



**Stalexport Autostrady S.A.**

**Opinion and Report  
of the Independent Auditor  
Financial Year ended  
31 December 2009**

The opinion contains 2 pages  
The report supplementing the auditor's opinion  
contains 11 pages  
Opinion of the independent auditor  
and report supplementing the auditor's opinion  
on the separate financial statements  
for the financial year ended  
31 December 2009

*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 separate financial statements of Stalexport Autostrady S.A. seated in Katowice, 29 Mickiewicza Street (“the Company”), which comprise the statement of financial position as at 31 December 2009, with total assets and total liabilities and equity of PLN 261,218 thousand, the statement of comprehensive income for the year then ended with a net profit of PLN 5,422 thousand and a total comprehensive income of PLN 4,247 thousand, the statement of changes in equity for the year then ended with an increase in equity of PLN 4,247 thousand, the statement of cash flows for the year then ended with an increase in cash amounting to PLN 2,374 thousand, and notes to the financial statements, comprising of a summary of significant accounting policies and other explanatory information.

### *Management’s Responsibility for the Financial Statements*

Management of the Company is responsible for the accuracy of the accounting records and the preparation and fair presentation of these 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 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 financial statements and whether the financial statements are derived from properly maintained accounting records. We conducted our audit in accordance with section 7 of the Accounting Act dated 29 September 1994 (Official Journal from 2009, No. 152, item 1223 with amendments) (“the Accounting Act”) 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 about whether the financial statements and the accounting records from which they are derived are free of material misstatements.

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 separate financial statements of Stalexport Autostrady S.A. have been prepared and present fairly, in all material respects, the unconsolidated financial position of the Company as at 31 December 2009 and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, are in compliance with the respective regulations and the provisions of the Company's articles of association that apply to the Company's separate financial statements and have been prepared from accounting records, that, in all material respects, have been properly maintained.

#### *Other Matters*

As required under the Accounting Act, we also report that the Report on the Company'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 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2009, No 33, item 259) and the information is consistent with the separate financial statements.

*Signed on the Polish original*

*Signed on the Polish original*

.....  
On behalf of KPMG Audyt Sp. z o.o.  
ul. Chłodna 51, 00-867 Warsaw  
Certified Auditor No. 90118  
Renata Kucharska

.....  
On behalf of KPMG Audyt Sp. z o.o.  
ul. Chłodna 51, 00-867 Warsaw  
Certified Auditor No. 90066  
Arkadiusz Cieślak, Director

1 March 2010  
Cracow



**Stalexport Autostrady S.A.**

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

Financial Year ended  
31 December 2009

The report supplementing the auditor's opinion  
contains 11 pages

Report supplementing the auditor's opinion  
on the separate financial statements  
for the financial year ended  
31 December 2009

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## **1. General**

### **1.1. General information about the Company**

#### **1.1.1. Company name**

Stalexport Autostrady S.A.

#### **1.1.2. Registered office**

29 Mickiewicza Street  
40-085 Katowice

#### **1.1.3. Registration in the National Court Register**

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

#### **1.1.4. Tax Office and Provincial Statistical Office registration**

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

### **1.2. 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.

### **1.3. Legal status**

#### **1.3.1. Share capital**

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

The share capital of the Company amounted to PLN 494,524,046.00 as at 31 December 2009 divided into 247,262,023 ordinary shares with a nominal value of PLN 2 each.

Since November 1993 till December 1996 the 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.

As at 31 December 2009, the shareholder structure was as follows:

<b>Name of the Shareholder</b>	<b>Number of shares</b>	<b>Voting rights (in %)</b>	<b>Book value of shares PLN'000</b>	<b>Percentage of share capital (in %)</b>
Autostrade per l'Italia S.p.A.	139,059,182	56.24%	278,118,364.0	56.24%
Bank Ochrony Środowiska S.A.	12,810,333	5.18%	25,620,666.0	5.18%
Others < 5%	95,392,508	38.58%	190,785,016.0	38.58%
	<b>247,262,023</b>	<b>100.00%</b>	<b>494,524,046.0</b>	<b>100.00%</b>

### **1.3.2. Related parties**

Together with its subordinated entities the Company constitutes Stalexport Autostrady S.A. Group, being also a subsidiary of Atlantia S.p.A. Group (Italy).

