



# 2010 financial results and perspectives of Stalexport Autostrady Group

Warsaw, March 10, 2011





2010 KEY FACTS

Safety on A4

No fatal accidents on the managed section of A4 Katowice-Kraków motorway

Financial results

Financial results of the Group significantly better than in previous year

Accountancy guidelines

Change of accountancy guidelines as a result of introducing the new interpretation made by International Financial Reporting Interpretations Committee (IFRIC12)

Tenders for projects

Resignation from submitting the offer for the Polish Toll Collection System, including services connected with the Electronic Toll Collection





## IMPORTANT TRENDS IN 2010: SAFETY ON THE A4 KATOWICE-KRAKÓW MOTORWAY

### Accidents on A4 motorway

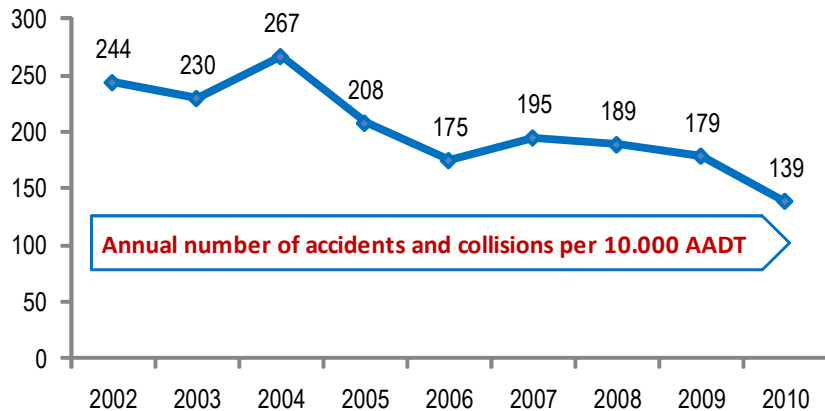
2010	Kraków-Katowice	Katowice-border of opolskie voivodeship*
	61 km	about 59 km
Accidents	48	52
Fatal accident	0	3
Injured	70	75
Collisions	372	585

\* data from Police Voivodeship Headquarters in Katowice

### Accidents on A4 and alternative roads

2010	A4*	DK79**	DK94**	DK44**
	61 km	about 39 km	about 35 km	about 37km
Accidents	48	55	27	36
Fatal accident	0	5	4	3
Injured	70	62	29	58
Collisions	372	620	427	436

\* on the whole Concessionaire's section of the A4 Katowice-Kraków section  
 \*\* only in śląskie voivodeship - data from Police Voivodeship Headquarters in Katowice



#### Alternative roads:

- 79** DK79: Mysłówice - Jaworzno - Chrzanów - Krzeszowice - Kraków
- 94** DK94: Dąbrowa Górnicza - Olkusz - Kraków
- 44** DK44: Tychy - Oświęcim - Zator - Skawina - Kraków





## **Main assumptions of the A4 Katowice-Kraków Concession Agreement**

2010 financial results

Plans of the Group for 2011 and development directions and perspectives



## MAIN RIGHTS AND OBLIGATIONS OF THE CONCESSIONAIRE

### RIGHTS

- right to toll collection from users of the motorway
- receiving revenues from the Minister of Transport as a compensation for the passage of vehicles exempted from tolls (vignette vehicles)
- right to revenues from leasing of the Rest Areas
- right to other incomes from the Motorway Right-of-Way

### OBLIGATIONS

- implementation of specified construction works
- implementation of periodical general repairs of surface
- operation and maintenance of the motorway acc. to standard specified in Concession Agreement
- execution of Road Manager function acc. to Public Roads Act
- management of Service Areas
- arrangement of financing for all Concessionaire's tasks
- payment of tenancy rent for the Motorway Right-of-Way
- payment of the concession payments (value of the credit granted to the Public Side in 1993 by the European Bank of Reconstruction and Development for the A4 motorway repair)
- providing the insurances program for the project
- providing the coordination of emergency services actions (emergency, police, fire-brigade) on the concessionaire's section of A4 motorway
- after the expiry of the Concession Agreement - transferring the road to the Public Side in the specified technical condition





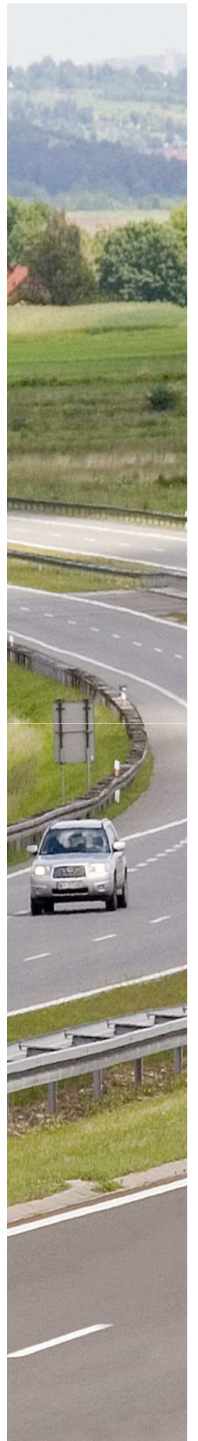
## MAIN RIGHTS AND OBLIGATIONS OF THE PUBLIC SIDE

### RIGHTS

- right to participate in part of profits generated by the project
- after the expiry of the Concession Agreement - right to acquisition of the road from the Concessionaire in the specified technical condition
- right to obtain the road of the specified high standard for road users
- right to current control of the Concessionaire's performance
- right to receive payment of tenancy rent for the Motorway Right-of-Way from the Concessionaire
- right to receive from the Concessionaire the refund of the credit granted to the Public Side in 1993 by the European Bank of Reconstruction and Development for the A4 motorway repair

### OBLIGATIONS

- transferring and leasing to the Concessionaire the Motorway Right-of-Way free from physical or legal defects
- compensation payout to Concessionaire in case of occurring of the so called Material Adverse Event, that is actions or omissions of the public side leading to lack of possibility or impediment to execution of Concessionaire undertaking, decrease of its income or increase of its costs
- refund for the passage of vehicles exempted from tolls (vignette vehicles)



## CONCESSIONAIRES OBLIGATIONS: INVESTMENTS

### PHASE 1

executed

- Construction of Toll Collection Plazas in Brzęczkowice and Balice
- Construction of Maintenance Center in Brzęczkowice
- Construction of a telecommunication system and motorway traffic management system
- Purchase and implementation of the toll collection system

**PLN 135 m**  
[EURO 33,8m]

### PHASE 2a

executed

- Repair and renovation of 31 bridges
- Resurfacing of the whole length of the motorway
- Construction of 15 crossovers
- Construction of noise screens at the length of 11 km
- Construction of police station and garages
- Construction of Maintenance Center in Rudno

**PLN 440 m**  
[EURO 110,0m]

### PHASE 2b

In implementation

- Repair and renovation of 22 bridges
- Modernization of motorway drainage at Balice

