



STALEXPORT AUTOSTRADY S.A.

**MANAGEMENT BOARD'S
REPORT FROM THE ACTIVITIES
OF CAPITAL GROUP**

IN 1st SEMESTER 2011

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Definitions and abbreviations

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

STX Autostrady, Company	Stalexport Autostrady S.A. with its registered office in Katowice
Group, Capital Group, STX Autostrady Group	Stalexport Autostrady S.A. Group in Katowice
SAM	Stalexport Autostrada Małopolska S.A. 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
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 Directorate of Domestic Roads and Motorways
Concession Agreement	The Concession Agreement dated September 19, 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 July 26, 2004
Project Loan Agreement	Loan Agreement dated 28th December 2005, entered into between SAM and the banks, i.e. WESTLB BANK POLSKA S.A. Warsaw; WESTLB AG (London Branch), DEPFA BANK PLC, Dublin, Ireland; KfW Frankfurt, Germany and BANK BPH S.A., Warsaw. Loan agreement was aimed to grant the credit of PLN 380m on the A4 toll motorway project on section Katowice-Kraków (i.e. financing of construction works of Phase IIa and refinancing of construction works of Phase I)
Phase I Cost Refund	Agreement between SAM and STX Autostrady dated December 22, 2005 on Phase I Const Refund of PLN 127m (in real terms as at 28.07.2004) incurred by STX Autostrady
Financing Banks	WestLB AG (London Branch), Polski Bank Przedsiębiorczości S.A., DEPFA Bank Plc, KfW IPEX-Bank GmbH and Bank Polska Kasa Opieki S.A.
KPMG	KPMG Audyt Sp. z o.o. with its registered office in Warsaw
GM	General Meeting
GPW	Warsaw Stock Exchange
Document, Report	Stalexport Autostrady S.A. Management Board's report from the activities of Capital Group in 1st Semester 2011
Ksh	Commercial companies code
ADT	Average Daily Traffic of heviles

Letter from the President of Managing Board

Dear Sirs,

Dear Shareholders,

I am proud to present the Management Board Report regarding activities of STX Autostrady Capital Group throughout the first half of 2011.

In April 2011, the initial capital of STX Autostrady was reduced. The operation is symbolic, but also it entails measurable benefits for the investors. It has definitely concluded a historic period in the Company's history, when its activities focused mainly on the steel business. Arrangement of the equity structure was the final stage of the restructuring process implemented in the previous decade. Additionally, the operation opens a path to dividend payment from the Company's future profits without the need to cover the retained losses first.

The efforts aiming at establishing a capital structure, which would enable Company's development, were accompanied by intense operational measures related to development of motorway projects.

During the first half of 2011, the focus was on investments with a particular emphasis on the A4 Katowice-Kraków concession project. SAM alone, which is the concessionaire of the above-mentioned A4 motorway section, expects the capital expenditure incurred during the period between 2010 and 2012 to amount to ca PLN 200 million. The said capital expenditure covers, among others, modernisation of 22 bridges, construction of new noise screens, modernisation of the toll collection system as well as construction of a modern drainage system in Balice. In the previous months, the construction works related to bridges and flyovers within the A4 Katowice-Kraków motorway right-of-way were contracted and initiated. Additionally, the process of preparation for subsequent investments started.

At this point, I would like to emphasise the fact that the A4 Katowice-Kraków motorway is managed in a public and private partnership formula, allowing for the interest of motorway users and residents of the adjacent areas. Moreover, I would like to point out that the funds for completion of the scheduled investments will come from toll collection as well as commercial credits. SAM uses no subsidies or State Treasury guarantees and the A4 Katowice-Kraków project is a fully self-financing enterprise.

All scheduled works are to further improve functional properties and safety of the motorway users as well as to further reduce the environmental impact.

We have recorded a constant increase in the number of users of the motorway. The number of cars travelling along the section managed by SAM is on average two times higher than in the case of the other motorway sections located in Poland. In such circumstances, our attention to safety and comfort of the users becomes particularly important. Thanks to our efforts, despite a significantly heavier traffic, the A4 Katowice-Kraków motorway section is one of the safest roads in the country.

