STALEXPORT AUTOSTRADY S.A.

SEPARATE FINANCIAL STATEMENTS

as at the day and for the year ended 31 December 2009

Explanation
This document constitutes a translation of the financial statements of the entity named above. The original financial statements and the report of the independent auditor were issued in Polish. The document below comprises the English translation of terminology used in the Polish original. In case of ambiguities in interpretation of terminology, the original Polish terminology should be treated as binding.

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Separate statement of comprehensive income

for the year ended

In thousands of PLN, unless stated otherwise	*Note*	*31 December 2009*	*31 December 2008*
Revenue	5	3 176	3 270
Cost of sales	5,7	(2 725)	(2 505)
Gross profit		**451**	**765**
Other income	8	11 172	13 144
Distribution expenses	7	-	-
Administrative expenses	7	(10 924)	(8 171)
Other expenses	9	(566)	(698)
Results from operating activities		**133**	**5 040**
Finance income		14 677	13 084
Finance expenses		(9 388)	(12 864)
Net finance income/(expense)	10	**5 289**	**220**
Profit before income tax		**5 422**	**5 260**
Income tax expense		-	-
Profit for the period		**5 422**	**5 260**
Other comprehensive income			
Net change in fair value of available-for-sale financial assets	10	(1 175)	(1 718)
Other comprehensive income for the period, net of income tax		**(1 175)**	**(1 718)**
Total comprehensive income for the period		**4 247**	**3 542**
Earnings per share	22		
Basic earnings per share (PLN)		0,02	0,02
Diluted earnings per share (PLN)		0,02	0,02

Separate statement of financial position

as at

In thousands of PLN	*Note*	*31 December 2009*	*31 December 2008*
ASSETS			
Non-current assets			
Property, plant and equipment	12	1 510	1 639
Intangible assets	13	260	183
Prepaid perpetual usufruct of land		116	116
Investment property	14	4 318	4 609
Investments in subsidiaries and associates	15	53 580	46 936
Other long-term investments	16	2 600	-
Non-current receivables	31	-	32 682
Total non-current assets		**62 384**	**86 165**
Current assets			
Short-term investments	16	54 649	74 325
Trade and other receivables	19	52 886	20 116
Cash and cash equivalents	20	91 299	88 926
Total current assets		**198 834**	**183 367**
Total assets		**261 218**	**269 532**

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

Separate statement of financial position

as at

In thousands of PLN	*Note*	*31 December 2009*	*31 December 2008*
EQUITY AND LIABILITIES			
Equity	21		
Share capital		494 524	494 524
Share capital revaluation adjustment		18 235	18 235
Treasury shares		(20)	(20)
Share premium reserve		20 916	20 916
Fair value reserve	21b	(2 893)	(1 718)
Uncovered losses		(338 728)	(344 150)
Total equity		**192 034**	**187 787**
Liabilities			
Non-current liabilities			
Employee benefits	24	390	461
Other non-current liabilities	25	46 556	59 549
Total non-current liabilities		**46 946**	**60 010**
Current liabilities			
Loans and borrowings	23	6 315	6 225
Trade and other payables	27	15 547	15 429
Employee benefits	24	269	81
Provisions	26	107	-
Total current liabilities		**22 238**	**21 735**
Total liabilities		**69 184**	**81 745**
Total equity and liabilities		**261 218**	**269 532**

Separate statement of cash flows

for the year ended

In thousands of PLN	*Note*	*31 December 2009*	*31 December 2008*
Cash flows from operating activities			
Profit for the period		**5 422**	**5 260**
Adjustments for:			
Depreciation and amortisation	7	665	600
(Profit)/loss on investment activity		2 142	2 991
(Gain)/loss on sale of property, plant and equipment and intangible assets	8, 9	129	(152)
Interest and dividends		(7 957)	(9 495)
Change in trade and other receivables		(88)	(6 449)
Change in inventories		-	50
Change in trade and other payables		(12 708)	(40 147)
Change in provisions		107	(5)
Proceeds/(expenditures) related to collateral requested by creditors	16	(2 600)	-
Net cash from operating activities		**(14 888)**	**(47 347)**

Separate statement of cash flows

for the year ended

In thousands of PLN	*Note*	*31 December 2009*	*31 December 2008*
Cash flows from investing activities			
Investment proceeds		**40 161**	**149 032**
Proceeds from sale of intangible assets and property, plant and equipment		2	178
Disposal of discontinued operations		-	138 700
Dividends received		4 362	4 408
Interest received		3 857	5 723
Proceeds from sale of financial assets		30 000	23
Other proceeds		1 940	-
Investment expenditures		**(22 722)**	**(17 585)**
Acquisition of intangible assets and property, plant and equipment		(497)	(645)
Acquisition of financial assets		(10 199)	(15 000)
Other expenditures		(12 026)	(1 940)
Net cash from investing activities		**17 439**	**131 447**
Cash flows from financing activities			
Financial expenditures		**(177)**	**(5 020)**
Repayment of loans and borrowings		-	(4 240)
Interest paid		(170)	(780)
Payment of finance lease liabilities		(7)	-
Net cash from (used in) financing activities		**(177)**	**(5 020)**
Net increase in cash and cash equivalents		**2 374**	**79 080**
Change in cash as in statement of financial position	20	**2 374**	**79 080**
Cash and cash equivalents net of bank overdraft at 1 January:		**88 925**	**9 845**
Cash and cash equivalents net of bank overdraft at 31 December, including:		**91 299**	**88 925**
Restricted cash and cash equivalents		39	51

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

Separate statement of changes in equity

In thousands of PLN

	Share capital	Share capital revaluation adjustment	Treasury shares	Share premium reserve	Fair value reserve	Uncovered losses	Total equity
As at 1 January 2008	**494 524**	**18 235**	**(19)**	**20 916**	**-**	**(349 410)**	**184 246**
Profit for the period	-	-	-	-	-	*5 260*	*5 260*
Other comprehensive income for the period, net of income tax	-	-	-	-	*(1 718)*	-	*(1 718)*
Net change in fair value of available-for-sale financial assets	-	-	-	-	(1 718)	-	**(1 718)**
Total comprehensive income for the period	-	-	-	-	*(1 718)*	*5 260*	*3 542*
Other	-	-	(1)	-	-	-	**(1)**
As at 31 December 2008	**494 524**	**18 235**	**(20)**	**20 916**	**(1 718)**	**(344 150)**	**187 787**

	Share capital	Share capital revaluation adjustment	Treasury shares	Share premium reserve	Fair value reserve	Uncovered losses	Total equity
As at 1 January 2009	**494 524**	**18 235**	**(20)**	**20 916**	**(1 718)**	**(344 150)**	**187 787**
Profit for the period	-	-	-	-	-	5 422	**5 422**
Other comprehensive income for the period, net of income tax	-	-	-	-	*(1 175)*	-	*(1 175)*
Net change in fair value of available-for-sale financial assets	-	-	-	-	(1 175)	-	**(1 175)**
Total comprehensive income for the period	-	-	-	-	*(1 175)*	*5 422*	*4 247*
As at 31 December 2009	**494 524**	**18 235**	**(20)**	**20 916**	**(2 893)**	**(338 728)**	**192 034**

Notes to the separate financial statements
(all amounts in PLN thousand (TPLN), unless stated otherwise)

1. Company overview

Stalexport Autostrady S.A. („the Company”) with its seat in Katowice, Mickiewicza 29 Street, is a public listed company registered in the National Court Register under registration number KRS 16854.

As at 31 December 2009 the Company’s business activity includes management and business advisory and also rental of office space.

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

The Company is a part of the Capital Group Atlantia S. p. A. (Italy) and it is included within the consolidated financial statements drawn up by the parent company of the highest level Atlantia S. p. A., which among other entities controls Company’s main shareholder i.e. Autostrade per l’Italia S.p.A.

2. Basis of preparation of separate financial statements

Statement of compliance

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

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

The separate financial statements were approved by the Management Board of the Company on 1 March 2010.

