section Katowice –Kraków which was increased in 2007 by PLN 59,111 thousand to the sum PLN 68,969 thousand ,
- § provisions in Autostrada Małopolska S.A. for the 1st exchange of surface in the amount of PLN 53,123 thousand,
- § other liabilities covering financing lease and social services;

3) Short-term liabilities amounting to PLN 88,557 thousand, including among others, as follows:
   - § arrangement agreement liabilities in the amount of PLN 23,684 thousand within the other liabilities
   - § guarantee deposits and retained costs in the amount of PLN 20,256 thousand by virtue of executed or completed building work,
   - § liabilities for supplies and services in the amount of PLN 16,238 thousand,
   - § a short-term part of liabilities towards the State Treasury for guarantees for Ostrowiec Steel Plant in the amount of PLN 5,414 thousand,
   - § payroll liabilities amounting to PLN in the amount of PLN 7,340 thousand,
   - § provision established in 2007 in the a mount of PLN 5,076 thousand in connection with the process of renegotiating of tolls for motorway,
   - § loans for the amount of PLN 3,859 thousand granted the dominant company within the Capital Group.

3.3.3. Structure of financing sources and financial resources management

In the 2007 year the financing source of the assets of the Capital Group were, mainly.

- § equity increased due to receipts in the amount of PLN 201 m by virtue if subscribing shares by the company Atlanta S.p.A and which was used to repay the restructured liabilities,
- § revenues from toll collecting of the A4 motorway Katowice-Kraków which in 2007 amounted to PLN 125m and were designed for motorway activity,
- § credit for financing the building work on the motorway in the amount of PLN 69m.

The Company is still repaying settlement liabilities in compliance with the agreed schedule. In the 2007 year in four settlement instalments PLN 35.9 million of liabilities including interest was paid. As of the end of the 2007 year the position of settlement liabilities amounted to PLN 26.3 million, and currently, the position amounts to PLN 18,2 million. Two settlement instalments are still to be repaid.
The position of cash flow was also influenced by the service cost referring to restructured bank loans that as of 13.07.2007 were repaid entirely for total amount of PLN 33.3 million.

Besides meeting the settlement and bank liabilities referring to restructured loans, the material financial charge to the Company there are the liabilities resulting from the guarantees to the State Treasury. The guarantees for the loans granted to the Ostrowiec Steel Plant amounting to PLN 78 million will be repaid from July 2008 in monthly instalments. But the guarantees for loans in the amount of PLN 85.6 m, granted for the development project: the Jedność Pipe Rolling-Mill will be provided by partial amortization amounting to PLN 37.6 million and repayment of the residual sum amounting to PLN 48 million.

3.4. Description of investment activity

The sum of investment outlays for fixed (property) and financial assets and financial incurred within the Capital Group of Stalexport Autostrady S.A. in the 2007 year amounted to PLN 108,093 thousand out of which 105,611 thousand was connected with the continued activities and 2,482 thousand referred to the relinquished activities. Main investment outlays were connected with the building work carried out on A4 motorway section Katowice-Kraków which covered:

- overhauls of the surface,
- bridges overhauls,
- constructing the sound screens.

The total costs of building work amounted to PLN 104,435 thousand.
Other investments within the continued activities among others, are:

- investment in the office building – Sound Warning System – for the amount of PLN 215 thousand,

- repair-investment costs in the office building for the amount of PLN 239 thousand,
- the purchase of transport means by the motorway operator of A4 Katowice-Kraków for the amount of PLN 176 thousand.

The investment outlays included in the relinquished activities comprise first of all:
- repair-building work Warsaw-Ursus premises for the amount of PLN 2,316 thousand,
- investment costs in trade and production branch offices in the amount of PLN 129 thousand.

4. ANALYSIS OF THE TRADE ACTIVITY OF THE CAPITAL GROUP (refers to the relinquished activities)

4.1. Sale – Information on basic products, goods and services

In consequence of sale of the steel branch activity at the end of the III quarter of the 2007 year, in the IV quarter incomes for such activity did not occur, thus to compare the data, the analysis covers the three first quarters, and the IV quarter of the 2007 year is separated.

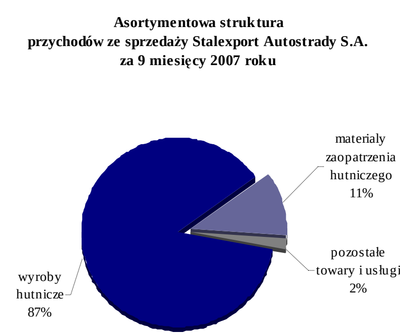
For 9 months of 2007, the revenues from sale by Stalexport Autostrady S.A. amounted to PLN 339.6 million and were lower by 13% than obtained for 9 months of 2006.

Structure of products and services in the Company's turnover in 2007

Product / Service	I-IX 2007		X-XII 2007	
	Sale sum [in PLN million]	Percentage in incomes	Sale sum in PLN million	Percentage in incomes
sections	104.4	31%	-	-
production of reinforcements	48.9	14%	-	-
non-ferrous metal products	45.6	13%	-	-
flat-rolled products	41.3	12%	-	-
bars and wire rods	31.1	9%	-	-
semi-products	31.0	9%	-	-
pipes	23.2	7%	-	-
services connected with renting	2.6	1%	0.6	100%
others	11.5	3%	-	-

In 9-month period of 2007 the percentage of metallurgic products in the Company's turnovers was at similar level, i.e. 87% (88% for 9 months of the 2006 year). The percentage of metallurgic materials 11% and 10%, relatively.
In the IV quarter of 2007, the sale of metallurgic products did not occur, and the obtained revenues from sale were rent charges for office surface rent.

The assortment of the greatest percentage in the Company's sale there were still sections whose revenues from sale for 9 months of 2007 decreased by 18% in relation to 9 months of 2006. The decrease of revenues from sale in the period in question can be seen for: pipes - by 46%, bars and wire rods – by 18%, flat-rolled products - by 16%.
The revenues from sale increased: non-ferrous metal products - by 31%, semi-products – by 7% and production of reinforcements – by 1%.



Description to percentage share:
Assortment structure of revenues from sale of Stalexport Autostrady S.A. for 9 months of 2007.
Metallurgic products – 87%
Metallurgic materials – 11%
Other products and services – 2%

4.2. Information on markets and suppliers

For 9 months of the 2007 year the greatest percentage share in the revenues from sale had the export sale – 55%, the internal sale – 41%, but the import sale was – 4%.
In the analogous period of the 2006 year the share percentage was, as follows: the export sale - 57%, the internal sale - 39%, and the import sale - 4%.

4.2.1. Export sale

For 9 months of the 2007 year, 22% of the Company's export sale was directed to the European Union market and the same quantity, i.e. 22% to the other European countries. But 47% was the export to the South America, and 9% the export to the North America. The assortment structure of the export for 9 months of the 2007 year was as follows: sale of metallurgic products - 82%, semi-products - 17% and other products - 1%.

Main products in the Company's export sale in 2007

	I-IX 2007		X-XII 2007	
Goods / Service	**Sale sum [in PLN million]**	**Percentage in export**	**Sale sum in PLN million**	**Percentage in export**
sections	83.2	45%	-	-
non-ferrous metal products	44.5	24%	-	-
semi-products	31.0	17%	-	-
pipes	16.0	9%	-	-
bars	5.1	3%	-	-

4.2.2. Internal and import sale

For 9 months of the 2007 year, the assortment structure of the internal sale in 93% was the sale of metallurgic products, and 3% was the sale of metallurgic materials and 4% was the sale of other products and goods.

Main products of the Company's sale on the internal market in 2007

	I-IX 2007		X-XII 2007	
	Sale sum [in PLN million]	**Percentage in sale for internal market**	**Sale sum in PLN million**	**Percentage in sale for internal market**
production of reinforcements	48.9	31%	-	-
flat-rolled products	41.3	26%	-	-
bars and wire rods	26.0	17%	-	-
sections	21.3	14%	-	-
pipes	7.3	5%	-	-

4.2.3. Main suppliers

The Company's biggest supplier for 9 months in the 2007 year and in the entire 2007 year was ARCELORMITTAL POLAND S.A.

The Company's main suppliers (above 10% share in supplies) in 2007

	I-IX 2007		X-XII 2007	
Name of supplier	**Supply sum [in PLN million]**	**Percentage in supply sum**	**Purchase sum in PLN million**	**Percentage in purchases sum**
ARCELORMITTAL POLAND S.A	88.9	27.4%	-	-
HUTMEN S.A.	43.1	13.3%	-	-
ZŁOMREX Sp. z o.o.	38.8	11.9%	-	-

4.2.4. Main contractors

Two Company's biggest customers in 2007 there were foreign entities: from the Northern America and Ukraine. Sale to specified customers was 30% of the Company's income.

The Company's main customers (above 10% share in sale) in 2007

Customer name	I-IX 2007		X-XII 2007	
	Sale sum [in PLN milli-on]	**Percentage in sale sum**	**Sale sum in PLN million**	**Percentage in sale sum**
STENA METAL INC.	62.7	18.5%	-	-
NATIONAL BANK OF UKRAINE	39.0	11.5%	-	-

In 2007 the turnover of the steel segment of the Capital Group in more than 80% was executed by the dominant company, i.e. Stalexport Autostrady S.A. and nearly 20% by the other companies (mainly Stalexport Serwis Centrum S.A. in Katowice and Stalexport Centrostal S.A. in Lublin). The assortment structure of sale in a/m both companies was basically approximate to the structure in Stalexport Autostrady S.A. (except for reinforcement production, which did not occur in these companies). Moreover there was no export sale in the subsidiary companies.