As we care about comfort of the constantly increasing number of users of the motorway, we have implemented a comprehensive programme aiming at increasing the flow capacity of the Toll Collection Plazas. Its objective is to reduce the queuing time at a tollbooth in the heavy traffic periods, that is on Fridays as well as in the morning and in the afternoon. During the first stage new and temporary motorway service stations designed for cars carrying a passenger and motorcyclists were introduced. Initial estimates indicate that car drivers willingly use this additional quick service option.

We also plan to widen the Toll Collection Plazas and construct additional lanes as well as install additional tollbooths. At the same time, we intend to improve the quality of our services. New payment options will be introduced, including fleet cards, fuel cards as well as the so-called proximity cards. This will entail replacement of the currently used toll collection devices, which is scheduled for the period between 2012 and 2013. We have also implemented measures aiming at ensuring interoperability of our toll collection solutions with the national electronic toll collection system introduced as of July 1, 2011 on selected sections of motorways, expressways and national roads managed by the General Directorate for National Roads and Motorways.

STX Autostrady Group also incorporates special purpose vehicles established for the purpose of participation in new motorway projects completed in Poland.

We are interested in participation in such undertakings, as we hope the public authorities will become interested in co-financing the national road infrastructure pursuant to concession principles in the future. Currently, our efforts are focused around construction and operation of the A1 motorway along the Tuszyn-Pyrzowice section (140 km). We expect the public authorities to invite tenders regarding the said project within a few months. It is possible that in the future we might get involved in other projects, such as construction and operation of the A2 motorway to the east of Warsaw.

I encourage you to become familiar with the financial statements of STX Autostrady Group as well as the report by the Management Board on the Group's activities throughout the first half of 2011. At the same time, I would like to thank our shareholders and partners for their trust and cooperation. Additionally, I would like to thank Members of the Supervisory Board for their substantive support of our operations, the managers and the employees of the entire Capital Group for their involvement and a professional approach, which translates into measurable economic benefits.

The last six months illustrate that a drive towards constant development of our Capital Group can be harmonized with attention to satisfaction of all stakeholders, particularly our customers.

I do believe that our approach is the right one in the case of an enterprise based on professional management of state infrastructure elements. Let all your journeys be safe and let your paths take you straight to your destination.

Yours faithfully,

President

Chief Executive Officer

Signed on Polish original

.....

