



MANAGEMENT BOARD REPORT

ON THE ACTIVITIES OF
STALEXPORT AUTOSTRADY S.A.

IN 2009

KATOWICE, 1 MARCH 2010

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Definitions and abbreviations

The table below presents the definition of abbreviations used in this Document.

STX Autostrady, the Company, the Issuer	Stalexport Autostrady S.A. with its registered office in Katowice
The Capital Group, GK, GK STX Autostrady	The Capital Group of Stalexport Autostrady S.A. in Katowice
SAM	Stalexport Autostrada Małopolska SA with its registered office in Mysłowice
STA	Stalexport Transroute Autostrada S.A. with its registered office in Mysłowice
SAD	Stalexport Autostrada Dolnośląska S.A. with its registered office in Katowice
AMSA	Autostrada Mazowsze S.A. with its registered office in Katowice
STX Autoroute	Stalexport Autoroute S.a.r.l. with its registered office in Luxemburg
Biuro Centrum	Biuro Centrum Sp. z o.o. with its registered office in Katowice
SAŚ	Stalexport Autostrada Śląska S.A. in liquidation with its registered office in Katowice
Atlantia	Atlantia S.p.A. with its registered office in Rome (Italy)
ASPI	Autostrade per l'Italia S.p.A. with its registered office in Rome (Italy)
GDDKiA	General Directory of National Roads and Motorways
Pavimental Polska	Pavimental Polska Sp. z o.o. with its registered office in Warsaw
Concession Contract	The Concession Contract dated 19 September 1997 on building through conversion of A4 motorway section: Katowice (Murckowska junction, km 340,2) – Kraków (Balice junction, km 401,1) to the toll motorway standards and motorway operation on this section, including amendments made based on the appendices, which rights and obligations were totally passed from STX Autostrady to SAM on 26 July 2004.
KPMG	KPMG Audyt Sp. z o.o. with its registered office in Warsaw
UE	European Union
ADT	Average Daily Traffic
WZ	The General Shareholders Meeting
ROE	Return on Equity
PPP	Public-Private Partnership
KDPW	National Deposit of Securities with its registered office in Warsaw
GPW	Warsaw Stock Exchange
DPSN	Good Practices of Companies listed on GPW
The Document, the Report	The Management Board Report on the activities of Stalexport Autostrady SA in 2009
Ksh	Commercial Code

1. Letter of the President of the STX Autostrady's Management Board

Ladies and Gentlemen,

I am passing on your hands the Management Board Report on the activities of STX Autostrady in 2009. There were many events which had and will have impact on the operating activities of our Capital Group.

The current year turned out to be extremely difficult for the world's economy. A decrease in investments and in domestic demand resulted in a slowdown in a growth of GDP (Gross Domestic Product) in Poland and finally limitation of operating activities of enterprises. For our Capital Group this situation resulted in lower daily traffic of heavy vehicles on the toll section of A4 Katowice-Kraków motorway managed by us, than in previous years. Probably we will have to face consequences of the economic slowdown for a long time. As a result, we decided that taking into consideration terms finally proposed by the government, the project on construction and operation of A2 section Łódź-Warszawa motorway would not be profitable for us.

In such circumstances we focused on strengthening of internal basis for solid growth in the future, completion of general repairs on A4 Katowice-Kraków motorway which aimed at increase in safety and comfort of travelling, and searching for new opportunities on motorway service markets, including neighboring countries.

The plan of development of infrastructure in Poland, described in the Management Board Report, is a big potential market for the Company and also for STX Autostrady Capital Group entities. Realization of challenging plans of the Republic of Poland's Government in respect of development of existing infrastructure is supported by organization of European Football Championship in 2012. On the other hand, the planned development of road's network may be co-financed by structural funds budgeted on that purpose by the European Union for the period 2007-2013. However, it should be emphasized, that the road infrastructure area is a sector heavily dependent on the state regulator.

The Company has been preparing intensively for realization of above mentioned plans. In the first half of 2009 Wojciech Gębicki was appointed a Vice-President responsible for development of Operating Department. The main activities of this department include cooperation with institutions and government authorities in respect of matters relating to motorways and coordination of other activities relating to participation of the Company in tenders.

Low debt ratio as at 31 December 2009 confirms a solid financial standing of STX Autostrady. The Company managed to restructure its historical debts and has funds necessary to finance projects relating to its further development.

Dear Shareholders,

The Management Board of STX Autostrady has used to work in extremely difficult financial situation, even close to bankruptcy in the past, and have always tried to very economically and rationally manage the funds obtained by the Company's shareholders. Therefore, facing slowdown of the economy and lower than previously expected revenues, the detailed revision of existing contracts and action plan analysis, including revision of organization charts of respective entities within the Capital Group was performed again last year. Effectively, contract terms with selected suppliers were renegotiated, and it was decided to in-source some activities, if possible. As a result of those activities it will be possible to reduce the external services expenses in the future. The Management Board of STX Autostrady also decided to merge/consolidate some senior management positions in order to reduce personnel expenses. The total effect of implemented changes and decisions taken will be noted since the second half of 2010.

The works relating to general resurfacing of A4 Katowice-Kraków motorway section aiming at increase in comfort and safety of people travelling that part of motorway were completed last year. The scope of works includes periodical resurfacing of motorway and junctions, and additionally, general overhauls and ongoing repairs of practically all bridges, investments in noise screens, passes for animals, and drainage system on the motorway. The major part of planned works, including resurfacing of the entire motorway section, was completed in October 2009. We are aware of the fact that these necessary repairs were sometimes quite arduous. We apologize for that. We will make every effort so as the next stage of renovation works will not cause similar impediments.

Taking into consideration necessity of assuring financing sources for extended investment program, actual improvement of travelling comfort, long time of keeping stable level of toll rates, and also expected by the shareholders an appropriate rate of return on invested capital, it was decided to increase toll rates. The previous toll rise for light vehicles was implemented in January 2006.

During 2009 the entities of the Capital Group were involved in tenders on construction and operation of toll motorways. The biggest one was a tender announced by GDDKiA on construction and operation of part of A2 toll motorway Stryków I – Konotopa. The special purpose vehicle, Autostrada Mazowsze S.A., was founded to participate in that tender. Unfortunately, due to terms proposed by the government in situation of global economic slowdown it was not possible to find a source of the financing for that project. As a result, the negotiations with GDDKiA were finished without reaching a compromise in February 2009. In addition, SAD participated in a tender announced by GDDKiA on conversion to toll motorway standards and construction of toll areas on A4 motorway on the section Wrocław-Sośnica (162 km). Finally, GDDKiA selected another tender participant for realization of these works.

Taking into consideration unfavorable for the Group finalization of above described tenders, and also realized savings activities, the Management Board of STX Autostrady decided to incorporate the development department from SAD to STX Autostrady and limit to minimum operating activities in SAD. At the same time, it was decided to make a change in the group structure relating to AMSA, through contribution of all shares of this company previously held by SAD to STX Autostrady.

As a result, STX Autostrady – together with our major shareholder, ASPI – intends to participate in motorway projects available on the market. Currently, the key project is our participation in tender on National Toll Collection System, including activities relating to Electronic Toll Collection in Poland.

I would like to notice, that apart from activities in the economic area, the Management Board of STX Autostrady reached out the general tendency of application of transparent rules of running the business. As a result, the Code of Ethics of STX Autostrady was approved in December 2009 (applicable since 1 January 2010), which reflects ethical values STX Autostrady respects and intends to apply. For the Company's employees it is a model behavior in relation to employees, superiors, clients, partners, and local communities, both in business and non-business relations. The purpose of the Code of Ethics is unique interpretation of key values respected by the Company, strengthening the corporate culture and it is a sort of toll while creating and strengthening the reputation of the Capital Group. The Code was published on the Company's website (www.stalexport-autostrady.pl).

Dear Shareholders,

I strongly encourage you to read the financial statements of STX Autostrady S.A. and the Management Board Report on the Company's activities in 2009. The financial statements were prepared in accordance with International Financial Reporting Standards and were audited by KPMG Audyt Sp. z o.o. seated in Warsaw. You can find there detailed description of the Company's standing. Those financial statements are also available on our website www.stalexport-autostrady.pl.

I would like to thank the Shareholders for their trust they put in our Company; the members of the Supervisory Board for their contribution to the implementation of strategic targets; and our customers for their patience and perseverance. I also would like to express my thanks to the whole staff of the Capital Group, whose engagement allowed us to achieve the efficient results.

I am convinced that the investments of previous years and consistency in implementation of the planned actions will allow for continuous strengthening of the position and the significance of STX Autostrady Group.

Yours truly,

President of the Management
Board

General Director

.....

/Emil Wąsacz/

2. Basic information on STX Autostrady

2.1. Basic corporate data and history of STX Autostrady

ul. Mickiewicza 29
40-085 Katowice
tel. +(48) 32 251 21 81
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Management Board:

Emil Wąsacz – President of the Management Board, General Director
Mieczysław Skołyżyński – Vice-President of the Management Board, Financial Director
Wojciech Gębicki – Vice-President of the Management Board, Operating Director

KRS: 0000016854

District Court in Katowice
8th Business Department of the National Court Register

NIP (tax identification number): 634-013-42-11

REGON (statistical number): 271936361

Share capital: PLN
494,524,046 (paid in full)

www.stalexport-autostrady.pl

STX Autostrady (formerly Stalexport S.A.) commenced its operations on 1 January 1963 as Przedsiębiorstwo Handlu Zagranicznego „Stalexport”. At that point it specialised in exporting and importing steel products as well as importing raw materials for the Polish steel industry. In 1993, the company was transformed into a Company wholly owned by the State Treasury and privatised, while as of 26 October 1994 the shares of the Company have been listed at the Warsaw Stock Exchange.

In 1997, STX Autostrady won a tender process and was granted a concession to construct, adapt and operate A4 toll motorway section Katowice-Kraków (61km long) for the period of 30 years (in 2004, the concession was transferred to an entity established solely for this purpose, namely Stalexport Autostrada Małopolska S.A). The activities of the Company focused on two main areas, i.e. motorway services and commercial activities including exporting, importing and trading in Polish steel products, steel raw materials as well as steel products processing.

Starting from the half of 2006, the Company has been a part of an Italian Capital Group Atlantia S.p.A with its registered office located in Rome. The group manages a network of nearly 4,000km of toll motorways in Europe, the USA, Brazil and Chile and is a leader with respect to automatic motorway toll collections systems. Atlantia S.p.A is listed at the stock exchange in Milan and its market value amounts to ca. EUR 10.5 bn as at 31 December 2009.

The strategic investor allowed STX Autostrady to acquire in total PLN 269,700k in cash as a result of the share capital increase. At the first stage, the funds were earmarked to the completion of financial restructuring, while the remaining funds are allocated for covering the Company's own contribution into the planned motorway projects. One of the elements of the restructuring process included the separation and disposal of the steel part on 30 September 2007. Since that period the Company has focused only on activities related to the construction and operations of toll motorways as well as to the lease of office space in the office building at ul. Mickiewicza 29 in Katowice. The building is co-owned by the Company and it is a seat of its registered office.

2.2. The STX Autostrady Group

The operations of the Company and entities comprising its Capital Group focus only on activities related to motorways. Those activities include:

- operation and maintenance of the A4 motorway section Katowice-Kraków. The activities are conducted by SAM S.A. and STA S.A. as well as by holding special purpose vehicle STX Autoroute;
- participation in selected tenders for the construction and / or operations of other motorway sections. Apart from the very Company, those tasks are also implemented by the operations conducted by SAD S.A. and AMSA.

Additionally, owing to the fact that the STX Autostrady's Capital Group co-owns a large office building in the centre of Katowice, it provides services related to leasing office space and parking places. These activities are carried out by the Company itself, as the owner of the property, as well as by its subsidiary Biuro Centrum, as the property managing entity.

The chart below presents the organizational structure of the STX Autostrady Capital Group broken down into core area of activities – motorway segment and other activities.

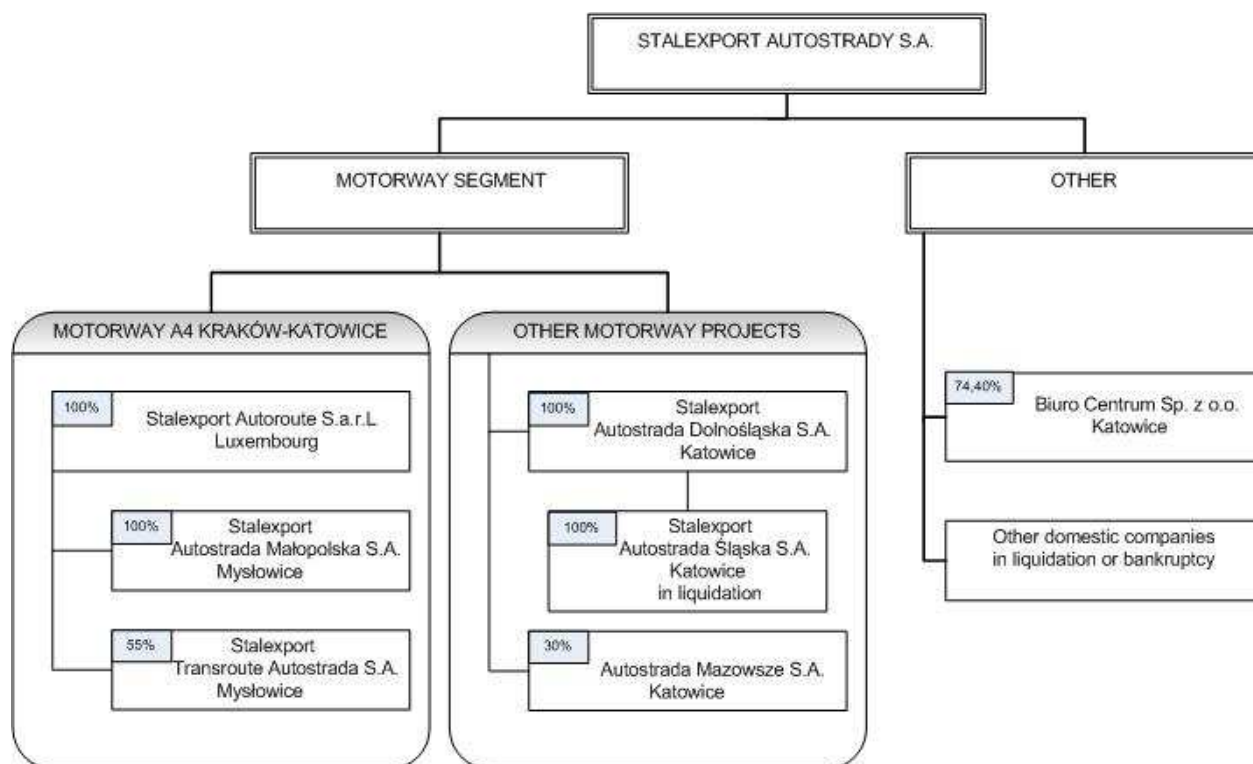


Figure 1 Organizational scheme of the STX Autostrady's Capital Group as at 31 December 2009

Source: internal analysis

The table below presents the basic financial data of STX Autostrady as well as two other biggest entities from the Capital Group: SAM and STA. For comparative purposes, the results recorded by the companies in 2009 are presented alongside their results from the earlier period, i.e. 2008 – comparability assured.

Table 1 Basic financial data selected entities from the Capital Group [data in thousand PLN]

Balance sheet data	Capital Group		STX Autostrady		SAM		STA	
	31.12.09	31.12.08	31.12.09	31.12.08	31.12.09	31.12.08	31.12.09	31.12.08
Non-current assets	566 068	530 249	62 384	86 165	554 236	519 322	2 726	3 470
Current assets	219 270	220 718	198 834	183 367	30 265	20 077	9 601	10 279
Equity	374 225	336 120	192 034	187 787	201 562	168 555	8 031	7 877
Non-current liabilities	336 138	282 640	46 946	60 010	288 453	257 033	739	727
Current liabilities	74 975	132 207	22 238	21 735	94 486	113 811	3 557	5 146
performance data	2009	2008	2009	2008	2009	2008	2009	2008
Sales revenues	138 842	131 733	3 176	3 270	128 392	119 801	30 149	29 352
Gross result on sales	70 581	70 261	451	765	53 287	52 920	14 901	14 818
EBITDA	77 352	78 262	798	5 640	68 113	65 054	11 549	11 590
Operating activity result	49 000	54 934	133	5 040	41 547	43 433	10 554	10 625
Financial activity result	-10 814	-13 159	5 289	220	-16 968	-17 527	-40	-213
Net result	30 299	33 454	5 422	5 260	19 931	21 179	8 466	8 388
EBIT margin	35%	42%	4%	154%	32%	36%	35%	36%
ROE	8%	10%	3%	3%	10%	13%	105%	106%

EBITDA = operating profit / loss + depreciation

EBIT margin = operating result / sales revenues

Source: internal analysis

3. The financial analysis of STX Autostrady

3.1. Significant events of the prior year

In the IV quarter of 2008 the global economy suffered significant deterioration in market conditions and the whole world faced the biggest economic slowdown noted in history after the war. As a result, practically for each European economy the 2009 was extremely difficult and ended with negative change in gross domestic product. The Polish economy – with positive change in GDP – was exceptional; however, sharp decrease in growth of that ratio resulted in decrease in level of investments and drop in domestic demand which led to significant limitation of operating activities in businesses.

The Management Board of STX Autostrady has used to work in extremely difficult financial situation, even close to bankruptcy in the past, and have always tried to very economically and rationally manage the funds obtained by the Company's shareholders. Therefore, facing slowdown of the economy and lower than previously expected revenues, the detailed revision of existing contracts and action plan analysis, including revision of organization charts of respective entities within the Capital Group was performed again last year. Effectively, contract terms with selected suppliers were renegotiated, and it was decided to in-source some activities, if possible. As a result of those activities it will be possible to reduce the external services expenses in the future.

Based on the revision of actual organization structure, the Management Board of STX Autostrady also decided to merge/consolidate some senior management positions in order to reduce personnel expenses. As a result of up-to date implemented changes, Vice-President of Management Board of STX Autostrady is at the same time the President of Management Board of SAM (concessionaire), and one of STX Autostrady's Directors is the President of Management Board of BC (the company managing the office building). Analyses aiming at further optimization of actual organizational structure of the Company and the Capital Group have been performed. The total effects of implemented changes and decisions taken will be noted since the second half of 2010.

3.2. Analysis of financial results

In the table below are presented the Company's key financial results achieved in 2009, including comparative data for the prior year (2008).