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

Basis of valuation

The separate financial statements have been prepared on the historical cost basis, except for the following:
- derivative financial instruments measured at fair value;
- available-for-sale financial assets measured at fair value;
- financial assets at fair value through profit or loss.

Functional and presentation currency

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

New standards and interpretations

The Company did not take the opportunity of earlier application of new Standards and Interpretations which have been published and approved by the European Union and which will come into effect after the balance sheet date. Moreover, at the balance sheet date the Company had not completed the process of assessing the impact of the new standards and interpretations, which will come into effect after the balance sheet date, on the separate financial statements of the Company for the period in which they will be applied for the first time.

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

Standards and Interpretations endorsed by EU, which in case of the Company will become effective after 31 December 2009		
Standard/ Interpretation	**Nature of impending change in accounting policy**	**Effective date for periods beginning as the date or after that date**
Improvements to IFRS 2008: Amendments to IFRS 5 Non-current Assets Held for Sale	IFRS 5 has been amended and states that: • An entity that is committed to a sale plan involving loss of control of a subsidiary shall classify all the assets and liabilities of that subsidiary as held for sale when the criteria set out in paragraphs 6-8 are met; • Disclosures relating to the discontinued operations are required when the subsidiary is a disposal group that meets the definition of a discontinued operation when the subsidiary is a disposal group that meets the definition of a discontinued operation.	1 July 2009
Revised IFRS 1 *First Time Adoption of IFRS*	The revised version restructures the format of the IFRS without changing the standard's technical content. The revised version moves the exemptions and exceptions contained in the main body of the standard to different appendices.	1 July 2009 According to European Commission ("Commission") Regulation No 1136/2009 each entity shall apply the revised standard at the latest, as from the commencement date of its first financial year starting after 31 December 2009.
Revised IFRS 3 *Business Combinations*	The scope of the revised Standard has been amended and the definition of a business has been expanded. The revised Standard also includes a number of other potentially significant changes including: • All items of consideration transferred by the acquirer are recognized and measured at fair value as of the acquisition date, including contingent consideration. • Subsequent change in contingent consideration will be recognized in profit or loss. • Transaction costs, other than share and debt issuance costs, will be expensed as incurred. • The acquirer can elect to measure any non-controlling interest at fair value at the acquisition date (full goodwill), or at its proportionate interest in the fair value of the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.	1 July 2009 According to Commission Regulation No 495/2009 each entity shall apply the revised IFRS 3 at the latest, as from the commencement date of its first financial year starting after 30 June 2009.
Revised IAS 27 *Consolidated and Separate Financial Statements*	In the revised Standard the term minority interest has been replaced by non-controlling interest, and is defined as "the equity in a subsidiary not attributable, directly or indirectly, to a parent". The revised Standard also amends the accounting for non-controlling interest, the loss of control of a subsidiary, and the allocation of profit or loss and other comprehensive income between the controlling and non-controlling interest.	1 July 2009 According to Commission Regulation No 494/2009 each entity shall apply the amendments to IAS 27 at the latest, as from the commencement date of its first financial year starting

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

		after 30 June 2009.
Amendments to IAS 32 *Improving Disclosures about Financial Instruments*	The amendment requires that rights, options or warrants to acquire a fixed number of entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants *pro rata* to all of its existing owners of the same class of its own non – derivative equity instruments.	1 February 2010 According to Commission Regulation No 1293/2009 each entity shall apply the amendments at the latest, as from the commencement date of its first financial year starting after 31 January 2009.
Amendment to IAS 39 *Financial Instruments: Recognition and Measurement*	The amended Standard clarifies the application of existing principles that determine whether specific risks or portions of cash flows are eligible for designation in a hedging relationship. In designating a hedging relationship the risks or portions must be separately identifiable and reliably measurable; however inflation cannot be designated, except in limited circumstances.	1 July 2009 According to Commission Regulation No 839/2009 each entity shall apply the revised standard at the latest, as from the commencement date of its first financial year starting after 30 June 2009.
IFRIC 12 *Service Concession Arrangements*	The Interpretation provides guidance to private sector entities on certain recognition and measurement with respect to accounting for public-to-private service concession arrangements.	1 January 2008 According to Commission Regulation No 254/2009 each entity shall apply IFRIC 12 at the latest, as from the commencement date of its first financial year starting after the date of entry into force of the Regulation i.e. 28 March 2009.
IFRIC 15 *Agreements for the Construction of Real Estate*	IFRIC 15 clarifies that revenue arising from agreements for the construction of real estate is recognised by reference to the stage of completion of the contract activity in the following cases: • the agreement meets the definition of a construction contract in accordance with IAS 11.3; • the agreement is only for the rendering of services in accordance with IAS 18 (e.g., the entity is not required to supply construction materials); and • 3. the agreement is for the sale of goods but the revenue recognition criteria of IAS 18.14 are met continuously as construction progresses. In all other cases, revenue is recognised when all of the revenue recognition criteria of IAS 18.14 are satisfied (e.g., upon completion of construction or upon delivery).	1 January 2009 According to Commission Regulation No 636/2009 each entity shall apply the revised standard at the latest, as from the commencement date of its first financial year starting after 31 December 2009.
IFRIC 16 *Hedges of a Net Investment in a Foreign Operation*	The Interpretation explains the type of exposure that may be hedged, where in the group the hedged item may be held, whether the method of consolidation affects hedge effectiveness, the form the hedged instrument may take and which amounts are reclassified from equity to profit or loss on disposal of the foreign operation.	1 October 2008 According to Commission Regulation No 460/2009 each company shall apply IFRIC 16 as at the latest, as from the commencement date of its first financial year

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

		starting after 30 June 2009.
IFRIC 17 *Distributions of Non-cash Assets to Owners*	The Interpretation applies to non-reciprocal distributions of non-cash assets to owners acting in their capacity as owners. In accordance with the Interpretation a liability to pay a dividend shall be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity and shall be measured at the fair value of the assets to be distributed. The carrying amount of the dividend payable shall be remeasured at each reporting date, with any changes in the carrying amount recognised in equity as adjustments to the amount of the distribution. When the dividend payable is settled the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the dividend payable shall be recognised in profit or loss.	1 July 2009 According to Commission Regulation No 1142/2009 each entity shall apply the revised standard at the latest as from the commencement date of its first financial year starting after 31 October 2009.
IFRIC 18 *Transfers of Assets from Customers*	The Interpretation applies to agreements in which an entity receives an item of property, plant and equipment from a customer that the entity must use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods and services, or to do both. This Interpretation also applies to agreements in which the entity receives cash from customer when that amount of cash must be used only to construct or acquire an item of property. The entity that received a contribution within the scope of the interpretation recognises this item as an asset if it determines that the transferred item meets the definition of an asset. The corresponding amount will be recognised as revenue. The exact timing of the revenue recognition will depend on the facts and circumstances of each particular arrangement.	1 July 2009 According to Commission Regulation No 1164/2009 each entity shall apply the revised standard at the latest, as from the commencement date of its first financial year starting after 31 October 2009.