/Emil Wąsacz/

1. Basic information on STX Autostrady Group

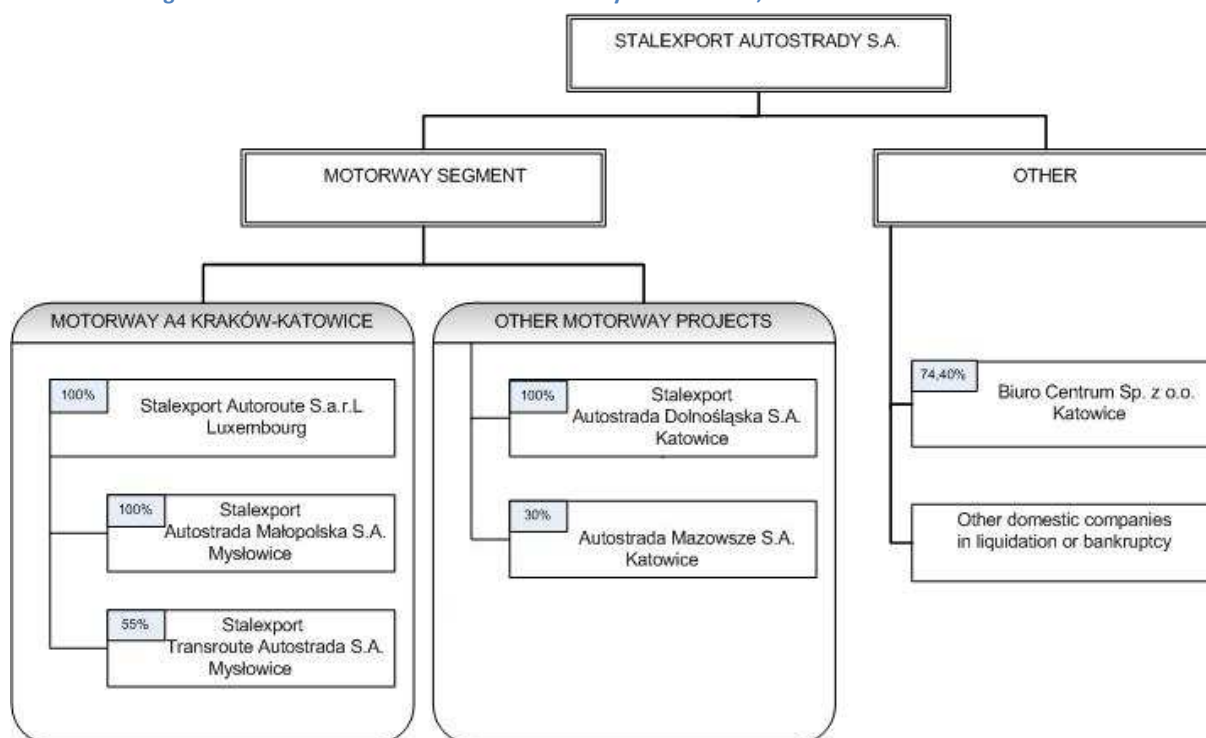
The activities of the Company and the entities comprising its Capital Group focus only on motorway business which includes:

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

Additionally, owing to the fact that the GK STX Autostrady co-owns an 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 manager.

The chart below presents the organizational structure of the STX Autostrady Group broken down into: (i) core area of activities, i.e. motorway segment; and (ii) other activities.

Chart 1 Organizational scheme of the GK STX Autostrady as at June 30, 2011



Source: own materials

The table below presents the basic consolidated financial data of GK STX Autostrady as well as the separate data of three biggest entities from the Capital Group: STX Autostrady, SAM and STA. For comparative purposes, the results recorded by the companies in 1st semester 2011 are presented alongside their results from the comparable period of previous year, and the results as of December 31, 2010 were used for the balance sheet data.

Table 1 Basic financial data of STX Autostrady Group and the most important entities from the Capital Group

Balance sheet data	Capital Group		STX Autostrady		SAM		STA	
	30.06.11	31.12.10	30.06.11	31.12.10	30.06.11	31.12.10	30.06.11	31.12.10
Non-current assets	1 152 540	1 084 459	47 629	48 990	1 141 614	1 073 769	4 442	3 525
Current assets	258 364	298 299	185 111	204 757	89 555	116 986	13 801	11 143
Equity	174 851	180 082	188 674	195 685	3 380	4 979	7 819	8 532
Non-current liabilities	1 051 741	1 042 843	27 510	35 983	1 023 767	1 005 988	2 164	1 563
Current liabilities	184 312	159 833	16 556	22 079	204 020	179 788	8 261	4 572
Performance data	1H2011	1H2010	1H2011	1H2010	1H2011	1H2010	1H2011	1H2010
Sales revenues	83 288	75 232	1 966	1 581	78 408	70 208	17 433	15 875
Gross result on sales	43 928	33 099	355	-45	32 773	24 061	9 674	7 940
EBITDA	54 857	51 139	-10 220	-3 707	56 823	48 878	8 077	6 079
Result on operating activity	24 887	19 157	-10 576	-4 037	27 523	17 556	7 781	5 796
Result on financial activity	-22 107	-4 679	4 650	5 837	-24 909	-7 430	-37	1
Net result	1 003	11 141	-5 926	1 800	308	7 994	6 260	4 692
EBIT margin	30%	25%	-538%	-255%	35%	25%	45%	37%
ROE	1%	6%	-3%	1%	9%	161%	80%	55%