Table 2 Selected positions of statement of comprehensive income of STX Autostrady in 2009 and 2008 – stand alone data

	2009 In PLN k	2008 In PLN k	Variance %
Revenue	3 176	3 270	-3%
Cost of sales	-2 725	-2 505	9%
Gross profit	451	765	-41%
Other income	11 172	13 144	-15%
Distribution expenses	0	0	
Administrative expenses	-10 924	-8 171	34%
Other expenses	-566	-698	-19%
Results from operating activities	133	5 040	-97%
Finance income	14 677	13 084	12%
Finance expenses	-9 388	-12 864	-27%
Net finance expense	5 289	220	2304%
Profit before income tax	5 422	5 260	3%
Income tax expense	0	0	
Profit for the period	5 422	5 260	3%

Source: internal analysis based on the Company's financial statements

As a result of operating activity in 2009, STX Autostrady generated net profit of PLN 5,422k, higher by 3% as compared to the prior year. The stand alone net profit was generated mainly due to effective collection of historical receivables relating to trading activity in the past and positive net finance expenses.

Motorway activities of STX Autostrady are carried through its subsidiaries. Due to this fact stand alone sales revenues of the Company mainly include lease of office space in the building situated at 29 Mickiewicza Street in Katowice and parking places nearby. In 2009 the lease revenues amounted to PLN 2,927k in comparison to PLN 3,081k in the prior year. Drop in lease revenues (by 5%) was mainly due to less office space leased by third parties. Other sales revenues of PLN 249k related to services rendered to subsidiaries, including performance guarantee granted, IT and accounting services.

Other operating income resulted from collection of receivables related to trade activities in the past. Above mentioned receivables were fully covered by provisions. In 2009 the trade receivables of total amount of PLN 7,044k were collected (mainly as a result of sale of assets of Huta Ostrowiec S.A. in liquidation). In addition, other income of PLN 3,100k was recognized by the Company in 2009 as a result of sentence of Regional Administrative Court in Gliwice dated 24 April 2009 which dismissed the decision of the Comptroller of I Silesian Tax Office in Sosnowiec dated 28 March 2008 which determined the excess of input VAT over output VAT for January 2003. The tax authorities did not appeal against the court sentence. The total cash inflows from the collection of historical receivables from the trade activities carried out in the past amounted to PLN 10,144k in 2009. In comparison, the historical receivables collected in 2008 amounted to PLN 12,615k. The Management Board of STX Autostrady estimates that collection of historical trade and tax receivables will have minor and decreasing impact on the results generated by the Company in the following years.

In 2009 the administrative expenses amounted to PLN 10,924k and were higher by 34% in comparison to the prior year. It was mainly due to changes made in the organizational structure of the Company and the whole Capital Group. As soon as SAD finished its participation in tenders announced by GDDKiA and after appointment of a new member of the Management Board and Operating Director of STX Autostrady, the activity relating to potential motorway projects was moved from SAD to the Company. As a result, SAD became a special purpose vehicle without any operating activities and employees. Since 1 July 2009 all development department expenses have been incurred by STX Autostrady. In addition, the Company's administrative expenses were higher due to bonuses paid to members of the Management Board for positive feedback in respect of realization of goals for the last three years set by the Supervisory Board.

It is also worth mentioning the positive net finance expense which amounted to PLN 5,289k in 2009 as compared to PLN 220k in the previous year. It was mainly result of financial income which mainly included dividends received from subsidiaries (PLN 4,362k), interest on deposits of financial surpluses (PLN 4,161k), valuation of investment funds (PLN 3,237k), and unwinding of discount of long term capital expenditures receivables (PLN 2,615k). In 2009 financial expenses mainly included interest liabilities due to the State Treasury and relating to guarantees given to steelwork Huta Ostrowiec S.A. in liquidation (PLN 3,627k) and year-end valuation allowance of SAD's shares (PLN 5,498k).

3.3. Financial position

The analysis of the financial position of STX Autostrady was based on the condensed statement of the financial position of the Company, as presented in the table below, including calculation of structure and variance analysis in comparison to the prior year.

Table 3 Condensed statement of financial position of STX Autostrady as at 31 December 2009 and 31 December 2008 – stand alone data

	31.12.2009		31.12.2008		Variance % 2009/2008	Structure	
	In kPLN		In kPLN			31.12.2009	31.12.2008
Non-current assets	62 384	86 165	-28%	24%	32%		
Current assets	198 834	183 367	8%	76%	68%		
Equity	192 034	187 787	2%	74%	70%		
Non-current liabilities	46 946	60 010	-22%	18%	22%		
Current liabilities	22 238	21 735	2%	9%	8%		
Total equity and liabilities	261 218	269 532	-3%				

Source: internal analysis based on the Company's financial statements

Total assets as at the end of 2009 decreased by PLN 8,314k or by 3% in comparison to the prior year. It was mainly due to decrease in liabilities as a result of regular repayment of liabilities to the State Treasury.

As at 31 December 2009 total liabilities of STX Autostrady amounted to PLN 69,184k, including:

- PLN 59,548k of liabilities due to the State Treasury for guaranty granted to Huta Ostrowiec S.A. (out of which PLN 46,556k are non-current liabilities). In relation to these liabilities STX Autostrady paid off twelve installments of total amount PLN 12,992k in the prior year. According to the agreement dated 2004, the remaining part of liabilities is going to be paid off in equal monthly installments until July 2014;
- PLN 6,315k of loan and accrued loan interests received from the Company's subsidiary (SAD). It is expected that the loan will be settled during the following year.
- PLN 1,093k of payroll liabilities, including accrued 2009 performance bonuses for the Management Board and the Company's employees;
- PLN 659k of social and personnel liabilities, including jubilee provisions, retirement provisions, and redundancy payments provisions;
- PLN 177k of trade liabilities;
- PLN 1,392k of other liabilities.

The biggest position of non-current assets relates to investments in subsidiaries and associates operating in motorway business: STX Autoroute (PLN 29,886k); SAD (PLN 23,516k), and AMSA (PLN 116k) and managing the office building situated at 29 Mickiewicza Street: Biuro Centrum (PLN 62k). In comparison to the end of 2008, there was a significant decrease in non-current assets solely due to reclassification of receivables from a subsidiary (SAM) to current assets. It was described in details below in this paragraph.

High value of current assets mainly related to significant cash held for financing of new motorway projects. Currently cash represent short term bank deposits and investments in funds such as asset management funds. As at the end of 2009 cash and cash equivalents amounted to PLN 91,299k, short term investments in funds amounted to PLN 48,935k. In addition, short term investments also include available for sale investments (Beskidzki Dom Maklerski S.A. seated in Bielsko-Biala and Centrozap S.A. seated in Katowice). The total value of them amounted to PLN 5,714k as at the end of 2009.

In addition, current assets increased as a result of reclassification of non-current receivables from the Company's subsidiary, SAM, to trade and other receivables as at the end of 2009. These receivables relate to capital expenditures incurred by the Company on A4 motorway project and should be settled in 3 quarter 2010. These receivables are presented at discounted value on the face of the statement of financial position and amounted to PLN 35,298k as at the end of 2009.

In addition the current assets include:

- PLN 10,008k of VAT receivables which mainly include receivables resulting from unfair decision, according to the Company, of the Comptroller of I Silesian Tax Office in Sosnowiec dated 26 August 2008 which determined the excess of input VAT over output VAT for August 2004. Based on that decision the Company paid in cash the amount of PLN 5,952k to the Tax Office. On 2 November 2009 the Regional Administrative Court in Gliwice overruled the complaint filed by STX Autostrady against the decision of the Director of Tax Chamber in Katowice dated 30 March 2009 which partly upheld above mentioned decision of the Comptroller of I Silesian Tax Office in Sosnowiec dated 26 August 2008. The Company is going to appeal against sentence. According to the Management Board of STX Autostrady it is highly probable that the Company will win the litigation.

In addition this position includes receivables of PLN 3,100k recognized by the Company in 2009 as a result of sentence of Regional Administrative Court in Gliwice dated 24 April 2009 which dismissed the decision of the Comptroller of I Silesian Tax Office in Sosnowiec dated 28 March 2008 which determined the excess of input VAT over output VAT for January 2003. The tax authorities did not appeal against the court sentence.

- PLN 7,307k of receivables from Huta Kościuszko S.A. which resulted from the trade activities in the past. These receivables are pledged on mortgage on assets owned by debtor and are settled in half year

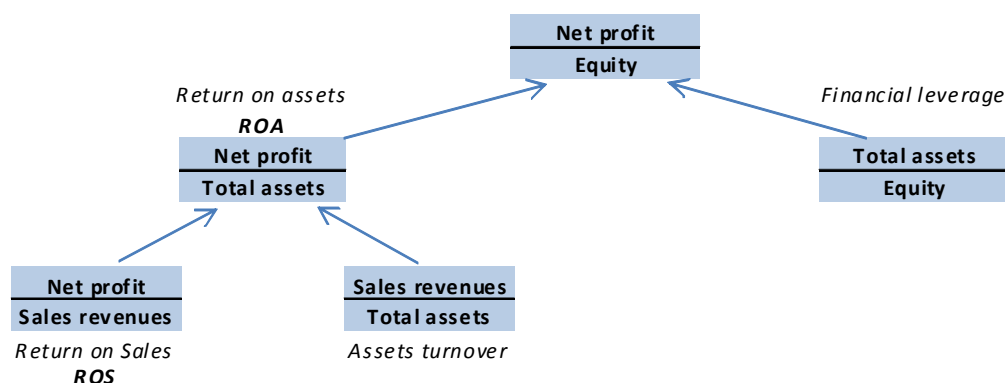
installments based on the signed agreement. It is worth emphasizing that the debtor is under assets' restructuring program. According to information received by the Company's Management this process should be completed within several months, depending on the market situation, which would enable the debtor to pay off the total amount of receivables in the lumpsum payment. Based on the obtained information, the Management Board of STX Autostrady estimate that the probability of collection of these receivables is high.

3.4. Financial analysis based on DuPont model

The DuPont analysis is based on the assumption that profitability and growth rate of a particular company depend, to a large extent, on the efficiency of operating management, investment management and financing strategy.

The basis for this analysis is the evaluation of efficiency of the Company's equity measured using the basic measure of value - ROE (calculated as net profit to equity). The next step was decomposition of this ratio which in effect allowed for extending the analysis to cover the following areas: return on sales, assets management and finance management.

Figure 2 Financial analysis chart based on DuPont model



Source: internal analysis based on Sierpińska M., Jachna T. 2000: Ocena przedsiębiorstwa wg standardów światowych ('Evaluation of the company according to world standards')

The DuPont model shows that the value of ROE depends on the level of earned margins (return on sales, ROS), efficient use of the company's assets, and the level of financial leverage. The table below presents a calculation of ROE as well as the rates influencing the annual return on equity ratio. In order to ensure the data are comparable in all periods, the calculations for 2007 are based only on the data concerning continued operations i.e. excluding performance and assets regarding trade operations from the past. Therefore, the 2007 financial results exclude unusual event relating to cancellation of liabilities due to the State Treasury of PLN 37,577k regarding guaranty granted to Walcownia Rur Jedność Sp. z o.o. in bankruptcy.

Table 4 Return on equity (ROE) including ratio decomposition – calculations for 2007-2009

Ratio	2009	2008	2007
Return on equity (ROE)	2,8%	2,8%	1,0%
Return on assets (ROA)	2,1%	2,0%	0,6%
Return on sales (ROS)	170,7%	160,9%	89,7%
Asset Turnover	0,012	0,012	0,006
Financial Leverage	1,36	1,44	1,69

ROE= net profit/equity

ROA= net profit/total assets

ROS= net profit/sales revenues

Financial leverage= total assets/equity

Source: internal analysis

In 2007 there was an increase in share capital of STX Autostrady by PLN 179,000k through issuing new shares for the strategic investor, Atlantia - the Italian company. In 2008 all shares of STX Autostrady owned by Atlantia were contributed in kind to its subsidiary (ASPI). As a result, the Company's share capital increased to the current level of PLN 494,524k which assured the Company stable financial position and proper financing structure with total equity amounting to PLN 192,034k as at 31 December 2009.

Return on equity (ROE) is the most important ratio reflecting efficiency of operating activity. In 2009 ROE was at 2.8% and remained at the same level as in 2008 but was significantly higher than in 2007. Such increase was due to earned positive margin on sales. It is worth emphasizing, that in 2009 return on sales (ROS) at 170.7% has the biggest impact on return on equity of the Company.

The value of ROE was also significantly impacted by the level of the financial leverage which allows the company to have assets considerably exceeding its equity. In 2007 the financial leverage level of STX Autostrady was at 1.69 and regularly decreased in the following periods to reach the level of 1.36 as at the end of 2009. This situation resulted not only from settlement of liabilities but also from increase in total equity by the net profit generated by the Company.

The table below presents the profitability of STX Autostrady on the particular levels of its operating activities.

Table 5 STX Autostrady's profitability on the particular levels of operating activities in 2007-2009

Ratio	2009	2008	2007
Gross margin on sales	14,2%	23,4%	-9,5%
EBITDA margin	25,1%	172,5%	-326%
EBIT margin	4,2%	154,1%	-355,8%
Return on sales ROS	170,7%	160,9%	89,7%

Gross margin on sales = gross profit on sales / sales revenues

EBITDA margin = (operating profit + depreciation) / sales revenues

EBIT margin = operating profit / sales revenues

Source: internal analysis

During the recent periods STX Autostrady has experienced unusual or one-off transactions and events relating to the previous trade activity. Given that prior to the sale of the steel part all identified threats and risks were covered by the provisions, the impact of those unusual and one-off events on the Company's current financial results was positive. Similarly in 2009 other operating income included reversal of bad debts allowances and recognition of VAT receivable of total amount of PLN 10,144k. In the following years there will be a decreasing tendency of positive impact of those factors on STX Autostrady's financial results which was already reflected in lower EBITDA and EBIT margins in 2009 in comparison to financial results achieved until 2008.

Apart from return on sales and efficiency of finance management, ROE depends also on asset turnover. This ratio reflects efficiency of capital expenditures policy conducted by the entity and productivity of particular assets. In respect of STX Autostrady this ratio remained at low level which was due to nature of the Company's operating activity and its situation (lease of real estate, management of capital group, and accumulation of cash for future motorway projects).

Analysis of the Company's assets turnover was performed based on ratios presented in the table below.

Table 6 Turnover ratios of STX Autostrady in 2007-2009

Ratio	2009	2008	2007
Assets turnover	0,012	0,012	0,006
Fixed assets turnover	2,10	2,00	1,13
Working capital turnover	0,02	0,02	0,01
Receivables turnover	0,06	0,06	0,01
Liabilities turnover	0,05	0,04	0,02

Assets Turnover = revenues on sales / total assets

Fixed assets turnover = revenues on sales / fixed assets

Working capital turnover = revenues on sales / (current assets – current liabilities)

Receivables turnover = revenues on sales / receivables

Liabilities turnover = revenues on sales / liabilities

Source: internal analysis

The level of turnover ratios is affected by the fact that the Company currently accumulates cash for financing future motorway projects won in tenders announced by GDDKiA. Due to this fact almost 60% of total assets as at the end of 2009 represent cash and cash equivalents held on bank deposits or in investment funds. The Company earns financial income on that.

Analysis of liquidity and debt ratios presented in the table below can be used to determine the Company's ability to pay off its current liabilities. The first two ratios compare current liabilities with current assets of STX Autostrady, which may be turned into cash to pay off these liabilities. Other ratios provide information on the level of indebtedness.

Table 7 Liquidity and debt ratios of STX Autostrady in 2007-2009

Ratio	2009	2008	2007
Current ratio	8,94	8,44	4,11
Quick ratio	8,94	8,44	4,11
Debt ratio	0,26	0,30	0,41
Debt/Equity ratio	0,36	0,44	0,69
Long term indebtedness	0,24	0,32	0,40

Current ratio = current assets/ current liabilities

Quick ratio = (receivables + short term investments + cash and cash equivalents)/ current liabilities

Debt ratio = total liabilities/ total assets

Debt/Equity ratio = total liabilities / equity

Long term indebtedness = long term liabilities / equity

Above ratios were calculated based on the financial data as at the end of the year

Source: internal analysis

Very high liquidity ratios resulted from the fact the Company is accumulating cash necessary for financing motorway projects won in tenders. In addition, low level of debt ratios as at 31 December 2009 guarantees the stable financial position of STX Autostrady. The Company managed to restructure its historical debts and holds cash necessary for financing the projects aiming at its further development.

4. Analysis of the core business of the Company

4.1. Poland in the network of Pan-European transport corridors

One of the priorities of the European Union is the development and modernization of the existing infrastructure network linking particular countries on the European continent. It is regarded as the crucial factor necessary to create and facilitate the development of the common market and ensuring economic and social cohesion. A special program, Trans-European Networks or TEN, has been established for that purposes based on cooperation of member countries with significant support of European Union.

The program of Trans-European Networks covers, among others, the area of Trans-European Networks-Transport or TEN-T. With respect to the EU internal market, the program aims at facilitating transport connections and above all at strengthening the operational cooperation of national networks and expansion of their accessibility. In order to pursue those objectives, 10 Pan-European transport corridors have been determined during the international conferences held on Crete (1994) and Helsinki (1997). The transport corridors cover road, railway, and sea transport routes, inland waterways as well as airports; planned or already established within the EU.

Four corridors which are part of the TEN-T cross Poland. The first one links Helsinki, Tallinn, Riga and Warsaw (Corridor 1). In Poland, it starts from the Polish-Lithuanian border in Budzisk and ends in the Polish capital city. The route includes also a branch linking Riga-Kaliningrad-Gdańsk.

Another route crossing the territory of Poland links the capital cities of Germany, Belarus and Russia constitutes Corridor 2. It links Berlin with Moscow through Poznań – Warsaw – Brest – Minsk – Smoleńsk . The corridor was the basis for planning the A-2 motorway, which will connect with the German A-12 motorway in Świecko and with the Belarusian M-1 road.

The second motorway which has been built in Poland along the west-east axis (A-4) comprise a part of Corridor 3, which stretches from Brussels, through Aachen – Cologne – Dresden – Wrocław – Katowice – Cracow to Lvov and Kiev. The European Union decided that it should also be a priority to connect the Polish Baltic Sea coast with Czech Republic. This route makes up Corridor 4 stretching from Gdańsk through Katowice to Zilina, with the eastern branch linking Katowice and Brno. The corridor was the basis for planning the A-1 motorway.

Building of a motorway connecting Gdańsk-Brno/Bratislava-Vienna, one of the above described Trans-European Transport Corridor, is on the priority projects list approved by the Decision No884/2004/EC.

4.2. Polish road network

4.2.1. Deficiencies of the existing Polish road network

Poland suffers lack of a coherent network of motorways and express roads, which would allow travelers to move across the country from the east to the west and from the north to the south. At the beginning of 2008, there were 699km of motorways and 317km of express roads. The motorway routes connecting the western border with Cracow and Warsaw have not been completed yet. Building of motorway connecting the north with the southern border of the country has only begun and first sections have been opened.

Therefore, the majority of traffic goes through one-lane roads or the network of local roads crossing urban areas. This fact combined with the generally bad condition of these roads result in an extremely high mortality rate at the level of 11.2 casualties per 100 accidents. The average rate in the EU countries is at 2.7 per 100 accidents.