Standards and Interpretations awaiting endorsement by the EU		
Standard/Interpretation	**Nature of impending change in accounting policy**	**Effective date for periods beginning as the date or after that date**
Improvements to IFRS 2009	The *Improvements to IFRSs 2009* contains 15 amendments to 12 standards.	1 January 2010 except changes to IFRIC 9 *Reassessment of Embedded Derivatives* –Scope of IFRIC 9 and revised IFRS 3 and IFRIC 16 *Hedges of a Net Investment in a Foreign Operation* – Amendment to the restriction on the entity that can hold hedging instruments, IAS 38 *Intangible Assets* – Additional consequential amendments arising from revised IFRS 3, IFRS 2 *Share – based Payments* – Scope of IFRS 2 and revised IFRS 3 *Business*

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

		Combinations – where the effective date is 1 July 2009 and IAS 18 *Revenue* – Determining whether an entity is acting as a principal or as an agent where the effective date is not given
Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards – Additional Exemptions for First-time Adopters*	The amendment consists in issuing additional optional exemptions for first-time adopters of IFRSs with respect to: • establishing of deemed cost for oil and gas assets; • reassessment of lease determination; • establishing of deemed cost for operations subject to rate regulation.	1 January 2010
Amendments to IFRS 1 *Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters*	The proposed amendment would provide relief to first-time adopters from the requirement to provide comparative period disclosures for the information required to be presented by the Amendments to IFRS 7 if the first IFRS reporting period starts earlier than 1 January 2010.	1 July 2010
Amendments to IFRS 2 *Share-based Payment – Group Cash-settled Share-based Payment Transactions*	The amendments require an entity receiving goods or services in either an equity-settled or a cash-settled share-based payment transaction to account for the transaction in its separate or individual financial statements. This principle even applies if another group entity or shareholder settles the transaction and the receiving entity has no obligation to settle the payment.	1 January 2010
IFRS 9 *Financial Instruments*	The standard is issued as part of comprehensive review of financial instruments accounting. The new standard reduces the complexity of the current requirements and to replace IAS 39 *Financial Instruments: Recognition and Measurement.* The new standard deals with classification and measurement of financial assets only.	1 January 2013
Revised IAS 24 *Related Party Disclosures*	The changes introduced relate mainly to the related party disclosure requirements for government – related entities and the definition of a related party.	1 January 2011
Amendments to IFRIC 14 *Prepayments of a Minimum Funding*	Under the amended IFRIC 14 prepayments made to the plan where there are Minimum Funding Requirements would be recognized as an asset.	1 January 2009
IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*	The interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability are “consideration paid” in accordance with IAS 39.41. The above described equity instruments shall be measured at the fair value and the difference between the carrying amount of the financial liability extinguished and the initial measurement of the equity instruments issued should be recognized in profit or loss.	1 July 2010

Use of estimates and judgments

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

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

Judgments and estimates made by the Management Board while applying IFRS EU, which had significant impact on separate financial statements, have been discussed in notes 15, 17, 18, 19, 24, 26, 30.

3. Going concern

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

4. Description of significant accounting principles

Except for changes described in point 4.25, the accounting policies set out below have been applied consistently in both accounting periods presented within the separate financial statements.

4.1. *Foreign currency transactions*

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

4.2. *Property, plant and equipment*

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see point 4.12).

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

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

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

Reclassification to investment property

Property that is being constructed for future use as investment property is accounted for as property, plant and equipment and stated at cost until construction or development is complete, at which time it is reclassified as investment property.

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

Subsequent expenditures

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

Depreciation

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

The estimated useful lives are as follows:

Buildings	40 years
Machinery and equipment	5-12 years
Vehicles	5-10 years
Other	1-5 years

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

4.3. *Intangible assets*

Intangible assets that are acquired by the Company are stated at cost less accumulated depreciation and impairment losses (see point 4.12).

Subsequent expenditures

Subsequent expenditures on capitalized intangible assets are capitalized only when they increase the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in the income statement as incurred.

Amortisation

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

The estimated useful lives are as follows:

- intellectual property rights up to 5 years
- computer software up to 5 years
- licenses from 2 to 5 years

4.4. *Investment property*

Investment property is property held either to earn rental income or for capital appreciation or for both. Investment property is measured at are stated at cost less accumulated depreciation and impairment losses (see point 4.12).

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

4.5. *Leased assets*

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

Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments, and then are subject to depreciation and impairment losses (see point 4.12). Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. If it is not certain that at the conclusion of the lease agreement the ownership of the leased assets will be transferred to the Company, the assets are depreciated over the shorter of period of the lease and economic useful life of the assets.

Minimum lease payments made under finance leases are apportioned between reduction of the outstanding liability and the finance expense. The finance charge is allocated to each period during the lease term via effective interest rate method.

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

4.6. *Perpetual usufruct of land*

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

4.7. *Investments in subsidiaries and associates*

Investments in subsidiaries and associates are measured at cost less impairment losses (see point 4.12).

4.8. *Long and short term receivables*

Long and short term receivables are non-derivative financial assets and financial assets not quoted in an active market. They are initially recognized at fair value and are subsequently measured at amortized cost less impairment losses (see point 4.12).

4.9. *Inventories*

Inventories are stated at the lower of cost and net realizable value. The cost of inventories is determined based on the first in, first out principle. The costs include expenditure incurred in acquiring the inventories and their adoption for use or sales. In the case of finished goods and work in progress, costs include an appropriate share of overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

4.10. *Non-current assets held for sale*

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

4.11. *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and short-term bank deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

4.12. *Impairment*

Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

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

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

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

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

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

Impairment losses on available-for-sale investment securities are recognised by transferring the cumulative loss that has been recognised in other comprehensive income, and presented in the fair value reserve in equity, to profit or loss. The cumulative loss that is removed from other comprehensive income and recognised in profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in profit or loss. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

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

Non-financial assets

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

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

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

Non-current assets held for sale

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

4.13. *Equity*

Since November 1993 until December 1996 the Company operated in a hyperinflationary economy. IAS 29 *Financial Reporting in Hyperinflationary Economies* requires restatement of each element of share capital (apart from undistributed profit and revaluation reserves) applying general price index. Retrospective application of IAS 29 influenced the increase of share capital revaluation in correspondence with the decrease in retained earnings.

Ordinary shares

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

Repurchase of treasury shares

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

4.14. *Employee benefits*

Retirement awards

The Company in accordance with its remuneration rules is obliged to payment of retirement awards.

The Company's obligation resulting from retirement awards is measured by estimation of future salary of a given employee for the period in which an employee will reach retirement age and by estimation of future retirement award. Retirement awards are discounted using market Treasury bond return rate at the balance sheet date. The retirement award obligation is recognized proportionally to the projected length of service of a given employee. Disclosing liability due to retirement awards, the Company discloses total actuarial profits or losses as income or costs in profit or loss, within the period in which they were indentified.

Jubilee bonuses

The Company offers its employees jubilee bonuses which depends on the current length of service of a given employee and an employee's salary at the vesting moment.

The Company's obligation resulting from jubilee bonuses is measured by estimation of future salary of a given employee for the period in which an employee will become entitled to a particular jubilee bonus and by estimation of future jubilee bonus. Jubilee bonuses are discounted using market Treasury bond return rate at the balance sheet date. Disclosing liability due to jubilee bonuses, the Company discloses total actuarial profits or losses as income or costs in profit or loss, within the period in which they were indentified. Staff rotation is estimated on the basis of historical data and forecasts on level of employment in the future.

Short-term employee benefits

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

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

4.15. *Provisions*

A provision is recognized in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risk specific to the liability.

4.16. *Trade and other payables*

Trade and other payables are initially recognized at fair value and subsequently measured at amortized cost. Current liabilities are not discounted.

4.17. *Interest-bearing bank loans and borrowings*

Interest–bearing loans and borrowings are recognized initially at fair value less attributable transaction costs.

Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost on an effective interest basis.

4.18. *Revenue*

Goods sold

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

Revenue from the sale of goods is recognized in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods, or continuing Company involvement with the goods.

Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

4.19. *Lease payments*

Payments made under operating leases are recognised in profit and 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 reduction of the outstanding liability and the finance expense. The finance charge is allocated to each period during the lease term via effective interest rate method.

4.20. *Financial income and expenses*

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

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

4.21. *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 or as other comprehensive income.

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

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

Considering the uncertainty of realization of negative temporary differences and outstanding tax losses carried forward in the foreseeable future, the Company has not identified net deferred assets neither as at 31 December 2009 nor at 31 December 2008.

4.22. *Discontinued operations*

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

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

4.23. *Earnings per share (EPS)*

In preparation of separate financial statements basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding at the reporting date. There were no factors that would result in dilution of earnings per share.

4.24. *Financial instruments*

i) Non-derivative financial instruments

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

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

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

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

Held-to-maturity financial assets

If the Company has the positive intent and ability to hold debt securities (State Treasury bonds etc.) to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the Company from classifying investment securities as held-to-maturity for the current and the following two financial years.

Financial assets at fair value through profit or loss

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

Loans and receivables

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

Loans and receivables comprise trade and other receivables.

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

Available-for-sale financial assets

All remaining financial assets, other than derivatives, which have not been classified as loans and receivables are considered available-for-sale financial assets.