EBITDA = EBIT + amortization + provision for resurfacing

EBIT margin = profit from operating activities / revenue on sales x 100%

ROE (return on equity) = net profit / equity x 100%

Source: own materials

1.1. Stalexport Autostrady S.A.

ul. Mickiewicza 29
40-085 Katowice
tel. +(48) 32 251 21 81
faks +(48) 32 207 23 83

Management Board:

Emil Wąsacz – President of the Management Board, General Director

Mieczysław Skołyżyński – Vice-President of the Management Board, Financial 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 185.446.517,25
(paid in full)

www.stalexport-autostrady.pl

STX Autostrady (formerly Stalexport S.A.) commenced its operations on January 1, 1963 as Przedsiębiorstwo Handlu Zagranicznego „Stalexport”. 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 privatized, while as of October 26, 1994 the shares of the Company are 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 created solely for this purpose, namely SAM). Since then 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 more than 4,048km of toll motorways in Italy, Brazil, Chile, India and Poland and is a leader with respect to automatic motorway toll collections systems. Atlantia is listed at the stock exchange in Milan and its market value amounts to ca. EUR 9,25 bln as of June 30, 2011.

The strategic investor allowed the 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 financial restructuring, while the remaining funds will be used to cover the own contribution of the Company into the planned motorway projects. One of the elements of the restructuring process included the separation and sale of the steel part. Since October 1, 2007 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 owned by the Company and is a seat of its registered office.

Selected financial data of the Company are presented in a table at the beginning of this chapter.

1.2. Entities covered by the consolidation and the methods of their consolidation

STX Autostrady is the dominant company and it draws up the consolidated financial statement. The entities covered by the consolidation as at June 30, 2011, except for the dominant entity are described in the below table.

Table 2 Companies covered by the consolidation, consolidation methods description

Entity	Seat	Consolidation method	Share in capital	Number of votes	Date of control
STX Autoroute	Luxemburg	full	100%	100%	2005
SAM	Mysłowice	full	100%*	100%*	1998
STA	Mysłowice	full	55%*	55%*	1998
SAD	Katowice	full	100%	100%	1997
Biuro Centrum	Katowice	full	74,38%	74,38%	2007
AMSA	Katowice	Ownership right	30%	30%	2007

* *via STX Autoroute*

Source: own materials

1.3. Description of other companies of STX Autostrady Group

1.3.1. Stalexport Autoroute S.a.r.l.

412F, route d'Esch
L-1471 Luxembourg

registered under B 113660 in
Registre de Commerce et des
Sociétés de Luxembourg

Share capital: EUR 47,565,000

Ownership structure:

100% - STX Autostrady

STX Autoroute with its registered office in Luxemburg was set up on December 30, 2005. Establishing this entity was one of the basic requirements for SAM to reach financial close, namely conclude a long-term loan agreement with a consortium of banks. On the basis of the aforementioned loan agreement, Group acquired PLN 360m which was necessary to finance the modernization of road surface and bridge structures of the A4 motorway section Katowice-Kraków.

Apart from holding shares in SAM as well as in STA, the entity does not conduct any operational activities in order to efficiently implement securities package (pledge on shares) for Project Loan Agreement.

1.3.2. Stalexport Autostrada Małopolska S.A.

ul. Piaskowa 20
41-404 Mysłowice
tel. +(48) 32 76 27 555
fax +(48) 32 76 27 556

Management Board:

Emil Wąsacz – President of the
Management Board
Mariusz Serwa – Vice -
President of the Management
Board, Financial Director
Paweł Kocot –Member of the
Management Board

KRS: 0000026895

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

NIP: 634-22-62-054

SAM was established on the basis of a notarial deed on December 19, 1997 as a company, which at that time was intended as a special purpose vehicle in the project of managing A4 motorway section Katowice-Kraków. Statutory activities of this entity comprise managing motorway projects as well as all tasks resulting from the applicable Concession Agreement, which includes managing the construction, adaptation to the requirements of a toll motorway and operation of the A4 motorway section Katowice-Kraków (the afore-mentioned concession was initially granted to STX Autostrady, later to be transferred to SAM pursuant to the decision of the Minister of Infrastructure of July 28, 2004).