Moreover, it should be mentioned that the majority of Polish roads is adopted for the standard road load of 80kN/axis or 100kN/axis. However, one of the requirements of adopting Polish road networks to EU standards is achieving 115kN/axis. Only 2,191 km of existing roads meet this criterion. As a result, significant funds must be spent on adopting that load standard in the upcoming years.

4.2.2. Traffic forecasts

Changes in the structure of transport of goods in Poland have a significant impact on the level and growth of an average ADT. It needs to be highlighted that during the last ten years the share of vehicle transport in the transport of goods has tripled, with significantly slower development of road infrastructure. According to the assumptions of the GDDKiA and the Ministry of Infrastructure, vehicle transport of goods will increase on average by approximately 1.6 – 2.1% per annum until 2020 and the demand of Polish international trade for vehicle transport of goods should go up at least by approximately 150%. Periodic fluctuations of general tendency due to economic cycle may be observed during this period; however, transport activities will increase in long term mainly due to increasing role of road transport in providing delivery services for the industry and trade, and increasing international trade.

This trend will be accompanied by a further increase in number of cars. According to the GDDKiA, the increase is estimated at approximately 50% by 2020. Therefore, it is expected that there will be a strong pressure on the road network in Poland which is already heavily used and underinvested.

4.3. Planned investments in development of Polish road network

4.3.1. Introduction

The strategy regarding the development of the existing network of roads and motorways has been conducted by the Government of the Republic of Poland via the Ministry of Infrastructure. The basis for the strategy is the governmental Program for National Road Construction for 2008 – 2012 (hereinafter referred to as the Road Construction Program), which specifies strategic objectives of planned actions, including basic assumptions of the national transportation policy mostly regarding the support of economic development of Poland, improvement of the quality of life of the citizens through creating an efficient, safe and balanced transport system.

The aforementioned Road Construction Program specifies the projected expenditures on roads in particular years, sources of its financing as well as a list of investments related to the construction and modernization of national roads, their maintenance and management.

4.3.2. Planned directions and capital expenditures for the construction of roads until 2012

The program of development and modernization of the existing roads and motorways network conducted in Poland is compliant with the assumptions of development of trans-European transport network TEN-T, which covers 4,816km of roads in Poland. It refers to the main Polish roads with the heaviest traffic, mostly resulting from international transport between Western Europe and Russia, Ukraine and the Central Asia, as well as among the Scandinavian countries and the south of Europe. Therefore, the most important road investments for 2008-2012 concern the following routes:

- Corridor I: Budzisko – Warsaw;
- Corridor II: Świecko – Kukuryki;
- Corridor III: Olszyna/Zgorzelec – Korczowa;
- Corridor VI: Gdańsk – Cieszyn/Gorzyczki/Zwardoń.

The investment tasks specified in the Road Construction Program mainly focus on development of basic road network, including, inter alia, development of a motorways network totaling 1,779km (including construction of sections in the system of Public-Private Partnership) and construction of a network of express roads totaling 2,274km.

Figure 3 Planned basic road network in Poland after 2012 (main projects)



The Road Construction Program includes a list of priority projects which are to be completed by 2012. The list includes the following projects:

- A-1 motorway – construction of the entire section (Gdańsk-Toruń-Łódź-Częstochowa-Gliwice-Gorzyczki);
- A-2 motorway – completion of the construction of the section Świecko-Poznań-Łódź-Warsaw;
- A-4 motorway – completion of the construction (Polish border-Jędrzychowice-Legnica-Wrocław-Opole-Gliwice-Katowice-Kraków-Tarnów-Rzeszów-Korczowa-Polish border);
- S-3 express road – construction of the section Szczecin-Parnica-Gorzów Wielkopolski-Zielona Góra-Legnica-Lubawka;
- S-5 express road – construction of section Nowe Marzy-Gnieszno-Poznań and Poznań(A-2)-Wrocław(A-8);
- S-7 express road – completion of construction of the section Gdańsk-Elbląg-Olszynyk-Warsaw-Grójec-Białobrzegi-Jędrzejów-Cracow and the section Myślenice-Lubień-Rabka;
- S-8 express road – construction of the section Wrocław-Syców-Kępno-Sieradz-A-1(Łódź) and Piotrków Trybunalski-Warsaw-Zambrów-Białystok;
- S-17 express road – construction of the section Warsaw – Gawrolin-Kurów-Lublin-Piaski;
- S-19 express road – construction of the section Stobiernia-Lutoryż-Barwinek;
- S-61 express road – construction of the section Zambrów-Ełk-Suwałki excluding Augustów area which is ecologically sensitive;
- S-69 express road – completion of construction of the section Bielsko Biała-Żywiec-Zwardoń.

Source: 'Program of National Roads Construction for 2008-2012', GDDKiA

Among the priority projects specified in the Road Construction Program, the great majority relates to projects on establishing connections between the biggest cities in Poland generating the highest transport demand. As a result, despite a risk of delays in completing the plan, a basic network of express roads will be created until 2012. The assumptions consider the needs related to the fact that Poland and Ukraine have been appointed to organize the 2012 UEFA Football European Championship.

The Road Construction Program estimates capital expenditures of total amount over PLN 121.0bn (out of which PLN 30bn in 2009), out of which PLN 104.7bn will be allocated for development of the national roads network. The biggest amount will be spent on construction of express roads (PLN 49.9bn), motorways (PLN 18.2bn), and city ring roads (PLN 6.5bn).

The funds should be sufficient for construction of approximately 632km of motorways in 2008-2012 (additional approximately 473km of motorways will be constructed in the system of Public-Private Partnership), approximately 1,980km of express roads, and 54 ring roads with the total length of 428km.

By the end of 2009 GDDKiA has signed the contracts on construction of majority of motorway sections planned in the Program of National Road Construction with the deadline until 2012/2014.

4.3.3. Public-Private Partnership as a way of road investments execution

The Public-Private Partnership (PPP) is a form of long-term cooperation between the private and public sector in respect of projects that are aimed at creating public goods. , the delivery of which brings mutual benefits, both in the aspect of social as well as commercial aims. The purpose of PPP is achieving mutual benefits in social and commercial terms of a business venture.

The main advantage of PPP is the possibility of limitation (or even elimination) of the capital investment in the project by the public sector as well as its further maintenance. Such a solution is possible due to the fact that the capital investment is made by the private entity which benefits from operating the infrastructure during the contracted period.

Application of PPP as a way of financing the infrastructure investments is very attractive in situation of limited financial sources of public sector for execution of infrastructure projects, limited options of public sector indebtedness, which is very crucial nowadays (high level of public debt and the level of budget deficit double exceeding the convergence range)

It should be highlighted that in the circumstances of economic slowdown and difficult conditions on the world financial markets, PPP faces significant development barrier. The limitations include the assumption of the public sector that the private entity will take all risks connected with the project execution. Considering the fact the road investments require substantial capital expenditures financed mainly by funds obtained from commercial banks, such approach of the public sector makes almost impossible for private entities to obtain sufficient funds on the market to execute the projects. Due to this fact in the prior year AMSA (an associate) failed in negotiations with the public sector regarding building A2 motorway section Łódź-Warsaw. A 180 km A1 motorway section Stryków - Pyrzowice will also be built in a traditional system due to the fact a private sector consortium Autostrada Południe SA failed in obtaining funds necessary for this project and based on terms proposed by the public party.

4.3.4. Projects reflecting prospective revenue sources for STX Autostrady

In the period covered by the Road Construction Program by 2013, GDDKiA is going to execute projects financed both from public funds and through PPP (concession system, based on contracts for the construction and operation of toll motorways). It should be considered, however, that developing the road infrastructure, improvement of quality of its maintenance for the users' safety reasons, and necessity of obtaining sufficient financing depend on execution of other non-construction projects in the sector. Taking into account related technical and financial requirements (PPP), their execution will provide a prospective source of revenues for STX Autostrady.

The Company is interested in winning and execution of the following projects:

- building of motorways based on contracts for building and operation of toll motorways (concession system). Due to the economic slowdown and the necessity to limit the public expenditures, it is possible that some of the projects originally intended for execution in the traditional system will actually be executed on a PPP basis.

In 2008-2009 the Capital Group of STX Autostrady, in consortium with Atlantia, participated in a tender organized by GDDKiA for building and operation of the 91-kilometre section of A-2 motorway from Stryków to Konotopa. This motorway section will not only extend the current part of A-2 motorway from the eastern border to Łódź, but it will also connect the Polish capital with A-1 motorway stretching on the north to the south axis.

On 27 February 2009 due to difficult situation on the financial markets the negotiations did not reach the conclusion with any of bidders. GDDKiA decided to finance the project from public funds based on 'Design and Build' contracts with no regulations regarding further operation of the motorway section.

- adoption of the existing sections of traditionally built motorways to the toll motorways standards, including the delivery of security and traffic management systems, as well as the infrastructure for motorway maintenance. In this area it can be mentioned the A4/A18 section Wrocław-Olszyna;
- entering maintenance contracts for virtually all existing and planned sections of motorways built in the traditional system, with regard to daily road maintenance on behalf of the State Treasury. It may refer to both the emerging network of motorways (e.g. A-4 Cracow-Eastern border, A-1 Toruń-Łódź, and A-2 Warsaw-Eastern border) and the existing section of A-4 Sośnica-Wrocław or A4/A18 Wrocław – Western border section;
- setting up and operating the electronic toll collection system for +12-tonne heavy vehicles, which must be launched pursuant to the amendment dated on 7 October 2008 to the Resolution on the Public Roads dated 21 March 1985. The adopted amendment limits the current toll system with regard to +3.5-tonne heavy vehicles. The changes are to be in force as of 2011. By that time, a national system of automatic toll collection must be launched with regard to the above mentioned vehicles, which is to be operative throughout the 7,500-kilometre network of express roads and motorways. On 29 December 2009 GDDKiA

announced a tender for implementation and maintenance over 8 years that type of system, including delivery and operation of manual toll collection systems for over 600 km of motorways under construction. The deadline for submission of applications to participate in the above mentioned tender is on 5 March 2010. AMSA, a subsidiary, is going to submit the application for participation in that tender on behalf of the Capital Group.

The Company also considers the option of equity investment in one of the existing concession projects in Poland, if another participant of the projects is ready to quit the project or one of consortiums would look for additional capital support. In addition, feasibility studies are performed regarding the Company's possibility of entering motorway projects in neighboring countries

5. Other information on STX Autostrady

5.1. Information on contracts significant for the Capital Group's operating activity, including contracts with its shareholders, insurance, cooperation contracts the Company is aware of

The agreement among SAM, Pavimental S.p.A., and Pavimental Polska was signed on 16 December 2009. The agreement related to F2b-1-2009 'Renovation of 22 bridges' contract. The contract price is PLN 103,194,265.00 and penalty limit for delays is 15% of the contract price. The transaction is discussed in details in point 5.3 of this Report.

There were no other significant contracts during the reporting period.

5.2. Information on changes in organizational or capital relations of the Capital Group with other entities

On 29 December 2009 the Company acquired from SAD 60 thousand of AMSA shares of total nominal value of PLN 6,000k for total price of PLN 198.6k. The acquired shares represent 30% of AMSA share capital and 30% of voting rights on the shareholders meeting. STX Autostrady did not held shares of this Company before that transaction.

5.3. Transactions with related parties and information on material transactions concluded by the Company or its subsidiary on terms other than market with related parties

- (i) Transactions with related parties of individual or total transaction value exceeding EURO 500,000 in the reporting period

W przypadku Spółki w ciągu roku obrotowego miała miejsce jedna transakcja o jednorazowej lub łącznej wartości przekraczającej wartość 500.000 EURO: w IV kwartale 2009 roku STX Autoroute wypłacił na rzecz STX Autostrady zaliczkową dywidendę za 2009 rok w łącznej wysokości 4.182 tys. PLN, co stanowiło równowartość około 1.018 tys. EURO.

- (ii) Information on transactions concluded by the Company or its subsidiary on terms other than market with related parties

All transactions concluded by STX Autostrady or its subsidiaries with related parties were on the market terms. The Management Board of STX Autostrady would like to turn your attention on three material contracts concluded by its subsidiaries with related parties.

The first one is **the Maintenance and Operation Contract**, concluded originally in 1998 between STX Autostrady and STA. Following the change of concessionaire on the Katowice-Kraków section of A-4 motorway, SAM and STA have become parties of the above mentioned Contract since 21 March 2006. The Maintenance and Operation Contract was concluded for the validity period of the Concession Agreement (until 2027) for the works relating to the A-4 concession project, including the toll collection, maintenance and operation of the motorway (including winter season maintenance). In compliance with project finance principles, the maintenance and operation services directly related to the investment project are usually subcontracted to a specially established project company (commonly referred to as 'the operator') for the project period, in order to limit the operator's risks solely to the particular investment project. As a result, the operator's activity is focused only on a given project, and the operator becomes a part of the financial security system for the bank loans. The contractual level of operator's remuneration agreed for the contract period eliminates in a long time risk of changes in market prices of maintenance and operation services, and ensures a continuity of services and operation during the long period of investment project execution. The value of transactions concluded between SAM and STA pursuant to this Contract amounted to PLN 29,536k in 2009.

Due to the specific nature and scope of the above mentioned contract, as well as the limited market for such services, it is difficult to refer the Contract's provisions to the market terms. According to the Company's Management Board opinion, the referred Contract was concluded on market terms, and its provisions do not differ from the terms which would be agreed with the non related party.

The second one is the **Contract** no F2a-8-2007 concluded between SAM and Pavimental S.p.A. (part of the Atlantia capital group - Atlantia owns 100% of ASPI shares, and ASPI owns 71.6% of Pavimental shares), **for the repairs of A-4 motorway bridges and approximately 28 km of the motorway surface**. The contractor of this project was selected in a two-stage tender based on terms and conditions agreed upon with GDDKiA (in accordance with the provisions of the Concession Contract, the Concessionaire shall choose each contractor in a tender, and GDDKiA reserves the right to verify the criteria and tenders' terms before it is announced).

The tender notice was published in the Supplement to the Official Journal of the EU, Tender Electronic Daily publication no. 2007/S160-199586-PL on 22 August 2007. In response to the notice the following entities placed their offers: (i) Budimex Dromex S.A.; (ii) Konsorcjum Mota-Engil Engenharia e Construcao S.A. and Mota-Engil Polska S.A.; and (iii) Pavimental S.p.A. In the course of the tender procedure and based on quality and price criteria, the offer submitted by Pavimental S.p.A. was found the most attractive and Pavimental S.p.A. was appointed the Contractor. The total net value of contracted works amounted to PLN 142,187.8k. The order to start the works was given on 25 March 2008 and the repairs works of total value of 33,041.0k were completed by Pavimental S.p.A. until 31 December 2008. The major works based on F2a-8-2007 contract on the motorway were completed in October 2009 and the net value of the invoiced works amounted to PLN 106,638.6k in 2009. Taking into consideration the applied procedure for the selection of the executor of F2a-8-2007 Contract, in the Company's Management opinion the contract was concluded on market terms.

The third one is the **Contract** no. F2b-1-2009 concluded between SAM and Pavimental S.p.A. & Pavimental Polska consortium (the entities are part of the Atlantia capital group - Atlantia owns 100% of ASPI shares, and ASPI is 71.6% shareholder of Pavimental S.p.A.) **on general repairs of 22 bridges on A4 motorway**. The contractor of this project was selected in a two-stage tender based on terms and conditions agreed upon with GDDKiA (in accordance with the provisions of the Concession Contract, the Concessionaire shall choose each contractor in a tender, and GDDKiA reserves the right to verify the criteria and tenders' terms before it is announced).

The tender notice was published in the Supplement to the Official Journal of the EU, Tender Electronic Daily publication no. 2009/S123-179334-PL on 1 July 2009. In response to the notice the following entities applied for the pre-qualification stage: (i) Budimex Dromex S.A.; (ii) WARBUD S.A., (iii) a consortium Pavimental S.p.A. and Pavimental Polska, and (iv) Sinohydro Corporation Ltd. From China. The first three entities passed the pre-qualification stage and finally the offers were placed by: (i) Budimex Dromex S.A.; (ii) WARBUD S.A., and (iii) a consortium Pavimental S.p.A. and Pavimental Polska. In the course of the tender procedure and based on quality and price criteria, the offer submitted by the consortium Pavimental S.p.A. and Pavimental Polska was found the most attractive and this consortium was appointed the Contractor. The total net value of contracted works amounted to PLN 103,194,265.00. The order to start the works was issued on 22 December 2009 and it is expected that the Contract will be completed in 2012. Taking into consideration the applied procedure for the selection of the contractor, in the Company's Management opinion the contract was concluded on market terms.

5.4. Information on loans and credits taken or terminated during the current financial year

On 26 October the Company and Fortis Bank Polska SA signed a ten-year overdraft contract with maximum overdraft of PLN 2,400k. Based on the overdraft contract, STX Autostrady, SAD, and AMSA can also apply for bank guarantees.

As at the end of 2009 the Company had liabilities due to loan granted by SAD of PLN 6,315k, including loan interests of PLN 115k. According to Annex no 13 to the Loan Agreement, the repayment deadline is on 31 March 2010, and the interest rate is based on market WIBOR 1M plus 0.25 p.p. margin.

Except for the above mentioned loan from SAD, major financial liabilities reflected in the statement of financial position of STX Autostrady as at 31 December 2009 are liabilities due to the State Treasury regarding guarantees of bank loans granted to Huta Ostrowiec S.A. of PLN 59,549k. The repayments of those liabilities have been started since August 2008 in equal principal installments and after settlement of all liabilities resulting from the arrangement with creditors. The contractual deadline for repayment of all liabilities falls on July 2014. In 2009, 12 principal installments of total value of PLN 12,992k were repaid.

5.5. Information on loans granted in the financial year, in particular loans granted to the related parties

In 2009, the Company did not grant any loans.

5.6. Information on guarantees granted and received in the financial year, in particular guarantees granted to the related parties

There were no guarantees granted or received by the Company in 2009.

As at the end of 2009, the Company had a contingent liability resulting from a guarantee of performance given to STA of PLN 14,552k.

5.7. Information on issuance of securities including description of usage of inflows from the issuance by the Company

There was no issuance of securities by the Company in 2009.

5.8. Explanation of differences between the financial results presented in the annual report and previously published financial results forecasts for the financial year

The 2009 financial result forecasts were not published by the Company.

5.9. Evaluation of financial resources management, including in particular the Company's ability to pay off its liabilities and determination of potential threats and actions undertaken by STX Autostrady or actions it intends to undertake against those threats

Currently there are no threats relating to liquidity. Cash held by STX Autostrady from the increase in the share capital and sale of steel part of the Company's business is sufficient to pay off the liabilities and can be used to finance future motorway projects. In the meantime, cash is deposited in banks and invested in the funds.