### **1.3.3. Management of the Company**

The Management Board is responsible for management of the Company.

At 31 December 2009, 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,
- Wojciech Gębicki – Vice-President of the Management Board.

Based on Supervisory Board resolution dated 14 May 2009 Mr Wojciech Gębicki was appointed the Vice-President of the Management Board.

### **1.3.4. Scope of activities**

The business activities listed in the Company's articles of association include the following:

- business and management advisory,
- holding management activities,
- property rental and management.

## **1.4. Prior period financial statements**

The separate financial statements for the period ended 31 December 2008 were audited by KPMG Audyt Sp. z o.o. and received an unqualified opinion.

The separate financial statements were approved at the General Meeting on 30 March 2009 where it was resolved to allocate the total profit for the prior financial year of PLN 5,259,669.66 to cover the loss for the prior years.

The closing balances as at 31 December 2008 have been properly recorded as the opening balances of the audited year.

The separate financial statements were submitted to the Registry Court on 3 June 2009 and were published in Monitor Polski B No. 1018 on 29 June 2009.

## **1.5. 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 separate financial statements comprising: the separate statement of financial position as at 31 December 2009, with total assets and total liabilities and equity of PLN 261,218 thousand, the statement of comprehensive income for the year then ended with a net profit of PLN 5,422 thousand and a total comprehensive income of PLN 4,247 thousand, the statement of changes in equity for the year then ended with an increase in equity of PLN 4,247 thousand, the statement of cash flows for the year then ended with an increase in cash amounting to PLN 2,374 thousand, and notes to the financial statements, comprising of a summary of significant accounting policies and other explanatory information.

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

The separate financial statements have been audited in accordance with the contract dated 25 June 2009, concluded on the basis of the resolution of Supervisory Board dated 12 March 2009 on the appointment of the auditor.

We conducted the audit in accordance with section 7 of the Accounting Act and International Standards on Auditing.

We audited the separate financial statements in the Company's head office on 25 November 2009 and during the period from 1 to 3 February 2010.

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

Management of the Company and members of the Supervisory Board are obliged ensure that the financial statements and the Report on the Company's activities are in compliance with the requirements set forth in the Accounting.

Our responsibility is to express an opinion and to prepare a supplementing report on the financial statements and whether the financial statements are derived from properly maintained accounting records based on our audit.

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

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





***Stalexport Autostrady S.A.***  
*Report supplementing the opinion on the separate financial statements  
for the financial year ended 31 December 2009*  
**TRANSLATION**

KPMG Audyt Sp. z o.o., the members of its Management Board and Supervisory Board and other persons involved in the audit of the separate financial statements of the Company fulfill independence requirements. 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.