Pursuant to Concession Agreement, SAM was authorized to collect lease fee and toll for driving the motorway. In line with the provisions of Concession Agreement, the entity is, on the other hand, obliged to provide continuous maintenance of the motorway and continue other necessary investment activities.

On March 21, 2005, annex no. 5 to Concession Agreement was signed, and upon signing all appendices – on October 17, 2005 – the agreement has entered into force. It allowed for financial close in the form of a long-term loan allocated to refinancing of stage 1, implemented by STX Autostrady as well as for further financing of

REGON: 273796214**Share capital:** PLN 29,553,000**Ownership structure:**

100% - STX Autostrady

(through STX Autoroute)

www.autostrada-a4.pl

investment works as prescribed in the Concession Agreement.

Investment processes which are currently delivered by the entity at the A4 section Katowice-Kraków result from the obligation stipulated by the provisions of the Concession Agreement. The works are mainly connected with the renovation of road surface and bridge structures, construction of some motorway junctions as well as with environment protection: motorway drainage system, animal crossings and noise screens.

SAM finances its operations with revenues generated from toll collection, lease fees as well as with inflows from the concluded Project Loan Agreement. The Project Loan Agreement concluded in December 2005 with Financing Banks, allowed SAM to obtain external financing up to PLN 380m of the assumed investment programme. At the end of 1st half 2011 the nominal value of the loan funds which were utilized stood at PLN 360,000k.

Selected financial data of SAM are presented in a table at the beginning of this chapter.

1.3.3. Stalexport Transroute Autostrada S.A.

ul. Piaskowa 20
41-404 Mysłowice
tel. +(48) 32 76 27 350
faks +(48) 32 76 27 355

Management Board:

Henryk Skiba – President of
the Management Board

Mieczysław Skołyżynski – Vice-
President of the Management
Board

KRS: 0000162861

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

NIP: 634-22-98-951**REGON:** 276194390**Share capital** PLN 500,000
(paid in full)**Ownership structure:**

55% - STX Autostrady (through

STX Autoroute)

45% - Egis Road Operation

(France)

www.sta.pl

STA was established on the basis of a notarial deed on May 14, 1998. The activities of STA are related to the operation of the A-4 toll motorway section Katowice-Kraków. The entity renders its services to its only customer, namely SAM, which is the managing entity with respect to this motorway section pursuant to the Concession Agreement. For its services, the entity receives lump-sum remuneration, the value of which mainly depends on the level of traffic on the motorway and the rate of inflation.

The main tasks realised by STA comprise the services of continuous operation and maintenance of the A-4 toll motorway section (Katowice-Kraków), including: (i) operation of the toll collection system; (ii) management of motorway traffic; (iii) maintenance of the facilities of the motorway in proper technical condition; (iv) comprehensive maintenance of the entire motorway lane; (v) winter maintenance of the motorway; (vi) management and consulting, in particular with respect to future renovations and renewal of the surface and projects related to improving the standard of the road.

Moreover, STA executes the following tasks related to safety and road traffic which are equally important: (i) 24h/day motorway patrols, which in cooperation with the Motorway Management Centre ensure very quick incidents detection; (ii) operation of the SOS telephone system alongside motorway lane; (iii) cooperation with the police and other services in maintaining motorway throughput in the case of collisions, accidents or other incidents.