5.10. Evaluation of the capability to finance the investments

In 2009, PLN 12,907k were spent on capital expenditures regarding tangible and intangible assets. The list of capital expenditures is presented in the table below:

Table 8 List of capital expenditures incurred by the Company in 2009

Purpose of capital expenditures		Value [k PLN]
1	Increase in share capital of SAD, a subsidiary	12.027
2	Financial and accounting system	279
3	Acquisition of AMSA shares from SAD	199
4	Office equipment	161
5	Company cars	122
6	Office building modernization	118
Total		12.907

Source: internal analysis

The capital expenditures incurred by the Company were based on the Plan of Capital Expenditures for 2009 approved by the Supervisory Board on 12 March 2009 and amended in December 2009 by the equity investment regarding acquisition of 60,000 of AMSA shares from SAD. The capital expenditures were financed from the Company's cash.

The 2010 budgeted capital expenditures result from motorway operations, and mainly refer to repairs or result from safety reasons. The capital expenditures will be financed by STX Autostrady own cash.

5.11. Evaluation of factors and unusual events influencing the financial result in the reporting period including determination of impact level of these factors or unusual events on the achieved financial result

The unusual events which influenced the performance of STX Autostrady included mainly:

- collection of debts and reversal of bad debts allowances relating to historical trade receivables, out of which major positions referred to Huta Ostrowiec S.A. in liquidation (PLN 6,020k) and Stalexport Wielkopolska Sp. z o.o. (PLN 508k), and Centrozłom S.A. (PLN 450k);
- recognition of VAT receivables of PLN 3,100k.

Detailed information regarding impact of above mentioned transactions on the financial result of STX Autostrady are presented in the Company's financial analysis section (section 3).

5.12. Characteristic of external and internal factors significant for the Company's development and perspectives for activities' development

Detailed information on that respect was presented in:

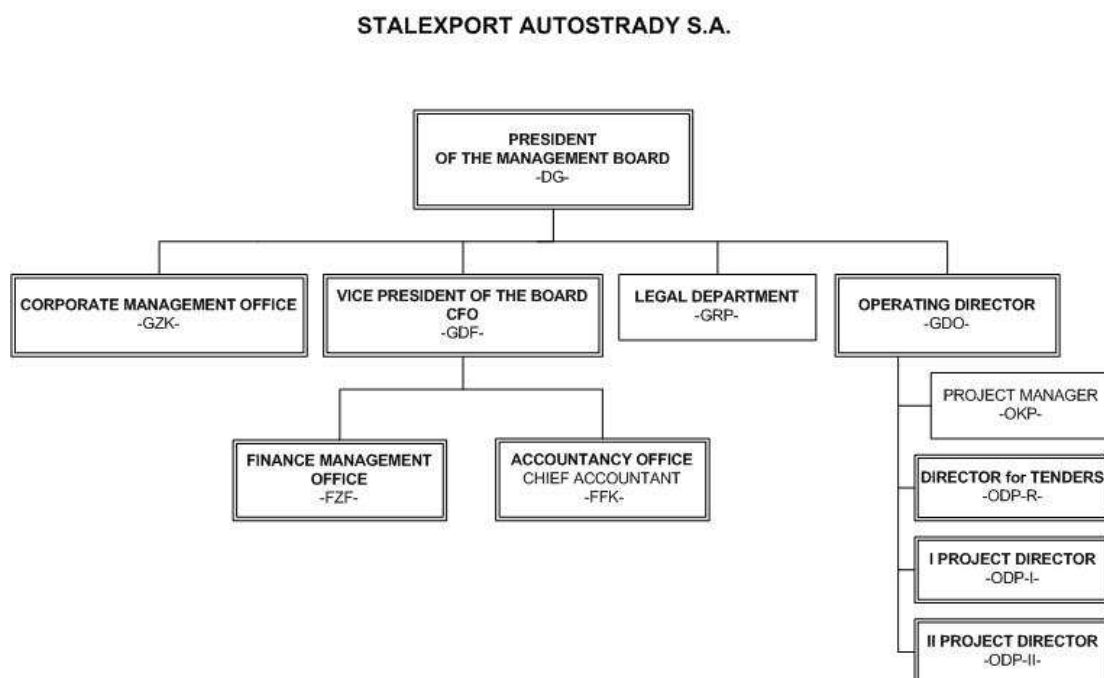
- section 3 (financial analysis of STX Autostrady);
- section 4 (analysis of core business of the Company);
- section 6 (perspectives for development and identification of major risks and threats, characteristic of external and internal factors important for development of STX Autostrady).

5.13. Changes in basic principles of the Company's management

During 2009 the organizational structure of the Company has been changed mainly due to appointment of a third member of the Management Board, a Vice-President and Operations Director, Mr. Wojciech Gębicki on 14 May 2009 and due to employment by STX Autostrady the employees previously employed in SAD, a subsidiary. As a result of change in the organizational structure, the Company's employment increased from 24 employees (21 ½ FTEs) as at the end of 2008 to 27 employees (25 ½ FTEs) as at 31 December 2009.

As a result of those changes, the Company's organizational structure as at 31 December 2009 looks like on the below chart.

Figure 4 Organizational chart of STX Autostrady as at 31 December 2009



Source: internal materials

The organizational structure of STX Autostrady may change following development of motorway operations.

Apart from activities in the economic area, the Management Board of STX Autostrady reached out the general tendency of application of transparent rules of running the business. As a result, the Code of Ethics of STX Autostrady was approved in December 2009 (applicable since 1 January 2010), which reflects ethical values STX Autostrady respects and intends to apply. For the Company's employees it is a model behavior in relation to employees, superiors, clients, partners, and local communities, both in business and non-business relations. The purpose of the Code of Ethics is unique interpretation of key values respected by the Company. The Code was published on the Company's website (www.stalexport-autostrady.pl).

The Code of Ethics determines principles which are followed by the Company and the Capital Group of Stalexport Autostrady in the following areas:

- fraud prevention,
- corruption and conflict of interests,
- competition right,
- gifts given and received,
- human rights,
- prohibition of discrimination and equality of rights,
- sexual harassment and mobbing.

An Ethic Officer was appointed within the Company's structure to whom the employees can communicate any doubts in respect of violations of rules, understanding and interpretation of rules. The Ethic Officer will be in close cooperation with ethic officer in Atlantia Group.

In the Management opinion, compliance with rules determined in the Code of Ethics will increase reputation of Stalexport Autostrady, and limit number of situations of potential conflict of interests or other unacceptable practices.

5.14. Information on contracts between the Company and management, giving right for compensation in situation of their resignation or dismissal from the post without any important reason or as a result of the Company's merger or acquisition

In 2009 there were no contracts between the Company and its management, giving them right for compensation in situation of their resignation or dismissal from the post without any important reason or as a result of the Company's merger or acquisition. The job contracts with the Management give them right to 6-month severance payment in situation of their dismissal before termination of the term. In addition, the job contract with the Vice-President of the Management Board, Wojciech Gębicki, includes a ban on occupying competitive positions for 6-month period since termination of employment in return for compensation being equivalent of 12 monthly salaries calculated based on the last month.

5.15. Remuneration of the Management and the Supervisory Board of STX Autostrady

According to the Statute of STX Autostrady, the Supervisory Board determines remuneration of the Management. The total remuneration based on the employment contracts of the Company's management, including members of the Management Board and proxies amounted to PLN 3,890k in 2009. In addition, the total remuneration of the Company's management for membership in the supervisory boards of related companies amounted to PLN 217k in 2009.

Detailed information regarding remuneration of persons managing the Company is presented in the table below.

Table 9 Remuneration paid in 2009 to the persons managing the Company [in kPLN]

No.	Name and surname	Position held in the Company	Remuneration based on the employment contract	Bonuses and awards	Remuneration for membership in supervisory boards of subsidiaries	TOTAL
1.	Emil Wąsacz	President of the Management Board General Director	866	920	83	1,869
2.	Mieczysław Skołyżyński	President of the Management Board Financial Director	743	704	127	1,574
3.	Wojciech Gębicki	Vice-President of the Management Board Operating Director	404	X	7	411
4.	Małgorzata Michalunio-Kępyś	Proxy Chief Accountant	165	88	X	253
x	Total		2,178	1,712	217	4,107

Source: internal analysis

The bonuses and awards paid in 2009 presented in the above table include PLN 457k of 2008 bonuses which were covered by the provision in 2008. The provision for performance bonuses for the Management of PLN 675k was recognized in 2009. The decision on approval and amount of bonuses will be taken by the Supervisory Board after approval of the 2009 financial statements and therefore it is not presented in the above table.

According to the STX Autostrady's Statute the remuneration of the Supervisory Board is determined by WZ. Some members of the Supervisory Board decided not to receive remuneration.

In 2009 the total remuneration paid to the Company's Supervisory Board amounted to PLN 88k. Detailed information on remuneration paid to members of STX Autostrady Supervisory Board is presented in the table below.

Table 10 Remuneration paid in 2009 to members of the Company's Supervisory Board [in PLN]

No.	Name and surname	Position in the Supervisory Board of STX Autostrady	Remuneration
1.	Giuseppe Palma	President (resigned at 2 July 2009)	no remuneration
2.	Roberto Mengucci	President (since 24 July 2009)	no remuneration
3.	Aleksander Galos	Vice-President	32
4.	Michelangelo Damasco	Secretary	no remuneration
5.	Dario V. Cipriani	Member	28
6..	Christopher Mylnyk	Member (resigned at 24 July 2009)	no remuneration
7.	Tadeusz Włudyka	Member	28
8.	Costantino Ivoi	Member	no remuneration
9.	Massimo Lapucci	Member (since 24 July 2009).	no remuneration
x	Total		88

Source: internal analysis

5.16. The Company's shares and the related parties' shares held by persons managing and supervising STX Autostrady

Number and nominal value of STX Autostrady shares held by the persons managing and supervising the Company is provided based on declarations of those persons. The balance as at 31 December 2009 (and as at the date of this Report) is presented in the table below.

Table 11 Number and nominal value of STX Autostrady's shares held by persons managing and supervising the Company

No.	Name and surname	Number of shares [items]	Nominal value [in PLN]
1.	Emil Wąsacz	59.000	118.000
2.	Wojciech Gębicki	19.000	38.000
3.	Dario V.Cipriani	10	20

Source: internal analysis based on declarations made by the persons managing and supervising the Company

Persons managing and supervising STX Autostrady do not held any shares in related parties.

5.17. Information on the agreements known to the Company (also including those concluded after the balance sheet date), which in the future may result in changes in relations of the shares held by the existing shareholders and bondholders

The Company is not aware of information on other agreements which may result in changes in relations of the shares held by the existing shareholders and bondholders.

5.18. Information on the control system regarding employee share schemes

There are no employee share schemes in STX Autostrady.

5.19. Date of concluding the contract with the entity entitled to audit the stand alone and consolidated financial statements; the contract period and the total audit remuneration in the given financial year

In accordance with competences determined in the Company's Statute, the Supervisory Board appointed KPMG Audyty Sp. z o.o. to audit the Company's stand alone financial statements for 2009 and the consolidated financial statements of STX Autostrady Capital Group for 2009. KPMG Audyty Sp. z o.o. is entered in the register of entities authorized to audit financial statements under number 458.

KPMG audited the Company's stand alone financial statements and consolidated financial statements STX Autostrady Capital Group for 1994-2001 and 2007-2008.

The audit contract was signed between the Company and KPMG Audyty Sp. z o.o. on 25 June 2009. The contract covered audits and reviews of the financial statements for 2009 -2011.

The total remuneration of KPMG related to the following works:

- Half-year review of stand alone and consolidated financial statements of STX Autostrady for the 6-month period ended 30 June 2009;
- Audit of the annual stand alone and consolidated financial statements of the Company for 2009;

Amounted to net PLN 195k plus 10% limit of out of pocket expenses.

The remuneration of KPMG Audyty Sp. z o.o. for the same scope of work in 2008 amounted to net PLN 206k.

5.20. Information on litigations in court, proper authority for the arbitration proceedings or the authority of the public administration

The Company is not a party of any legal proceedings in common, arbitration court of law, and also the bodies of the public administration in matters, in which the individual value of the subject of the dispute exceeds the amount constituting at least 10% of the Company's equity. It concerns both individual litigations and all litigations conducted by the Company or against the Company.

6. Perspectives for development and major risks and threats, external and internal factors crucial for development of STX Autostrady

6.1. Perspectives for development

Nowadays the Company focuses on winning and executing the infrastructure projects connected with building, managing and operating the toll motorways. STX Autostrady participates in many tenders regarding new motorway projects. The possibility of equity investments in the existing motorway projects in Poland and participation international projects, particularly in the neighboring countries, are also considered.

The plan of development of infrastructure in Poland, described in details in the preceding part of this Report, is a big potential market for the Company and also for STX Autostrady Capital Group entities. Realization of challenging plans of the Republic of Poland's Government in respect of development of existing infrastructure is supported by organization of European Football Championship in 2012. However, it should be emphasized, that the road infrastructure area is a sector heavily dependent on the state regulator.

Perspectives for development of STX Autostrady have been discussed in details in the section on analysis of core business of the Company and also in point discussing projects which are considered as a potential source of its income (point 4.3.4).

6.2. Main risks and threats, external and internal factors crucial for the development of STX Autostrady and methods to oppose those risks

▪ Main types of risks and threats related to the Company's activities

There are two main types of risks typical for the motorway business: the economic and political risks.

Nowadays, the main factor of **the economic risk** is the economic slowdown and the general decline in consumption, accompanied by the worsening of investment climate in the bank sector, including the higher risk of financing long-term infrastructure investments. The Company is able to minimize such risk through cooperation with the financial institutions, which have deep knowledge about nature of the infrastructure projects as well as many years of experience in the cooperation at financing such projects executed by the strategic investor, ASPI. The prices of the construction services and consolidation on the construction market in Poland are the additional risk factors. The Company has been trying to counteract this situation by the cooperation with other entities within the capital group of ASPI, which specialize in the road construction.

The main factors of **the political risk** are the volatility and institutional and legal inefficiency of the environment regulating the infrastructure sector in Poland. The risks include postponing or cancelling the tender proceedings, long negotiation with the government party resulting often from the changes in the State policy towards the sector and the reorganization of the institutions responsible for the sector control. The Company has been doing its best to counteract the above risks by promoting good practices and legal and institutional solutions applied in other countries as well as by active participation in social consultations in respect the new legislative solution for the sector.

Information on financial instruments, related risks and aims and methods of managing these risks adopted by the Company have been discussed in note 29 of the Company's stand alone financial statements.

▪ External and internal factors crucial for the development of the Company and the Capital Group

(i) Proposal of changes to the Concession Contract made by General Directorate of National Roads and Motorways (GDDKiA) and the Ministry of Infrastructure

On 13 January 2010 the management of SAM, a subsidiary, received the proposal from GDDKiA of implementation of changes to ruling Concession Contract. The management of SAM is going to analyze the impact of the proposed changes on its economic and legal situation. It should be highlighted that implementation of any changes to the Concession Contract requires acceptance from the SAM's management, its Supervisory Board, and banks financing that project.

The management of SAM is not going to implement changes to the Concession Contract which could adversely affect on the current or future economic and legal situation of SAM and the Capital Group of STX Autostrady.

(ii) Other factors

- On 24 December 2008 the resolution dated 7 November 2008 in respect of changes to the Act on National Roads and some other resolutions (Official Journal no. 218 from 2008 position 1391) was put in force. Following those changes, the users of vehicles with maximum load capacity between 3.5T and 12T are not obliged to buy vignette for driving the national roads, including motorways. Those users drive the motorway after paying the toll rate and SAM is no longer entitled for a refund from the National Road Fund for a drive of a vehicle based on a vignette. The Capital Group monitors the impact of the above mentioned Act on its economic situation.
- The Capital Group is going to monitor the progress of investment works performed by Jaworzno city on the national road no 79 in respect of potential impact of these works on the traffic on the A4 toll motorway (section Katowice-Kraków).
- Moreover, the Capital Group is going to observe legislation works relating to parliamentary draft resolution towards changes of the Toll Motorway Act and National Road Fund Act. The proposed changes include, inter alia, cancellation of toll rates for driving the motorway during the period of their repairs. At the meeting of the Infrastructure Subcommittee on 18 February 2010 the parliamentary project to amend the aforementioned Act was rejected.

According to the Concession Contract, the Capital Group is entitled to apply for full compensation to the Ministry of Infrastructure acting on behalf of the State Treasury. The compensation is calculated based on the level of adverse effects of the above mentioned other factors on the economic situation of SAM and the whole Capital Group.

7. Statement of the Management Board of STX Autostrady on best practices implemented by the Company

7.1. Introduction

The Good Practices of Companies listed on WSE, introduced under the resolution no 12/1170/2007 of the WSE Council dated 4 July 2007 on resolving "the Good Practices of Companies listed on WSE (DPSN)" became effective on 1 January 2008.

Referring to the above and performing the duty resulting from §29 section 5 of the WSE by-laws and the resolution no 1013/2007 of the WSE Management Board dated 11 November 2007 on the range and the structure of the report on implementing the best practices by the stock exchange companies – the Management Board of STX Autostrady publishes this statement on implementing by Company, the rules of best practices from the set "The Good Practices of Companies listed on WSE" in the period from 01 January 2009 to the date of publishing the annual report for 2009.

7.2. The set of rules of best practices, the Company is subject to, and its public availability

The Management Board of STX Autostrady declares that the set of rules of best practices, which the Company is subject to, is publicly available on the following websites:

- Warsaw Stock Exchange (www.gpw.gov.pl),
- Polish Association of Stock Exchange Issuers (www.seg.org.pl).

7.3. Information on the scope in which the Company renounces from the provisions of the set of rules of best practices mentioned above, indicating these provisions and explanation of the reasons for this renouncement

In accordance with the resolution no 1014/2007 the Board of Stock Exchange dated 11 December 2007 on partial excluding the duty to publish the report regarding the rules of corporate governance binding on main market of WSE - the Management Board of STX Autostrady referring to the rules included in the Good Practices of Companies listed on WSE (DPSN) declares that in 2009 the Company did not broadcast the General Meetings over the Internet, however it recorded the General Meetings and published the recordings on the website.

7.4. Description of the basic attributes of the systems of internal control and the risk management in regard to drawing up the unconsolidated and consolidated financial reports, applied in the Company

The Management Board of STX Autostrady is responsible for system of internal control and its effectiveness while drawing up the financial reports. The system of internal control and risk management in relation to drawing up the financial reports is being executed in the Company by the procedures of drawing up and approving the financial reports binding in the Company. Due to it, it is possible to monitor the liabilities' level, the level of costs and achieved results. The financial data which are the basis for the financial reports and the periodic ones come from the accounting-financial system IMPULS (the register of the documents consistent with Company's accounting policy based on the International Accounting Standards).

The financial reports are drawn up by the financial –accounting staff under the control of the Chief Accountant of the Company and next verified by the Vice-President of the Management Board,-Financial Director in cooperation with the Finance Management Director, and its final contents are approved by the Management Board in its resolution.