**PLN 125 m**  
[EURO 31,3m]

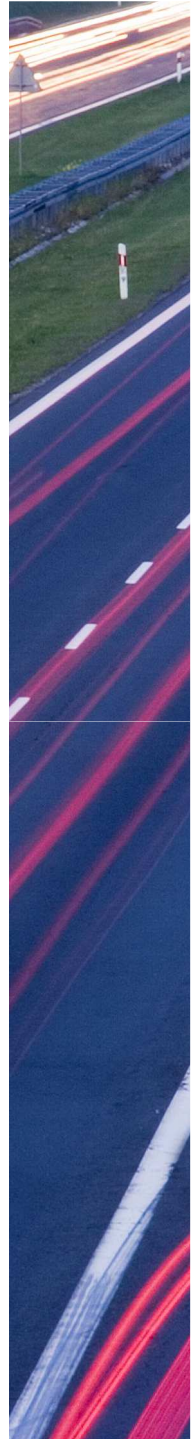




## CONCESSIONAIRES OBLIGATIONS: INVESTMENTS

<b>PHASE 2b</b> to be implemented	<ul style="list-style-type: none"><li>▪ Reconstruction of 3 junctions (Mysłowice, Byczyna, Rudno)</li><li>▪ Construction of 4 Rest Areas (Rudno, Grojec, Giszowiec, Janów)</li><li>▪ Further construction of noise screens</li><li>▪ Construction and modernization of the reminder of drainage system</li><li>▪ Construction of passages for animals</li><li>▪ Construction of pedestrian bridge (Chrzanów)</li><li>▪ Planting of slopes and median</li></ul>	<b>~ PLN 500 m*</b> [EURO 125,0m]
<b>MAINTENANCE OUTLAYS</b>	<ul style="list-style-type: none"><li>▪ Periodic road resurfacing at the whole length of the motorway</li><li>▪ Current maintenance of bridges</li><li>▪ Replacement and maintenance of toll collection equipment, traffic management system, communication system</li><li>▪ Resurfacing at other facilities</li></ul>	<b>~ PLN 550 m*</b> [EURO 137,5m]

\* estimated, in 2010 prices







## RIGHTS AND OBLIGATIONS OF BOTH SIDES: FORMATION OF TOLL RATES

### Toll rates collected at Toll Collection Plazas (real tolls)

- mechanism of Maximum Toll Rate established in the Concession Agreement
- Concessionaire's right to apply to GDDKiA to consent for the toll rate increase not more frequently than once in 6 months
- Concessionaire may apply for the rate not higher than the one resulting from the Maximum Toll Rate Mechanism
- if the application meets the requirements mentioned above, the lack of GDDKiA's requirements for the rate change gives the Concessionaire the right to demand compensation

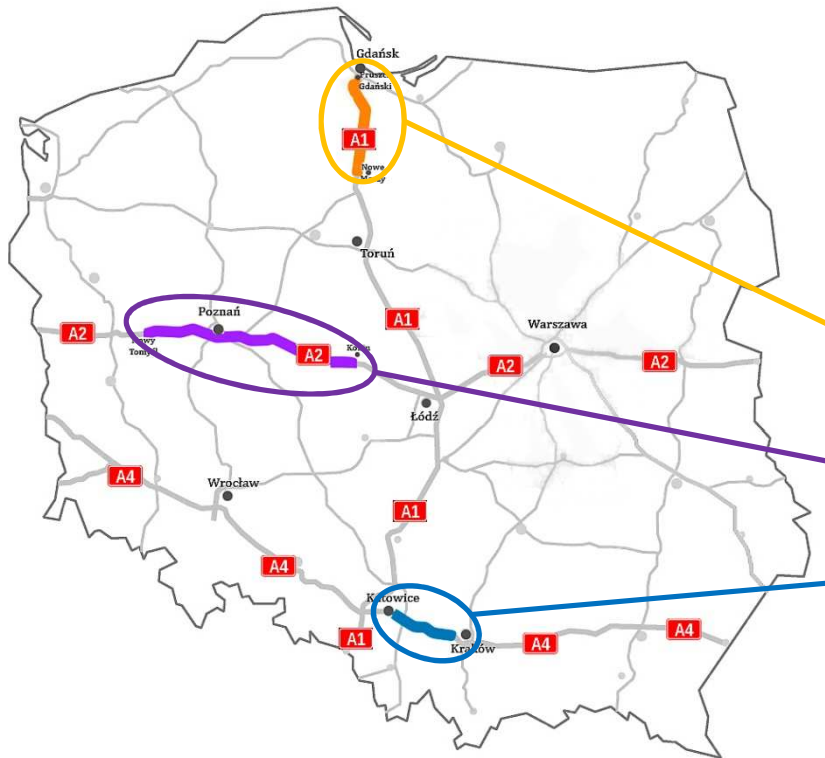
### Compensation for passage of heavy vehicles exempted from toll (vignette system)

- since 2005 the Concessionaire receives a compensation from the government for the passage of heavy vehicles covered by the vignette system
- the compensation is provided for every heavy vehicle passing through the toll collection plaza upon a presentation a valid vignette to toll collector
- the compensation value is revaluated once a year
- since July 2011 (end of vignette system) all heavy vehicles will be subject to real fee, as it took place previously in years 2000-2005





## COMPARISON OF TOLL RATES ON DIFFERENT MOTORWAY SECTIONS IN POLAND



Motorway section	Km	Toll rate incl. VAT [PLN per 1 km]				
		Cat.1	Cat.2	Cat.3	Cat.4*	Cat.5*
<b>Rusocin - Nowe Marzy</b>	90	0,19	0,46		1,94	
<i>[the concessionaire gets availability payment]</i>						
<b>Nowy Tomyśl - Konin</b>	149	0,26	0,54	0,83	1,27	
<b>Katowice - Kraków</b>	61	0,26	0,44		0,80	
National Toll Collection System		0,20**	max. 0,53**			
<i>[planned]</i>						

\* Rate used in the absence of the valid vignettes  
 \*\* acc. to government plans the toll rate for motorway section included in the Polish Toll Collection System will not be VAT taxable. So for comparison purposes the rate in the amount of 0,25 PLN for 1 km, that is 0,20 PLN rate increased by 23% VAT should be used.





## AGENDA

Main assumptions of the A4 Katowice-Kraków Concession

**2010 financial results**

Plans of the Group for 2011 and development directions and perspectives



## SELECTED FINANCIAL DATA OF THE GROUP

	2008*	2009*	2010
Revenues [MPLN]	131,733	138,842	165,219
EBITDA [MPLN] <i>results from operating activities + depreciation &amp; amortisation + provision for motorway resurfacing</i>	95,352	97,706	118,367
Net profit [MPLN]	2,683	7,570	14,482
Equity and liabilities [MPLN]	1 150,084	1 077,854	1 382,758
Return on sales <i>net profit x 100% / revenues</i>	2,0%	5,5%	8,8%
Return on equity <i>net profit x 100% / (equity - net profit)</i>	1,7%	4,6%	8,7%
Debt ratio <i>liabilities x 100% / equity and liabilities</i>	86,3%	84,0%	87,0%
Current ratio <i>current assets / current liabilities</i>	1,0	1,7	1,9