Available-for-sale financial assets are valued at fair value without transaction costs consideration, based on their market value as at balance sheet date. If the financial assets are not listed on a stock exchange and if there are no alternative ways to verify their fair value, available-for-sale financial assets are valued at costs less any impairment loss.

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

Non-derivative financial liabilities

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

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

The Company has the following non-derivative financial liabilities: loans and borrowings and also trade and other payables.

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

ii) Derivative financial instruments

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

4.25. *Changes in accounting principles during the reporting period*

Presentation of financial statements

As a result of changes in IAS 1 *Presentation of financial statements*, which became effective as of 1 January 2009, the Company presents in the separate statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are also presented in the separate statement of comprehensive income.

This presentation has been applied in these separate financial statements as of and for the twelve months period ended on 31 December 2009. Comparative information has been re-presented so that it also is in conformity with the revised standard. Considering that this change of accounting policy is strictly presentational, its implementation had no impact on earnings per share.

Operating segments

On 1 January 2009, IFRS 8 *Operating segments* became effective, replacing IAS 14 *Segment reporting*. The Standard introduces the “management approach” to segment reporting and requires segment disclosure based on the components of the entity that management monitors in making decisions about operating matters. Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the Company’s Chief Operating Decision Maker in deciding how to allocate resources and in assessing performance. The above change had no influence on Company’s segment reporting.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) shall be capitalised as part of the cost of that asset starting from 1 January 2009. The capitalisation of borrowing costs as part of the cost of a qualifying asset shall commence when expenditures for the asset are being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs shall cease when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

In earlier reporting periods, the Company immediately recognised all borrowing costs as an expense. This change in accounting policy was due to the adoption of revised IAS 23 *Borrowing Costs*. In accordance with the transitional provisions of such standard comparative figures have not been restated.

The above change had no influence on Company’s financial data for the twelve months period ended 31 December 2009.

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

5. Segment reporting

The Company presents its activity in business and geographical segments. Business segments are based on the Company's management and internal reporting structure.

Business segments

Company's business activity includes management and business advisory and also rental of office space.

Business segments results

For the year ended 31 December 2009

	Management, advisory and rental services
Operating revenues	
Revenue from external customers	**3 176**
Total revenue	**3 176**
Operating expenses	
Cost of sales to external customers	**(2 725)**
Total cost of sales	**(2 725)**
Other income	**11 172**
Other expenses	**(566)**
Administrative expenses	**(10 924)**
Segment result	**133**
Net finance income/(expense)	**5 289**
Profit for the period	**5 422**
Other comprehensive income for the period, net of income tax	**(1 175)**
Total comprehensive income for the period	**4 247**
Major non-cash items	
Depreciation and amortisation	**(665)**
Impairment losses, allowances or their reversal	**7 034**
Recognition of tax receivables	**3 100**
Revaluation of investment	**(5 379)**

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

For the year ended 31 December 2008

	Management, advisory and rental services
Operating revenues	
Revenue from external customers	3 270
Total revenue	3 270
Operating expenses	
Cost of sales to external customers	(2 505)
Total cost of sales	(2 505)
Other income	13 144
Other expenses	(698)
Administrative expenses	(8 171)
Segment result	5 040
Net finance income/(expense)	220
Profit for the period	5 260
Other comprehensive income for the period, net of income tax	(1 718)
Total comprehensive income for the period	3 542
Major non-cash items	
Depreciation and amortisation	(600)
Impairment losses, allowances or their reversal	12 596
Revaluation of investment	(3 540)

Financial situation according to business segments

At 31 December 2009

	Management, advisory and rental services
Assets of the segment	261 218
Total assets	261 218
Liabilities of the segment	69 184
Total liabilities	69 184

At 31 December 2008

	Management, advisory and rental services
Assets of the segment	269 532
Total assets	269 532
Liabilities of the segment	81 745
Total liabilities	81 745

Geographical segments

The Company generates revenue exclusively from Poland-based customers.

Major customer

Revenues from one customer of management, advisory and rental services segment exceeded 10% of revenue and amounted to TPLN 613 for 2009 (for 2008: TPLN 573).

6. Disposal group classified as held for sale and discontinued operations

Both as at 31 December 2009 and 31 December 2008 the Company wasn't in possession of any assets or liabilities classified as held for sale.

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

7. Expenses by kind

	2009	*2008*
Depreciation and amortisation	(665)	(600)
Energy and materials consumption	(1 029)	(883)
External services	(3 625)	(3 485)
Taxes and charges	(414)	(334)
Personnel expenses, including:	(7 600)	(4 930)
- wages and salaries	(6 930)	(4 037)
- compulsory social security contributions and other benefits	(670)	(893)
Other costs	(316)	(444)
Total expenses by kind	**(13 649)**	**(10 676)**
Cost of sales, distribution expenses and administrative expenses	**(13 649)**	**(10 676)**

8. Other income

	2009	*2008*
Reversal of allowances for receivables	7 044	12 610
Compensations and contractual penalties received	4	44
Reimbursed costs of court proceedings	44	44
Interest from receivables	24	218
Recognition of tax receivables	3 100	-
Reversal of other provisions	-	5
Net gain on sale of property, plant and equipment and intangible assets	-	152
Other, including:	956	71
- from related entities	731	-
	11 172	**13 144**

9. Other expenses

	2009	*2008*
Penalties, compensations, charges	(145)	(44)
Other provisions and allowances	(40)	-
Net loss on sale of property, plant and equipment and intangible assets	(129)	-
Interest from liabilities	(93)	(200)
Unrecoverable input VAT	(94)	(307)
Other	(65)	(147)
	(566)	**(698)**

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

10. Net finance income/(expense)

	2009	*2008*
Recognised in profit or loss		
Dividends	4 362	4 408
Interest income, including:	6 967	6 257
- on bank deposits	4 161	6 014
- unwinding of discount on receivables	2 615	-
- from related entities	2 615	-
- other	191	243
Net gain on disposal of investments	-	23
Sale of irrecoverable claims	-	247
Other financial income, including:	3 348	2 149
- net foreign exchange gain	19	89
- profit on investment in asset management funds (financial assets measured at their fair value through profit or loss)	3 237	685
- tax interest cancelled	-	1 375
- other financial income	92	-
Finance income	**14 677**	**13 084**
Interest expense (on liabilities valued at amortised cost), including :	(3 889)	(9 040)
- loans and borrowings, including:	(259)	(632)
- to related entities	(259)	(632)
- discount on receivables	-	(1 327)
- from related entities	-	(1 327)
- other	(3 630)	(7 081)
- to related entities	-	(501)
Revaluation of investment	(5 379)	(3 540)
Other financial costs including:	(120)	(284)
- allowance for interest liabilities	(10)	(19)
- other financial costs	(110)	(265)
Finance expenses	**(9 388)**	**(12 864)**
Net finance income/(expenses) recognised in profit or loss	**5 289**	**220**
Recognised in other comprehensive income		
Net change in fair value of available-for-sale financial assets	(1 175)	(1 718)
Finance income/(expenses) recognised in other comprehensive income, net of tax	**(1 175)**	**(1 718)**

11. Income tax

Income tax recognised in profit or loss for the period

The income tax rate which embraced the Company's activity was 19% in 2008-2009. It is assumed that the income tax rate shouldn't change in upcoming years.

Due to tax loss incurred both in 2009 and 2008, the Company was not subject to current income tax obligations.

Considering the uncertainty of utilization of the excess of negative temporary differences over positive ones and also outstanding tax losses carried forward in the foreseeable future, the Company has not identified net deferred assets neither as at 31 December 2009 nor at 31 December 2008 (see also note 17).