5. OTHER INFORMATION ON CAPITAL GROUP OF STALEXPORT AUTOSTRADY

5.1. Information on concluded contracts of material importance for the activity of the Company and its Capital Group, including contracts known to the Company as closed between stock-shares holders, insurance contracts, cooperation

1. On 8th January 2007 the Managing Board notified that the Company had been granted the credit limit amounting to PLN 15 million by Bank DnB NORD Polska S.A. with its official seat in Warsaw. The limit may be used for payment of liabilities due to purchase raw materials to manufacture prefabricated reinforcements. Duration of the credit limit use: up till 31st December 2007.

2. On 1st February 2007 the Managing Board notified that the Company had concluded – for the I quarter of the 2007 year – contracts for export of steel products to the North America of total sum amounting to approximate PLN 16 million.

3. On 27th February 2007 the Managing Board notified that the affiliate, Stalexport Autostrada Małopolska S.A., the concessionaire of payable section of the A4 highway, signed the contract with Budimex-Dromex S.A. for repair of 7 bridge facilities and 24 km of the highway surface. The contract net sum amounts to PLN 178,466,850. The repair works shall be commenced in March 2007, and the completion is assumed in August 2008.

4. On 31st May 2007 there was concluded the development project agreement (preliminary contract on sale) between Złomrex S.A. and Stalexport Trade S.A. relating to:

- sale by the Company of all subscribed stock-shares of Stalexport Trade S.A. for the benefit of Złomrex S.A. or other purchaser whom can be a subsidiary company to Złomrex S.A. for a price corresponding to the sum of capital paid up, i.e. as of 31.05.2007 amounting to PLN 125.000 (not more than PLN 500.000).

and

- sale by the Company of the Organized Section of Entity **(ZCP)** including the assets and the liabilities owned by the Company and connected first of all with trade and manufacture of steel products, i.e. the sale to Stalexport Trade S.A. Złomrex S.A. offered for ZCP the reference price amounting to PLN 122,500,000.00 calculated on the grounds of the ACP consolidated balance sheet as of 30.09.2006. The sale price of ZCP will be calculated as of a day of transaction basing on the pricing formula accepted by the parties, then verified by an independent expert, i.e. Ernst & Young entity.

Considering the complicated nature of the referred contract, it included many terms suspending the closure of a transaction, and such terms are to be met to enable the closure of transaction not later than till 1st October 2007.

5. On 21st August 2007 it was signed the settlement with Walcownia Rur Silesia S.A. with its official seat in Siemianowice Śląskie (hereinafter referred to WRS). The settlement purpose is to define rules and the scope of liability of Stalexport Autostrady S.A. regarding the guarantee for bills of exchange drawn by Walcownia Rur Jedność Sp. z o.o. with its official seat in Siemianowice Śląskie (hereinafter referred to "WRJ") to disposal by the State Treasury. The settlement in question is presented in details in position 5.2.

6. On 1st October 2007 r. within the range of performance of the provisions of the Contract of Development Project, Stalexport Autostrady S.A. realized the unconditional sale of the stock-shares of Stalexport S.A. (former Stalexport Trade S.A.) for the benefit of Złomrex S.A. and the unconditional sale of Zorganizowana Część Przedsiębiorstwa (ZCP) for the benefit of Stalexport S.A. Both contracts are presented in details in position 5.2.

7. On 12th November 2007, performing the provisions of the settlement of 21st August 2007, there was concluded the contract between Stalexport Autostrady S.A. and WRS for definitive settlements between the parties of the liabilities of Stalexport Autostrady S.A. from bill of exchange securing granted on 7th November 1997 by the Company for the benefit of the State Treasury. On the grounds of the contract of 12th November 2007, there was provided the absolute settlement of the settlement amount, i.e. PLN 48,000,000.00, and at the same time the liabilities for bills of exchange security granted by Stalexport for the benefit of the State Treasury for WRJ terminated. The contract in question is presented in details in position 5.2.

8. On 22nd November 2007 there was concluded the Contract with Supplementary Expert - Deloitte Audyt Sp. z o.o., signed by all the parties (Stalexport Autostrady S.A., Stalexport S.A., Złomrex S.A. and Deloitte Audyt Sp. z o.o.). The contract purpose was to establish the sale price of ZCP, if the parties place reservations to the Report of the preliminary Expert, i.e. the Ernst & Young company.

9. **On 5th December 2007** Stalexport Autostrady S.A. signed with Centrozap SA, the company with its seat in Katowice, the contract of sale of shares at Biuro Centrum Sp. z o.o., with its seat in Katowice. As a result of the transaction there were acquired 54 shares of Biuro Centrum Sp. z o.o., constituted 33.75% of the company's initial capital proving 33.75% of votes at the Partners' Meeting. Total price of sale of 54 pcs. Shares of Biuro Centrum Sp. z o.o. amounted to PLN 30,000. Before the transactioon, Stalexport Autostrady S.A. possessed 65 shares (i.e. 40.6% of votes at the Partners' Meeting) at Biuro Centrum Sp. z o.o., as a result of the transaction the share of Stalexport Autostrady S.A. increased up to 74.4% of votes at the Partners' Meeting (totally 119 shares).

10. On 29.02.2008 the subsidiary company Stalexport Autostrada Dolnośląska S.A. with seat in Katowice signed with an Italian company Atlantia S.p.A. a selling contract of 140,000 shares at a nominal price (the shares constitute 70% of capital of the company) of the company Autostrada Mazowsze S.A. (the entity set up for the needs of the due tender announced by GDDKiA for constructing and operating A2 motorway Stryków-Konotopa). The payment for the shares in the amount of PLN 3.5 m was deposited on the bank account of Stalexport Autostrada Dolnośląska S.A. on 05.03.2008 and according to the provisions of the agreement of 29.02.2008, the ownership of shares was transferred on this date.

5.2. Information on changes in the Company's organizational or capital relationships with other entities and qualification of the Company's general internal and foreign investments as well as description of methods for investment financing

1. **On 14th February 2007 r.** the Extraordinary General Shareholders' Meeting passed the increase of the share capital through the issue of 89.5 million stock-holders of the G series the price of issue amounting to PLN 2.2458 per share, qualified investors-orientated.

2. **On days from 16th up to 23rd March 2007** there were collected applications for subscription of the G series stock-shares.

3. **On 23rd March 2007** the District Court in Katowice drew up a decision on entry a company named Stalexport Trade S.A. in to the State Court Register, the register of entrepreneurs. The subject of the company's activity is to conduct trade business. The share capital of Stalexport Trade S.A amounts to PLN 500,000 and is divided into 50,000 stock-shares of nominal value of PLN 10 each. The capital was paid up in ¼ sum, i.e. amounting to PLN 125,000. All stock-shares were subscribed by Stalexport Autostrady S.A.

4. **On 26th March 2007** the Managing Board allotted all stock-shares of the G series to Atlantia S.p.A, after such stock-shares were paid up entirely in the approximately amount of PLN 201 million.

5. **On 29th March 2007** the Company obtained a notification by the Regional Court in Katowice, VIII Economic Division of 19.03.2007 on the action lodged by Narodowy Fundusz Ochrony Środowiska i Gospodarki Wodnej (The National Fund for Environmental Protection and Water Management) (hereinafter referred to NFOŚiGW) against Stalexport Autostrady S.A. to rescind or make statement on nullity of the resolutions No. 2 and 3 of the Company's Extraordinary General Shareholders' Meeting of 14th February 2007.

6. **On 11th May 2007** before the Regional Court in Katowice (XIII Economic Division) there was held a trial by NFOŚiGW action against Stalexport Autostrady S.A. in Katowice on making the statement on nullity or rescinding the Resolutions No. 2 and 3 of 14.02.2007 passed by the Company's Extraordinary General Shareholders' Meeting. As Atlantia S.p.A. appeared to participate in the above case of the Company's stock-shareholder as the Company's interventing party and NFOŚiGW, the petitioner advanced objections, **the Court adjourned the time of the case** until the decision on dismissal of such objection (opposition) became final and valid.

7. **On 17th May 2007** the District Court in Katowice (VIII Economic Division) suspended the proceedings in the entry into the registration of the capital increase until the Regional Court decided a valid decision on the case lodged by NFOŚiGW and referring to the decision on making the statement on nullity or rescinding the Resolutions No. 2 and 3 of the Company's Extraordinary General Shareholders' Meeting of 14th February 2007.
8. **On 31st May 2007** before the Regional Court in Katowice (XIII Economic Division) there was held a trial by NFOŚiGW action against Stalexport Autostrady S.A. in Katowice on making the statement on nullity or rescinding the Resolutions No. 2 and 3 of 14.02.2007 passed by the Company's Extraordinary General Shareholders' Meeting. The Regional Court in Katowice for the motion by NFOŚiGW, that Stalexport Autostrady S.A. inclined to, decided on adjournment of the trial till 06.06.2007. The NFOŚiGW plenipotentiary provided reasons for such adjournment with the fact that the parties conduct negotiations intending to conclude the settlement regarding the case and withdrawal of the claim.