\* restated according to IFRIC12

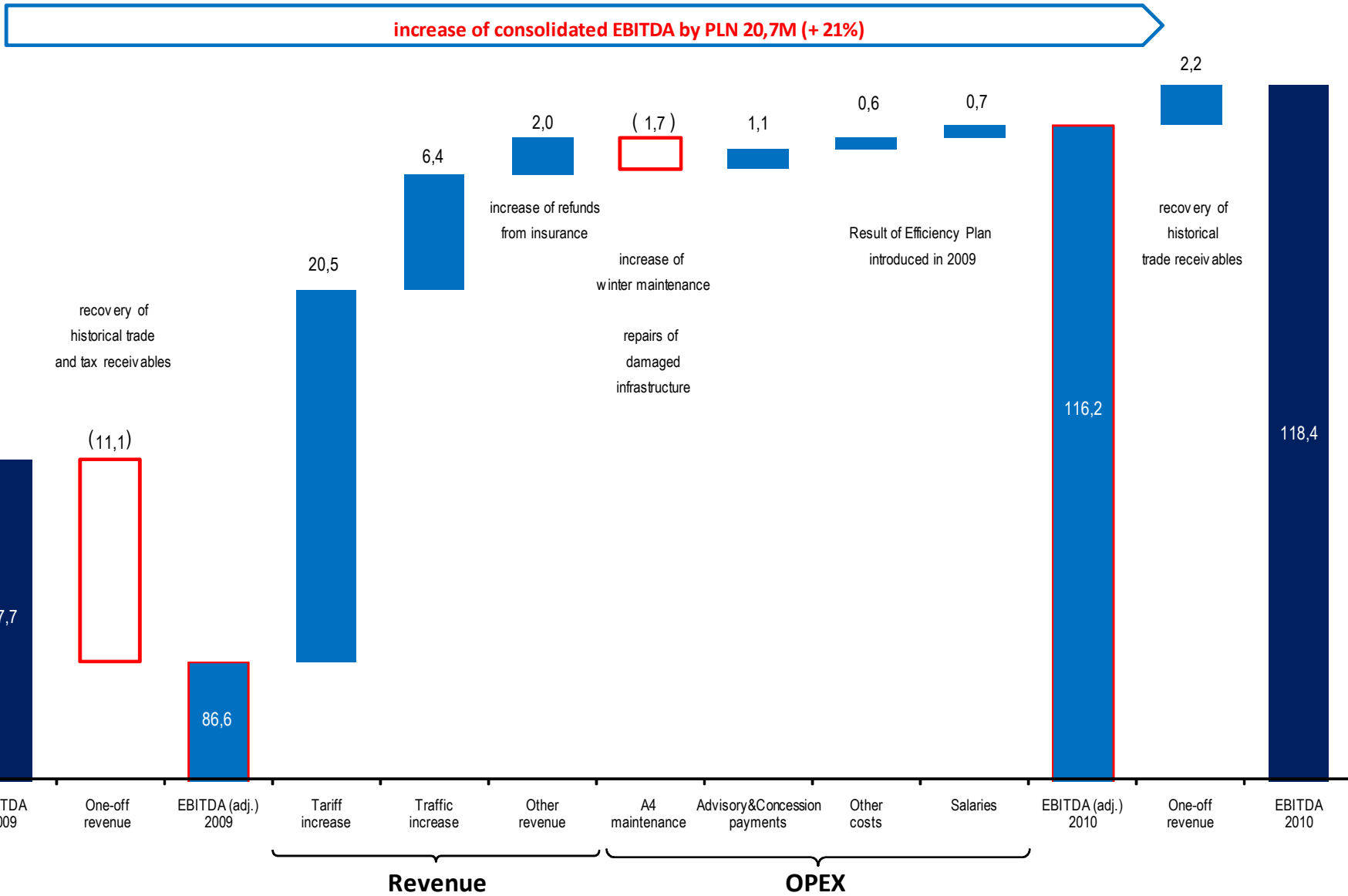
Please note that current exchange rate is 1EURO=4,00 PLN





# EBITDA CHANGE: 2010 vs. 2009

MPLN



Please note that current exchange rate is 1EURO=4,00 PLN



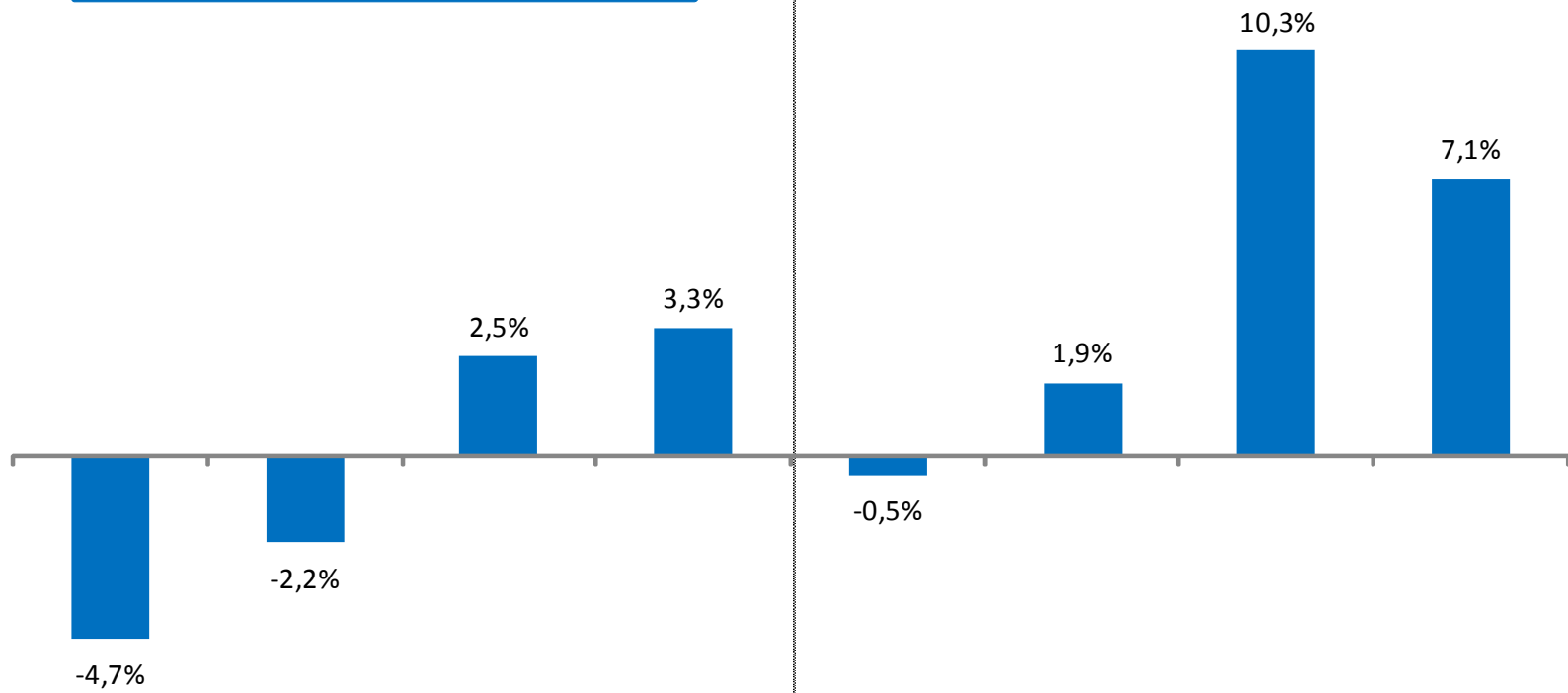


## REVENUES: AVERAGE DAILY TRAFFIC (ADT)

Periods	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10
ADT	26 293	28 980	31 732	27 360	26 159	29 520	35 016	29 294