The financial reports approved by the Management Board are verified by the independent auditor – chartered accountant, chosen by the Supervisory Board of the Company. Next according to § 18 section 2 point 1) of the Company's Statutes, the Supervisory Board – following the recommendation of its Audit Committee, each year evaluates the audited financial reports of the Company and the Capital Group in the scope of their conforma-

bility with books and documents as well as with the actual condition, and it informs the shareholders about the results of this evaluation in its annual Report.

The Company has been systematically monitoring the external provisions and regulations relating to the requirements of the stock exchange reporting and it takes steps to implement them properly.

7.5. Shareholders holding directly or indirectly significant block of shares along with showing the number of shares held by these entities, their percent share in equity, number of votes resulting from them and their share in % in total number of votes at the general meeting of the Company

On the basis of a list of shareholders registered at the EGM on 30 July 2009 and the information received from Bank Ochrony Środowiska S.A. in Warsaw on 14 December 2009 (current report no 25/2009), according to the best knowledge of the Management Board as at 31 December 2009 and as on the day of publishing of this Report, the shareholders with at least 5% in the total number of votes were ASPI 56,24 % of STX Autostrady's shares, i.e. 139,059,182 shares, and Bank Ochrony Środowiska S.A. in Warsaw holding 5,18 % of STX Autostrady's shares, i.e. 12,810,333 shares. Detailed information regarding the number of Company's shares held by these entities is included in the table below.

Table 12 List of shareholders of STX Autostrady holding significant block of shares of the Company

Name of the entity	Number of ordinary bearer shares	Share in equity [%]	Number of votes at GMS	Share in the total number of votes at the GM
ASPI	139,059,182	56,24 %	139,059,182	56,24 %
Bank Ochrony Środowiska S.A.	12,810,333	5,18 %	12,810,333	5,18 %
Other shareholders	95.392.508	38,58 %	95.392.508	38,58 %
Total	247,262,023	100,00%	247,262,023	100,00%

Source: own study

7.6. The holders of any shares giving the special control rights along with their description

No shares of STX Autostrady provide shareholders with the special control rights towards the Company.

7.7. Information on all limitations regarding exercising the voting right, such as limitation of exercising voting right by the holders of a specified part or number of votes, time limitations regarding exercising the voting rights or provisions, according to which, with the cooperation of the company, the capital rights related to the securities are separated from the ownership of the securities

The shares of STX Autostrady are not subject to any limitations as far as the exercising the right to vote related to the shares is concerned

7.8. Information on all limitations regarding transferring the ownership rights to the Company's securities

The shares of STX Autostrady are not subject to any limitations as far as the transferring of the ownership rights is concerned.

7.9. Description of the rules of appointing and recalling of the managing persons and their rights, in particular the right to decide on the issuance or buy out of shares

Pursuant to §10 of the Statutes of STX Autostrady, the Management Board of the Company is composed of 1 to 3 persons. The President of the Management Board is appointed by the Supervisory Board, whilst other members of the Management Board are appointed by the Supervisory Board at the motion of the President of the Management Board.

The rights of the Management Board are defined in the Statutes of the Company and the Regulations of the Management Board as well as in the Code of commercial companies and other generally applicable law. The Statutes of the Company and the Regulations of the Management Board are the enclosures to this annual report (*enclosures no 1 and 2*) and moreover they are available on the corporate website of the Company.

7.10. Description of the rules of amending the statutes or the articles of association of the Company

The amendment to the Statutes of the Company is based on rules described in the provisions of the Code of commercial companies; the Statutes do not comprise other different provisions in this respect. Except for § 5 section 2 which refers to the essential amendment to the subject of the Company's activity without necessity to buy out the shareholders which do not agree on the amendment.

7.11. The modus operandi of the general meeting and its essential rights and the description of the rights of the shareholders and the way of their exercising, in particular the principles resulting from the regulations of the general meeting, if such regulations were approved, providing the information in this respect, do not result directly from the law

The general meetings of shareholders of the Company are held under the rules of the Code of commercial companies, of the Statutes and the Regulations of the GM and do not differ from the principles which are applied by other companies listed on WSE. In particular, except for the shareholders, the members of the Management Board and the Supervisory Board of the Company, also the guests as well as the experts invited by the body convening the general meeting can attend the meeting. The representative of the auditor of the Company participates in the meeting and gives explanations during the general meetings which agenda comprises the financial matters of the Company.

The general meetings are held in the seat of the Company, in Katowice, and the detailed rules of its debate are defined in the Regulations of the General Meeting of STX Autostrady resolved on 27 November 2002. The currently binding text of the Regulations of GM takes into account three amendments made in years 2004, 2005 and 2006, and it the *enclosure no 3* to the Report.

The Regulations determine in particular the rules of electing the Chairman of the General Meeting, the tasks of the Chairman of the General Meeting and his duties, the rules of electing the Scrutinizing Committee and its duties. In the Company the Scrutinizing Committee is not appointed according to the decision of the General Meeting, because the voting is carried out via a computer system of casting and counting the votes, and the printed results of voting are signed by the Chairman of the General Meeting.

The votings at the general meetings are open and a secret voting is ordained at elections and over motions to call off the members of the Company's authorities or the liquidators, to call them to account, also in personal matters, as well as at the demand of at least one of the shareholders present or represented at the General Meeting.

As the amendment to the Code of commercial companies of 05.12.008 (Journal of Laws dated 2009 no 2, item.28) became valid as from 03 August 2009, comprising especially the new rules concerning organisation of the general meetings of the public joint stock company – the Company at its next General Meeting will propose the introduction of the appropriate amendments to the Regulations of the General Meeting.

The rights of the shareholders and the mode of their exercising

In connection with the amendment to the Code of commercial companies the EGM is convened by the Management Board at its own initiative, upon the motion of the Supervisory Board; or upon a motion of a shareholder or shareholders representing at least one twentieth of the share capital of the Company. A motion to convene the meeting should determine the cases submitted up to the debate or to comprise a draft resolution concerning the proposed agenda. Simultaneously the EGM can be convened by the shareholders representing at least half of the share capital or at least half of the votes in the Company.

In addition a shareholder or shareholders representing at least one twentieth of the share capital of the Company may demand certain issues to be included in the agenda of a nearest General Meeting on principles determined by generally applicable law.

The general meeting is convened in accordance with the provisions of the applicable law. It means that the convening of GM will be announced in the current report and it will be published on the website of Stalexport Autostrady S.A. (www.stalexport-autostrady.pl) not later than 26 days before the general meeting (the public company is no more obliged to publish the announcement of the GM convening in Court and Economic Gazette (Monitor Sądowy i Gospodarczy)).

The right to participate in the General Meeting is enjoyed only by people who are shareholders of the Company on the day of registration of participation at the General Meeting, i.e. sixteen days prior to the date of the General Meeting, so called record date (the obligation to block shares for the time of the general meeting's debate was cancelled). The shareholder is allowed to participate in the general meeting when it is put on the list sent to the Company by the National Depository for Securities not later than one week before the general meeting.

The National Depository for Securities (KDPW) draws up the list, mentioned above on the basis of lists sent to it not later than 12 days prior to the date of GM by the entitled entities, according to the provisions of trading in financial instruments. Certificates on the right to participate in the General Meeting shall constitute basis for preparing lists that are handed over to the entity maintaining the deposit of securities (KDPW), in accordance with the regulations on trading financial instruments.

The Regulations of the General Meeting of STX Autostrady, mentioned above, determines in detail the scope of rights of the shareholders in connection with their participation in the GM. As a result of oppositions in relation to the resolutions of the GM the shareholders are entitled to appeal against them to Court in accordance with the provisions of the Code of commercial companies.

A shareholder may participate in the General Meeting in person or by the representative acting on the basis of the written proxy. The shareholder has the active and the passive voting right while electing the Chairman of the General Meeting, the Scrutinizing Committee and while electing the Supervisory Board of the Company.

The shareholder participating in the General Meeting can speak in the issues covered by the agenda and being considered with reservation that while considering separate items of the agenda the shareholder has right to one 5-minutes speech and three minutes retort, and the Chairman of the General Meeting grants the right to speak according to the order of submitted applications by the individual shareholders. Moreover the shareholder has the right to ask questions in every issue covered by agenda and to obtain the profound answers and explanations from the authorities of the Company.

The shareholder participating in the General Meeting has the right to submit suggestions of changes and supplements to the draft resolutions covered by the agenda of the General Meeting, till the discussion over a point of agenda covering the draft resolution is closed. The suggestions of the amendments and supplements with short justification should be submitted in writing, indicating the name and surname (firm) of the shareholder, to the Chairman of the General Meeting, and the amendments and supplements of the formal character may be submitted verbally.

In matters of formal character as for example an ordaining a break in the debates of the General Meeting - the shareholder is entitled to speak and submit the appropriate motion anytime but after granting him the right to speak by the Chairman.

In case of electing the members of the Supervisory Board of the Company, each shareholder has right to propose any number of candidates for the members of the Supervisory Board, and a candidature or the candidatures are proposed verbally to the minutes with a short justification.

According to the §24 of the Company's Statutes the resolutions of the General Meeting are required in particular in case of:

1. the approval after considering the Management Board's report on the Company's activity and the financial statement for the previous turnover year,
2. the profit distribution or loss coverage;
3. extending a vote of acceptance to the members of the Management Board and the members of the Supervisory Board;
4. disposal and lease of the enterprise or its organized part and setting up a limited property right upon them;
5. the issue of convertible bonds or bonds with the priority right;
6. consideration and approval of the financial statement of the Capital Group of STX Autostrady;
7. the amendment to the Company's Statutes, including the subject of the Company's activity, increase or decrease in the stock capital and also the amortization of shares;
8. an essential change of the subject of the Company's activity;
9. dissolution and liquidation of the Company;
10. merging, dividing and transforming the Company;
11. appointing members of the Supervisory Board after previous determining the number of its members for a given term and recalling them;
12. determining the remuneration rules for the appointed members of the Supervisory Board.

7.12. The composition and its changes which took place during the last turnover year as well as the description of the activity of the bodies managing, supervising or administering the Company and their committees

(i) Management Board

Pursuant to §10 of the Statutes of STX Autostrady, the Management Board of the Company is composed of 1 to 3 persons. The President of the Management Board is appointed by the Supervisory Board, whilst other members of the Management Board are appointed by the Supervisory Board upon the motion of the President of the Management Board.

Joint term of the Management Board's members lasts three successive years, and their mandates expire on the day of holding the General Meeting approving the financial statement for the last full turnover year of performing the function of the Management Board's member.

In the reporting period the composition of the Management Board was as follows:

- from 01 January 2009 to 13 May 2009 the Management Board was acting in the following composition:

1. Emil Wąsacz - President of the Management Board
2. Mieczysław Skołączyński - Vice-President of the Management Board

- from 14 May 2009 to 31 December 2009 – the Management Board was acting in the following composition:

1. Emil Wąsacz - President of the Management Board
2. Mieczysław Skołączyński - Vice-President of the Management Board
3. Wojciech Gębicki - Vice-President of the Management Board

The Management Board have been acting on the basis of the law, including the Code of commercial companies and the Statutes resolved by the GM. Moreover acting in conformity with Statutes of the Company, the Man-

agement Board resolved its regulations defining the course of proceedings. The Regulations, according to the Company' Statutes, were approved by the Supervisory Board and the document is the *enclosure no 2* to the Report, moreover it is available on the corporate website of STX Autostrady.

(ii) Supervisory Board

Pursuant to §14 of the Company's Statutes, the Supervisory Board is composed of 5 to 9 members chosen for a joint term which lasts three years. The General Meeting appoints and recalls members of the Supervisory Board determining previously their number for a given term. The General Meeting on 28 March 2008 in resolution no 21 decided that the Supervisory Board of VI term (2007-2009) will be composed of seven members.

From 01 January 2009 to the day of drawing up the report the composition of the Supervisory Board changed as follows:

▪ From 01 January 2009 to 01 July 2009 - the Supervisory Board was acting in the following composition:

1. Giuseppe Palma - Chairman
2. Aleksander Galos - Vice-Chairman
3. Michelangelo Damasco - Secretary
4. Dario Cipriani
5. Costantino Ivoi
6. Christopher Melnyk
7. Tadeusz Włudyka

Mr. Giuseppe Palma submitted his resignation from the membership in the Company's Supervisory Board on 02 July 2009. The Company informed about it in current report no 17 dated 06 July 2009.

Then Mr. Christopher Melnyk resigned from the function of the Supervisory Board's member on 24 July 2009 - *during the debate of the Extraordinary General Meeting* - what was recorded in the protocol of the notary.

The Extraordinary General Meeting on 24 July 2009 appointed Mr. Massimo Lapucci and Mr. Roberto Mengucci to the two vacancies in the Supervisory Board. The first meeting of the Supervisory Board of STX Autostrady in new composition was held on 30 July 2009 at which Mr. Roberto Mengucci was appointed the Chairman of the Supervisory Board.

Considering the above as from 24 July 2009 to the day of drawing up this report, the Supervisory Board was acting in the following composition: :

1. Roberto Mengucci - Chairman
2. Aleksander Galos - Vice-Chairman
3. Michelangelo Damasco - Secretary
4. Dario Cipriani
5. Costantino Ivoi
6. Massimo Lapucci
7. Tadeusz Włudyka

The Supervisory Board have been acting on the basis of law, including the Code of commercial companies and the statutes resolved by the GM. Moreover acting in conformity with the Company's Statutes, the Supervisory Board resolved its regulations defining the course of proceedings. The document is the *enclosure no 4* to the Report, moreover it is available on the corporate website of STX Autostrady.

(iii) Committees of the Supervisory Board

Under § 25 section 2 of the Regulations of the Supervisory Board of STX Autostrady S.A., the Supervisory Board appointed the following committees:

- Audit Committee;
- Remuneration Committee.

Thus, the following committees were appointed by the Supervisory Board's resolutions no 11 and 12 dated 28 March 2008:

a) Audit Committee (to evaluate the financial statements), in the following composition:

- Christopher Melnyk - Chairman;
- Dario V.Cipriani (independent member);
- Costantino Ivoi;

b) Remuneration Committee (in particular to determine the principles of remuneration and awarding bonuses for the Management Board) in the following composition:

- Giuseppe Palma - Chairman;
- Aleksander Galos;
- Tadeusz Włudyka;
- Costantino Ivoi.

The changes in Supervisory Board's composition resulted in the changes in the compositions of the committees (as per the Supervisory Board's resolutions no 17 and 18 dated 30 July 2009). At present the Audit Committee is acting in the following composition:

- Massimo Lapucci - Chairman,
- Dario V.Cipriani,
- Costantino Ivoi.

and Remuneration Committee in the following composition::

- Roberto Mengucci - Chairman,
- Aleksander Galos,
- Tadeusz Włudyka,
- Costantino Ivoi.

The above mentioned committees have been acting on the basis of the regulations approved by the Supervisory Board which are the enclosures to the Regulations of the Supervisory Board.

(iv) Proxies

Pursuant to art. 371 §4 of the Code of Commercial Companies, proxies are appointed by the Management Board. In auditing period, the composition of proxies was changed i.e. the Management Board cancelled the proxy of Mrs. Małgorzata Michalunio-Kępyś as from 01 September 2009. At present there are no proxies in the Company.

8. Summary

Analyzing the current situation of the Company it should be stated that owing to winning the strategic investor and the disposal of the steel part, STX Autostrady became the company acting only in motorway business.

As consequence of those activities it also gained very sound financial basis, which not only provide and will provide meeting the arrangement and off-arrangement liabilities, but also create realistic possibilities for further development.

Vice-President of the Management Board

Chief Operating Officer (COO)

.....

/Wojciech Gębicki/

Vice-President of the Management Board

Chief Financial Officer (CFO)

.....

/Mieczysław Skołyżyński/

President of the Management Board

Chief Executive Officer (CEO)

.....

/Emil Wąsacz/

Katowice, 1 March 2010

9. Statements

- 9.1. Statement of the Management Board setting forth that according to their best knowledge, the annual financial statements as well as the comparable data have been drawn up in line with the applicable accounting standards and they give true, fair and clear view of the Company's state of affairs and its financial result, as well as the Management Board's report on the performance of the Company comprises a true picture of the Company's development and achievements and situation, including the description of basic risks

Statement

We hereby state that according to our best knowledge, the annual financial statements of the Company for 2009 as well as comparable data have been drawn up in line with the applicable accounting standards and they give true, fair and clear view of the STX Autostrady's state of affairs as well as its the financial result.

At the same time we also declare that the annual report of the Management Board on the performance of the STX Autostrady reflects a true picture of the Company's development, achievements and situation, including the description of basic risks and threats.

Vice-President of the Management Board

Chief Operating Officer (COO)

.....

/Wojciech Gębicki/

Vice-President of the Management Board

Chief Financial Officer (CFO)

.....

/Mieczysław Skołożyński/

President of the Management Board

Chief Executive Officer (CEO)

.....

/Emil Wąsacz/

Katowice, 1 March 2010

- 9.2. Statement of the Management Board stating that the entity entitled to audit the financial statements, auditing the annual financial statements, has been selected in accordance with the provisions of law and that this entity as well as chartered auditors conducting the audit have met the conditions regarding issuing impartial and independent opinion on the audited annual financial statements, in line with the appropriate provisions of the law and the professional standards.

Statement

We hereby state that KPMG Audyt Sp. z o.o. with its registered office in Warsaw, entitled to audit the financial statements, auditing the annual financial statements for 2009, has been selected in accordance with the provisions of law i.e. pursuant to §18 section 3 point 8 of the Statutes of STX Autostrady.

At the same time we also declare that the above-mentioned entity and the chartered auditors conducting the audit have met the conditions regarding issuing impartial and independent opinion on the audited annual financial statements, in line with the appropriate provisions of the law and the professional standards.

Vice-President of the Management Board

Chief Operating Officer (COO)

.....

/Wojciech Gębicki/

Vice-President of the Management Board

Chief Financial Officer (CFO)

.....

/Mieczysław Skołożyński/

President of the Management Board

Chief Executive Officer (CEO)

.....

/Emil Wąsacz/

Katowice, 1 March 2010

10. Enclosures

- Enclosure no 1 STX Autostrady's Statutes
- Enclosure no 2 Regulations of STX Autostrady's Management Board
- Enclosure no 3 Regulations of STX Autostrady's General Meeting
- Enclosure no 4 Regulations of STX Autostrady's Supervisory Board
- Enclosure no 5 Financial highlights of STX Autostrady

Enclosure no 1

**Stalexport Autostrady
Joint Stock Company**

STATUTES

/UNIFORM TEXT/

I. GENERAL PROVISIONS

§ 1

1. The Company's firm is Stalexport Autostrady Joint Stock Company.
2. The Company may use the abbreviation of the firm: Stalexport Autostrady S.A. and the graphic or verbal-graphic symbol that distinguishes it (logotype).

§ 2

The city of Katowice is the seat of the Company.

§ 3 (*deleted*)

§ 4

The Company conducts its activity on the basis of this Statutes, the Code of commercial companies and other regulations in force.