9. **On 31st May 2007** there was concluded the contract for development project (the preliminary contract of sale) between Stalexport Autostrady S.A., Złomrex S.A. and Stalexport Trade S.A. (at present STALEXPORT S.A.) relating to:
   - § sale by Stalexport Autostrady S.A. of all stock-shares possessed by Stalexport Trade S.A. for the benefit of Złomrex S.A. or other purchaser that may be a subsidiary company to Złomrex S.A. for a price corresponding to the sum of paid up capital, i.e. as of 31.05.2007, PLN 125,000 (not more than PLN 500,000),

   and
   - § sale by Stalexport Autostrady S.A. the Organized Section of Entity **(ZCP),** including the assets and the liabilities possessed by the Company connected first of all with trade and manufacture of steel products, to Stalexport Trade S.A. Złomrex S.A. offered for ZCP **the reference price** amounting to PLN 122,500,000.00 calculated on the grounds of the ZCP consolidated balance sheet as of 30.09.2006. **The sale price of ZCP** will be calculated as of the day of transaction based on the price formula accepted by the parties, and then verified by an independent expert, Ernst & Young company.

10. **On 6th June 2007** before the Regional Court in Katowice there was held a trial by NFOŚiGW action against Stalexport Autostrady S.A. in Katowice on making the statement on nullity or rescinding the Resolutions No. 2 and 3 of 14.02.2007 passed by the Extraordinary General Shareholders' Meeting of Stalexport Autostrady S.A. At the trial the NFOŚiGW plenipotentiary lodged a written statement of claim withdrawal including waiver of the claim. At the same time, the Regional Court decided to discontinue the proceedings on the basis of Art. 355 paragraph 1 of the Civil Code.

11. **On 25th June 2007** the Company received the Decision by the District Court in Katowice, VIII Economic Division of the District Court Register of 25th June 2007 on the increase of the Company's share capital from the sum of PLN 315,524,046 up to the sum of PLN 494,524,046, i.e. by the amount of PLN 179,000,000. At the same time, the number of stock-shares increased from 157,762,023 stock-shares up to 247,242,023 stock-shares, i.e. by number of 89,500,000 common bearer stock-shares of nominal value amounting to PLN 2.00.

12. **On 8th August 2007** the Company received a notification from the stock-shareholder, i.e. Atlantia S.p.A. with its official seat in Rome presenting that on 06th August 2007 as a result of settlement of exchange transaction resulting from records carried out in invitation for applications to subscribe stock-shares of Stalexport Autostrady S.A. with its official seat in Katowice, Atlantia S.p.A. acquired 15,399,804 stock-shares of Stalexport Autostrady S.A. In consequence of acquirement of the stock-shares, currently Atlantia S.p.A. possess 139,059,182 stock-shares of Stalexport Autostrady S.A. what makes 56.24% of stock-shares in the company's capital and in total number of votes at the General Shareholders' Meeting of Stalexport Autostrady S.A. Before the described transaction Atlantia S.p.A. possessed 123,659,378 stock-shares of Stalexport Autostrady S.A., what was 50.01% the company's equity, and corresponded to 50.01% of general number of votes at the General Shareholders' Meeting.

13. **On 21st August 2007** there was signed the settlement with Walcownia Rur Silesia S.A. with its official seat in Siemianowice Śląskie (hereinafter referred to WRS). The settlement purpose is to define rules and the scope of liability of Stalexport Autostrady S.A. regarding the guarantee for bills of exchange drawn by Walcownia Rur Jedność Sp. z o.o. with its official seat in Siemianowice Śląskie (hereinafter referred to "WRJ") to disposal by the State Treasury. The bills of exchange in question make security to the guarantee granted by the State Treasury with reference to the Preliminary Loan in Złoty Currency and to the Preliminary Loan in Foreign Curency negotiated on 06.10.1997 by WRJ on the grounds of agreements No. KZ/02/96/KK/05a and No. KD/91/96/KK/05a. The creditor in the specified contracts was a group of nine commercial banks acting as the bank consortium basing on the KK/05a/96/KD/KZ contract of 06.10.1996. Moreover, the settlement also sets out the rules to sell the stock-shares subscribed by Stalexport Autostrady S.A. at WRJ and the rules to sale claims vested to Stalexport Autostrady S.A. and charging WRJ. The concluded settlement constitutes a part of a set of agreements that are planned to be concluded in connection with restructure of WRJ. Main participants of the WRJ restructure procedure, i.e.: the State Treasury, Consorium Banks, Towarzystwo Finansowe Silesia Sp. z o.o. with its seat in Katowice, and Stalexport Autostrady S.A. with its seat in Katowice, conduct long-lasting negotiations purposed to determine the entire formula to complete the WRJ development project and to begin the manufacture activity by that Company. The concluded settlement is of conditional nature and its effectiveness depends on meeting of serial conditions specified in details in the contract of suspending and terminating terms.

    The settlement defines the upper limit of Stalexport Autostrady S.A. liability that amounts to PLN 48,000,000 as the bill of exchange guarantor for the bills of exchange submitted by WRJ to the State Treasury's disposal to secure the Preliminary Loan in Złoty Currency and to the Preliminary Loan in Foreign Currency guaranteed by the State Treasury, i.e. the loans contracted by WRJ with the Consortium Banks.

    The settlement determines also the rules to sell 1600 stock-shares subscribed by Stalexport Autostrady S.A. in WRJ for the amount of PLN 100,000 and the rules of sale of claims vested to the Company, or that shall be vested to the Company with reference to WRJ of nominal value amounting to PLN 46,250,000 and PLN 48,000,000 for total price PLN 4,900,000.

    Participants of the restructure process quoted above assume that the concluded settlement will be associated with conclusion of succeeding agreements between the State Treasury and between the Consortium Banks.

    Construction of the above mentioned agreements assumes cooperation of all participants in a way, where all agreements almost concluded, and the ones that are to be concluded in future are interconnected and the restructure effect may occur merely when such agreements are performed jointly by all partners of the agreements. The settlement sets out the contractual penalty amounting to PLN 3,500,000 in case of sale or disposal of claims of Stalexport Autostrady S.A. subject to sale by infringement of the settlement provisions, and the contractual penalty amounting to PLN 110,000 in case of sale or disposal of the shares under sale through infringement of the provisions of the settlement.

14. On 30th August 2007 District Court in Katowice VII Commercial Division of the National Court Register made a decision on the basis of which:

- The company under the name of Stalexport Spółka Akcyjna was crossed out and Stalexport Autostrady Spółka Akcyjna was entered,
- The company under the name of Stalexport Trade Spółka Akcyjna (dependant subsidiary in 100%), and Stalexport Spółka Akcyjna was entered.

  The said decisions result from earlier resolutions of General Meetings of Shareholders and constitute elements of restructuring process, within which there is a division of Company's activity into motorway activity (Stalexport Autostrady S.A.) and trade activity that shall be carried out by a new Company Stalexport S.A.

15. On 19th October 2007 the Management Board informed about receiving a decision of the District Court in
Olsztyn which provided data concerning crossing out from the National Court Register Stalexport Zaptor S.A.
in liquidation with its seat in Olsztyn. The above mentioned decision came into force on 11th August 2007. .

16. On 27th September 2007 the Management Board of Stalexport Autostrady S.A. informed about receiving information on approval by the Management Board of Zarząd Stalexport S.A., for sale by Stalexport Autostrady S.A. of 50,000 shares of Stalexport S.A. with total value of PLN 500,000 (100% of share in share capital and vote on General Meeting of Shareholders), in favour of Złomrex S.A. with its seat in Poraj – upon conditions specified by the Investment Agreement concluded by and between the Companies on 31st May 2007.

17. On 1st October 2007 further suspending conditions of the Investment Agreement of 31st May 2007, was filled, i.e.:

a) Złomrex S.A. informed that they received an approval of the President of UOKiK for making concentration;
b) The following were signed:
   - AnAGreement with an expert i.e. by and between Stalexport Autostrady S.A., Stalexport S.A., Złomrex S.A. and Ernst & Young,
   - Trust Account Agreement (escrow bank account);
c) The following were attached to the Investment Agreement: statement and acknowledgement of Stalexport Autostrady S.A., jointly with attachments;
d) An Annex to Investment Agreement was signed on 31st May 2007, in which the Parties thereto agreed the following suspending conditions of the transaction:
   - Signing an agreement with Additional Expert,
   - Payment by Złomrex S.A. the amount equal to reference price into trust account prior to 1st October 2007.

18. On 1st October 2007 within the scope of provisions of the Investment Agreement, Stalexport Autostrady S.A. made unconditioned sale of shares of Stalexport S.A. in favour of Złomrex S.A.
The transaction concerned 50,000 shares of the Company with the nominal value of PLN 10 each, which constituted 100% of share capital. The price for all shares amounted to PLN 500,000 and was paid on the day of agreement execution. After the transaction Stalexport Autostrady S.A. do not have any more shares of the above mentioned company.
Stalexport Autostrady S.A. had a right to repurchase the shares of Stalexport S.A. till 15th October 2007 , [if within 8th October 2007 Złomrex S.A. would have not paid or caused that there had been no payment into trust account the amount of PLN 100 million for payment for the shares of 100,000 of Stalexport S.A., which they take as increase of capital in Stalexport S.A., at issuing price equal to PLN 1,000 per share. Till time of payment of the above mentioned amount into trusty account, collective part of shares of Stalexport S.A., for 50,000 shares issued to Złomrex S.A. shall be placed at notary public's deposit.