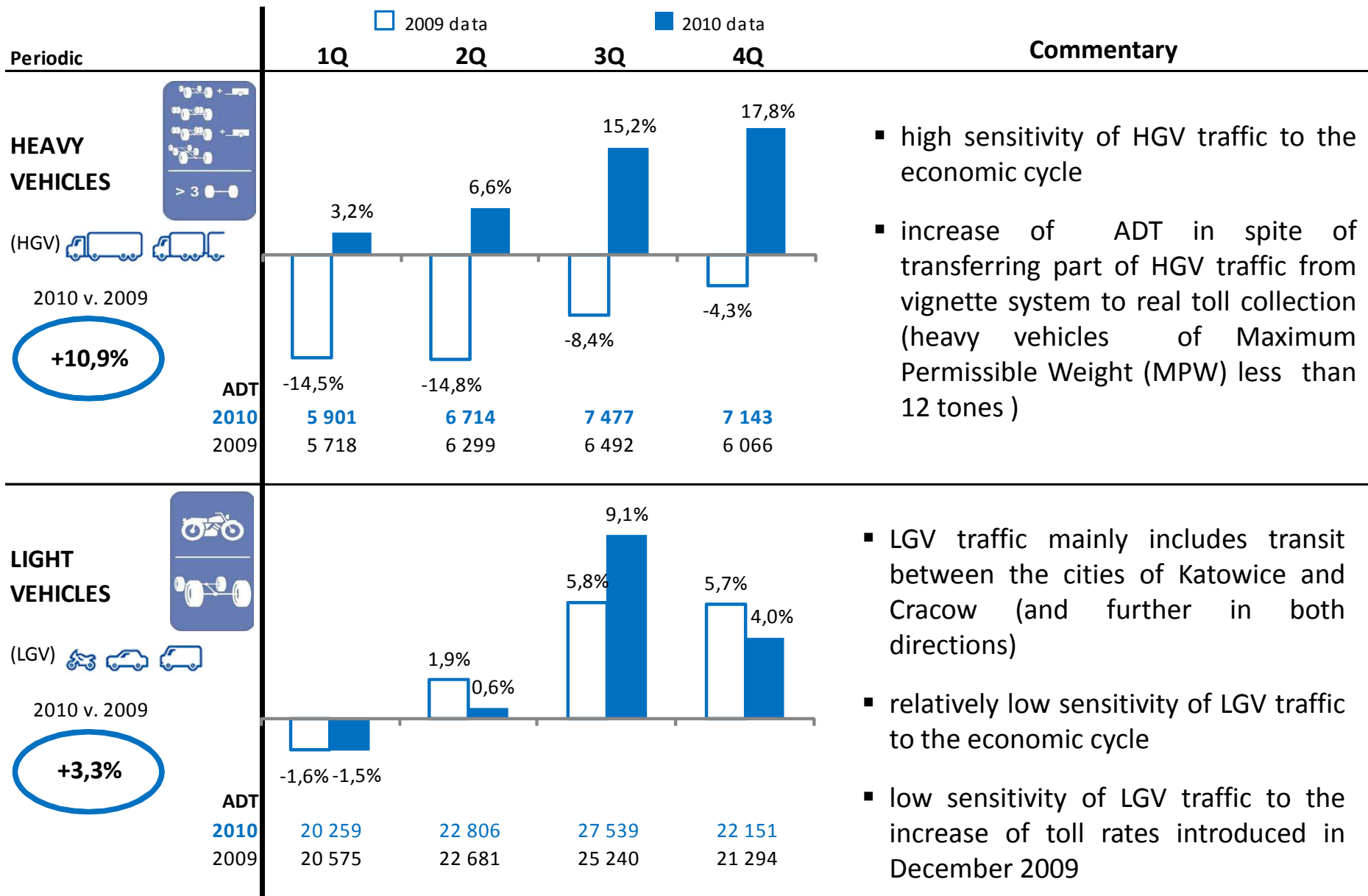
ADT change in 2009: 0%

ADT change in 2010: 5%





# INCOMES: AVERAGE DAILY TRAFFIC (ADT)

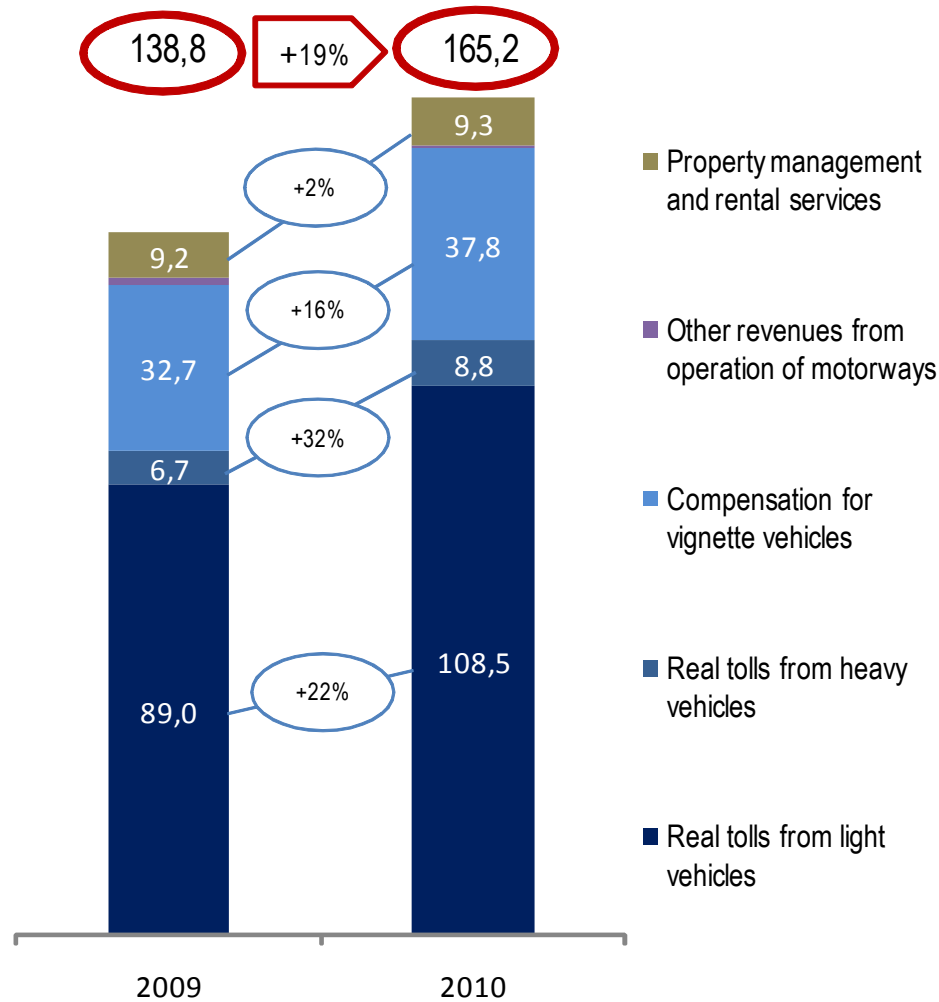




SALES INCOME: LEVEL AND STRUCTURE

Commentary

MPLN



- high dynamic of income from light vehicles passage (+22%) is a result of higher toll rates and increase of average daily traffic
- high dynamic of income from vignettes is mainly a result of the increase of average daily traffic of heavy vehicles
- increase of income from tolls of heavy vehicles (+32%) is a result of traffic increase, rates change, but mainly the transfer of a part of vehicles from vignette system to real fee system (vehicles of MPW between 3,5t and 12t)
- increase of incomes from property management and area renting (+2%)