II. THE SUBJECT OF THE COMPANY ACTIVITY

§ 5

1. The subject of the Company activity:

- 02.40.Z Support services to forestry
- 24.32.Z Cold rolling of narrow strip
- 24.33.Z Cold forming or folding
- 24.34.Z Cold drawing of wire
- 25.11.Z Manufacture of metal structures and parts of structures
- 25.12.Z Manufacture of doors and windows of metal
- 25.50.Z Forging, pressing, stamping and roll-forming of metal; powder metallurgy
- 25.61.Z Treatment and coating of metals
- 25.62.Z Machining
- 25.71.Z Manufacture of cutlery
- 25.91.Z Manufacture of steel drums
- 25.93.Z Manufacture of wire products, chains and springs
- 25.94.Z Manufacture of fasteners and screw machine products
- 25.99.Z Manufacture of other fabricated metal products n.e.c.
- 32.99.Z Other manufacturing n.e.c.
- 33.11.Z Repair of fabricated metal products
- 33.20.Z Installation of industrial machinery and equipment
- 38.31.Z Dismantling of wrecks
- 38.32.Z Recovery of sorted materials
- 41.10.Z Development of building projects
- 41.20.Z Construction of residential and non-residential buildings
- 42.11.Z Construction of roads and motorways

42.12.Z Construction of railways and underground railways
 42.13.Z Construction of bridges and tunnels
 42.21.Z Construction of transmission pipelines and distribution systems
 42.22.Z Construction of utility projects for electricity and telecommunications
 42.91.Z Construction of water projects
 42.99.Z Construction of other civil engineering projects n.e.c.
 43.21.Z Electrical installation
 43.29.Z Other construction installation
 43.32.Z Joinery installation
 43.91.Z Roofing activities
 43.99.Z Other specialised construction activities n.e.c.
 45.11.Z Sale of cars and light motor vehicles
 45.19.Z Sale of other motor vehicles except motorcycles
 46.12.Z Agents involved in the sale of fuels, ores, metals and industrial chemicals
 46.13.Z Agents involved in the sale of timber and building materials
 46.44.Z Wholesale of china and glassware and cleaning materials
 46.49.Z Wholesale of other household goods
 46.51.Z Wholesale of computers, computer peripheral equipment and software
 46.62.Z Wholesale of machine tools
 46.69.Z Wholesale of other machinery and equipment
 46.71.Z Wholesale of solid, liquid and gaseous fuels and related products
 46.72.Z Wholesale of metals and metal ores
 46.73.Z Wholesale of wood, construction materials and sanitary equipment
 46.74.Z Wholesale of hardware, plumbing and heating equipment and supplies
 46.75.Z Wholesale of chemical products
 46.76.Z Wholesale of other intermediate products
 46.77.Z Wholesale of waste and scrap
 46.90.Z Non-specialised wholesale trade
 47.52.Z Retail sale of hardware, paints and glass in specialised stores
 47.99.Z Other retail sale not in stores, stalls or markets
 49.41.Z Freight transport by road
 52.10.A Warehousing and storage of gaseous fuels
 52.10.B Warehousing and storage of other goods
 52.21.Z Service activities incidental to land transportation
 52.24.C Cargo handling at other transshipment points
 52.29.C Other transportation support activities
 55.10.Z Hotels and similar accommodation
 55.20.Z Holiday and other short-stay accommodation
 55.90.Z Other accommodation
 59.20.Z Sound recording and music publishing activities
 62.01.Z Computer programming activities
 62.02.Z Computer consultancy activities
 62.03.Z Computer facilities management activities
 62.09.Z Other information technology and computer service activities
 63.11.Z Data processing, hosting and related activities
 63.12.Z Web portals
 63.99.Z Other information service activities n.e.c.
 64.20.Z Activities of holding companies
 64.30.Z Trusts, funds and similar financial entities
 64.91.Z Financial leasing

- 64.92.Z Other credit granting
- 64.99.Z Other financial service activities, except insurance and pension funding n.e.c.
- 66.12.Z Security and commodity contracts brokerage
- 66.19.Z Other activities auxiliary to financial services, except insurance and pension funding
- 68.10.Z Buying and selling of own real estate
- 68.20.Z Renting and operating of own or leased real estate
- 68.32.Z Management of real estate on a fee or contract basis
- 69.20.Z Accounting, bookkeeping and auditing activities; tax consultancy
- 70.10.Z Activities of head offices and holding companies except financial holdings
- 70.21.Z Public relations and communication activities
- 70.22.Z Business and other management consultancy activities
- 71.11.Z Architectural activities
- 71.12.Z Engineering activities and related technical consultancy
- 71.20.A Technical testing and analysis of food quality
- 71.20.B Other technical testing and analysis
- 73.11.Z Advertising agencies
- 73.12.A Brokerage in the sale of time and space for advertising purposes on the radio and on the television
- 73.12.B Brokerage in the sale of space for advertising purposes in printed media
- 73.12.C Brokerage in the sale of time and space for advertising purposes in electronic media (the Internet)
- 73.12.D Brokerage in the sale of time and space for advertising purposes in other media
- 74.10.Z Specialised design activities
- 74.90.Z Other professional, scientific and technical activities n.e.c.
- 77.12.Z Renting and leasing of other motor vehicles except motorcycles
- 77.32.Z Renting and leasing of construction and civil engineering machinery and equipment
- 77.39.Z Renting and leasing of other machinery, equipment and tangible goods n.e.c.
- 77.40.Z Leasing of intellectual property and similar products, except copyrighted works
- 78.10.Z Activities of employment placement agencies
- 78.20.Z Temporary employment agency activities
- 78.30.Z Other human resources provision
- 81.10.Z Combined facilities support activities
- 82.11.Z Combined office administrative service activities
- 82.19.Z Photocopying, document preparation and other specialised office support activities
- 82.91.Z Activities of collection agencies and credit bureaus
- 82.99.Z Other business support service activities n.e.c.
- 85.60.Z Educational support activities

2. The General Meeting of Shareholders may pass a resolution on a significant change of the subject of the Company's activity also without buying out the shares of these shareholders who do not accept the change provided that such resolution is passed with the majority of two thirds of votes in the presence of the people who represent at least one half of the stock capital.

III. STOCK CAPITAL

§ 6

The stock capital of the Company amounts to 494,524,046 zloty (say: four hundred ninety four million and five hundred twenty four thousand forty six zloty 00/100)

§ 7

1. The stock capital of the Company is divided into 247,262,023 (two hundred forty seven million two hundred sixty two thousand twenty three) of ordinary bearer shares of a nominal value of 2.00 zloty (two zloty 00/100) each, including 8,341,030 (eight million three hundred forty one thousand thirty) shares of the A series with numbers from A 000,000,001 to A 008,341,030; 492,796 (four hundred ninety two thousand seven hundred ninety six) shares of the B series with numbers: from B 008,341,031 to B 008,833,826; 4,000,000 (four million) shares of the D series with numbers: from D 008,833,827 to D 012,833,826; 94,928,197 (ninety four million nine hundred twenty eight thousand one hundred ninety seven) shares of the E series with numbers: from E 12,833,827 to E 107,762,023; 50,000,000 (fifty million) shares of the F series with numbers: from F107,762,024 to F 157,762,023; and 89,500,000 shares of G series with numbers from G 157,762,024 to G 247,262,023.
2. All shares of the Company are bearer shares.

§ 8

1. The shares may be written off with the consent of the shareholder by means of the acquisition by the Company on conditions determined in the Resolution of the General Meeting.
2. *(deleted)*
- 2a. *(deleted)*

IV. THE COMPANY'S AUTHORITIES

§ 9

The authorities of the Company are:

1. The Management Board of the Company,
2. The Supervisory Board,
3. The General Meeting.

A. THE MANAGEMENT BOARD OF THE COMPANY

§ 10

1. The Management Board consists of 1 to 3 persons.
2. The Supervisory Board appoints the President of the Management Board and the Supervisory Board appoints the other members of the Management Board upon the motion of the President of the Management Board.
3. The joint term of office of the members of the Management Board lasts three consecutive years and their mandates expire on the day of the General Meeting approving the financial report for the last full turnover year of performing the function of the member of the Management Board.
4. *(deleted)*
5. The member of the Management Board can be recalled or suspended in his functions at any time by the Supervisory Board and also by the General Meeting.
6. A person who is a Polish citizen with a place of residence on the territory of the Republic of Poland can be appointed President of the Management Board.

§ 11

1. The Management Board conducts the matters of the Company and the right of the member of the Management Board to represent the Company concerns all judicial and extrajudicial actions of the company.
2. The Management Board makes its decisions in the form of resolutions or without resolutions being passed. The resolution form is required for decisions concerning:
 - 1) purchasing and selling real properties, and a part of them as well, and the perpetual usufruct or a part of it, with the reservation, that if the the value of the transaction exceeds five million zlotys the approval of the Supervisory Board is required,
 - 2) incurring liabilities, including credits, sureties, etc. the value of which exceeds 1 (one) million zlotys,
 - 3) granting a power of attorney,
 - 4) convening general meetings and accepting draft resolutions before these meetings,
 - 5) proposing the Supervisory Board the selection of a chartered auditor,
 - 6) purchasing and selling the company shares or shares of other companies,
 - 7) creating a company branch or representation abroad,
 - 8) lay-offs,
 - 9) adopting an investment plan, selling and leasing the enterprise with a group of tangible and intangible assets, as well as transferring the usufruct rights.
3. The resolutions of the Management Board are passed with an absolute majority of votes and in case of an equal amount of votes, the vote of the President of the Management Board is the casting one.
4. The Management Board may also adopt resolutions in all matters it deems material and essential, as long as they fall within the objects of the Company as well as its functioning.
5. The resolutions of the Management Board are recorded and the minutes should include the agenda, the list of the present members of the Management Board, the list of votes cast in regard to the individual resolutions, distinct sentences and signatures of the present members of the Management Board.
6. The Management Board may pass its own regulations. The Management Board regulations are approved by the Supervisory Board.

§ 12

When the Management Board is numerous, the following persons are entitled to submit declarations on behalf of the Company:

independently - the President of the Management Board

jointly - two members of the Management Board

or - the member of the Management Board with the proxy

§ 13

The remuneration and other terms of employing the members of the Management Board are determined by the Supervisory Board which concludes suitable contracts with them and also represents the Company in possible disputes with the members of the Management Board

B. THE SUPERVISORY BOARD

§ 14

1. The Supervisory Board consists of 5 to 9 members chosen for a period of a joint term office which lasts three years.
2. The General Meeting appoints and recalls members of the Supervisory Board determining their number for a given term of office earlier.
3. The Supervisory Board should comprise also the independent members, i.e. independent of any relations, which could have significant impact on the ability of an independent member to make impartial decisions.
4. Independency discussed in passage 3 should be understood as:
 - a) the lack of relations with the Company, i.e. the member of the Supervisory Board is not related with the Company or its subsidiary or associated companies by employment contract or any other civil law agreements resulting in its dependency,
 - b) lack of relations with shareholders possessing over 5% shares in equity capital, i.e. the member of the Supervisory Board:
 - is not related with the shareholder by the employment contract or by any civil law agreements resulting in its dependency;
 - does not serve on managing and supervising authorities of the entities which are the shareholders of the Company.
 - c) lack of relations with the members of the Company's Management Board. i.e. a member of the Supervisory Board is not the member of the closest family of any of the members of the Company's Management Board.

§ 15

1. The Supervisory Board on its first meeting elects in a secret voting the Chairman of the Supervisory Board, his deputy and its secretary and on the next meeting, in case there is such a need conducts supplementary elections.
2. The Chairman of the Supervisory Board or his deputy or a person indicated by the Chairman convenes the meetings of the Supervisory Board and presides at them. The Chairman of the Supervisory Board of the former term of office or a member of the Supervisory Board indicated by the Chairman convenes and opens the first meeting of the newly elected Supervisory Board and presides at it until choosing the Chairman of the Supervisory Board. Should the first meeting of the Supervisory Board not be convened as described above within 14 days from the day of the selection, any of the selected members of the Supervisory Board is entitled to convene it.
3. The Supervisory Board may recall the Chairman, his deputy or the Secretary of the Supervisory Board from the performed function in a secret voting.

§ 16

1. The Supervisory Board should convene meetings if necessary, however not less than three times during the turnover year.
2. The Chairman of the Supervisory Board or his deputy has the duty to convene the meeting of the Supervisory Board upon the request of the Management Board or a member of the Supervisory Board containing the proposed agenda within two weeks from the day of receiving the motion.

§ 17

1. Taking into consideration the resolutions of section 2, the Supervisory Board passes resolutions with an absolute majority of votes, i.e. the number of votes exceeding half of the cast valid votes when at least half of the Supervisory Board's composition is represented.
2. The Supervisory Board passes its regulations which determine the mode of its proceedings in a detailed way.
3. The members of the Supervisory Board may take part in passing resolutions of the Supervisory Board, casting their vote in writing by hand of another member of the Supervisory Board with the exclusion of matters that are introduced to the agenda on the meeting of the Supervisory Board.
4. The members of the Supervisory Board may participate in passing resolutions casting their vote in a written course or by using means of direct remote communication under the condition of notifying all members of the Supervisory Board about the contents of the resolution draft.

§ 18

1. The Supervisory Board permanently supervises the activity of the Company in all domains of its activity.
2. The Supervisory Board has, in particular, the following entitlements:
 - 1) to estimate the reports of the Management Board on the Company's activity and the financial report for the previous turnover year in the range of their conformity with the books and documents, as well as, with the real status,
 - 2) to estimate the motions of the Management Board concerning the profit distribution or loss coverage,
 - 3) to submit to the General Meeting an annual report, in writing, on the results of the estimates mentioned in point 1 and 2.
3. The Supervisory Board is also entitled to:
 - 1) to approve the regulations of the Management Board of the Company;
 - 2) to appoint and recall individual or all members of the Management Board (in a secret voting);
 - 3) to conclude contracts with the members of the management, including the establishment of the remuneration and other terms of performing the function of the member of the Management Board;
 - 4) to determine the remuneration for the member of the Supervisory Board delegated to a permanent individual supervision in case of entrusting this entitlement by the General Meeting;
 - 5) to suspend in functions- out of important reasons - individual or all members of the Management Board (in a secret voting);
 - 6) to delegate the members of the Supervisory Board to temporarily perform the functions of the members of the Management Board who are not able to perform their functions,
 - 7) to grant consent for reducing employment if it has a nature of the so called group dismissal according to the interpretation of proper regulations,
 - 8) to choose, upon the motion of the Management Board, an expert auditor in order to examine financial reports,
 - 9) to give consent to acquire and sell real estates, perpetual usufruct or a share in the real estate of a value exceeding five million zloty,
 - 10) to grant the Management Board the consent for acquiring and taking over shares or stocks in other companies the single value of which does not exceed 1 million PLN or 25 % in the capital of such company,
 - 11) to grant consent for setting up branch offices or representative offices abroad,
 - 12) to approve the investment plan for the Company and the Stalexport Autostrady SA Capital Group,
 - 13) to give an opinion on the resolutions presented by the Management Board on General

Meetings,

- 14) to give consent to grant guarantees or warranties and also to contract other off-balance sheet liabilities, the single value of which exceeds five million zloty,
- 15) to give consent - on the motion of the Management Board - to issue the bonds other than convertible ones and with the priority rights.
- 16) on the motion of the Management Board - to give a consent regarding the transfer of rights and duties resulting from licences and concession granted the Company by appropriate bodies of administration,
- 17) on the motion of the Management Board - to give an opinion regarding the sale and leasing of the enterprises as well as tangible and intangible assets and making the right of perpetual usufruct on them,
- 18) on the motion of the Management Board - to give a consent regarding the sale of shares in the subsidiary companies for which STALEXPORT AUTOSTRADY SA with the seat in Katowice, is the dominant company.

§ 19

1. The Supervisory Board carries out its duties collectively, it can, however, delegate its members to an independent performance of definite supervisory functions.
2. The members of the Supervisory Board perform their rights and duties personally.

C. THE GENERAL MEETING

§ 20

1. The Ordinary General Meeting takes place in a period of 6 months after the passage of each turnover year.
2. The Extraordinary General Meeting may take place in any term when the organs or persons entitled to convene the general meetings acknowledge it as advisable maintaining the binding procedures.
3. The Management Board convenes the General Meeting.
4. The Supervisory Board has the right to convene an Ordinary General Meeting if the Management Board does not convene it in a time determined in section 1 and an Extraordinary General Meeting if the Management Board does not convene it within two weeks from the day of submitting the adequate request by the Supervisory Board.
5. The shareholder or shareholders representing at least 1/10 of the stock capital may request to convene an Extraordinary General Meeting.

§ 21

1. The General Meeting may pass resolutions only in matters covered by the agenda, unless the entire stock capital is represented and no one from the present members submits an objection in regard to passing the resolution.
2. Motions of an orderly nature and the motion on convening the Extraordinary General Meeting may be voted and resolutions in this range passed, despite the fact that they have not been placed on the agenda,
3. Taking off of the agenda or abandonment of examining the question put on the agenda, on motion of the shareholders, requires passing a resolution of the general meeting, after approval given beforehand by all present shareholders, who notified such motion, supported by 75% votes of the general meeting.

§ 22

The General Meetings are held at the seat of the Company.

§ 23

1. The General Meeting of Shareholders is opened by the Chairman of the Supervisory Board or his deputy or another member of the Supervisory Board - and in case when the members of the Supervisory Board are absent - the President of the Management Board or a person indicated in writing by the Management Board and next the chairman is chosen from among the persons entitled to participate in the General Meeting.
2. The General Meeting may pass its own regulations, determining the course of conducting the meetings in a detailed way.

§ 24

1. The resolutions of the General Meeting of Shareholders require, in particular:
 - 1) the approval after considering the Management Board's report on the Company's activity and the financial report for the previous turnover year;
 - 2) the profit distribution or loss coverage;
 - 3) granting the members of the Management Board and the members of the Supervisory Board exoneration from duties performed by them;
 - 4) sale and lease of the enterprise or its organised part and setting up a limited property right upon them;
 - 5) the issue of convertible bonds or bonds with the priority right;
 - 6) consideration and approval of the financial statement of the Stalexport Autostrady Capital Group;
 - 7) the amendment of the Company's Statutes, including the subject of the Company's activity, increase or decrease of the stock capital and also the amortisation of shares;
 - 8) an essential change of the subject of the Company's activity;
 - 9) dissolution and liquidation of the Company;
 - 10) merging, dividing and transforming the Company;
 - 11) appointing members of the Supervisory Board after establishing earlier the number of its members for a given term of office and recalling them;
 - 12) determining the remuneration principles for the appointed members of the Supervisory Board.

§ 25

An essential change of the subject of the Company's enterprise may take place without the duty to redeem shares with the observance of the adequate provisions of law.

V. THE COMPANY'S ECONOMY

§ 26

The calendar year is the turnover year of the Company.

§ 27

1. The reserve capital is formed in order to cover losses up to the value no smaller than 1/3 of the stock capital;
2. The Company may form other reserve capitals for covering particular losses or expenditures.