19. On 1st October 2007 within the performance of provisions of the investment Agreement, the Company carried out unconditional sale of the Organized Part of the Enterprise (ZCP) in favour of Stalexport S.A. Predicted sale price was established to be PLN 125 and it shall be verified by an Expert under conditions specified in the Investment Agreement of 31st May 2007 as well as its Annex of 1st October 2007. The Organized Part of the Enterprise (ZCP), subject to sale, covers assets, liabilities, off balance obligations related to trade and production of sale products and production of pre-fabricated enforcements, which constitutes a plant that draws up a balance sheet separately in the understanding of the act of goods and services tax, and in particular:
a) following property belonging to the Company:
- in Katowice-Panewniki, ul. Owsiana 60A,
- in Chorzów, ul. Metalowców 13,
- in Gniezno, ul. Surowieckiego 9A,
- in Gostyń, ul. Graniczna 16A,
- in Piła, ul. Przemysłowa 9,
- in Krzyż Wielkopolski, ul. Portowa 4,
- in Kostrzyn n/Odrą ul. Prosta 18,
- in Bełchatów Kleszczów commune,
- in Białystok, ul. Plażowa 37,
- in Częstochowa, ul. Bór 166,

§ in Warszawa-Ursus, ul. Gierdziejowskiego 3.

b) shares in below specified companies and belonging to the Company:
- § STALEXPORT SERWIS CENTRUM S.A. in Katowice,
- § STALEXPORT CENTROSTAL S.A. w Lublin,
- § STALEXPORT SERWIS CENTRUM BEŁCHATÓW S.A. in Rogowiec,
- § STALEXPORT METALZBYT Sp. z o.o. in Białystok.

c) other assets (including movables and legal assets) and liabilities as well as off balance obligations according to the rules specified in the Investment Agreement.

The above transaction and sale of shares of Stalexport S.A. in favour of Złomrex S.A. is a final stage of leaving steel sector strategy and concentration on motorway business.

20. On 8th October 2007 into a trust account escrow, the amount of PLN 100 million was paid due to payment for 100,000 shares of STALEXPORT S.A., that were taken by CENTROSTAL S.A. in Gdańsk within the capital increase in STALEXPORT S.A.

21. On 12th November 2007 by executing provisions of the arrangement of 21st August 2007 an agreement between Stalexport Autostrady S.A. and Walcownia Rur Silesia S.A (hereinafter WRS) was concluded, on the basis thereof there was a final settlement between the parties of liabilities of Stalexport Autostrady S.A. due to bill of exchange surety as granted on 7th November 1997 by the Company in favour of the State Treasury. On the basis of the said agreement of 12th November 2007 there was a final settlement of arrangement amount i.e. PLN 48,000,000.00 and at the same time the obligation due to bill of exchange surety expired as granted by Stalexport in favour of State Treasury for Walcownia Rur Jedność Sp. z o.o. with its Siemianowice Śląskie („WRJ"). The said bills of exchange constituted security for surety granted by the State Treasury and related to Basic Credit in PLN and Basic Credit in Foreign Currency as drawn on 6th October 1997 by WRJ. Within the settlement of the arrangement amount with WRS, Stalexport Autostrady S.A made on 12th November 2007 yesterday a payment for WRS in thee amount of PLN 44,900,000. The remaining amount of the Arrangement i.e. the amount of PLN 3,100,000 was settled by way of contractual deduction of liabilities of WRS in relation to Stalexport Autostrady S.A. with liabilities to which Stalexport Autostrady S.A. is entitled due to sale in favour of WRS:
- § liabilities to which Stalexport Autostrady S.A. is entitled in relation to WRJ for the amount of PLN 3,000,000,
- § share of Stalexport Autostrady S.A. in WRJ for the amount of PLN 100,000.

Payment of the amount of PLN 44,900,000 due to bill of exchange surety in favour of WRS is related to the fact that on 26th October 2007, by payment of liabilities of WRJ in relation to the State Treasure, WRS assumed the rights of the State Treasure due to bills of exchange issued by WRJ (purcjased the bills of exchange from the State Treasure), so they became a direct bill of exchange creditor of Stalexport Autostrady S.A. At the same time the Management Board of Stalexport Autostrady S.A. would like to remind, that under the arrangement of 21st August 2007 the upper limit of the Company's liability in relation to WRS due to bill of exchange surety issued by WRJ was contractually limited to the amount of PLN 48,000,000. In relation to the above WRS agreed to, in relation to Stalexport Autostrady S.A. (separate statement made by WRS), that they shall not claim from the Company the liabilities exceeding the above mentioned amount, moreover they agreed that both the State Treasury as a primary bill pf exchange creditor and third parties shall not have any claim in relation to Stalexport Autostrady S.A. due to bill of exchange surety as granted by the Company.

Moreover, within the arrangement of 12th November 2007, there was also a sale by Stalexport Autostrady S.A. in favour of WRS of regressive liabilities to which WRJ is entitled due to performance of liabilities due to surety granted in favour of WRJ. The sale price amounted to PLN 1,900,000 and was paid in full by WRS on 12th November 2007. As a result of an agreement concluded yesterday with WRS concluded before by with WRS agreement on liabilities sale and sale of shares as mentioned above they received final (unconditioned) character.

In relation to the above the Management Board Stalexport Autostrady S.A. hereby that as a result of an agreement concluded on 12th November 2007 with WRS all liabilities of the Company due to surety granted to WRJ in favour of the State Treasury, were fully fulfilled.

22. On 26th November 2007 the Company received a copy from the register of entrepreneurs of the National Court Register confirming that on 26.11.2007 the following company Autostrada Mazowsze Spółka Akcyjna with its seat in Katowice was registered, and its only shareholder being Stalexport Autostrada Dolnośląska S.A. (100 % dependant on Stalexport Autostrady S.A.) The share capital of the company amounts to PLN 20 million, comprising 200.000 shares with nominal value of PLN 100 each. The capital was paid in ¼ i.e. in the amount of PLN 5 million. Autostrada Mazowsze S.A. Company was created for the needs of participation in the tender concerning construction and exploitation of A2 motorway, section Stryków-Konotopa.

23. On 22nd November 2007 all parties (Stalexport Autostrady S.A., Stalexport S.A., Złomrex S.A. and Deloitte Audyt Sp. z o.o.) the Agreement with Additional Expert - Deloitte Audyt Sp. z o.o.. This said Agreement was concluded in order to establish the sale price of ZCP in case when parties motion reservations to the Report of the first Expert i.e. Ernst & Young.

24. On 5th December 2007 Stalexport Autostrady S.A. signed with Centrozap S.A. with its seat in Katowice a sale agreement concerning the sale of shares in Biuro Centrum Sp. z o.o. with its seat in Katowice. As a result of the said transaction, 54 shares of Biuro Centrum Sp. z o.o., were purchased and they constituted 33,75% of share capital of the company and gave 33,75% of votes on the General Meeting of Shareholders. Total amount of sale of 54 shares in Biuro Centrum Sp. z o.o. was PLN 30,000. Prior to the transaction Stalexport Autostrady S.A. had had 65 shares (i.e. 40,6% of votes on the General Meeting of Shareholders) in Biuro Centrum Sp. z o.o., and as a result of the transaction the share of Stalexport Autostrady S.A. increased to 74.4% votes on the General Meeting of Shareholders (in total 119 shares.

25. On 27th December 2007 the Company received an Expert Report i.e. a report by Ernst & Young that establishes the sale price of ZCP for PLN 138,150,639.51.

26. On 7th January 2008 the Management Board informed that acting pursuant to the Agreement of 22nd November 2007 they approached Deloitte Audyt Sp. z o.o. in Warsaw and asked them to prepare an Additional Expert Report.

27. On 8th January 2008 the following amount PLN 101,168,357.64 was posted on the account of the Company duet to payment of part of the price for ZCP (PLN 100.000.000) jointly with interest from the amount deposited on the escrow account.

28. On 21st January 2008 the Company received a notice from the following companies: Atlantia S.p.A with its seat in Rome and Autostrade per l'Italia S.p.A. informing that on 18.01.2008, as a result of making a non cash contribution by Atlantia S.p.A in the form of 139,059,182 shares of Stalexport Autostrady S.A. to its subsidiary i.e., Autostrade per l'Italia S.p.A. with its seat in Rome. The share were taken by Autostrade per l'Italia S.p.A. Prior to purchase of shares, Autostrade per l'Italia S.p.A. had not been a shareholder of Stalexport Autostrady S.A. As a result of shares purchase, Autostrade per l'Italia S.p.A. at the moment have a package of 139.059.182 shares and the same number of votes on the General Meeting of Shareholders of Stalexport Autostrady S.A. The shares possessed by Autostrade per l'Italia S.p.A. constitute the total of 56.24 % of share in the capital of Stalexport Autostrady S.A. and the same percentage share in total number of votes on General Meeting of Shareholders of Stalexport Autostrady S.A. Within 12 months from the date of the said notice, Autostrade per l'Italia S.p.A. do not intend to increase their share in the capital of Stalexport Autostrady S.A.

29. On 25th January 2008 they received a signed agreement of 23rd January 2007 by and between: Złomrex S.A., Stalexport S.A. and Stalexport Autostrady S.A. under which the parties agreed:

a) jointly to resign from the possibility to apply for verification of sale price of ZCP established in the Expert's Report to the Additional Expert,
b) establish the sale price of ZCP for the amount PLN 138,700,000,
c) establish, that the amount of PLN 549,360.49 shall be a surplus over the sale price as established in the Expert's Report, constitutes return of investment expenditures incurred by Stalexport Autostrady S.A.,
d) agree that the amount of PLN 38,700,000 constituting surplus over the already received by Stalexport Autostrady S.A. amount of PLN 100,000,000 becomes due as of 29th February 2008.

and decide,that:

e) Złomrex SA shall make a statement about voluntary execution to the amount of PLN 38,700,000 jointly with interest in case of failing to make payments on time.