Please note that current exchange rate is 1EURO=4,00 PLN



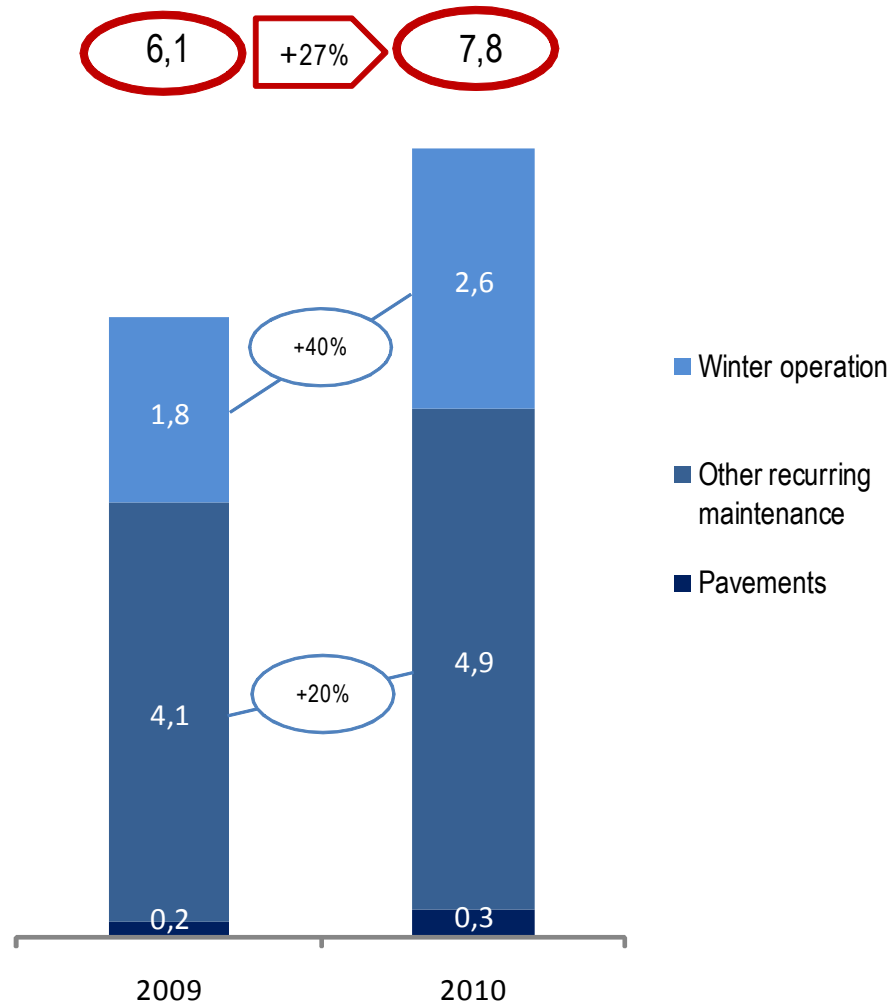




## COSTS: CURRENT MAINTENANCE OF THE A4 KATOWICE-KRAKÓW MOTORWAY

### Commentary

MPLN



- winter conditions increased the usage of salt for about PLN 0.6m and influenced cost of winter maintenance equipment
- other current maintenance includes also costs of works not occurring in 2009 , mainly:
  - measurements of surface parameters and bridges inspections (PLN 0.4m)
  - interventional repairs of slopes after washout by precipitation waters (PLN 0.3 m)
- costs of motorway resurfacing included interventional works resulting from the lane condition. Special purpose provision is systematically being created for the expenditures connected with the periodic resurfacing

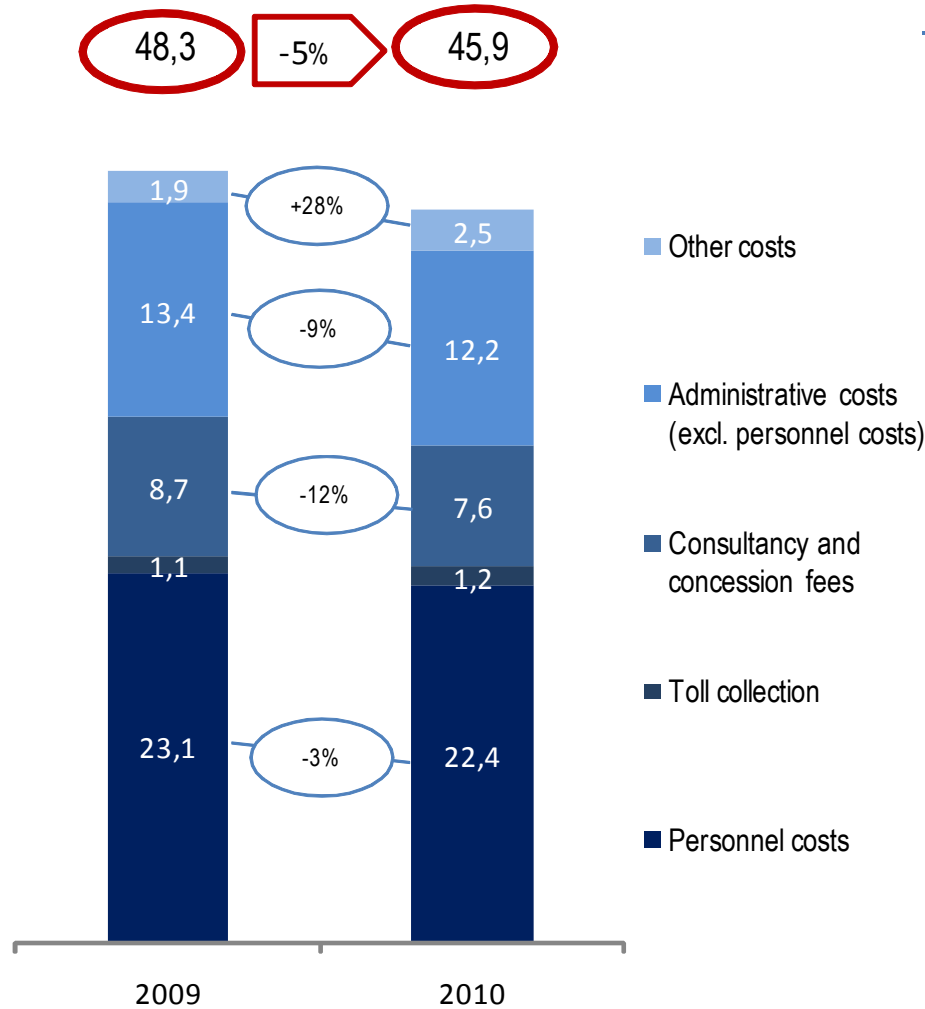
Please note that current exchange rate is 1EURO=4,00 PLN





### COSTS: OTHER ITEMS

MPLN



### Commentary

- retaining of the Group costs discipline thanks to the efficiency improvement plan introduced in 2009
- First calculable effects of the efficiency improvement plan observed in 2010
- consolidation of managers positions was one of the important elements of the program resulting in more effective and economic management
- lower number of active tenders for new projects limited the advisory costs in 2010
- provision in the amount of PLN 1.3m for the fine sentenced by the Office of Competition and Consumers Protection was the reason of the increase of other costs for PLN 28%

Please note that current exchange rate is 1EURO=4,00 PLN





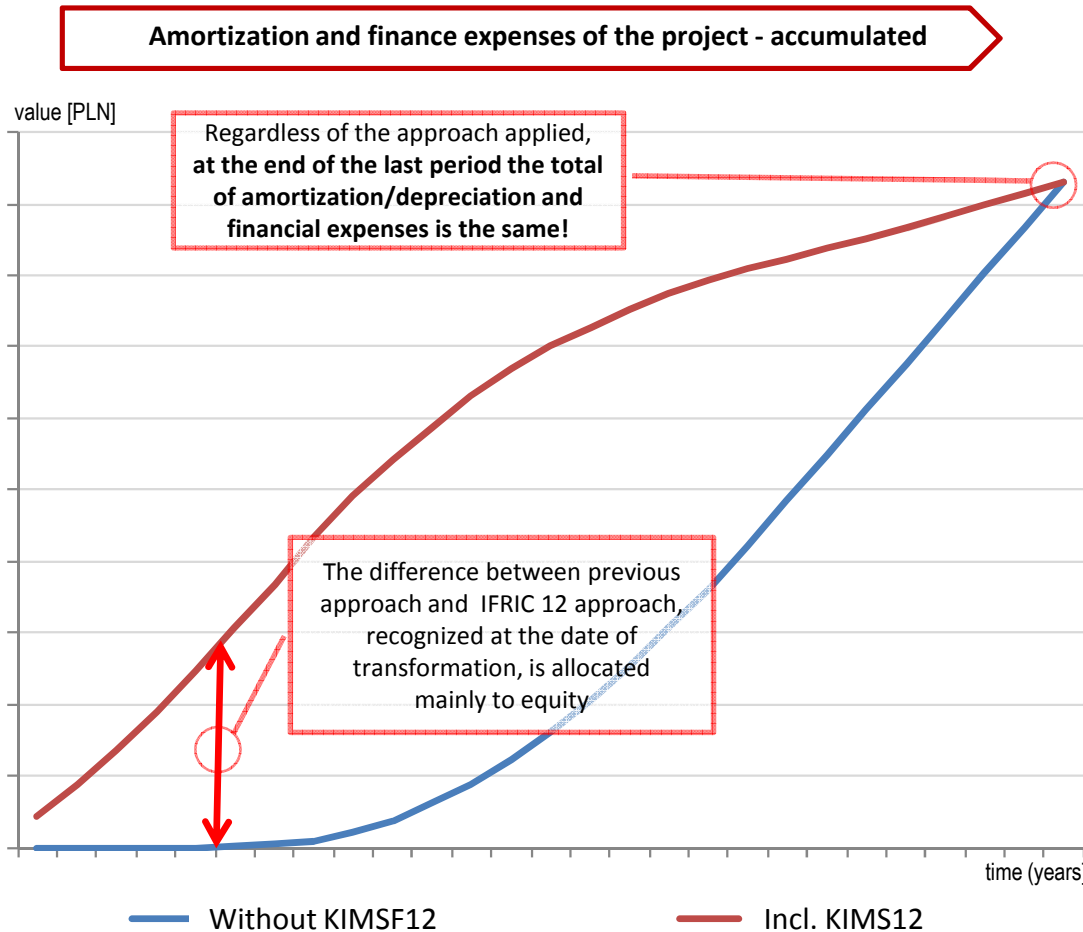
## CHANGE OF ACCOUNTANCY GUIDELINES: INTRODUCING OF KIMSF12 INTERPRATATION

- Basic changes deriving from IFRIC 12 implementation:
  - reclassification of infrastructure remaining under the control of State Treasury and intangible asset recognition
  - setting up of provision for estimated future capital expenditure (at their present value)
  - amortization of completed and future capital expenditures from the beginning of toll collection
- Consequences of financial statements transformation in accordance with IFRIC 12:
  - significant decrease of equity due to retrospective application of changes in accounting policies
  - different spread of earnings across the concession period (lower earnings at the beginning, higher in the end in comparison to previous traditional approach)
  - significant impact of estimates (of capital expenditures, interest rates) on current and future financial statements