§ 28

1. The shareholders have the right to a share in the profit indicated in the financial report unless the General Meeting passes a resolution in this subject;
2. The General Meeting determines the day of the dividend and the date of its payment.

VI. FINAL PROVISIONS

§ 29

1. The Company publishes its announcements in the Judicial and Economic Monitor.
2. Moreover, every announcement of the Company should be posted up at the seat of the Company in places that are accessible to all employees.

Katowice, 30.06.2009

Enclosure no 2

Regulations
of the Management Board
of Stalexport Autostrady¹
Joint Stock Company
in Katowice

¹ the change of the name of the Company from STALEXPORT S.A. to Stalexport Autostrady S.A. - the resolution no 2 of the EGSM of STALEXPORT SA dated 20.08.2007. (Registration - decision of the District Court in Katowice-East VIII Economic Department of the National Judicial Register dated 30.08.2007).

REGULATIONS² **OF THE MANAGEMENT BOARD**

§ 1

The Regulations determines the organisation and activities of the Management Board of Stalexport Autostrady S.A.

§ 2

The Management Board conducts the matters of the Company and represents it, and all the matters which are not restricted for the statutory or legal competence of the Supervisory Board or the General Meeting of Shareholders, are within its competence.

§ 3

1. In case the Management Board is numerous - the Chairman - individually, two members of the Management Board jointly or a member of the Management Board together with a proxy - are entitled to submit declarations on behalf of the Company.
2. The Management Board may grant proxies.

§ 4

The Management Board conducts the matters of the Company collectively, and the resolutions of the Management Board form the judicial basis for carrying out the provisions of that acts of the internal law for all organizational units and the employees of the Company.

§ 5

1. Meetings of the Management Board are held once a month, if there is such a need. Meetings of the Management Board are convened by the Chairman or when he is absent, by the member of the Management Board, appointed by the Chairman - out of his own initiative or on a written motion of each of the members of the Management Board.
2. Meetings of the Management Board are also convened out of the initiative of the Supervisory Board or its Chairman.

² These regulations were passed - on the basis of § 11 reg. 5 of Charter of STALEXPORT SA - by the Management Board of the Company on 13th March 2003 (resolution No. 32/2003) and approved by the Supervisory Board on 26.03.2003 r. (Resolution no 2/2003).

§ 10 the Management Board of the Company on 15th April 2004 (resolution No. 26/2004). The change was approved by the Supervisory Board on 26th April 2004 (resolution No. 3/2004).

3. A meeting convened on motion of the Supervisory Board or a member of the Management Board should be held without delay but not later than within 7 days from the date of submitting the motion.

§ 6

1. A notification about convening a meeting of the Management Board should be such forwarded so as each member of the Management Board was informed about it in an adequate time.
2. The agenda should be enclosed to the notification about the meeting of the Management Board.
3. Participation of members of the Management Board in the meetings is obligatory

§ 7

1. The Management Board passes the resolutions in all matters which, according to it are crucial and important in the activity which constitutes the subject of the Company's enterprise and for functioning of the Company.
2. In case the Management Board is numerous, and because of the longer absence of a member or members of the Management Board, it is not possible to pass a resolution – the present and holding an office the Management Board member, in case of need, will take decisions. Decisions become resolutions the moment, they are passed in a course provided for taking resolutions of the Management Board.
3. In case of justified absence of a member of the Management Board at the meeting, he may, in matters covered by the agenda, submit his standpoint in writing to the Management Board.

§ 8

1. In justified cases, a resolution may be passed in a circular course, without holding the meeting of the Management Board.
2. In the remaining matters the current decisions are taken by individual members of the Management Board, according to the competence resulting from the Regulations of the Company's Organisation with maintaining the rule of the appropriate representation in case of need to submit declarations on the behalf of the Company.

§ 9

1. To make resolutions of the Management Board valid, it is necessary to notify about the meeting all members of the Management Board.
2. The President of the Management Board or a member of the Management Board appointed by him, presides over the meetings of the Management Board.
3. Resolutions are passed by the absolute majority of votes, if there is an equal number of votes, the vote of the President of the Management Board is decisive.

§ 10

1. The members of the Management Board observe the Best Practices accepted by the Company, in particular:
 - will inform the Management Board if there is possibility of investing by them or concluding other profitable transaction connected with the subject of the Company activity,
 - will inform immediately the Supervisory Board about each conflict of interests which already occurred or is possible to occur, in connection with the function they perform.
2. In case of an inconsistency between the Company's business with a personal business of a member of the Management Board, his spouse, relatives and kinsmen, the member of the Management Board should restrain himself from taking part in deciding about such matters and he should demand that this be pointed out in the minutes.

§ 11

1. Other persons, invited by the President out of his own initiative or on motion of a member of the Management Board, may take part in the meetings of the Management Board.
2. A member of the Management Board has the right to object to the participation of persons from beyond the Management Board. The matter will be settled by the Management Board by means of adopting an adequate resolution.
3. All participants of the meeting are obliged to keep the meetings secret.

§ 12

Resolutions passed by the Management Board should contain the date and the number according to the order they are passed and a concise definition of their subject. Members of the Management Board, who pass the resolutions, sign them.

§ 13

1. The meetings of the Supervisory Board are entered on the minutes, signed by the members of the Management Board, present at the meeting as well as by the recorder.
2. Persons taking part in the meeting, the agenda, the subject of the passed resolutions, number of votes cast for particular resolutions and individual opinions and, in case a member of the Management Board is absent, the reasons of this absence should be enclosed in minutes.
3. The minutes are kept in the book of minutes of the Management Board meetings.

Enclosure no 3

Regulations
of the General Meeting of Shareholders

of Stalexport Autostrady¹
Joint Stock Company
in Katowice

¹ the change of the name of the Company from STALEXPORT S.A. to Stalexport Autostrady S.A. - the resolution no 2 of the EGSM of STALEXPORT SA dated 20.08.2007. (Registration - decision of the District Court in Katowice-East VIII Economic Department of the National Judicial Register dated 30.08.2007).

Regulations^{2/3/4/5}
of the General Meeting of Shareholders
of Stalexport Autostrady S.A.

§ 1

The General Meeting of Shareholders, hereinafter called General Meeting, is the highest organ of authority of Stalexport Autostrady S.A. Convening and preparing the General Meeting is done according to the rules determined in the Code of commercial companies and in the Statutes of Stalexport Autostrady S.A.

§ 2

1. The right to participate in the General Meeting have:
 1. the shareholders who submit in the Company inscribed shares and temporary certificates, issued by the subject running their securities account, according to the rules of the public trading of securities, in particular in the way and according to the date appointed in the announcement,
 2. the persons entitled on the basis of the inscribed shares and temporary certificates as well as lienors and the users, who have the right to vote if they are registered in share book at least a week before the date of the General Meeting,
 3. the owners of bearer shares, if the deposit certificates of shares are submitted in the Company at least a week before the date of the General Meeting and these certificates will be collected before closing it,
 4. the owners of bearer shares on the basis of the certificates issued as a proof of submitting shares at notary public, in a bank deposit or at broker's office indicated in the announcement, on condition that the numbers of the shares documents will be mentioned in the contents of the certificate and there will be stated that shares will not be collected before the end of the General Meeting.
2. The right of participation includes the right to make a speech, vote, filing motions and countering.
3. Members of the Management Board and the Supervisory Board, as well as guests invited by the organ convening the General Meeting participate in the General Meeting.
4. If the financial matters of the company are to be the subject of the debates at the Ordinary General Meeting as well as at the Extraordinary General Meeting, a representative of the expert auditor of the Company participates and gives suitable explanations.

§ 3

1. A list of shareholders authorized to participate in the General Meeting is made up and signed by the Management Board.
2. The list should include:

² Passed by the Extraordinary General Meeting of Shareholders of STALEXPORT SA on 27.11.2002 (resolution no 6)

³ Point 4 in § 23 was added by EGSM on 15.01.2004 (resolution no 9)

⁴ Point 2 in § 11 was added by XII OGSM on 24.06.2005 (resolution no 23)

⁵ Point 1 in § 6, point 2 in §10 and point 2 in §22 were changed by the EGSM on 20.10.2006 (resolution no 6)

- 1/ names and surnames (firm names) of shareholders or the name of the company authorized to participate,
 - 2/ place of their residence or company's seat,
 - 3/ number and type of shares and the number of votes they are entitled to.
3. The list should be displayed at the office of the Management Board of the Company for three working days immediately preceding the date fixed to hold the General Meeting.
 4. Each shareholder may review the list of shareholders at the office of the Management Board and demand the duplicate of the list with the return of the costs of its preparation.

§ 4

1. A shareholder has the right to participate in the General Meeting and has the right to vote personally or by a proxy. The power of attorney should be made - under pain of being invalid - in the written form and enclosed to the minutes from the General Meeting.
2. A person performing the duties of a member of the Management Board as well as an employee of the Company cannot be a proxy at the General Meeting.

§ 5

The General Meeting is opened by the Chairman of the Supervisory Board or by his deputy, in case that persons are absent – the President of the Management Board or a person pointed by the Management Board, then a chairman is chosen from amongst the persons entitled to participate in the General Meeting.

§ 6

1. Each shareholder has the right to run for the Chairman of the General Meeting as well as enter to the minutes candidatures for the post of the Chairman of the General Meeting.
2. The proposed candidate is entered on the list after inserting the statement to the minutes that he agrees to run for the post.
3. The Chairman of the General Meeting is chosen by means of voting for each candidate separately in the alphabetical order in secret vote.
4. The person, who opens the General Meeting supervises the correctness of voting and announces its results.
5. The person from among the proposed candidates who agreed to run for the post and achieved the highest number of validly cast votes becomes the Chairman of the General Meeting.

§ 7

1. The Chairman of the General Meeting directs the debate according to the agenda, law regulations and the provisions of these Regulations.
2. The duties of the Chairman of the General Meeting are particularly as follows:
 - 1/ taking good care of an efficient and proper course of the agenda and voting,
 - 2/ granting the right to speak,
 - 3/ supervising the factual course of debates,
 - 4/ issuing the adequate order regulations in the conference room,
 - 5/ ordaining a break in the debates,
 - 6/ ordaining voting and supervising its correct course and signing all documents containing the results of voting,
 - 7/ supervising the exhaustion of the agenda,

8/ settling doubts resulting from the regulations.

§ 8

1. The Chairman of the General Meeting immediately after the election, signs the attendance list containing the record of shareholders participating in the General Meeting specifying the number of shares each of them has and the number of votes they are entitled to.
2. The Management Board appoints persons to make up the attendance list. The attendance list is made up on the basis of the shareholders list, referred to in § 3 of these regulations.
3. While making up the attendance list one should:
 - 1/ check whether the shareholder is entitled to participate in the General Meeting,
 - 2/ check the identity of the shareholder or his proxy on the basis of the identity card or another reliable document,
 - 3/ check the correctness of the power of attorney which should then be enclosed to the minutes of the General Meeting,
 - 4/ obtain the signature of the shareholder or his proxy on the attendance list,
 - 5/ give the shareholder or his proxy a suitable magnetic card for voting or another document that will be used for voting.
4. The Chairman of the meeting has to be addressed in case the entitlement to participate in the General Meeting is called off. The attendance list is displayed during the debates of the General Meeting all the time till it is closed. Persons who make up the attendance list are obliged to introduce, without delay, changes of the persons constituting the General Meeting and at the same time indicate the moment they occurred.
5. At the motion of the shareholders, owing 1/10 of the equity represented at that General Meeting, the attendance list should be made up by the committee chosen for that purpose, including at least three persons, and the applicants have right to choose one member of the committee.

§ 9

After electing and signing the attendance list, the Chairman of the General Meeting ascertains that the Meeting has been convened in a proper way and confirms its ability to pass resolutions, presents the agenda and ordains the election of the Scrutinizing Committee. When necessary, the Chairman of the General Meeting may appoint a person to perform the function of the Secretary of the Meeting who will help him.

§ 10

1. The Scrutinizing Committee consisting of 3 to 5 members is chosen by the General Meeting by means of the absolute majority of votes cast in secret vote.
2. Each shareholder has the right to enter any number of candidates proposal to the minutes. The voting is carried out for each candidate separately in the alphabetical order. The indicated persons should give their consent to run in the elections. Those candidates who consecutively received the highest number of votes are considered chosen.
3. The Committee chooses the Chairman and the Secretary from among themselves.
4. The duty of the Committee is to supervise the correct course of voting and the computer service of voting, checking and estimating the results of voting and submitting them to the Chairman of the General Meeting and performing other duties connected with the voting procedure.

5. In case of noting an irregularity in the course of voting, the Committee is obliged to immediately inform the Chairman of the General Meeting and at the same time file motions as to the further procedure.
6. Documents containing the results of each voting are signed by all members of the Committee and the Chairman of the General Meeting.
7. The General Meeting may appoint other committees to perform indicated or commissioned functions in the same course as electing the Scrutinizing Committee.
8. Minutes are taken from the functions of the Committee. After being signed by the Chairman and the Secretary they are submitted to the Chairman of the General Meeting.

§ 10 a

In case the voting is carried out via the computer system of casting and counting the votes, the Shareholders General Meeting may pass a resolution on not appointing the Scrutinizing Committee. In such case the print of the voting is signed by the Chairman of the General Meeting of Shareholders.

§ 11

1. The General Meeting may pass a resolution to cross out matters from the agenda, as well as to change the order of matters covered by the agenda.
2. Resolutions cannot be passed in subjects not covered by the agenda, unless the whole share capital is represented at the General Meeting and nobody from the present opposes passing the resolution.
3. Taking off of the agenda or abandonment of examining the question put on the agenda, on motion of the shareholders, requires passing a resolution of the general meeting, after approval given beforehand by all present shareholders, who notified such motion, supported by at least 75% votes of the general meeting.

§ 12

1. After presenting each consecutive matter included on the agenda, the Chairman of the General Meeting opens the debate, granting the right to speak according to the order of submitted applications.
2. The Chairman of the General Meeting may grant the right to speak to all members of the Management Board and the Supervisory Board beyond the order.
3. The Chairman of the General Meeting may ordain to register applications for the discussion in writing, indicating the name and the surname.
4. In case there are too many applications for discussion over a definite point of the agenda, the Chairman of the General Meeting may submit a motion for voting whether to close the discussion over this point of debate or shorten the time of their speeches.

§ 13

1. One has the right to speak only in matters covered by the approved agenda and being currently considered
2. While considering each point of agenda, each shareholder has the right to a one 5-minute speech and a 3-minute-retort.

3. The Chairman of the General Meeting has the right to rebuke the speaker, who strays from the point of discussion or exceeds the time limit determined in point 2. The Chairman may deprive of speech those speakers who do not comply with the remarks.

§ 14

1. Each shareholder has the right to ask questions in every matter covered by the agenda.
2. Members of the Company's authorities - each within his competences - are obliged to give profound answers and explanations to all questions asked.

§ 15

1. Each shareholder has the right to submit suggestions of changes and supplements to projects of resolutions covered by the agenda of the debates of the General Meeting - till the discussion over a point of agenda covering the project of the resolution is closed.
2. These suggestions with a short justification should be submitted in writing - separately for each project of the resolution - indicating the name and surname (firm) of the shareholder, to the Chairman of the General Meeting personally. The suggestions of the amendments and supplements of the formal and language character may be submitted verbally with a short justification.

§ 16

The Chairman of the General Meeting has the right to allow experts to speak, in particular the representatives of the expert auditor.

§ 17

1. In formal matters the Chairman allows to speak beyond the order. A motion in a formal matter may be submitted by each shareholder.
2. The motions referring to the course of debating and voting are regarded to be motions in formal matters and in particular referring to:
 - 1) limitation, postponement or closing the discussion
 - 2) closing the list of speakers,
 - 3) limitation of the time of speeches,
 - 4) the way of conducting debates,
 - 5) ordaining a break in debates
 - 6) the order of passing motions
3. A discussion over formal motions should be opened immediately after they are submitted.
4. In a discussion over motions in formal matters only two speakers can rise to speak one for and one against the submitted motion, unless the General Meeting decides otherwise.
5. Immediately after the discussion, the Chairman of the General Meeting submits a motion in a formal matter for voting which is passed by the absolute majority of cast votes.

§ 18

1. The General Meeting is valid no matter how many shares are represented at this Meeting except cases determined in the Code of commercial companies.
2. The absolute majority of votes is necessary for the validity of the resolutions, except the

cases determined in the Code of commercial companies and the Company's Statutes.

§ 19

A shareholder can vote neither personally nor by a proxy or as well as a proxy of another person over the resolutions concerning:

- 1) his responsibility before the Company whatever the claim is, including granting the discharge,
- 2) discharging from the liabilities towards the Company.
- 3) disputes between him and the Company.

§ 20

1. The votings have the form of open ballots.
2. A secret vote is ordained at elections and over motions to call off the members of the Company's authorities or liquidators, to call the members of the Company's authorities account, also in personal matters, as well as at the demand of even one of the present shareholders or represented at the General Meeting.

§ 21

1. After closing the discussion over each point of the agenda, before starting to vote, the Chairman announces which motions were submitted and determines the order of voting. Voting over motions is carried out according to the order they are submitted.
2. The voting is carried out via a computer system of casting and counting voices, ensuring that casting votes at the amount corresponds to the number of owned shares as well as eliminating - in case of secret vote - the possibility of identifying the way of casting votes by individual shareholders, or in another way accepted by the organ convening the General Meeting or passed by the General Meeting.

§ 22

1. Before starting the election to the Supervisory Board, the General Meeting on motion of the Chairman of the General Meeting determines the number of members of the Supervisory Board each time according to the Statutes of the Company.
2. Each shareholder has the right to propose any number of candidates for a member of the Supervisory Board. Each candidate is proposed orally to the minutes with a brief motivation.
3. The proposed candidate is registered on the list after he enters to the minutes a declaration orally or in writing, that he agrees to candidate.
4. The Chairman of the General Meeting makes the list of proposed candidates for members of the Supervisory Board in an alphabetical order. When the list is made public it is regarded as closed.

§ 23

1. Elections to the Supervisory Board are carried out by secret vote for each candidate separately in an alphabetical order.
2. Those candidates are regarded to be chosen for members of the Supervisory Board who consecutively achieved the highest amount of votes and achieved the absolute majority of votes.
3. In case the candidates qualified to enter the Supervisory Board achieved an equal number of votes, the Chairman ordains complementary voting. This person is regarded to be chosen who achieved the highest amount of votes.

4. In case of choosing the members of the Supervisory Board - on the formally justified motion of the shareholders – by voting by groups, it takes place on the basis of the separate attendance list, in separate place, enabling the choice of the chairman of the meeting of the given group, as well as having a discussion and carrying out the election.

§ 24

When the course of the agenda is completed, the Chairman of the General Meeting announces the closure of the General Meeting.