Subject agreement exhausts all claims of the Parties that may arise in the future in the scope of ZCP sale price. At the same time the Management Board of Stalexport Autostrady S.A. informed that they had received a signed statement as mentioned above. Therefore all conditions of the agreement were fulfilled.

30. On 6th March 2008 the Company received the information about settling the transaction which was discussed in point 28 above.

31. On 29.02.2008 the subsidiary company Stalexport Autostrada Dolnośląska S.A. with seat in Katowice signed with an Italian company Atlantia S.p.A. a selling contract of 140,000 shares at a nominal price (the shares constitute 70% of capital of the company) of the company Autostrada Mazowsze S.A. (the entity set up for the needs of the due tender announced by GDDKiA for constructing and operating A2 motorway Stryków-Konotopa). The payment for the shares in the amount of PLN 3.5 m was deposited on the bank account of Stalexport Autostrada Dolnośląska S.A. on 05.03.2008 and according to the provisions of the agreement of 29.02.2008, the ownership of shares was transferred on this date.

5.3. Description of transactions with related entities (for one time or total value of transactions exceeding in business year the amount of EUR 500,000)

In 2007 the Company Stalexport Autoroute S.a r.l with its seat in Luxemburg paid in favour of Stalexport Autostrady SA , dividend for 2006 and advanced payment for the dividend for 2007 in total amount of PLN 3 611 thousand (equivalent of EUR 970 thousand).

5.4. Information on drawn loans, loan agreements with taking into account their due date and about granted sureties and guarantees.

The balance of liabilities by virtue of credits and loans along with conditions and dates of their repayment is shown in the below table.

Data in thousand PLN	**Nominal rate**	**Year of payment**	**Value of liabilitiy as at 31.12.2007**	**Value of liabilitiy as at 31.12.2006**
Credits from banks				
BPH	WIBOR 1M + 1,5% margin	2007	-	2 338
ING Bank Śląski	WIBOR 1M + 1,5% margin	2007	-	400
PKO BP	WIBOR 1M + 1,5% margin	2007	-	14 364
Bank Handlowy	WIBOR 1M + 1,5% margin	2007	-	3 315
Bank Handlowy	WIBOR 1M + 1,5% margin	2007	-	8 663
Bank Handlowy	WIBOR 1M + 1,5% margin	2007	-	8 598
BRE	WIBOR 1M + 1,5% margin	2007	-	3 291
Bank Consortium	WIBOR 6M + 1,75% margin	2020	69 388	10 015
Loans from associated entities				
Stalexport Autostrada Śląska (including capital of PLN 3,340 thousand)	WIBOR 6M + 1% margin	2008	3 439	3 562
Total the liabilities by virtue of credits and loans			**72 827**	**54 546**

In 2007 all the restructured credits were repaid by Stalexport Autostrady S.A. while in connection with carried out investment work on A4 motorway section Katowice-Kraków – the successive tranche of the credit granted the Company Stalexport Autostrada Małopolska S.A. were made available.

Except for the mentioned credits and loans, the essential liabilities of financial character shown in the consolidated balance sheet at the end of 2007 are:
- payments by virtue of concession PLN 125,471 thousand
- arrangement liabilities PLN 23,684 thousand
- liabilities towards State Treasury PLN 77,955 thousand

According to the Concession Agreement Stalexport Autostrada Małopolska S.A.is obliged to bear the payments by virtue concession towards Krajowy Fundusz Drogowy (the taken over the liability by virtue of the EBRD credit contracted by State Treasury). The nominal value of the liability amounts to PLN 223,870 thousand.

In 2007 the liabilities resulting from the concluded the arrangement proceedings were repaid. As of 31.12.2007 the amount of PLN 23,684 thousand remained to be paid to fully execute the conditions of the agreement, at present the amount of PLN 18,044 thousand is still to be repaid.
The repayment of the liabilities towards State Treasury by virtue of guarantees of credits granted Ostrowiec Steel Plant is to commence after settling the liabilities of arrangement agreement i.e. in August 2008.

5.5. Information on granted loans with taking into account their due dates, as well as granted sureties and guarantees, in particular loans, sureties and guarantees granted to entities related to the Company.

Receivables due to loans granted by the Company amount to PLN 83,549 thousand. An write-down was created for the receivables due to granted loans, in the amount of PLN 83,549 thousand. Detailed list of loans is presented in the table below:

Due date	**Borrower**	**Principal amount to be paid back (in PLN thousand)**
31.12.2002	Huta Ostrowiec	5 000
31.12.2002	Huta Ostrowiec	31 500
31.12.2002	Huta Ostrowiec	36 000
31.12.2002	Huta Ostrowiec	5 600
30.09.2001	Centrozłom Warszawa	3 500
30.06.2001	Centrozłom Warszawa	1.949
x	**x**	**Total 83 549**

Loans granted to Huta Ostrowiec and Centrozłomow Warszawa were lodged to the bankruptcy estate in relation to bankruptcy procedures of the said companies.
In relation to the situation as of 31.12.2006 the loans decreased by the amount of PLN 24 thousand due to payment of a loan granted to Mr. Jarosław Jatkiewicz.

Total amount of off-balance charges due to sureties and guarantees amounted to PLN 15.938 thousand, including sureties PLN 14,409 thousand, and guarantees PLN 1,529 thousand.

The situation as to sureties and guarantees as granted by the Company is presented in the table below as of 31.12.2007:

Name of the entity	**Amount of surety (PLN thousand)**	**Exposure – unpaid principal amount (PLN thousand)**	**Surety beneficiary**	**Validity date**
Centrozłom Warszawa	5	5	TLK S.A.	
Stalexport Transroute Autostrada S.A.	14.404	14.404	Stalexport Autostrada Małopolska S.A./Consortium of Banks represented by WESTLB AG	31.03.2021 .
Surety total	**14.409**	**14.409**		
Various contract guarantees	**1.529**	**1.529**		
Guarantees total	**1.529**	**1.529**		

In relation to the situation as of 31.12.2006 sureties increased by total amount of PLN 2,073 thousand., which results from the following:

- § increase of surety amount for Stalexport Transroute Autostrada S.A. by PLN 2,111 thousand due to revaluation of the surety,
- § decrease of total amount of surety for SSC Bełchatów y PLN 33 thousand due to taking over liabilities by Stalexport S.A. as a result of ZCP sale.

In relation to the situation as of 31.12.2006 the total amount of sureties decreased by PLN 10,089 thousand. The said difference results from taking over the guarantee of most contractual guarantees by Stalexport S.A. as a result of sale of ZCP.

5.6. Information on issuing securities jointly with description of use bty the Company of revenue from the said issuing

On 14the February 2007 Extraordinary Meeting of Shareholders made a resolution on increase of share capital by way of issuing 89.5 million shares of G series, at issuing price of PLN 2.2458 per share, addressed at qualified investors. Between 16 to 23 March 2007 there was subscription acceptance for the shares of G series. On 26th March 2007 the Management Board allotted all G series shares to Atlantia S.p.A – after their payment in total amount of about PLN 201 million. Increase of share capital from the amount of PLN 315,524,046 to the amount of PLN 494,524,046 i.e. by the amount of PLN 179,000,000 was registered **on 25th June 2007** by the decision of District Court in Katowice, VIII Commercial Division of the National Court Register. At the same time there was an increase of the number of shares from 157,762,023 shares to 247,242,023 shares, i.e. by 89,500,000 of ordinary bearers shares, with nominal value of PLN 2.00 each.

The revenue from issuing allowed the Company to pay:

- § remaining amount of liabilities in relation to banks under restructuring agreements, jointly with interest – PLN 36,673 thousand,
- § composition instalment in total amount of PLN 18,732 thousand,
- § liabilities in relation to the State Treasury due to surety for WRJ in the amount of PLN 43,000 thousand,
- § loans drawn in Capital Group in the amount of PLN 1,500 thousand,
- § interest for the State Treasury due to surety for H. Ostrowiec S.A. in the amount of PLN 2,070 thousand,
- § payment of trade liabilities in the amount of PLN 46,280 thousand.

Remaining resources were deposited at bank accounts and funds.

5.7. Explanations as to differences between financial results revealed in annual statement (SA-RS) and in quarterly report (SAQ)

In comparison with the quarterly report SAQ the Company in SA-RS, the dissolution of the provisions updating the value of the possessed financial assets in the amount of PLN 2,713 thousand and the statistically calculated interests in the amount of PLN 1,056 thousand on cash deposited for the benefit of the Company on escrow account, referred to the financial revenues 2007.
The Group also made changes in estimates being the base of establishing provisions for the exchange of the surface taking into account both tendencies of price changes of the construction work on domestic market and also the value of offers received for the execution of these work. In a result of the above adjustment the value of provisions in comparison with SAQs diminished by PLN 16,452 thousand and corresponding them value of asset by virtue of deferred income tax - by the PLN 3,126 thousand - net profit of the Group increased by PLN 13,326 thousand.

5.8. Evaluation jointly with grounds of financial resources management, especially with taking into account the ability to meet the liabilities and specifying potential dangers and actions taken or intended to be taken by Stalexport Autostrady S.A. in order to prevent such dangers.

Lack of possibility to additionally finance the Company by shareholders in previous years and limited resources at the Company's disposal caused that the Company had to look for a strategic investor. Management Board activities led to execution of the Investment Agreement with Atlantia S.p.A (former Autostrade S.p.A.) and winning an investor. Entrance of Atlantia S.p.A to Stalexport Autostrady S.A. in relation to performance of the In-

vestment Agreement resulted in winning a total cash amount of PLN 269 million , which allowed to finish the restructuring process and to concentrate on motorway activity development.
The Company is still paying in its composition payments and liabilities in relation to State Treasury due to sureties, as it is described in detail in section 3.3.3.
In current situation the risk related t lack of liquidity does not exist. Free resources possessed at the moment and obtained from increase of capital and sale of the Organized Art of the Enterprise totally cover remaining financial liabilities and may be used for financing of motorway projects which at the moment are subject to tender procedures. In the meantime free resources are invested in investment funds and bank deposits so it is an additional financial income for the Company.