## CHANGE OF ACCOUNTANCY GUIDELINES: INTRODUCING OF IFRIC12 INTERPRATATION



### Commentary

- IFRIC12: capital expenditures of Phase 1 were recognised as incurred - capital expenditures of Phase 2 were recognised at present value at Concession inception
- PREVIOUSLY: capital expenditures were recognised as incurred
- IFRIC12: capital expenditures of Phase 1 and estimated present value of future capital expenditures of Phase 2 were recognised as intangible assets. A provision was set up for the Phase 2 capital expenditures
- PREVIOUSLY: capital expenditures incurred were classified as property, plant and equipment. No provision for future capital expenditure
- IFRIC12: intangible assets are amortized from the beginning of toll collection. The unwinding of the discount related to provision is recognized as finance expenses
- PREVIOUSLY: property plant and equipment were depreciated from the moment, they were ready for use. No finance expenses

### Remak:

Graph shows theoretical data which were used to illustrate the impact of IFRIC12 on financial statements!





## CHANGE OF ACCOUNTANCY GUIDELINES: INTRODUCING OF IFRIC12 INTERPRATATION

[MPLN]	2009		2010	
	IFRIC 12	without IFRIC12	IFRIC 12	without IFRIC12*
Depreciation of tangible assets	(2,968)	(27,894)	(2,362)	(30,974)
Amortisation of concession intangible assets	(31,057)	-	(34,342)	-
Reversal of discount of provisions for capital expenditures	(21,395)	-	(23,956)	-
Other financial expenses	(20,911)	(20,386)	(31,263)	(31,263)
Deferred tax expense	2,599	(2,723)	5,268	(0,970)
Other items from statement of comprehensive income	81,302	81,302	101,137	101,137
<b>Profit (Loss) for the period</b>	<b>7,570</b>	<b>30,299</b>	<b>14,482</b>	<b>37,930</b>
Impact of other adjustments		(0,321)		-
<b>Impact of IFRIC12 on profit (loss) for the period</b>		<b>(22,408)</b>		<b>(23,448)</b>

\* theoretical value

Please note that current exchange rate is 1EURO=4,00 PLN





## COSTS: AMORTISATION AND RESERVE FOR MOTORWAY RESURFACING

[MPLN]	2009	2010	change	%
<b>EBITDA</b>	<b>97,706</b>	<b>118,367</b>	<b>20,662</b>	<b>21,1%</b>
Amortisation of concession intangible assets	31,057	34,342	3,285	10,6%
Amortisation of other intangible assets	0,138	0,168	0,030	21,7%
Depreciation of tangible asstes and investment property	3,260	2,654	(0,606)	-18,6%
Accrual of provision for motorway resurfacing	20,382	20,436	0,054	0,3%
Reversal of provision for motorway resurfacing	-	(1,212)	(1,212)	n/a
<b>EBIT</b>	<b>42,869</b>	<b>61,979</b>	<b>19,111</b>	<b>44,6%</b>

Please note that current exchange rate is 1EURO=4,00 PLN





## FINANCIAL ACTIVITY: RESULT AND MAIN ITEMS

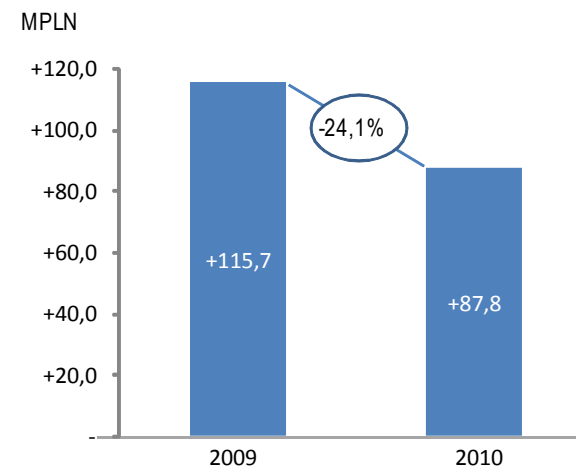
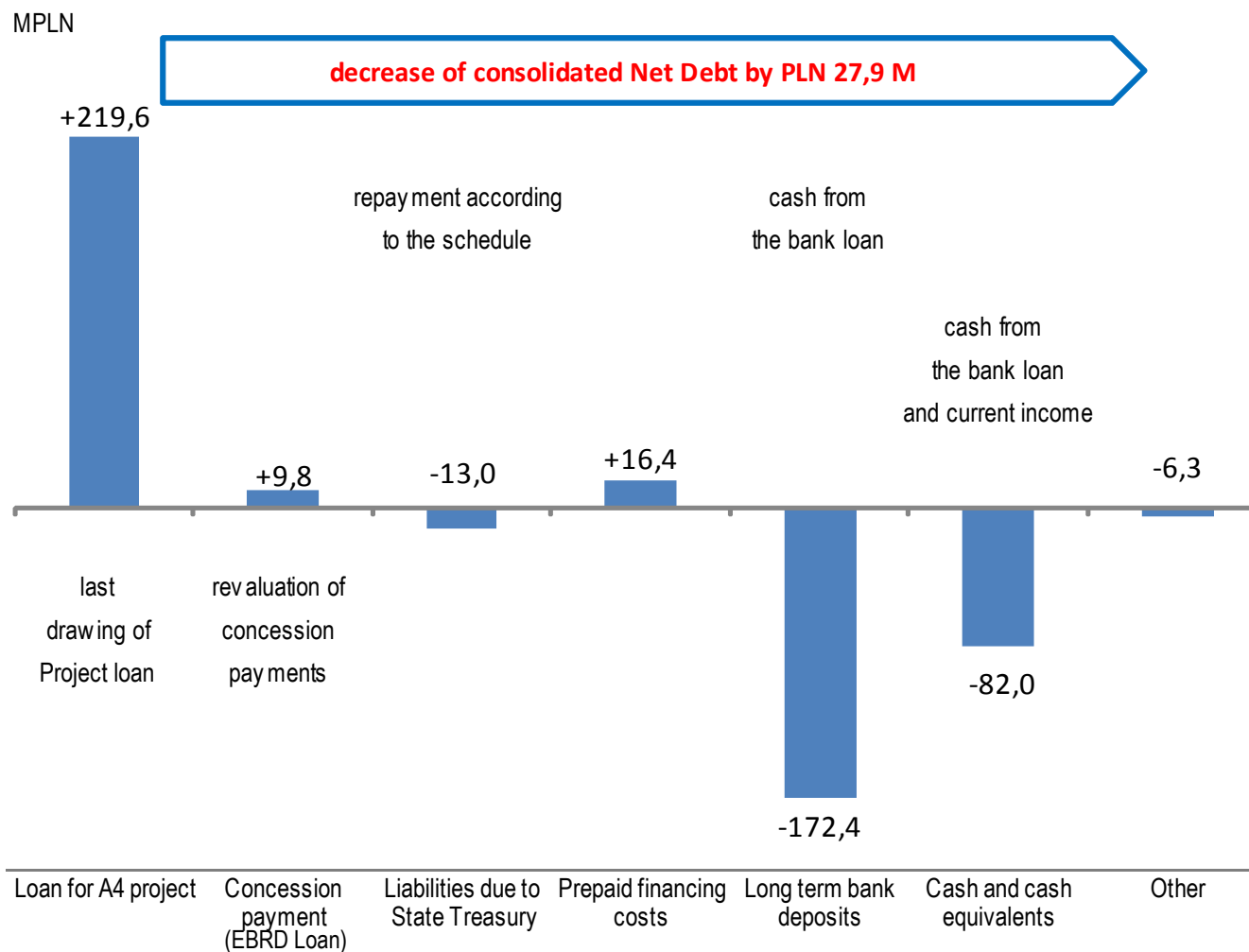
[MPLN]	2009	2010	change	%
<b>EBIT</b>	<b>42,869</b>	<b>61,979</b>	<b>19,111</b>	<b>44,6%</b>
Interest income	5,524	8,826	3,302	59,8%
Profit on investment in asset management funds	3,237	3,316	0,079	2,4%
Other financial income	0,811	0,824	0,013	1,6%
Interest expense on loans and borrowings	(8,126)	(16,181)	(8,055)	99,1%
Discount of concession payments	(6,613)	(6,577)	0,036	-0,5%
Revaluation of concession payments	-	(3,225)	(3,225)	n/a
Discount of provisions	(23,111)	(24,671)	(1,560)	6,8%
Other financial costs	(4,456)	(4,565)	(0,109)	2,4%
Share of loss of equity accounted investees	(1,181)	(0,116)	1,065	-90,2%
<b>PROFIT BEFORE INCOME TAX</b>	<b>8,954</b>	<b>19,610</b>	<b>10,657</b>	<b>119,0%</b>