Selected financial data of STA are presented in a table at the beginning of this chapter

1.3.4. Stalexport Autostrada Dolnośląska S.A.

ul. Mickiewicza 29
40-085 Katowice
tel. +(48) 32 207 21 64
faks +(48) 32 207 26 17

Management Board

Zbigniew Czaplą Nowicki –
President of the Management

SAD was established on the basis of a notarial deed on July 2, 1997. The main area of operations of SAD included winning and managing motorway projects as well as the participation in selected tenders for the construction and / or operation of the subsequent motorway sections. In 2008–2009 the entity participated in two tender processes related to: (i) adapting the A4 motorway section Wrocław-Sośnica (162km) to the toll motorway standards and the toll collection; (ii) adapting the A2 motorway section Konin-Stryków (103km) to the toll motorway standards and the toll collection.

STALEXPORT AUTOSTRADY S.A.

MANAGEMENT BOARD'S REPORT FROM THE ACTIVITIES OF CAPITAL GROUP IN 1ST SEMESTER 2011

(in thousands of PLN, unless stated otherwise)

Board
Marek Długajczyk – Vice-
President of the Management
Board

At the end of 1st half 2009 the Management Board of STX Autostrady S.A. decided to limit the operating activities of SAD. In future that entity as special purpose vehicle may participate in successive tenders in which the STX Autostrady Group will take part individually.

KRS: 0000066811
District Court in Katowice 8th
Business Department of the
National Court Register

At present the entity is financing as a lessor the capital expenditures realized by STA. There are no employees in the company.

NIP: 634-22-45-392
REGON: 273710840
Share capital: PLN 10,000,000
(paid in full)

Ownership structure:
100% - STX Autostrady

1.3.5. Autostrada Mazowsze S.A.

ul. Mickiewicza 29
40-085 Katowice
tel. +(48) 32 207 21 64
faks +(48) 32 207 26 17

AMSA was established on the basis of a notarial deed of November 6, 2007, as a special purpose vehicle set up by the consortium of SAD and Atlantia for the purposes of a tender process carried out by GDDRM . The tender aimed at selecting the entity which will sign an agreement for the construction and operation of the A-2 motorway section Stryków-Konotopa. The negotiations with GDDKiA on agreeing the detailed stipulations of the draft contract ended with reaching no agreement.

Management Board:
Andrzej Kluba – President of
the Management Board
Zbigniew Czapla-Nowicki–
Vice-President of the
Management Board

The basic activity of AMSA is to be the management of motorway projects at the level of the Atlantia Capital Group. After the public party gave up the execution of the A2 motorway, section Stryków - Konotopa within the framework of PPP, AMSA took part in the tender for the execution of Electronic Toll Collection System.

KRS: 0000293547
District Court in Katowice 8th
Business Department of the
National Court Register

AMSA nie zatrudnia pracowników.

NIP: 634-26-58-065
REGON: 240781106
Share capital: PLN 20,000,000
PLN 12,000,000 (paid in cash)

Ownership structure:
70% - Atlantia S.p.A.
30% - STX Autostrady

1.3.6. Biuro Centrum Sp. z o.o.

ul. Mickiewicza 29
40-085 Katowice
tel. +(48) 32 207 22 08
fax +(48) 32 207 22 00

Management Board:

Ireneusz Sakowski – President
of the Management Board

KRS: 0000087037

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

NIP: 634-10-03422

REGON: 272254793

Share capital: PLN 80,000
(paid in full)

Ownership structure:

74.4% - STX Autostrady
25.6% - WĘGŁOKOKS S.A.

www.biurocentrum.com.pl

Biuro Centrum was established on the basis of a notarial deed on June 9, 1994.

The main area of operations of Biuro Centrum is related to managing and technical operation of the office and conference building in Katowice at ul. Mickiewicza 29.

Biuro Centrum guarantees high standards and professionalism in all services concerning property management and its technical operations. It has modern organisational, technical and office facilities.

The supplementary range of activities of Biuro Centrum includes catering services in "Restauracja pod wieżami" restaurant it runs as well as comprehensive services provided for the conference centre.

