

## **Assessment of the Company's situation (resulting from applying the Rules of Corporate Governance)**

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The Supervisory Board of Stalexport Autostrady S.A., acting according to the Rules of Corporate Governance adopted by the Company, carried out a concise assessment of the Company's situation (considering the assessment of the internal control and risk managing systems essential for the Company<sup>1</sup>). This assessment was conducted on the basis of the knowledge of the members of the Supervisory Board, which was up-to-date as on the day of drawing it up

1. The Company Stalexport Autostrady S.A. is still in the course of executing the provisions of the agreement concluded with creditors in the year 2002. Moreover, it has to execute the provisions resulting from the restructuring agreements concluded with off arrangement creditors.

While signing the arrangement agreement and the contracts the liabilities of the Company were as follows:

### **Arrangement agreement:**

§ Amount submitted to arrangement agreement	- PLN 605.8 m,
§ Amount of the liabilities after approval of the arrangement agreement	- PLN 363.6 m,
§ Liabilities towards the principal creditors	
§ After reduction and conversion	- PLN 171.8 m.

### Repayments of the arrangement liabilities:

To the end of 2007	- PLN 63.8 m,
In 2007	- PLN 35.6 m.

### **Restructured credits:**

§ Initial amount	- PLN 195.1 m,
§ Amount to be repaid after restructuring	- PLN 167.5 m,

### Repayment of the restructured credits:

To the end of 2007 all the agreements with banks were repaid	
Including in 2007	- PLN 46.7 m,

### **Liabilities towards State Treasury:**

§ Securities for Huta Ostrowiec	- PLN 78.0 m,
§ Repayment to the end of 2007 (interests only)	- PLN 11.0 m,
§ Repayment in 2007	- PLN 4.7 m.

### **Securities for WRJ:**

#### Bank Consortium

§ Conversion to 15,840,622 shares	- PLN 35.6 m,
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<sup>1</sup> The novelty resulting from „The WSE listed Companies Good Practices” resolved by the Supervisory Board of WSE on 04.07.2007

**State Treasury –security for WRJ**  
(full settlement in 2007 )

- PLN 48.0 m.

2. Reminding the above the Supervisory Board would like to draw attention to the following matters referring directly to the assessment of the situation of Stalexport Autostrady S.A.:
  - § till 7.07.2008 ca PLN 16.6 m of capital and interests remained to be repaid as well as in the years 2008-2014 the liabilities already restructured in the amount of PLN 78 m,
  - § the activity of the Company, in its core business is subject, after Atlantia S.p.A. investing in it, to developing the motorway activity;
  - § the current financial liquidity of the Company fully secures the repayment of other “historic” liabilities of the Company,
  - § protection of the assets of the shareholders and maintaining the increase tendency of the Company listing on WSE will result from executing this purpose along with achieving the positive results from the current activity and the undertakings planned.
3. The detailed analysis of the situation of Stalexport Autostrady S.A. in 2007 was presented in the Report of the Management Board for 2007. the Supervisory Board shares the opinions of the Management Board presented there, referring among others to macro-economic conditions, direct market environment of the Company, the analyses and the assessments of the financial situation. However, the importance of a few events from the discussed period should be stressed which according to the Supervisory Board affected the current situation of the Company and also will have an effect on its near future.

In the opinion of the Supervisory Board of the Company the following events from 2007 should be included in them:

- an increase in share capital of the Company by issue of shares of G series for the strategic investor Atlantia S.p.A. in Rome (previously Autostrade S.p.A.) and stabilization of the same the situation of the Company in the formal and legal respects,
  - the disposal of the Organised Division of Enterprise (ZCP),
  - concluding the agreement between Stalexport Autostrady S.A. and Walcownia Rur Jedność S.A. with seat in Siemianowice Śląskie on the base of which the liabilities of Stalexport Autostrady S.A. by virtue of the bill security granted on 7.11.1997 by the Company for the benefit of State Treasury were finally settled.
4. The internal control and risk managing systems in relation to the process of drawing up the financial reports has been executed by the binding in the Company procedures of drawing up and approving of the financial reports. The financial reports are drawn up by the financial –accounting staff under control of Chief Accountant of the Company, and next verified by the Financial Director and their final contents are approved by the Management Board in a resolution.

The financial reports approved by the Management Board are verified by an independent auditor – chartered accountant appointed by the Supervisory Board.

Next according to § 18 section 2 point 1) of the Articles of Association of the Company the Supervisory Board – following the recommendation of its Audit Committee, each year makes assessments of the audited financial reports of the Company and the Capital Group

in the range of its conformity with books and actual condition, and it informs the shareholders about the results of this assessment in its annual report.

5. The Supervisory Board positively assesses the above mentioned actions of the Company conducted in 2007 and continued in 2007. These actions improved the organizational and financial situation of the Company in 2007 and gave better prospects for the development this year.