Please note that current exchange rate is 1EURO=4,00 PLN





## FINANCIAL ACTIVITY: NET DEBT



MPLN	31.12.2009	31.12.2010
Loan for A4 project	+123,9	+343,5
Concession payment	+138,9	+148,7
Liabilities due to State Treasury	+59,5	+46,6
Derivative liabilities	+1,6	+5,3
Prepaid financing costs (loan for A4 project)	-16,4	-
Assets managed by fund	-39,0	-41,7
Investment funds units	-9,9	-16,2
Shares for sale	-6,0	-6,1
Long term bank deposits	-7,0	-179,4
Cash and cash equivalents	-130,8	-212,8
Financial leasing	+0,9	+0,7
Other investments	-0,1	-0,1
Granted loan	-	-0,6
<b>Net Debt</b>	<b>+115,7</b>	<b>+87,8</b>

Please note that current exchange rate is 1EURO=4,00 PLN







## INVESTMENT OUTLAYS: EXPENSES AND MAIN CONTRACTS EXECUTED OR INITIATED IN 2010

- completion of the contract for repair of 10 bridges and first resurface at the last sections of A4 Katowice-Kraków motorway
- launching of the contract for the repair of next 22 bridges
- launching of the first cycle of machines and equipment for the current motorway maintenance replacement
- total investment Group outlays at the level of PLN 45m (EURO 11m), mainly for motorway infrastructure





## AGENDA

Main assumptions of the A4 Katowice-Kraków Concession Agreement

2010 financial results

**Plans of the Group for 2011 and development directions and perspectives**

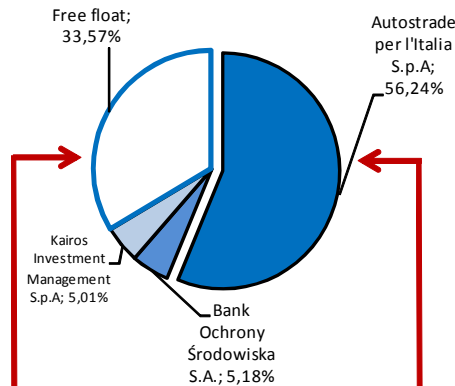


CHANGE OF EQUITY STRUCTURE

Equity of STX Autostrady (individual)  
Before revision of equity structure

as of December 31, 2010	PLN
Issued share capital	494 524 046,00
Share capital revaluation adjustment	18 235 000,00
Treasury shares	-19 729,20
Share premium reserve	20 916 189,46
Valuation of available-for-sale financial assets reserve	-3 255 522,21
Retained earnings and uncovered losses	-334 714 187,29
<i>uncovered losses</i>	-338 841 201,20
<i>net profit</i>	4 127 013,91
<b>Total equity</b>	<b>195 685 796,76</b>

Structure of Issued share capital



	actual	target
Number of shares	247 262 023	247 262 023
Nominal Value of 1 share	2,00	0,75
<b>Issued share capital</b>	<b>494 524 046,00</b>	<b>185 446 517,25</b>

Equity of STX Autostrady (individual)  
After revision of equity structure

as of December 31, 2010	PLN
Issued share capital	185 446 517,25
Share capital revaluation adjustment	-
Treasury shares	-19 729,20
Reserve capital	13 514 530,92
Valuation of available-for-sale financial assets reserve	-3 255 522,21
Retained earnings and uncovered losses	-
<i>uncovered losses</i>	-
<i>net profit</i>	-
<b>Total equity</b>	<b>195 685 796,76</b>

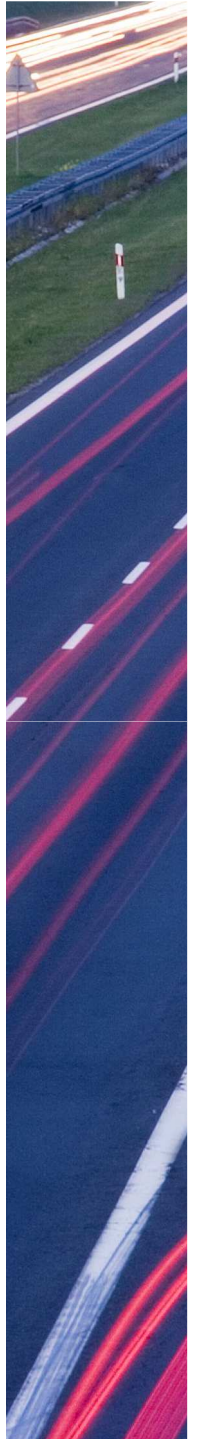
	difference
Issued share capital	-309 077 528,75
Share capital revaluation adjustment	-18 235 000,00
Treasury shares	-
Share premium reserve	-7 401 658,54
Valuation of available-for-sale financial assets reserve	-
Retained earnings and uncovered losses	+334 714 187,29
<i>uncovered losses</i>	+338 841 201,20
<i>net profit</i>	-4 127 013,91





## MAIN INVESTMENT PROJECTS PLANNED FOR 2011

- continuation of contract for repair of 22 bridges
- continuation of the replacement of machines and equipment for the current motorway maintenance
- launching of the modernization of motorway drainage system in Balice
- design and beginning of construction of next noise screens
- toll collection equipment replacement
- development (throughput increase) of Toll Collection Plazas in Brzęczkowice and Balice
- beginning of reconstruction of junction in Mysłowice and construction of Rest Areas in Rudno and Grojec





## POTENTIAL DEVELOPMENT DIRECTIONS


Projects announced by Ministry of Infrastructure in National Road Construction Program for years 2011-2015 to be implemented in PPP