5.9. Evaluation of investment task performance possibility

Information concerning the content of this section was partially presented in section 3.4 of this financial statement. Investment activities of the Company were presented in Capital Expenditures Plan for the year 2007 and were accepted by the Supervisory Board.
Capital expenditures plan for the year 2008 as of the date of this statement was not approved by the Supervisory Board yet.

5.10. Evaluation of result and unusual events that affect the financial result for a given business year with specifying the extend of the said factors or unusual events impact on the obtained result.

Information concerning the content of this section is included in Chapter 3. FINANCIAL ANALYSIS OF THE COMPANY, section 3.2.

5.11. Characteristics of internal and external factors that are significant for the development of the Capital Group and description of commercial activity development prospects.

Characteristics of internal and external factors that are significant for the development of the Capital Group and description of commercial activity development prospects is included in Chapter 6.

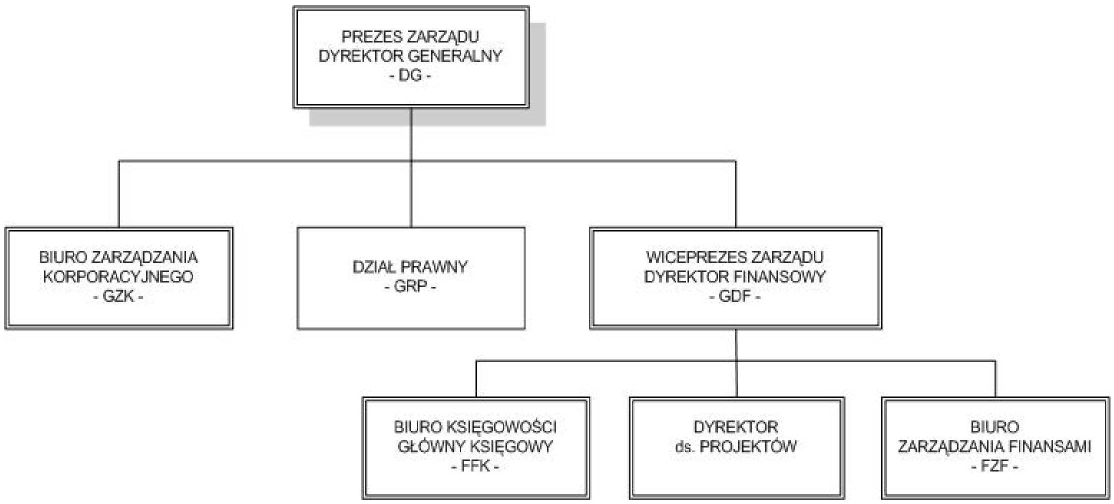
5.12. Changes in basic rules concerning the way of the Company management as well as its Capital Group management.

A significant change in the management rules of the Company and its Capital Group concerned separating an Organized Part of the Enterprise (ZCP) within the existing structure of the Company. So ZCP constituted, in the organizational chart, a separated *(in the understanding of Art. 4a section 4 of the Act on income tax on legal entities that constitute a plant(branch) that independently draws up a balance sheet as mentioned in Art. 6 of the Act on goods and services tax)* organized part of Stalexport motorways and it was not a tax payer. Therefore, ZCP prepared only balance sheet and profit and loss account.

However, Stalexport Autostrady S.A. was a registered tax payer, that calculated taxes as one tax payer and had tax settlements jointly with ZCP.

As of 1.10.2007 the Organized Part of the Enterprise (ZCP) was sold. After this transaction the organizational chart of the Company was significantly simplified and employment was reduced to 21 people (18½ of full time position) according to the situation as of 31.12.2007.

New organization chart of the Company looks as follows:



President of the Management Board, General Director DG;
Corporate Governance Division GZK; Legal Department GRP; Vice President of the Management Board GDF;
Accounting Office, Chief Accountant FFK; Projects Director; Finance Management Office FZF.

Jointly with development of motorway business, the organizational chart may evolve.

After the sale of its metal part (ZCP) the Company shall conduct motorway activity.

The structure of the Capital Group of Stalexport Autostrady S.A. was presented in point 2.1 of this report.

5.13. Changes in management and supervising bodies of the Company and its Capital Group in the last business year, rules concerning dismissing and appointing managing people, in particular right to make a decision about issuing or stock redemption.

a) Management Board of the Company
In the reporting period the composition of the Management Board changed and it looked as follows:

§ Between 01.01.2007 to 29.09.2007.

1. Emil Wąsacz - President of the Management Board
2. Mieczysław Skołożyński - ice President of the Management Board
3. Urszula Dzierżoń - Member of the Management Board

§ Urszula Dzierżoń resigned from the position of a Member of the Management Board of Stalexport Autostrady S.A. as of 29.09.2007. In relation to the above from 30.09.2007 to 31.12.2007 the Management Board consisted of two following people:

1. Emil Wąsacz - President of the Management Board
2. Mieczysław Skołożyński - ice President of the Management Board

b) Supervisory Board of the Company

In the reporting period the composition of the Supervisory Board was changed and looked as follows:

§ Between 01.01.2007 and 14.02.2007.

1. Galliano Di Marco - Chairman
2. Bogusław Leśnodorski - Deputy Chairman
3. Jerzy Sroka - Secretary

4. Dario V.	Cipriani	
5. Katarzyna	Galus	
6. Jeffery	Grady	
7. Christopher	Melnyk	
8. Alexander	Neuber	
9. Giuseppe	Palma	

On 14.02.2007 Extraordinary Meeting of Shareholders introduced changes in the composition of the Supervisory Board by dismissing Jeffery Grady and appointing Konrad Tchórzewski.

§ Between 14.02.2007 and 28.06.2007.

1.	Galliano	Di Marco	- Chairman
2.	Bogusław	Leśnodorski	- Deputy Chairman
3.	Jerzy	Sroka	- Secretary
4.	Dario V.	Cipriani	
5.	Katarzyna	Galus	
6.	Christopher	Melnyk	
7.	Alexander	Neuber	
8.	Giuseppe	Palma	
9	Konrad	Tchórzewski	

On 28.06.2007 XIV Ordinary Meeting of Shareholders appointed the following composition for VI term:

§ Between 28.06.2007 and 28.09.2007.

1.	Galliano	Di Marco	- Chairman
2.	Bogusław	Leśnodorski	- Deputy Chairman
3.	Jerzy	Sroka	- Secretary
4.	Dario V.	Cipriani	
5.	Katarzyna	Galus	
6.	Christopher	Melnyk	
7.	Giuseppe	Palma	
8.	Konrad	Tchórzewski	
9	Mateusz	Van Wollen	

Galliano Di Marco resigned on 28.09.2007. Till 31.12.2007 and till the present moment, the Supervisory Board consists of eight following people:

1.	Giuseppe	Palma	- Chairman (from 16.11.2007)
2.	Bogusław	Leśnodorski	- Deputy Chairman
3.	Jerzy	Sroka	- Secretary
4.	Dario V.	Cipriani	
5.	Katarzyna	Galus	
6.	Christopher	Melnyk	
7.	Konrad	Tchórzewski	
8	Mateusz	Van Wollen	

c) Proxies of the Company

In the reporting period the Proxis changed and they were as follows:

§ Between 01.01.2007 and 30.09.2007.

1.	Marek	Bury
2.	Barbara	Boś
3.	Małgorzata	Michalunio-Kępys

The Proxies of Marek Bury and Barbara Boś were revoked as of 30.09.2007.

- § Between 01.10.2007 and 31.12.2007 till now Małgorzata Michalunio-Kępys has been a Proxy of the Company.

In accordance with §24 of the Company Charter, the Supervisory Board consists of 6 to 9 members elected for the period of common term lasting three years. General Meeting of Shareholders appoints and dismisses members of the Supervisory Board with prior statement as to number of members for a given term.

Pursuant to §10 of the Company's Charter the Management Board consists of 1 to 3 people. The President of the Management Board is appointed by the Supervisory Board, and the remaining members are appointed upon the motion of the President of the Management Board.

Pursuant to Art. 371 §4 of the Commercial Companies Code a proxy is appointed by Management Board.

d) Changes in the compositions of the Management Board and the Supervisory Board in the subsidiary companies in 2007 (concerns the companies entering into the composition of the Capital Group as at 31.12.2007)

§ Stalexport Autostrada Dolnośląska S.A.

Changes in the composition of the Supervisory Board
As from 05.10.2007 the representatives of Stalexport Autostrady S.A. i.e. Mrs Anna Górska-Ucinyk. Mr Bronisław Groborz and Mr Stanisław Kajzer were revoked from the composition of the Supervisory Board, and Mr Mieczysław Skołożyński, Emil Wąsacz and Riccardo Starace were appointed in their place.

In a result of the change the composition of the Supervisory Board is as follows:

1. Barbara Kępińska
2. Mieczysław Skołożyński
3. Riccardo Starace
4. Rafał Sulik
5. Emil Wąsacz

§ Stalexport Autostrada Małopolska S.A.