Notes to the separate financial statements
(all amounts in PLN thousand (TPLN), unless stated otherwise)

12. Property, plant and equipment

	Buildings	Plant and equipment	Vehicles	Other	Under construction	Total
Cost at 1 January 2008	**2 550**	**13 597**	**586**	**780**	**691**	**18 204**
Acquisitions	-	-	-	-	376	**376**
Transfer from property, plant and equipment under construction	38	113	126	51	(752)	**(424)**
Disposals	-	(56)	(302)	(14)	(315)	**(687)**
Reclassifications*	467	-	-	-	-	**467**
Cost at 31 December 2008	**3 055**	**13 654**	**410**	**817**	**-**	**17 936**
Cost as at 1 January 2009	**3 055**	**13 654**	**410**	**817**	**-**	**17 936**
Acquisitions	-	-	-	-	366	**366**
Transfer from property, plant and equipment under construction	2	144	124	81	(366)	**(15)**
Recognition due to stock-taking	-	34	-	-	-	**34**
Disposals	-	(422)	(344)	(8)	-	**(774)**
Cost as at 31 December 2009	**3 057**	**13 410**	**190**	**890**	**-**	**17 547**

* mainly reclassification of the part of the office building to/from investment property (see also note 14)

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

	Buildings	Plant and equipment	Vehicles	Other	Under construction	Total
Depreciation and impairment losses as at 1 January 2008	**(1 461)**	**(13 547)**	**(415)**	**(679)**	**(315)**	**(16 417)**
Depreciation for the period	(86)	(51)	(63)	(82)	**-**	**(282)**
Disposals	-	56	302	14	-	**372**
Reclassifications*	(285)	-	-	-	-	**(285)**
Utilization of impairment loss	-	-	-	-	315	**315**
Depreciation and impairment losses as at 31 December 2008	**(1 832)**	**(13 542)**	**(176)**	**(747)**	**-**	**(16 297)**
Depreciation and impairment losses as at 1 January 2009	**(1 832)**	**(13 542)**	**(176)**	**(747)**	**-**	**(16 297)**
Depreciation for the period	(91)	(76)	(41)	(88)	-	**(296)**
Recognition due to stock-taking	-	(34)	-	-	-	**(34)**
Disposals	-	422	160	8	-	**590**
Depreciation and impairment losses as at 31 December 2009	**(1 923)**	**(13 230)**	**(57)**	**(827)**	**-**	**(16 037)**
Carrying amounts						
As at 1 January 2008	1 089	50	171	101	376	1 787
As at 31 December 2008	1 223	112	234	70	-	1 639
As at 1 January 2009	1 223	112	234	70	-	1 639
As at 31 December 2009	1 134	180	133	63	-	1 510

* mainly reclassification of the part of the office building to/from investment property (see also note 14)

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

In order to secure payment of other liabilities, Company's property plant and equipment were subject to mortgage for the total amount of TPLN 1,155 as at 31 December 2008. In December 2009 the Company was informed by the District Court Katowice-Wschód that the mortgage has been cancelled.

13. Intangible assets

	Concessions, licences, software and other	Other intangible assets	Intangible assets not ready for use	Total
Cost as at 1 January 2008	**77**	**970**	**-**	**1 047**
Acquisitions	21	-	165	**186**
Disposals	-	-	-	**-**
Cost as at 31 December 2008	**98**	**970**	**165**	**1 233**
Cost as at 1 January 2009	**98**	**970**	**165**	**1 233**
Acquisitions	140	-	-	**140**
Transfer from intangible assets not ready for use	165	-	(165)	**-**
Disposals	(2)	-	-	**(2)**
Cost as at 31 December 2009	**401**	**970**	**-**	**1 371**

Amortisation of intangible assets and impairment

	Concessions, licences, software and other	Other intangible assets	Intangible assets not ready for use	Total
Amortisation and impairment losses as at 1 January 2008	**(72)**	**(970)**	**-**	**(1 042)**
Amortisation for the period	(8)	-	-	**(8)**
Amortisation and impairment losses as at 31 December 2008	**(80)**	**(970)**	**-**	**(1 050)**
Amortisation and impairment losses as at 1 January 2009	**(80)**	**(970)**	**-**	**(1 050)**
Amortisation for the period	(63)	-	-	**(63)**
Disposals	2	-	-	**2**
Amortisation and impairment losses as at 31 December 2009	**(141)**	**(970)**	**-**	**(1 111)**
Carrying amounts				
As at 1 January 2008	5	-	-	5
As at 31 December 2008	18	-	165	183
As at1 January 2009	18	-	165	183
As at 31 December 2009	260	-	-	260

The amortisation and impairment losses on intangible assets are recognized in administrative expenses.

During the years ended 31 December 2009 and 31 December 2008 no impairment losses were recognized.

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

14. Investment property

	31 December 2009	31 December 2008
Cost at the beginning of the period	**12 233**	**12 276**
Transfer from property, plant and equipment under construction	15	424
Reclassifications	-	(467)
Cost at the end of the period	**12 248**	**12 233**
Depreciation and impairment losses at the beginning of the period	**(7 624)**	**(7 599)**
Depreciation for the period	(306)	(310)
Reclassifications	-	285
Depreciation and impairment losses at the end of the period	**(7 930)**	**(7 624)**
Carrying amounts at the beginning of the period	**4 609**	**4 677**
Carrying amounts at the end of the period	**4 318**	**4 609**

Investment property comprises a part of office building designated for the rental.

Based on property expert's valuation conducted in August 2006, the fair value of the building, part of which was classified as investment property, was estimated at PLN 14.5 million. As at 31 December 2009 the Company classified 88.6% of this building to the investment property (this indicator is subject to revision on semi-annual basis).

Rental income in 2009 amounted to TPLN 2,927 (in 2008: TPLN 3,081) and it was presented in the profit or loss under "Revenue" .

In order to secure payment of other liabilities, Company's investment property was subject to mortgage for the total amount of TPLN 8,978 as at 31 December 2008. In December 2009 the Company was informed by the District Court Katowice-Wschód that the mortgage has been stroke off.

15. Investments in subsidiaries and associates

Long term investments in subsidiaries, associates and joint-ventures include following entities:

	Cost	Impairment loss	Carrying amount	Ownership
31 December 2009				
Stalexport Autostrada Dolnośląska S.A.	40 102	(16 586)	23 516	100,00%
Petrostal S.A. w likwidacji	1 727	(1 727)	-	100,00%
Stalexport Wielkopolska Sp. z o.o. w upadłości	12 072	(12 072)	-	97,96%
Stalexport Autoroute S.a r.l	29 886	-	29 886	100,00%
Biuro Centrum Sp. z o.o.	62	-	62	74,38%
Autostrada Mazowsze S.A.	199	(83)	116	30,00%
Total	**84 048**	**(30 468)**	**53 580**	

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

	Cost	Impairment loss	Carrying amount	Ownership
31 December 2008				
Stalexport Autostrada Dolnośląska S.A.	28 075	(11 087)	16 988	100,00%
Petrostal S.A. w likwidacji	1 727	(1 727)	-	100,00%
Stalexport Wielkopolska Sp. z o.o. w upadłości	12 072	(12 072)	-	97,96%
Stalexport Autoroute S.a r.l	29 886	-	29 886	100,00%
Biuro Centrum Sp. z o.o.	62	-	62	74,38%
Total	**71 822**	**(24 886)**	**46 936**	

In accordance with the agreement from 29 December 2009, the Company acquired 30% of Autostrada Mazowsze S.A. shares from Stalexport Autostrada Dolnośląska S.A. for the amount of TPLN 199 equal to the value of its net assets as at 30 November 2009.

Following the valuation of investments, an additional impairment loss of TPLN 5,499 was recognised in relation to Stalexport Autostrada Dolnośląska S.A. shares. The appraisal of Autostrada Mazowsze S.A. resulted in impairment loss amounting to TPLN 83.