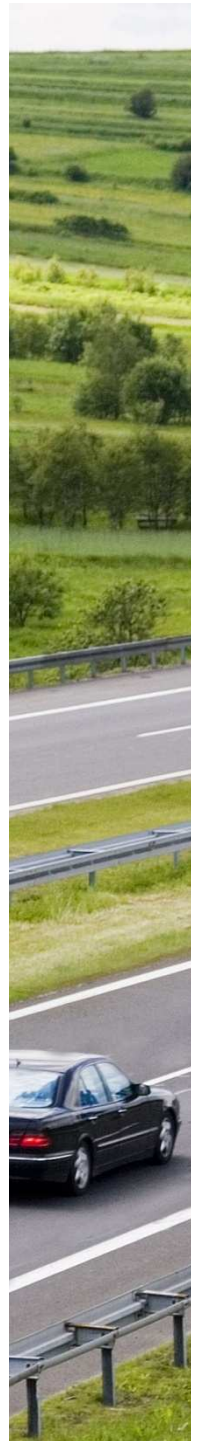
Construction and Operation of  
Motorway **A1**  
Tuszyn-Pyrzowice section

Construction and Operation of  
Motorway **A2**  
Warszawa-Kukuryki section

Projects included in the implementation of National Toll Collection System developed by KAPSCH consortium in years 2011-2018

Operation of the Manual  
Toll Collection System  
**A2** Konin-Stryków (3Q2011)  
**A4** Wrocław-Gliwice (1Q2012)

Operation of the Manual  
Toll Collection System  
 next motorway sections  
(after 2012)






# POTENTIAL DEVELOPMENT DIRECTIONS IN SIGHT TILL 2012

Operation of the Manual Toll Collection System next motorway sections (after 2012)



Rendering maintenance services on the motorway sections managed by the Public Side



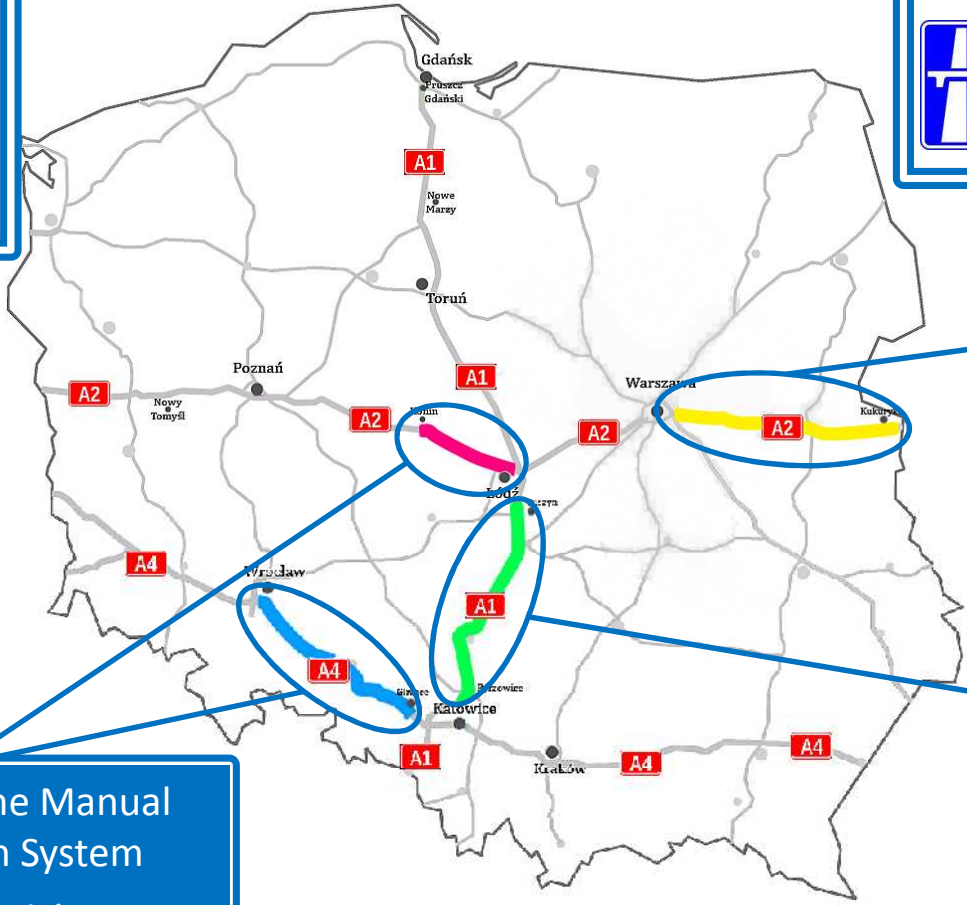
Construction and Operation **A2** Warszawa-Kukuryki around 180 km

Construction and Operation **A1** Tuszyn-Pyrzowice around 140 km

Operation of the Manual Toll Collection System

**A2** Konin-Stryków

**A4** Wrocław-Gliwice





# BUDGET DEFICIT: PERSPECTIVE OF „PRIVATIZATION” OF POLISH MOTORWAYS?

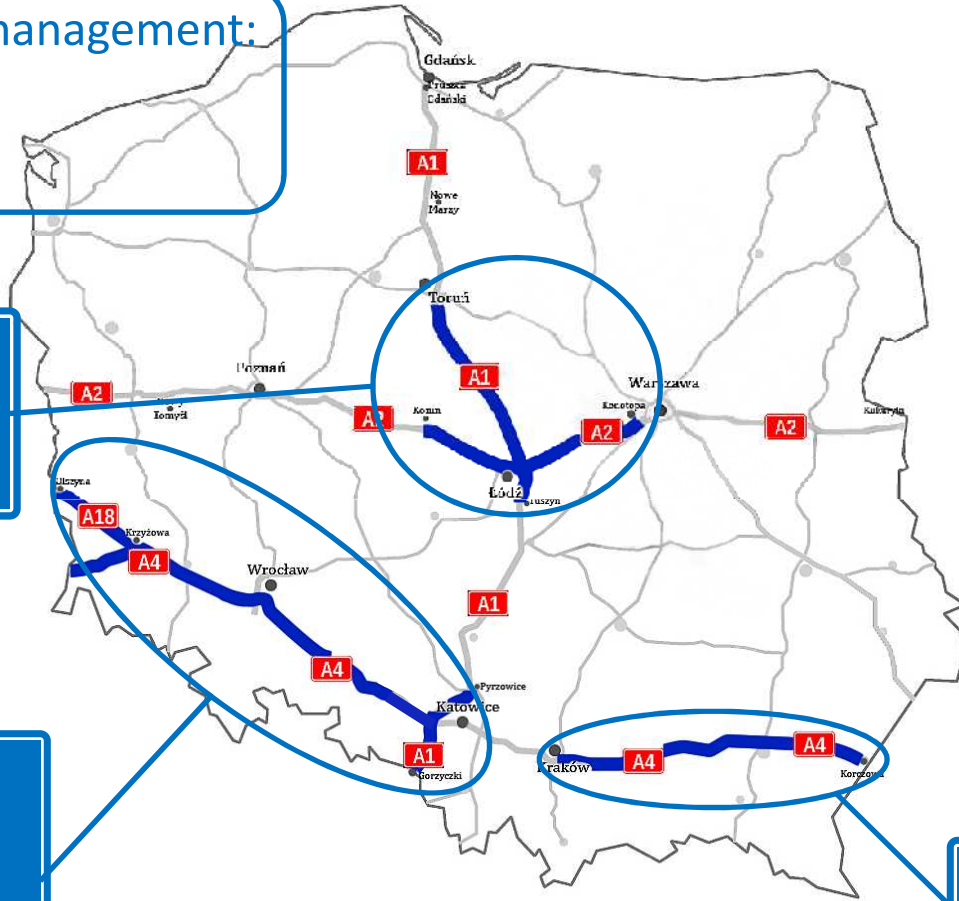
## Motorways in GDDKiA management:

- currently – 550km
- till 2013 – 1.150km

**A1** Toruń-Tuszyn  
**A2** Konin-Konotopa  
 around 380 km

**A1** Pyrzowice-Gorzyczki  
**A4** Zgorzelec-Sońnica  
**A18** Olszyna-Krzyżowa  
 around 470 km

**A4** Kraków-Korczowa  
 around 250 km



*Basing on the UE countries experience (France, Italy, Spain) Transfer of the motorwy operation to private entities could result in budget revenues in the sum of PLN 12 billion*





*In case of questions please contact:*

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