Changes in the composition of the Supervisory Board

As from 29.11.2007 Mr Andrzej Bartosiak vel Adamiak and Mr Stanisław Kajzer were revoked from the composition of the Supervisory Board and Mr Riccardo Starace and Emil Wąsacz were appointed in their place.

In a result of the change the composition of the Supervisory Board is as follows:

1. Mieczysław Skołożyński
2. Katarzyna Bijak
3. Zbigniew Czapla-Nowicki
4. Riccardo Starace
5. Emil Wąsacz

§ Stalexport Autostrada Transroute S.A.

Changes in the composition of the Supervisory Board

10.11.2007 Mr Ryszard Pałka and Zbigniew Czapla-Nowicki were revoked from the composition of the Supervisory Board and Mr Andrzej Kluba and Mieczysław Skołożyński were appointed in their place.

In a result of the change the composition of the Supervisory Board is as follows:

1. Mieczysław Skołożyński

2. Andrzej Kluba
3. Mariusz Serwa
4. Francois Bienvenue
5. Frederick Nicolon
6. Vincent Terrason

§ **Autostrada Mazowsze S.A.**

Along with registering the company the Management Bard was appointed in the composition Andrzej Kluba – President of the Management Board and the Supervisory Board in the composition:

1. Mieczysław Skołożyński
2. Zbigniew Czapla-Nowicki
3. Andrzej Bartosiak vel Adamiak

§ **Biuro Centrum Sp. z o.o.**

Changes in the composition of the Supervisory Board

As from 07.10.2007 Mrs Anna Górska-Ucinyk was revoked from the Supervisory Board and Mrs Katarzyna Bijak was appointed in her place. As from 05.12.2007 Mr Tadeusz Magdoński, a representative of CENTROZAP S.A. was revoked from the Supervisory Board and Mrs Iwona Jamrozik, a representative of Stalexport Autostrady S.A. was appointed in his place. Moreover the Supervisory Board comprises Mr. Edmund Plutecki, the representative of Węglokoks S.A.

In other subsidiary companies there was no changes in the composition of the managing and supervising persons.

5.14. Information on agreements between the Company or the companies of the Capital Group and managing people, that have predict compensation in case of their resignation or dismissal from their position without an important reason or when their dismissal or lay off results from joining the Company by taking over.

- Stalexport Autostrady S.A.

In 2007 the Company did not conclude with managing people any agreements predicting compensation in case of their resignation or dismissal from their position without an important reason or when their dismissal or lay off results from joining the Company by taking over. Employment Contracts concluded with the Management Board have 6-month clause concerning severance pay in case of dismissing before the end of their term.

- **Stalexport Autostrada Dolnośląska S.A.**

According to the employment contracts of the members of the Management Board of SAD S.A. in case of recalling from the Management Board or dissolving the contract by the Company before the term of the Management Board expires, to which the Managing person was appointed, the Managing person is entitled to only once cash compensation in the sum of the triple last basic remuneration. The person in entitled to it when the Managing person was recalled from the Management Board because of reasons justifying, by labour law, the dissolving of the employment contract without noticing because of the fault of the employee.

- **Stalexport Autostrada Małopolska S.A.**

In case of dissolving the employment contract with the members of the Management Board by recalling from the Management Board and dissolving the contract by the Company such a person is entitled to the compensation in the amount of 6 (six) basic remuneration.

- **Stalexport Transroute Autostrada S.A.**

According to the employment contracts of the members of the Management Board of STA S.A. in case of recalling from Management Board or dissolving the contract by the Company before the term of the Management

Board expires, to which the Managing person was appointed, the Managing person is entitled to only once cash compensation in the sum of the triple last basic remuneration. The person in entitled to it when the Managing person was recalled from the Management Board because of reasons justifying, by labour law, the dissolving of the employment contract without noticing because of the fault of the employee.

5.15. Remuneration for persons managing and supervising the Capital Group of Stalexport Autostrady

According to the Statutes of the Company, the rules of granting remuneration to members of the Management Board are defined by the Supervisory Board. For the year 2007, total remuneration upon employment contracts for persons managing the Company, i.e. for the Management Board and for Holders of a commercial power of attorney, amounted to PLN 2,322.446, including:

No.	Full name	Function in Company	Remuneration upon employment contract with Company (PLN)	Bonuses and awards in Stalexport Autostrady S.A. (PLN)	Remuneration upon functions in Supervisory Boards of subordinate entities	TOTAL (PLN)
1.	Emil Wąsacz	President of Management Board, General Director	747.632	x	3.301	750.933
2.	Mieczysław Skołożyński	Vice-President of Management Board, Director of Finance	636.087	x	33.034	669.121
3.	Urszula Dzierżoń (to 29.09.2007)	Member of Management Board, Director of Sales	409.170	11.564	12.109	432.843
4.	Marek Bury (to 30.09.2007)	Holder of a commercial power of attorney	108.842	15.000	25.444	149.286
5.	Małgorzata Michalunio-Kępys	Holder of a commercial power of attorney	167.979	16.000	x	183.979
6.	Barbara Boś (to 30.09.2007)	Holder of a commercial power of attorney	136.284	x	x	136.284
x	**TOTAL**	**x**	**2.205.994**	**42.564**	**73.888**	**2.322.446**

Total remuneration for persons managing and supervising in other companies of the Company upon their functions in supervisory boards of subsidiary companies in 2007 amounted to PLN 73,888.

According to the Statutes of the Company, the rules of granting remuneration to members of the Supervisory Board are defined by the Annual General Meeting.

In 2007, total remuneration for the members of the Supervisory Board amounted to PLN 154,933, including:

No.	Full name	Function in Supervisory Board Stalexport Autostrady S.A.	Remuneration in 2007 (PLN)
1.	Giuseppe Palma	President	receives no remuneration
2.	Bogusław Leśnodorski	Vice-President	35,085
3.	Jerzy Sroka	Secretary	27,700
4.	Dario V. Cipriani	Member	23,700
5.	Katarzyna Galus	Member	23,700
6.	Christopher Melnyk	Member	receives no remuneration
7.	Jeffery Grady	Member (until 14 Feb 2007)	received no remuneration
8.	Konrad Tchórzewski	Member (until 14 Feb 2007)	20,737
9..	Mateusz Van Wollen	Member (from 28 Jun 2007)	11,850
10.	Galliano Di Marco	President (from 01 Jan 2007 until 28 Sep 2007)	received no remuneration
11.	Alexander Neuber	Member (from 01 Jan 2007 until 28 Sep 2007)	12,161
x	**TOTAL**	**x**	**154,933**

The remuneration of the managing and supervising person in other companies of the Capital Group was shown in note 38C to the consolidated financial report of Company.

5.16. Amounts due upon unpaid loans. Information on loans, advance payments or guarantees granted to persons managing the Company

There are no amounts due upon unpaid loans from persons managing the Company. The Company and its associated entities have granted no loans, advance payments or guarantees to such persons.

5.17. Company shares or shares of its associated entities in possession of persons managing and supervising the Company and the Capital Group

According to submitted statements, as of 31st December 2007 (and as of the reporting date), persons managing and supervising the Capital Group possess the following number of shares of Stalexport Autostrady S.A., in the following nominal value:

Full name	No. of shares	Nominal value (PLN)
1. Emil Wąsacz	59,000	118,000
2. Dario V. Cipriani	10	20
3. Mateusz Van Wollen	10	20
4. Katarzyna Bijak	2,000	4,000

Persons managing and supervising Stalexport Autostrady S.A. do not hold any shares of associated entities.

5.18. List of shareholders in possession of at least 5% of general number of votes

To the best of the knowledge of the Management Board, based on the list of shareholders registered during the Extraordinary General Meeting of 20 Aug 2007 and on the announcements submitted by the shareholders as prescribed by law, the shareholders who possess at least 5% of the total number of votes (247,262,023), as of 31 Dec 2007, were the following:

Name of entity	No. of common bearer shares owned	Initial capital share (%)	No. of votes at general meeting	Share in general no. of votes at general meeting (%)
Atlantia S.p.A. seated in Rome, Italy (previously Autostrade S.p.A.)	139,059,182	56.24 %	139,059,182	56.24 %
Other shareholders	108,202,841	43.76 %	108,202,841	43.76 %

On 18th January 2008, due to a contribution in kind of 139,059,182 shares of Stalexport Autostrady S.A. company made by Atlantia S.p.A. to its subsidiary **Autostrade per l'Italia S.p.A.** seated in Rome, Italy, the shares were covered by Autostrade per l'Italia S.p.A.

5.19. Information on agreements known to the Company, due to which in the future some changes could occur in the proportion of shares held by current shareholders.

The Company has no information on other concluded agreements due to which in the future some changes could occur in the proportion of shares held by current shareholders.

5.20. Shareholders of the shares which give special rights of control with regard to the Company, together with the description of such rights

No shares of Stalexport Autostrady S.A. give special rights of control with regard to the Company.

5.21. Information on the control system of staff shares programmes

No staff shares programmes are operated in the Company and the Capital Group.

5.22. Information regarding any restrictions in transferring the title to securities and restrictions in executing the right to vote connected with the Company shares.

The shares of the Company are not restricted with regard to transferring the title or executing the right to vote connected with the shares.

5.23. Date of concluding the agreement with an entity entitled to audit financial statements and the consolidated financial statement, the period for which it has been concluded as well as total remuneration for the entity and consolidated audit in the given business year.