§ 25

1. Resolutions of the General Meeting are entered on the minutes by a notary public under pain of being invalid.
2. The minutes are taken according to the contents of adequate regulations of the Code of commercial companies.
3. The Management Board of the Company enters the duplicate of the minutes into the Minute-Book.
4. Shareholders have the right to review the Minute-Book, as well as to demand an issue of copies of resolutions certified by the Management Board.
5. Detailed minutes from the agenda are taken by the Secretary of the General Meeting provided he will be appointed by the Chairman of the General Meeting.

§ 26

Resolutions of the General Meeting may be appealed to the Court in the course and on conditions determined in art. 422 and subsequent ones of the Commercial companies code.

§ 27

Regulations of the Commercial companies code and the Statutes of the Company are applied in cases not settled by these Regulations.

§ 28

The Regulations as well as the amendments take effect beginning from the next General Meeting after the meeting at which the Regulations was passed or its amendments.

Enclosure no 4

Regulations of the Supervisory Board
of Stalexport Autostrady¹
Joint Stock Company
in Katowice

Uniform text

¹ the change of the name of the Company from STALEXPORT S.A. to Stalexport Autostrady S.A. - the resolution no 2 of the EGSM of STALEXPORT SA dated 20.08.2007. (Registration - decision of the District Court in Katowice-East VIII Economic Department of the National Judicial Register dated 30.08.2007).

Regulations^{2/3/4/5/6} of the Supervisory Board

I. GENERAL PROVISIONS

§ 1

The Supervisory Board acts on the basis determines, on the basis of the Company's Charter, the resolutions of the General Meeting of Shareholders as well as on the law regulations in force, especially the Commercial Companies Code.

§ 2

The Supervisory Board permanently supervises the activity of the Company in all branches of its enterprise, and the detailed competences are determined in § 18 of the Company's Charter.

§ 3

The Supervisory Board performs its tasks and duties at the meetings as well as, as determined in § 17 point 4 and 5 of the Companies Charter, also by supervising and examining activities in all branches of the Company's activity.

II. COMPOSITION AND ELECTION OF THE SUPERVISORY BOARD

§ 4

The Supervisory Board is composed of 6 - 9 members chosen in the way determined in the Company's Charter, and performs its rights and duties personally.

§ 5

1. The joint term of the Supervisory Board lasts 3 years, simultaneously both the whole Board and each of its members may be dismissed by the General Meeting of Shareholders at any time.
2. The mandates of the members of the Supervisory Board expire:

² Passed by the Supervisory Board on 07.08.2002 (resolution no 14/2002)

³ Amended by the Supervisory Board on 07.06.2004 (resolution no 9/2004, amendments concern par. 5 passage 2 point 2b and par. 9 passage 1)

⁴ Amended by the Supervisory Board on 06.07.2005 (resolution no 10/2005), amendments concern par 21 (reading of the first line was changed as well as point 12) and par. 25 (point 2 was added)

⁵ Amended by the Supervisory Board on 02.03.2007 (resolution no 9/2007) the change concerns § 25 point 2 (second sentence was added in point 2 – introducing the Regulations of Remuneration and Audit Committees).

⁶ Amended by the Supervisory Board on 30.07.2009 (resolution no 16/2009) the change concerns § 25 point 2 (new wording and approval of the new Regulations of the Audit Committee of Supervisory Board of Stalexport Autostrady S.A.)

- a) with the lapse of the term i.e. with a date of the General Meeting of Shareholders confirming the financial statement of the Company for the last turnover year of performing their duties,
- b) in case of resigning from the function,
- c) in case of dismissal by the General Meeting of Shareholders with a passing of the appropriate resolution,
- d) in case of death of the Board member.

§ 6

If the composition of the Supervisory Board is diminished during the term, the Chairman of the Board submits a motion to supplement the composition at the nearest General Meeting.

§ 7

On the first meeting of a new term of office, the Supervisory Board chooses from themselves, in secret voting, the Chairman, the Vice Chairman and the Secretary; on the subsequent meeting, in case of need, the complementary elections are held.

III. CONVENING THE MEETINGS AND CONDUCTING THE AGENDA

§ 8

1. The meetings of the Supervisory Board are held if there is such a need, but not less frequently than once a quarter.
2. It is the duty of the Chairman of the Supervisory Board or his deputy to convene the meeting of the Supervisory Board at the demand of the Management Board or the member of the Supervisory Board, including the proposed agenda within two weeks after submitting the motion.

§ 9

1. The notification of the Supervisory Board meeting together with the agenda should be sent at least 7 days before the planned date of the meeting, by means of registered mail or fax or by e-mail. The notification is effective if it is confirmed.
In justified cases the Chairman of the Supervisory Board may shorten the above date.
2. The member of the Supervisory Board, not able to participate in the meeting, notifies the Chairman of the Supervisory Board by means of mail, phone, fax or e-mail of the cause of his absence, sent to the address of the Company's Office in Warsaw.
3. The Management Board is responsible for the distribution of the materials and their protection.

§ 10

1. The agenda of the meeting is determined by the person who convenes it, or by his authorisation, by the Board Secretary, including the motions to convene the meeting submitted according to § 8.2. of the Regulations.
2. The resolutions may be passed only in matters covered by the agenda, unless all members of the Board are present at the meeting and agree to supplement the agenda and to vote on the matter not included earlier in agenda.

§ 11

1. The Chairman of the Supervisory Board directs the works of the Board, convenes the Board's meetings and presides over the convention. In case the Chairman is absent his duty is performed by his deputy.
2. The Chairman of the Supervisory Board of the previous term of office convenes and opens the first meeting of a newly chosen Board and he presides over it until the Chairman of the Supervisory Board of a new term office is chosen.

§ 12

1. The Supervisory Board passes the resolutions by the absolute majority, i.e. the number of votes which exceeds half of the validly cast votes of at least half present composition of the Supervisory Board which was properly notified.
2. The members of the Supervisory Board may participate in passing resolutions by the Board, casting their votes in writing or through the other member of the Supervisory Board excluding the matters put on agenda at the meeting of the Board.
3. The voting is open. The secret voting is applied during elections and on motions to dismiss a member of the Management Board or the whole Management Board, to prosecute them, as well as in personal matter. Besides, the Board may resolve a secret voting in every matter by simple majority of votes of the members present at the meeting.

§ 13

1. The members of the Supervisory Board may participate in passing resolutions by the Board, casting their votes in writing or by means of direct distant communication provided that all members of the Board are notified of a resolution draft (circular course).
2. The circular course cannot be applied in passing resolutions in cases determined in § 21 points 2, 3, 5 , 6, 7, 8 and 10.

§ 14

1. On the meetings despite resolutions the Supervisory Board also passes provisions such as: the opinions and motions for the General Meeting as well as the recommendations after the supervision actions for the Management Board.
2. While passing provisions the same rules are applied as while passing resolutions.

§ 15

The meetings of the Supervisory Board are entered on the minutes. The minutes should record the date and the agenda of the meeting, names and surnames of the Board members present at the meeting as well as the persons invited; the statement that the Board has capacity to pass resolutions and that all members has been notified of the meeting; the numbers of votes cast during voting on individual provisions together with their tenors and dissenting judgement. .

§ 16

The minutes from the meeting are signed by all members of the Supervisory Board present at the meeting. Signing may take place at the subsequent meeting of the Board. The refusal to sign should be justified in writing.

§ 17

1. The Supervisory Board is obliged to keep the minute-book.
2. The Supervisory Board keeps the separate resolutions-book which includes only the resolutions passed by the Board. The resolutions are signed by the Chairman of the Board or by his Deputy and the Secretary (if need be - the member of the Board drawing up the minutes).
3. The Secretary of the Supervisory Board is responsible for drawing up the minutes, keeping the minutes-book and the resolutions book.

§ 18

1. The President of the Management Board of the Company is invited to the Supervisory Board meetings and may participate in them.
2. The Chairman of the Supervisory Board may also invite other persons to the meeting of the Supervisory Board.
3. The Chairman of the Management Board may submit a motion to invite other members of the Management Board, proxies or attorneys at the individual points of the agenda. The decision in this matter is made by the Chairman of the Board or his deputy.

IV. TASKS AND THE RANGE OF THE SUPERVISORY BOARD ACTIVITY

§ 19

The Supervisory Board permanently supervises the activity of the Company in all branches of its enterprise and also performs the advisory actions for the Company's management.

§ 20

The Supervisory Board gives opinions on the resolution drafts submitted by the Management Board at the General Meeting of Shareholders.

§ 21

The duties and other competences of the Supervisory Board, in particular, are as follows:

- 1) to approve the regulations of the Management Board of the Company;
- 2) to appoint and recall individual or all members of the Management Board (in a secret voting);
- 3) to conclude the agreements with the members of the Management Board, including the remuneration and other conditions to perform the duties of a member of the Management Board,
- 4) to determine the remuneration for the member of the Supervisory Board delegated to a permanent individual supervision in case of entrusting this entitlement by the General Meeting;
- 5) to suspend in functions- out of important reasons - individual or all members of the Management Board (in a secret voting);
- 6) to delegate the members of the Supervisory Board to temporarily perform the functions of the members of the Management Board who are not able to perform their functions,
- 7) to evaluate the reports of the Management Board from the Company's activity and the financial report for the previous turnover year in the range of their conformity with the books and documents, as well as, with the actual state,
- 8) to assess motions of the Management Board concerning the profit distribution or loss coverage,
- 9) to submit an annual written report to the General Meeting from the results of the evaluations mentioned in point 7 and point 8,
- 10) to grant consent for reducing employment if it has a nature of the so called group dismissal according to the interpretation of proper regulations,
- 11) to choose, upon the motion of the Management Board, an expert auditor in order to examine financial reports,
- 12) to give consent to acquire and sell real estate, perpetual usufruct or a share in the real estate of a value exceeding five million zloty,
- 13) to grant the Management Board the consent for acquiring and taking over shares or stocks in other companies the single value of which exceed 1 million zloty or 25 % in the capital of such company,
- 14) to grant consent for setting up branch offices or representative offices abroad,
- 15) to approve the investment plan for the Company and the Stalexport Autostrady Capital Group,
- 16) to give an opinion on the resolutions presented by the Management Board on General Meetings,
- 17) to give consent to grant guarantees or warranties and also to contract other off-balance sheet liabilities, the single value of which exceeds five million zloty,
- 18) to give consent - on the motion of the Management Board - to issue the bonds other than convertible ones and with the priority rights.

§ 22

The Supervisory Board is entitled – through the Management Board which is obliged to conclude suitable agreements - to demand to perform for its needs, at the Company's expense, the expert's reports, analysis and other documents necessary to perform its statutory purposes.

§ 23

The members of the Supervisory Board has right to participate in the Management Board meetings.

§ 24

The Chairman of the Board is entitled – performing the resolutions of the Board – to demand that the meeting of the Management Board of the Company should be convened and particular problems be put on the agenda.

§ 25

1. The Supervisory Board or delegated, individual members of the Board have the right to supervise the full range of the Company's activity, and in particular:
 - a) to exam all documents of the Company,
 - b) to demand the reports and explanations from the Management Board and the employees,
 - c) to verify the assets of the Company.
2. The Supervisory Board appoints, out of its members, the Management Board's Remuneration Committee and the Audit Committee, determining the tasks, rights and the modus operandi in their Regulations. The committees report to the Board on their annual activity, and their regulations are the enclosures to the Regulations of the Supervisory Board.

§ 26

The information undertaken by the members of the Supervisory Board in connection with the performance of their duties, is an official secret.

§ 27

1. The Supervisory Board may delegate its members to perform individual particular supervision.
2. The members of the Board delegated to perform supervision mentioned above, receive separate remuneration in the amount determined every time by the General Meeting, at the motion of the Board.

§ 28

The Supervisory Board is entitled to convene the Extraordinary General Meeting if the Management Board does not do so within the time period defined in the Charter as well as the Extraordinary General Meeting insofar as it is deemed necessary, and the management board does not convene such Ordinary General Meeting within two weeks of an appropriate request being submitted by the Supervisory Board.

§ 29

The members of the Supervisory Board receive the remuneration in the amount and on principles resolved by the General Meeting.

§ 30

1. The costs of the Supervisory Board activity are covered by the Company.
2. The Supervisory Board uses the office rooms, devices and materials of the Company.
3. The administrative and technical service is provided by the Company.

§ 31

The regulations become effective from the date they are passed.

The Secretary
of the Supervisory Board
/-/ Michelangelo Damasco

The Chairman
of the Supervisory Board
/-/ Roberto Mengucci

Regulations⁷ of the Remuneration Committee of the Supervisory Board of Sta- lexport Autostrady S.A.

1. General provisions

The Remuneration Committee (hereinafter called Committee) is an advisory body, subject to the Supervisory Board.

2. Composition of the Committee

- 1) The Committee is appointed by the Supervisory Board and composed of the Supervisory Board members.
- 2) The Supervisory Board appoints the Chairman of the Committee (hereinafter called „the Chairman“)
- 3) The Chairman directs the work of the Committee.

3. Rules of activity

- 1) The meetings of the Remuneration Committee are held at its discretion.
- 2) The Chairman of the Committee may invite to the meetings of the Committee the members of the Supervisory Board or of the Management Board, the employees of the Company or other persons.
- 3) The Committee takes decisions by the simple majority. In case of equal number of votes, the conclusive vote belongs to the Chairman.
- 4) The members of the Committee may participate in the meetings of the Committee and vote personally, or by means of direct distant communication.
- 5) The meetings of the Remuneration Committee are convened by the Chairman. The information on the meeting must be delivered to the members of the Committee, at least 5 days before the meeting, and if there is a need, not later than one day before the meeting.
- 6) The Chairman may appoint the secretary of the Committee, the task of which will be, in particular, preparing the agenda, arranging the distributions of the documents and drawing up the minutes of the meetings of the Committee.

4. The tasks of the Committee

The task of the Committee is present to the Supervisory Board the recommendation of the principles and the remuneration amount of the Management Board members.

⁷ *Approved by the resolution no 9/2007 dated 02.03.2007 in regard to the changes in the Regulations of the Supervisory Board of STALEXPORT S.A.*

The detailed tasks of the Committee cover:

- 1) determining the terms of employment and remuneration of the members of the Management Board,
- 2) annual presenting to the Supervisory Board of the proposals of bonus tasks for the members of the Management Board as well as the criteria of assessment of their execution,
- 3) presenting to the Supervisory Board the recommendations concerning the amount of the bonus for the members of the Management Board,
- 4) drawing up an annual report on the activity of the Committee for the Supervisory Board.

5. Powers of the Committee

The Committee is entitled to:

- 1) examining any activity of the Company, essential from the viewpoint of the tasks of the Committee,
- 1) obtaining from the Management Board any information, experts' reports, reports and explanations, essential for the activity of the Committee.

**Regulations⁸
of the Audit Committee of the Supervisory Board
Stalexport Autostrady S.A.**

§1

The Audit Committee consists of three members of the Supervisory Board – *appointed by the Supervisory Board* - including at least one member meeting independence requirements and having accounting or auditing qualifications. The Chairman is in charge of the Committee.

§2

The tasks of the Audit Committee, include in particular:

- 1) monitoring of financial reporting process of the Company,
- 2) monitoring of effectiveness of the internal control systems, the internal audit and risk management in the Company,
- 3) monitoring of financial audit,
- 4) monitoring of independence of auditor and entity authorized to audit financial statements, including other services provided for the Company,
- 5) recommending to the Supervisory Board the entity authorized to audit financial statements which will perform financial audit in the Company,
- 6) reviewing and analyzing the periodic and annual financial statements of the Company, both individual and consolidated ones, and next presenting the essential conclusions to Supervisory Board of the Company,
- 7) drawing up the annual report on the activity of the Committee for Supervisory Board.

§3

The Audit Committee is authorized in particular:

⁸ *Approved by the resolution no 16/2009 dated 30.07.2009 regarding the changes in the Regulations of the Supervisory Board and approving the Regulations of the Audit Committee.*

- 1) to examine the documentation of the Company regarding the matters and issues covered by the Committee's tasks, also to receive from the Management Board and through it, from the other employees of the Company any information and explanations concerning the issues covered by the Committee competence,
- 2) to cooperate with auditors in the issues covered by the tasks of the Committee, including the following:
 - to receive from entity authorized to audit the financial statements of the Company (performing a financial statement audit in the Company), a declaration confirming its independence and also the independence of auditors,
 - to receive from the above entity a declaration of other services provided for the Company, such as tax consultancy, preparing the expert opinions or other services,
 - to receive from the aforementioned entity an information in writing on threats of independence of the entity authorized to audit financial statements and the action taken to limit such threats.

§ 4

1. The Audit Committee holds regular meetings at least once a quarter prior to publication of financial statements by the Company.
2. The meetings of the Committee are convened by its Chairman, who duly informs the other members of the Committee about it, no later than five days before the date of the meeting, and exceptionally in urgent cases, one day before the meeting's date.
3. The Audit Committee takes the decisions by simple majority of votes with a reservation, that in case of casting the equal number of votes in favour and against, the Chairman has the final vote.
4. The Audit Committee performs its tasks at the meetings, however in justified cases it is acceptable to make a decision by means of direct distant communication such as phone, e-mail, etc.
5. The Chairman of the Audit Committee can designate other member of the Committee to take the responsibility for its organizational issues and to draw up the minutes of its meetings.

Enclosure 5 - financial highlights of STX Autostrady

Table 1 Financial data concerning the separate financial statements for the year ended 31 December 2009

	TPLN		TEUR	
	2009	2008	2009	2008
Revenue	3 176	3 270	732	926
Results from operating activities	133	5 040	31	1 427
Profit before income tax	5 422	5 260	1 249	1 489
Profit for the period	5 422	5 260	1 249	1 489
Weighted average number of ordinary shares at the end of the period (in thousands of shares)	247 262	247 262	247 262	247 262
Basic earnings per share (PLN/EUR)	0.02	0.02	0.01	0.01
Diluted earnings per share (PLN/EUR)	0.02	0.02	0.01	0.01
Net cash from operating activities	(14 888)	(47 347)	(3 430)	(13 405)
Net cash from investing activities	17 439	131 447	4 018	37 215
Net cash from financing activities	(177)	(5 020)	(41)	(1 421)
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Total assets	261 218	269 532	63 585	64 599
Total non-current assets	62 384	86 165	15 185	20 651
Total current assets	198 834	183 367	48 399	43 948
Total liabilities	69 184	81 745	16 840	19 592
Total non-current liabilities	46 946	60 010	11 427	14 383
Total current liabilities	22 238	21 735	5 413	5 209
Total equity	192 034	187 787	46 744	45 007
Issued share capital	494 524	494 524	120 375	118 523

Sources: own study

Selected financial data has been translated to Euro according to following rules:

- a) items of the separate statement of comprehensive income and the statement of cash flows for the year 2009 and 2008 according to exchange rate, calculated as an average of average NBP exchange rates at the last day of every month comprising the accounting period, i.e. 4.3406 PLN/EUR and 3.5321 PLN/EUR respectively;
- b) items of the statement of financial position according to average NBP exchange rate at the reporting date i.e. 4.1082 PLN/EUR at 31 December 2009 and 4.1724 PLN/EUR at 31 December 2008.