## 2. Financial analysis of the Company

### 2.1. Summary of the separate financial statements

#### 2.1.1. Statement of financial position

ASSETS	31.12.2009 PLN '000	% of total	31.12.2008 PLN '000	% of total
<b>Non-current assets</b>				
Property, plant and equipment	1,510	0.6	1,639	0.6
Intangible assets	260	0.1	183	0.1
Prepayment for perpetual usufruct of land	116	0.0	116	0.0
Investment property	4,318	1.7	4,609	1.7
Investments in subsidiaries and associates	53,580	20.5	46,936	17.4
Other non-current investments	2,600	1.0	-	-
Long term receivables	-	-	32,682	12.1
<b>Total non-current assets</b>	<b>62,384</b>	<b>23.9</b>	<b>86,165</b>	<b>31.9</b>
<b>Current assets</b>				
Other current investments	54,649	20.9	74,325	27.6
Trade and other receivables	52,886	20.2	20,116	7.5
Cash and cash equivalents	91,299	35.0	88,926	33.0
<b>Total current assets</b>	<b>198,834</b>	<b>76.1</b>	<b>183,367</b>	<b>68.1</b>
<b>TOTAL ASSETS</b>	<b>261,218</b>	<b>100.0</b>	<b>269,532</b>	<b>100.0</b>
<b>EQUITY AND LIABILITIES</b>				
	31.12.2009 PLN '000	% of total	31.12.2008 PLN '000	% of total
<b>Equity</b>				
Share capital	494,524	189.3	494,524	183.5
Outstanding share capital contributions	18,235	7.0	18,235	6.8
Treasury shares	(20)	(0.0)	(20)	(0.0)
Share premium	20,916	8.0	20,916	7.8
Revaluation reserve related to available-for-sale financial assets	(2,893)	(1.1)	(1,718)	(0.6)
Uncovered losses	(338,728)	(129.7)	(344,150)	(127.7)
<b>Total equity</b>	<b>192,034</b>	<b>73.5</b>	<b>187,787</b>	<b>69.7</b>
<b>Liabilities</b>				
Employee benefits	390	0.2	461	0.2
Other non-current liabilities	46,556	17.8	59,549	22.1
<b>Total non-current liabilities</b>	<b>46,946</b>	<b>18.0</b>	<b>60,010</b>	<b>22.3</b>
Interest-bearing loans and borrowings	6,315	2.4	6,225	2.3
Trade and other payables	15,547	6.0	15,429	5.7
Employee benefits	269	0.1	81	0.0
Short-term provisions	107	0.0	-	-
<b>Total current liabilities</b>	<b>22,238</b>	<b>8.5</b>	<b>21,735</b>	<b>8.0</b>
<b>Total liabilities</b>	<b>69,184</b>	<b>26.5</b>	<b>81,745</b>	<b>30.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>261,218</b>	<b>100.0</b>	<b>269,532</b>	<b>100.0</b>

## 2.1.2. Statement of comprehensive income

	<b>1.01.2009 - 31.12.2009 PLN '000</b>	% of total sales	<b>1.01.2008 - 31.12.2008 PLN '000</b>	% of total sales
Revenue	3,176	100.0	3,270	100.0
Cost of sales	(2,725)	(85.8)	(2,505)	(76.6)
<b>Gross profit on sales</b>	<b>451</b>	<b>14.2</b>	<b>765</b>	<b>23.4</b>
Other operating income	11,172	351.8	13,144	402.0
Administrative expenses	(10,924)	(344.0)	(8,171)	(249.9)
Other operating expenses	(566)	(17.8)	(698)	(21.3)
<b>Results from operating activities</b>	<b>133</b>	<b>4.2</b>	<b>5,040</b>	<b>154.2</b>
Finance income	14,677	462.1	13,084	400.2
Finance expenses	(9,388)	(295.6)	(12,864)	(393.4)
<b>Net finance profits</b>	<b>5,289</b>	<b>166.5</b>	<b>220</b>	<b>6.7</b>
<b>Profit before tax</b>	<b>5,422</b>	<b>170.7</b>	<b>5,260</b>	<b>160.9</b>
Income tax expense	-	-	-	-
<b>Profit for the period</b>	<b>5,422</b>	<b>170.7</b>	<b>5,260</b>	<b>160.9</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Net change in fair value of available-for-sale financial assets	(1,175)	(37.0)	(1,718)	(52.6)
<b>Other comprehensive income for the period</b>	<b>(1,175)</b>	<b>(37.0)</b>	<b>(1,718)</b>	<b>(52.6)</b>
<b>Total comprehensive income for the period</b>	<b>4,247</b>	<b>133.7</b>	<b>3,542</b>	<b>108.3</b>
<b>Earnings per share</b>				
Basic earnings per share (PLN)	0.02		0.02	
Diluted earnings per share (PLN)	0.02		0.02	