The audit of the Company financial statement and the consolidated financial statement of the Stalexport Autostrady Capital Group for the year 2007 has been entrusted to KPMG Audyt Sp. z o.o. (KPMG) by the Supervisory Board of the Company, in accordance with to its powers defined in the Statutes of the Company. KPMG Audyt Sp. z o.o. is seated in Warsaw, ul. Chłodna 51, and is entered in the list of entities entitled to audit financial statements under the No. 458. KPMG was conducting the audits of the entity financial statement of the Company and of the consolidated financial statement of the Capital Group in the years 1994-2001.
The agreement to conduct the audit and review of financial statement and group reports for the year 2007 was concluded with KPMG Audyt Sp. z o.o. on 25th June 2007.
Total remuneration for KPMG for the work related to the review of the interim financial and the audit of the annual financial statement both for the entity and consolidated is EUR 74,500.

The agreement on/for?? auditor’s services for the year 2006 had been concluded with BDO Polska Sp. z o.o. on 8th August 2006 for the period of one year 2006. The agreement included:

- the review of semi-annual individual and consolidated financial report of the Company,
- the audit of the annual individual and consolidated financial statements of the Company.

Total remuneration of the auditor amounted to PLN 160,000.
The remaining remuneration paid for other services than the 2006 financial statement audit amounted to PLN 32,000.

Name of the company	Entity entitled to examination	Date of concluding the agreement	Remuneration for 2007
Stalexport Autostrada Dolnośląska S.A.	BUFIKS	01.02.2008	27,816 PLN
Stalexport Autostrada Śląska S.A.	BUFIKS	01.02.2008	12,078 PLN
Stalexport Autoroute Sarl	Fiduciare Patrick Sganzerla S.a.r.l.		Ca 2,600 EUR*
Stalexport Autostrada Małopolska S.A.	KPMG Audyt Sp. z o.o.	25.06.2007	32,000 EUR
Stalexport Transroute Autostrada S.A.	KPMG Audyt Sp. z o.o.	27.06.2007	22,500 EUR
Biuro Centrum Sp. z o.o.	ISTECH COMP Wiesława Romanowska	31.06.2006	12,810 PLN

** estimated data, there is no final settlement on the date of the report*

6. PERSPECTIVES FOR DEVELOPMENT AND DESCRIPTION OF MAIN RISKS AND HAZARDS. CHARACTERIZATION OF EXTERNAL AND INTERNAL FACTORS CRUCIAL FOR THE FUTURE DEVELOPMENT OF THE CAPITAL GROUP OF STALEXPORT AUTOSTRADY

6.1. Perspectives for development

Finding a strategic investor for Stalexport Autostrady S.A., namely Atlantia S.p.A. (previously Autostrade S.p.A), secured access to the capital and to the know-how, both vital for future development of motorway activity, allowing the Company to continue its current projects and to take part in new ventures.
Currently, Stalexport Autostrady S.A., through its subsidiary Stalexport Autostrada Dolnośląska S.A., (SAD S.A.) participates (within a consortium) in the following tender procedures announced by the Polish Minister of Transport:

1) Construction and maintenance of A2 toll motorway in its section Stryków (Łodź)-Konotopa (Warsaw): 95 km,
2) Adaptation of A4 motorway to toll collection in its section Wrocław-Sośnica (Gliwice): 162 km.
3) Adaptation of A2 motorway to toll collection in its section Konin-Stryków (Łodź): 103 km,

re 1)

On 10th August 2007, a consortium with participation of SAD S.A. was invited to place a binding bid in the tender for construction and maintenance of A2 toll motorway in its section Stryków (Łodź)-Konotopa (Warsaw) until 10th December 2007. The date for placing binding bids has been postponed to the 31st March 2008.

re 2)

As for the tender for the adaptation of A4 motorway to toll-motorway standards in its section Wrocław-Sośnica, a consortium with participation of the subsidiary Stalexport Autostrada Dolnośląska S.A. received on 24th October 2007 an invitation to place a binding bid until 28th December 2007. This date has been eventually postponed to 21st January 2008. The consortium submitted the bid, however on 06.04.2008 it was informed by GDDKiA that it had not been approved for executing.

re 3)

As for the tender for the adaptation of A2 motorway to toll-motorway standards in its section Konin-Stryków, a consortium with participation of the subsidiary company i.e. SAD S.A. has been taking part. Initially the date for placing the binding bid was set for 4th February 2008, which was later changed to 18th February 2008. The bid has been placed by this consortium and the planned date of decision is between March and May 2008.

In the domestic market, the Company plans to concentrate on tenders for the construction of toll motorways in BOT system (as investor and administrator) and on those for maintenance, operation and toll collection (as operator).

Moreover, Stalexport Autostrady S.A. in cooperation with its strategic investor plans to take part in tenders in motorway sector organised in neighbouring countries. For instance, in Slovakia, consortium SLOVAKPASS with the participation of Stalexport Autostrady S.A. has been pre-qualified for the due tender for the selection of a supplier and starting flee-flow toll collection system from lorries in the network of motorways and national roads.

6.2. Description of main risks and hazards. Characterization of external and internal factors crucial for the future development of the Capital Group and counteracting such risks.

In 2007, the Company could finally leave behind all burdening threats and problems. This was possible thanks to the successful conclusion of the process of winning a strategic investor i.e. Atlantia S.p.A. As a result of two successive share issues (2nd tranche of F series and G series), Stalexport Autostrady S.A. acquired from the strategic investor a total amount of PLN over 269m.

This allowed for settling current liabilities in the years 2006-2007, achieving long-lasting financial stability which allowed for earlier repayment of restructured liabilities and finally concluding the question of the guarantee for the State Treasury due to the security for WRJ, which had burdened the Company for the previous 10 years.

Today, the greatest threats and risks to the Capital Group of Stalexport Autostrady result from the policies of the State regarding motorway projects and its approach to conducting infrastructural projects on the basis of public-private partnership (partnerstwa publiczno-prywatnego). The Company aims at limiting the risk related to restricting the role of private entities in the plans for the development of road infrastructure by promoting the idea of private partnership (partnerstwo prywatne) and making popular the benefits of participation of private sector in infrastructure projects.

What is important to the Capital Group is the risk of prolonging or invalidating tender processes resulting from the provisions of law currently in force, in particular from public procurement law. The Company aims at curbing such risks by promoting changes in the law which would allow for a smoother preparation and performance of investments in infrastructure.

Another risk which is significant in its business is the threat of insufficient basic production circles in the road construction sector, including qualified employees and basic raw material and substances used in road construction as well as the possibilities of transporting these materials which could result in uncontrollable inflation of construction prices. The Capital Group Company attempts to curb these risks by becoming involved mainly in such infrastructure undertakings in cooperation with construction partners including those related through the capital engagement with the Company's strategic investor, and by applying innovative technologies allowing for using substitutes of those construction materials which are in particularly short supply.

7 CONCLUSION

Analysing the present situation of the Capital Group of Stalexport Autostrady it should be stated that the increase of the share capital of Stalexport Autostrady S.A. by issuing shares of the G series and coming in their possession by Atlantia S.p.A., as well as the sale of the steel part of the company, connected with change of the name from the previous STALEXPORT S.A. to: Stalexport Autostrady S.A. concluded and closed the forty years of history of the Capital Group activities in the steel industry.

As consequence of those activities, the Company along with the Capital Group became a holding company active solely in the motorway branch. The company also gained very sound financial basis, which do not only provide the possibility of meeting all the obligations, resulting from arrangement proceedings and those not related to them, but also create realistic possibilities for further development.

Vice-President of Management Board Financial Manager	President of Management Board General Manager
/Mieczysław Skołożyński/	/Emil Wąsacz/

Katowice, March 2008

8. ATTACHMENTS

In accordance with the Ordinance of the Minister of Finance, dated 19.10.2005, concerning the current and periodic information to be provided by issuers of securities (Official Journal of Law (Dz.U.) of 2005, No. 209, item1744), the annual report contains:

8.1. A statement of the Management Board, stating that to the best of their knowledge the yearly consolidated financial report and the comparable data have been prepared in accordance with the binding principles of accounting, and that they reflect in true, reliable and clear manner the property and finances of the Capital Group, as well as its financial result, and that the report contains a true picture of the development and achievements and the situation of the Capital Group, including the description of the basic risks.

Statement

We hereby state that to the best of our knowledge the yearly consolidated financial report for the year 2007 and the comparable data have been prepared in accordance with the binding principles of accounting, and that they reflect in true, reliable and clear manner the property and finances of the Company, as well as its financial result of Capital Group of Stalexport Autostrady.

We also state that the yearly report of the Management Board contains a true picture of the development and achievements and the situation of the Capital Group, including the description of the basic risks and threats.

Vice-President of Management Board Financial Manager	President of Management Board General Manager
/Mieczysław Skołożyński/	/Emil Wąsacz/

Katowice, March 2008

8.2. A statement of the Management Board, stating that the entity qualified to carry out the audit of the yearly consolidated financial report has been selected in accordance with the legal regulations, and that this entity and the certified auditors performing the audit complied with the conditions to express an unbiased and independent opinion about the audit, in accordance with the regulations of the national law.

Statement

We hereby state that KPMG Polska Audyt Sp. z o.o. with seat in Warszawa, qualified to carry out the audit of the yearly consolidated financial statements for the year 2007 has been selected in accordance with the legal regulations, that is on the basis of §18 section3 item 8 of the Articles of Association (Statute) of Stalexport Autostrady S.A. in Katowice.

We also state that the above entity as well as the certified auditors performing the audit complied with the conditions to express an unbiased and independent opinion about the audit, in accordance with the regulations of Polish law.

Vice-President of Management Board Financial Manager	President of Management Board General Manager
/Mieczysław Skołożyński/	/Emil Wąsacz/

Katowice, March 2008.