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

	Ownership	Assets	Liabilities	Equity	Revenue	Profit or loss
31 December 2009						
Stalexport Autostrada Dolnośląska S.A. Capital Group	100,00%	24 237	38	24 199	801	(2 708)
Stalexport Autoroute S.a r.l	100,00%	197 909	30	197 879	-	4 521
Biuro Centrum Sp. z o.o.	74,38%	1 353	815	538	9 246	(83)
Autostrada Mazowsze S.A.	30,00%	1 212	826	386	-	(3 937)
Total		**224 711**	**1 709**	**223 002**	**10 047**	**(2 207)**
31 December 2008						
Stalexport Autostrada Dolnośląska S.A. Capital Group	100,00%	15 805	925	14 880	1 711	(3 322)
Stalexport Autoroute S.a r.l	100,00%	200 778	32	200 746	-	3 821
Biuro Centrum Sp. z o.o.	74,38%	1 703	890	813	9 605	385
Total		**218 286**	**1 847**	**216 439**	**11 316**	**884**

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

16. Other investments

Other long-term investments

	31 December 2009	31 December 2008
Long-term deposits	2 600	-

Long-term deposits constitute a collateral for multipurpose credit line (see note 23a).

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

Short-term investments

	31 December 2009	31 December 2008
Available-for-sale financial assets (shares in unrelated entities)	5 714	6 688
Investments in asset management funds	48 935	65 697
Other	-	1 940
Total short-term investments	**54 649**	**74 325**

Financial instruments available-for-sale comprise share of Centrozap S.A. and Beskidzki Dom Maklerski S.A.

As at 31 December 2009 the shares of these companies were subject to an impairment amounting to TPLN 6,331 (as at 31 December 2008: TPLN 6,331) and TPLN 1,266 (as at 31 December 2008: TPLN 1,468) respectively. Due to the fact, that since the fourth quarter of 2008 Centrozap S.A. is listed on Warsaw Stock Exchange, market quotations of its shares have become the base for the definition of their fair value. The effect of this valuation, apart from impairment recognition, is recognized in other comprehensive income in statement of comprehensive income (see also note 21b).

Other short-term investments at 31 December 2008 comprise interest-bearing recognizance, paid as a collateral for performance guarantees issued.

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

17. Deferred tax

a. Deferred tax assets and liabilities

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

	Assets		Liabilities		Net	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Property, plant and equipment	64	63	-	-	64	63
Investment property	471	479	-	-	471	479
Investments in subsidiaries and associates	3 177	2 166	-	-	3 177	2 166
Trade and other receivables	647	1 241	-	(475)	647	766
Short-term investments	1 993	1 808	-	-	1 993	1 808
Cash and cash equivalents	-	-	(113)	(55)	(113)	(55)
Employee benefits	125	103	-	-	125	103
Loans and borrowings	22	4	-	-	22	4
Trade and other payables	390	244	-	-	390	244
Provisions	20	-	-	-	20	-
Deferred tax assets/liabilities on temporary differences	6 909	6 108	(113)	(530)	6 796	5 578
Tax loss carry-forwards	7 293	22 095	-	-	7 293	22 095
Set off of tax	(113)	(530)	113	530	-	-
Valuation adjustment	(14 089)	(27 673)	-	-	(14 089)	(27 673)
Net deferred tax assets as in statement of financial position	-	-	-	-	-	-

Considering the uncertainty of utilization of the excess of negative temporary differences over positive ones and also outstanding tax losses carried forward in the foreseeable future, the Company both as at 31 December 2009 and 31 December 2008 recorded a valuation adjustment as a result of which net deferred assets were not recognized.

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

b. Tax losses

According to the tax law regulations, tax loss incurred in a given tax year can reduce taxable income over the next five consecutive tax years, however the decrease in whichever of those years cannot exceed 50% of the loss for a given year. As at 31 December 2009 the amount of tax losses remaining to be utilized amounted to TPLN 38,389 (31 December 2008: TPLN 116,292). As at 31 December 2009 and 31 December 2008 the Company has not recognized deferred tax assets on the tax losses carry forwards due to uncertainty of utilization of corresponding benefits.

Amount of loss	*Expiry date*
11 019	2010
3 154	2011
7 433	2012
10 958	2013
5 825	2014
38 389	

18. Income tax receivables

As at 31 December 2009 the income tax receivables accounted to TPLN 1,376 (31 December 2008: TPLN 1,369). These receivables due from the tax authority will be settled with future income tax liabilities due to tax authorities. Due to uncertain recovery of these receivables as at 31 December 2009, an impairment loss of TPLN 1,376 was recognized (as at 31 December 2008: TPLN 1,369).

19. Trade and other receivables

	31 December 2009	31 December 2008
Trade receivables from related entities	118	97
Trade receivables from other entities	7 386	7 837
Receivables from taxes, duties, social and health insurances and other benefits	10 008	10 345
Other receivables from related entities	35 298	-
Other receivables from other entities	76	1 837
	52 886	**20 116**

Receivables from taxes, duties, social and health insurance and other benefits consist mainly of (i) amounts receivable due to incorrect, according to the Company, decision of the Comptroller of the I Tax Office in Sosnowiec dated 26 August 2008, that determined the excess of input VAT over output VAT for the period of August 2004, as consequence of which the Company paid the tax authority the amount of TPLN 5,952 and (ii) amounts receivable of TPLN 3,100 recognised by the Company as the result of the decision of Provincial Administrative Court in Gliwice dated 24 April 2009, that overruled the decision of the Comptroller of the I Tax Office in Sosnowiec dated 28 March 2008, that determined the excess of input VAT over output VAT for the period of January 2003 and for which the tax authority did not exercise the right for final appeal.

On 2 November 2009 the Provincial Administrative Court in Gliwice dismissed the complaint of the Company in respect of the decision of the Director of Tax Chamber in Katowice dated 30 March 2009, which partly kept in effect the aforementioned decision of the Comptroller of the I Tax Office in Sosnowiec dated 26 August 2008. On 10 February 2010 the Company exercised its right for final appeal. Stalexport Autostrady S.A. considers chances for positive outcome of the dispute as high.

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

Trade receivables are presented net of allowances for doubtful debts amounting to TPLN 114,531 (31 December 2008: TPLN 136,366).

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

	31 December 2009	31 December 2008
Gross overdue receivables		
up to 1 month	27	129
1-6 months	42	229
6 months-1 year	18	158
over 1 year	121 600	145 268
	121 687	**145 784**
allowances for overdue and doubtful debts	(114 318)	(136 153)
Net overdue receivables	**7 369**	**9 631**

Movement of allowance for doubtful debts was as follows:

	2009	2008
Allowances for bad debts as at 1 January	(136 366)	(162 022)
Created allowances	(61)	(424)
Reversed allowances	7 102	13 043
Utilised allowances	14 794	13 037
Allowances for bad debts as at 31 December	**(114 531)**	**(136 366)**

The allowances for doubtful debts within trade receivables were recognized due to expected difficulties with collection of amounts due from some customers. The allowances for other receivables concern mainly receivables arisen as a result of loans guarantees granted to entities which are not able to settle their liabilities. According to the Company, the collection of receivables which have not been subject to allowances, is not doubtful.

Overdue net receivables in amount of TPLN 7,307 are secured on the customer's property, which value exceeds the value of these receivables. Fair value of collateral mentioned, based on expert's valuations conducted in 2007 and 2009, amounts to PLN 11.8 million.

In 2009, in line with received payments and based on analysis of probability of post balance sheet date retrieval, the Company reversed some allowances for overdue receivables concerning discontinued activity. Allowances amounting to TPLN 7,102 were reversed, of which TPLN 6,020 concerned Huta Ostrowiec S.A. w upadłości TPLN 508 Stalexport Wielkopolska Sp. z o.o. w upadłości, TPLN 450 Centrozłom-Stalexport S.A. w upadłości and TPLN 124 other entities.

20. Cash and cash equivalents

	31 December 2009	31 December 2008
Bank balances	705	188
Short-term deposits	90 555	88 687
Restricted bank balances	39	51
Cash and cash equivalents in the statement of financial position	**91 299**	**88 926**
Bank overdrafts	-	(1)
Cash and cash equivalents in the statement of cash flows	**91 299**	**88 925**

Restricted bank balances refer to resources at the disposal of company social contribution fund.

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

21. Equity

a. Share capital

	31 December 2009	31 December 2008
Number of shares at the beginning of the period	247 262 023	247 262 023
Number of shares at the end of the period (fully paid)	247 262 023	247 262 023
Nominal value of 1 share (PLN)	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	179 000
	494 524	**494 524**

Since November 1993 until December 1996 the Company operated in hyperinflation. IAS 29 *Financial Reporting in Hyperinflationary Economies* requires restatement of each element of share capital (apart from undistributed profit and revaluation reserves) using general price indexation in hyperinflation. Such retrospective implementation would result in decrease of retained earnings in that period by TPLN 18,235 and in adjustment of retained earnings in that same amount.