## 2.2. Selected financial ratios

	2009	2008	2007
<b>1. Return on sales</b>			
$\frac{\text{net profit} \times 100\%}{\text{net revenues}}$	170.7%	160.9%	2.1%
<b>2. Return on equity</b>			
$\frac{\text{net profit} \times 100\%}{\text{equity} - \text{net profit}}$	2.9%	2.9%	4.1%
<b>3. Debt ratio</b>			
$\frac{\text{liabilities} \times 100\%}{\text{equity and liabilities}}$	26.5%	30.3%	40.7%
<b>4. Current ratio</b>			
$\frac{\text{current assets}}{\text{current liabilities}}$	8.9	8.4%	4.1%

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

## 2.3. Interpretation of selected financial ratios

### Return on sales

In 2007, the Company disposed the organized part of its enterprise comprising wholesaling of metals and metal ores. The Company's current activities comprise the Group management and office space renting activities which was reflected in revenues achieved in 2008 and 2009. The net profit achieved primarily due to reversal of assets' valuation allowances accompanied with decrease in revenue influenced the return on sales in 2008 and 2009.

### Return on equity

Return on equity remains on a similar level as in previous year. Higher return on equity in 2007 related to higher net profit.

### Debt ratio

Decrease in debt ratio in 2008 was mainly due to repayment of liabilities relating to composition proceedings. Further decrease in 2009 results from repayment of liabilities related to guarantee given.

### Current ratio

Current ratio remains on a similar level as in previous year. Increase of the ratio in 2008 related mainly to repayment of liabilities relating to composition proceedings.

### **3. Detailed report**

#### **3.1. Proper operation of the accounting system**

The Company maintains current documentation describing the applied accounting principles adopted by the Management Board to the extent required by Art. 10 of the Accounting Act.

During the audit of the financial statements, we tested, on a sample basis, the operation of the accounting system. Our assessment covered in particular:

- appropriateness and consistency of the accounting principles used,
- correctness of the documentation of transactions,
- fairness, accuracy and verifiability of the accounting records, including the matching of accounting entries with supporting documentation and the financial statements,
- compliance of the adopted policies relating to the safeguarding of the supporting documentation, the accounting records and the financial statements with the Accounting Act.

On the basis of the work performed, we have not identified material irregularities in the accounting system which have not been corrected and that could have a material impact on the separate financial statements. Our audit was not conducted for the purpose of expressing a comprehensive opinion on the operation of the accounting system.

#### **3.2. Asset verification**

The Company performed a physical verification of assets in accordance with the requirements and time frame specified in Art. No. 26 of the Accounting Act. The following categories of assets were included in the verification:

- cash,
- trade receivables,
- fixed assets.

Count differences have been recorded in the period covered by the separate financial statements.

#### **3.3. Notes to the separate financial statements**

All information included in the notes to the separate 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 separate financial statements taken as a whole.

#### **3.4. Report on the Company's activities**

The Report on the Company's activities includes, in all material respects, information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2009, No 33, item 259) and the information is consistent with the separate financial statements.



### **3.5. Information on the opinion of the independent auditor**

Based on our audit of the separate financial statements as at and for the year ended 31 December 2009, we have issued an unqualified opinion.

*Signed on the Polish original*

*Signed on the Polish original*

.....  
On behalf of KPMG Audyt Sp. z o.o.  
ul. Chłodna 51, 00-867 Warsaw  
Certified Auditor No. 90118  
Renata Kucharska

.....  
On behalf of KPMG Audyt Sp. z o.o.  
ul. Chłodna 51, 00-867 Warsaw  
Certified Auditor No. 90066  
Arkadiusz Cieślík, Director

1 March 2010  
Cracow