In 2009 the share capital wasn't subject to any changes.

On 18 January 2008 Atlantia S.p.A submitted a non-cash contribution to its subsidiary Autostrade per l'Italia S.p.A. seated in Rome, in form of all shares of Stalexport Autostrady S.A. in its possession. As a result of shares acquisition, 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's shareholders.

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

b. Fair value reserve

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

c. Other reserve capitals and supplementary capital

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

22. Earnings per share

The calculation of basic earnings per share was performed based on the net profit attributable to the ordinary shareholders of the Company of TPLN 5,422 (2008: net profit of TPLN 5,260) and a weighted average number of ordinary shares outstanding as at 31 December 2009 of 247,262 thousand (31 December 2008: 247,262 thousand).

Net profit/(loss) per ordinary share attributable to Shareholders of the Company

	2009	2008
Profit/(loss) attributable to Company's shareholders (in TPLN)	5 422	5 260
Weighted average number of ordinary shares at the end of the period (thousands of shares)	247 262	247 262
Profit for the period per ordinary share attributable to Company's shareholders (in PLN)	**0.02**	**0.02**

As at 31 December 2009 and 31 December 2008 no factors were determined that would result in dilution of profit/(loss) per one share.

23. Loans and borrowings

	31 December 2009	31 December 2008
Bank overdraft	-	1
Current portion of loans from related entities	6 315	6 224
Current loans and borrowings	**6 315**	**6 225**

a. Terms and conditions of loans and borrowings repayment

	Currency	Nominal interest rate	Year of maturity	Carrying amount at 31 December 2009	Carrying amount at 31 December 2008
Bank loans					
Bank overdraft	PLN			-	1
Loans from related parties					
Stalexport Autostrada Dolnośląska S.A.	PLN	WIBOR 1M + 0,25%	2010	6 315	6 224
Total loans and borrowings				**6 315**	**6 225**

On 26 October 2009 the Company signed an multipurpose credit line agreement with Fortis Bank Polska SA., which enables crediting in form of bank overdraft (with TPLN 400 limit) and line of guarantee (with TPLN 2,000 limit). In 2009 the Company didn’t use any form of credit described in the agreement, which expires on 25 October 2019.

b. Collateral on Company’s property

Apart from securities established on Company’s property described in notes 15 and 16 respectively, there were no other securities established on Company’s assets.

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

24. Employee benefits liabilities

	31 December 2009	31 December 2008
Non-current		
Retirement pay liabilities	74	126
Annuity severance pay liabilities	14	11
Jubilee bonuses liabilities	302	324
Total	**390**	**461**
Current		
Retirement pay liabilities	65	46
Annuity severance pay liabilities	1	1
Jubilee bonuses liabilities	30	34
Other employee benefits	173	-
Total	**269**	**81**

Amounts of future employee benefits liabilities were calculated on the basis of actuarial appraisal model.

Employee benefits liabilities were calculated according to following assumptions:

	31 December 2009	31 December 2008
Discount rate	5,8%	5,5%
Future remuneration increase	2,5%-5%	2,5%-4%

25. Other long-term liabilities

	31 December 2009	31 December 2008
Liabilities upon guarantees granted	46 556	59 549
Other non-current liabilities	**46 556**	**59 549**

Liabilities upon guarantees granted relates to guarantee provided to the State Treasury in respect of loan guarantee given to Huta Ostrowiec for modernization of the production line. In August 2008 the Company begun the repayment of principal liability. Repayment schedule for these guarantee liabilities is presented in the chart below.

Repayment schedule for liabilities upon guarantees granted

at 31 December 2009

	Total	up to 1 year	1 year to 3 years	3 years to 5 years	over 5 years
Liabilities upon guarantees granted	59 548	12 992	25 985	20 571	-

at 31 December 2008

	Total	up to 1 year	1 year to 3 years	3 years to 5 years	over 5 years
Liabilities upon guarantees granted	72 541	12 992	25 985	25 985	7 579

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

26. Provisions

Other provisions	**2009**	**2008**
Balance at 1 January	-	5
Provisions made during the period	107	360
Provisions reversed during the period	-	(365)
Balance at 31 December	**107**	**-**
Non-current	-	-
Current	**107**	-
	107	-

Other provisions were made mainly due to decision of District Court in Katowice from 18 December 2009 in relation to claim filed by CTL Maczki Bór Sp. z o.o.. In accordance to the decision the Company is obliged to pay to CTL Maczki Bór Sp. z o.o. the amount of TPLN 40 including interest. The decision is not legally binding – on 25 January 2010 the Company submitted an appeal to the Court of Appeal in Katowice

27. Trade and other payables (short-term)

	31 December 2009	**31 December 2008**
Trade payables to related entities	23	44
Trade payables to other entities	154	139
Amounts due to taxes, duties, social and other benefits	138	139
Payroll liabilities	1 093	855
Liabilities upon guarantees granted	12 992	12 992
Other payables and accruals to other entities	1 147	1 260
	15 547	**15 429**

28. Financial instruments

a. Classification of financial instruments

31 December 2009

	Non-current	**Current**	**Total**
Investments in asset management funds (financial assets measured at their fair value through profit or loss)	-	48 935	48 935
Available-for-sale financial assets	-	5 714	5 714
Long-term deposits	2 600	-	2 600
Cash and cash equivalents	-	91 299	91 299
Loans and receivables	-	42 878	42 878
Financial liabilities valued at amortised cost	(46 556)	(21 724)	(68 280)

31 December 2008

	Non-current	**Current**	**Total**
Investments in asset management funds (financial assets measured at their fair value through profit or loss)	-	65 697	65 697
Available-for-sale financial assets	-	6 688	6 688
Cash and cash equivalents	-	88 926	88 926
Loans and receivables	32 682	11 711	44 393
Financial liabilities valued at amortised cost	(59 549)	(21 515)	(81 064)

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

Available-for-sale financial assets include mainly shares of Centrozap S.A. and Beskidzki Dom Maklerski S.A..

Loans and borrowings constitute a collateral for credit line agreement (note 23a).

Loans and receivables comprise trade and other receivables.

Financial liabilities recognized at amortized cost include trade payables, other payables, loans and borrowings.

b. Effective interest rates and appraisal dates

The charts below contain effective interest rates on income-earning assets and interest-bearing liabilities, divided into the following groups:

31 December 2009

	Effective interest rate	Total	< 6 months
Long-term deposits	4.55%	2 600	2 600
Cash and cash equivalents	5.99%	91 299	91 299
Investments in asset management funds - bonds and deposits	4.30%	36 917	36 917
Loans received	3.95%	(6 315)	(6 315)
Liabilities upon guarantees granted	5.20%	(59 548)	(59 548)

31 December 2008

	Effective interest rate	Total	< 6 months
Cash and cash equivalents	5.45%	88 926	88 926
Investments in asset management funds - bonds and deposits	6.10%	63 898	63 898
Other short-term investments	4.60%	1 940	1 940
Loans received	7.81%	(6 225)	(6 225)
Liabilities upon guarantees granted	7.79%	(72 541)	(72 541)

c. Fair value

Fair value of financial instruments

The details on fair value of the financial instruments for which it is practicable to estimate such value are presented below:

- *Cash and cash equivalents, short-term bank deposits and short-term bank loans.* The carrying amounts of instruments listed above approximate fair value because of quick maturity of these instruments.
- *Trade receivables, other receivables, trade payables.* The carrying amounts of instruments listed above approximate fair value because of short term nature of these instruments.
- *Interest bearing loans and borrowings.* The carrying amount of instruments listed above approximate fair value due to the variable nature of the related interest rates.
- *Available-for-sale financial assets.* Include shares disclosed at their fair value based on their market value at the balance sheet date (without consideration of transaction costs). Shares of companies which are not listed on financial markets, and for which there are no alternative measures to define their fair value, are disclosed at cost net of any impairment losses.
- *Investments in assets management funds.* The carrying amount equals their fair value based on market quotations.

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

Fair value hierarchy

Financial instruments measured at fair value can be classified by following valuation methods:

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

Level 1 method was used for valuation available-for-sale financial assets measured at fair value in amount of TPLN 4,341 at 31 December 2009 (at 31 December 2008: TPLN 5,517) and for investments in asset management funds measured at fair value in amount of TPLN 48,935 at 31 December 20009 (at 31 December 2008: TPLN 65,697).

29. Financial risk management

a. Credit risk

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

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

	31 December 2009	31 December 2008
Non-current receivables	-	32 682
Other long-term investments	2 600	-
Short-term investments	54 649	72 385
Trade and other receivables	52 886	9 771
Cash and cash equivalents	91 299	88 926
	201 434	**203 764**

b. Stock exchange indexes fluctuations risk

Stock exchange indexes fluctuations risk relates to risk of possible financial losses due to fluctuations of stock exchange quotations. The risk concerns the shares of public listed companies within investments in asset management funds and shares of public listed companies disclosed as available-for-sale financial assets.

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

	31 December 2009	31 December 2008
Investments in asset management funds - shares	2 105	1 799
Available-for-sale financial assets	4 341	5 517
	6 446	**7 316**

c. Market risk

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

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

Interest rate risk

The Company's exposure to the interest rate risk relates mainly to cash and cash equivalents, interest-bearing borrowings and other payables based on floating interest rate WIBOR + margin. The Company doesn't hedge against the risk of interest rate fluctuations.

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

	Carrying amount 31 December 2009	Carrying amount 31 December 2008
Fixed interest rate instruments		
Financial assets	31 750	45 934
Financial liabilities	-	-
	31 750	**45 934**
Floating interest rate instruments		
Financial assets	99 066	106 890
Financial liabilities	(65 863)	(78 766)
	33 203	**28 124**

In managing interest rate risk, the Company aims to reduce the impact of interest rate fluctuations via current monitoring of financial market. Moreover, some investments are independent on WIBOR rate fluctuations.

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

	Profit or loss		**Equity**	
	increase 100 pb	decrease 100 pb	increase 100 pb	decrease 100 pb
2009				
Floating interest rate instruments	332	(332)	332	(332)
Fixed interest rate instruments	(316)	1 568	(316)	1 568
2008				
Floating interest rate instruments	281	(281)	281	(281)
Fixed interest rate instruments	(1 521)	1 435	(1 521)	1 435

Foreign currency risk

At the end of 2009 foreign currency risk concerns mainly cash deposits.

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

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

31 December 2009	**EUR**	**USD**
Trade and other payables	(16)	-
Statement of financial position exposure	**(16)**	**-**

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

31 December 2008

	EUR	USD
Cash and cash equivalents	1	390
Trade and other payables	(17)	-
Statement of financial position exposure	**(16)**	**390**

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

	Profit or loss		**Equity**	
	increase of exchange rates by 5%	decrease of exchange rates by 5%	increase of exchange rates by 5%	decrease of exchange rates by 5%
2009	(1)	1	(1)	1
2008	19	(19)	19	(19)

d. Risk of loss of financial liquidity

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

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

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

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

31 December 2009

Non-derivative financial liabilities	Carrying amount	Expected cash flows	up to 6 months	6-12 months	1-2 years	2-5 years	over 5 years
Liabilities upon guarantees granted	59 548	66 779	7 979	7 805	15 104	35 891	-
Loans received	6 315	6 315	6 315	-	-	-	-
Trade and other payables	2 555	2 555	2 555	-	-	-	-
	68 418	**75 649**	**16 849**	**7 805**	**15 104**	**35 891**	**-**

31 December 2008

Non-derivative financial liabilities	Carrying amount	Expected cash flows	up to 6 months	6-12 months	1-2 years	2-5 years	over 5 years
Liabilities upon guarantees granted	72 541	86 890	8 919	8 725	16 732	44 760	7 754
Loans received	6 225	6 225	6 225	-	-	-	-
Trade and other payables	2 298	2 298	2 298	-	-	-	-
	81 064	**95 413**	**17 442**	**8 725**	**16 732**	**44 760**	**7 754**

e. Capital management

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

The Company's aim is to achieve return on equity ratio at the level considered satisfactory by the shareholders.

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

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

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

30. Contingencies, guarantees and other commitments

Contingent liabilities relate to guarantees granted to related entities amounting to TPLN 14,552 (31 December 2008: TPLN 14,371). At the end of comparable period presented, the Company disclosed also the contingent liabilities due to guarantees given in relation to other entities amounting to TPLN 1,699.

31. Transactions with related parties

a. Intergroup receivables and liabilities

31 December 2009	Receivables	Payables	Loans and borrowings
Atlantia SpA	-	16	-
Stalexport Autostrada Małopolska S.A.	35 298	-	-
Stalexport Transroute Autostrada S.A.	89	-	-
Stalexport Autostrada Dolnośląska S.A.	-	-	6 315
Biuro Centrum Spółka z o.o.	29	5	-
Autostrada Mazowsze S.A.	-	2	-
Total	**35 416**	**23**	**6 315**

31 December 2008	Receivables	Payables	Loans and borrowings
Atlantia SpA	-	17	-
Stalexport Autostrada Małopolska S.A.	32 682	-	-
Stalexport Transroute Autostrada S.A.	88	-	-
Stalexport Autostrada Dolnośląska S.A.	-	-	6 224
Biuro Centrum Spółka z o.o.	-	27	-
Stalexport Autostrada Śląska S.A.	9	-	-
Total	**32 779**	**44**	**6 224**

Receivables from Stalexport Autostrada Małopolska S.A. result from the agreement on transfer of the capital expenditure of Phase I, related to adoption of the motorway to toll motorway requirements.

b. Transactions with related parties

2009	Revenue	Other income	Finance income	Cost of sales	Finance expenses
Stalexport Autostrada Małopolska S.A.	-	691	2 615	(9)	-
Stalexport Transroute Autostrada S.A.	229	-	-	-	-
Stalexport Autostrada Dolnośląska S.A.	85	-	-	(3)	(259)
Stalexport Autoroute S.a.r.l	-	-	4 182	-	-
Biuro Centrum Spółka z o.o.	76	40	143	(2 832)	-
Stalexport Autostrada Śląska S.A.	15	-	-	-	-
Autostrada Mazowsze S.A.	89	-	-	-	-
Wycliffe Management Sp. z o.o.	-	-	-	(86)	-
Total	**494**	**731**	**6 940**	**(2 930)**	**(259)**

2008	Revenue	Finance income	Cost of sales	Finance expenses
Atlantia SpA	-	-	(17)	-
Stalexport Autostrada Małopolska S.A.	-	-	-	(1 327)
Stalexport Transroute Autostrada S.A.	187	-	-	-
Stalexport Autostrada Dolnośląska S.A.	102	-	-	(900)
Stalexport Autoroute S.a.r.l	-	4 225	-	-
Biuro Centrum Spółka z o.o.	67	37	(2 775)	-
Stalexport Autostrada Śląska S.A.	14	-	-	(233)
Autostrada Mazowsze S.A.	34	-	-	-
Total	**404**	**4 262**	**(2 792)**	**(2 460)**

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

c. Transactions with key personnel

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

	2009	2008
Management Board	3 856	2 048
Key personnel	1 407	699
Supervisory Board	88	101
	5 351	**2 848**

Remuneration for 2009 includes provision for Management Board bonuses created as at 31 December 2009 in amount of TPLN 675 (the provision as at 31 December 2008 amounted to TPLN 457).

In 2009 and 2008 the Company did not grant any loans to the Members of Management Board or Supervisory Board Members of the Company nor to their close relatives, who are the Members of the Company Supervisory Boards or who are significant shareholders of the Company. The Company did not grant to the above mentioned individuals any advance payments or guarantees.

32. Subsequent events

There were no significant subsequent events, which should be disclosed in the financial statements for 2009.