2. Essential information for the evaluation of the financial situation, assets situation and financial result of the STX Autostrady Group and their changes and essential information for the evaluation of the possibilities to execute liabilities by the Company and its Capital Group

2.1. Presentation of the financial results

The following table presents basic consolidated financial results of STX Autostrady Group achieved in 1st semester of 2011. The results generated by the Group in the corresponding period of the previous year have been provided next to the results for 1st semester of 2011.

Table 3 Selected positions of statement of comprehensive income of STX Autostrady Group in 1st semester of 2011 as well as the corresponding period of 2010 (consolidated data)

	June 30, 2011	June 30, 2010	Variation
Revenue	83 288	75 232	11%
Cost of sales	-39 360	-42 133	-7%
Gross profit	43 928	33 099	33%
Other income	1 853	2 150	-14%
Administrative expenses	-13 701	-14 651	-6%
Other expenses	-7 193	-1 441	399%
Results from operating activities	24 887	19 157	30%
Finance income	10 134	20 217	-50%
Finance expenses	-32 241	-24 896	30%
Net finance expense	-22 107	-4 679	372%
Share of loss of equity accounted investees	-	-56	-100%
Profit before income tax	2 780	14 422	-81%
Income tax expense	-1 777	-3 281	-46%
Profit for the period	1 003	11 141	-91%

Source: own materials

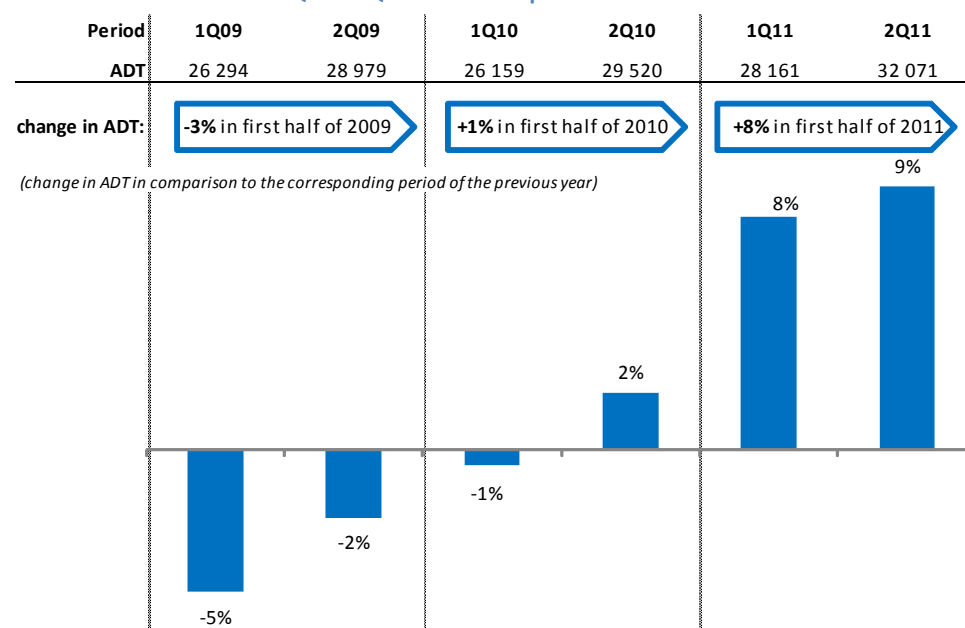
As a result of the activities carried out in 1st semester 2011, STX Autostrady Group reported a net consolidated profit of PLN 1,003k, which is lower by 91% than the same item in the corresponding period of the previous year. The reduced value of the item, recorded despite the high dynamics of the revenue on sales as well as the gross profit on sales, results mainly from the following events and factors:

- in 3Q2010, SAM drew the final tranche of the loan (PLN 210,000k) for completion of the investments carried out on the A4 motorway concession section. As a result, in 1st semester of 2011, the interest amounted to PLN 12,216k and, by the same token, exceeded the value of interest in the corresponding period of the previous year by PLN 6,312k;
- due to the change in the schedule of the concession payments, the Group revaluated the same in 1st semester of 2010. As a result, financial income of the Group in 1st semester of 2010 increased by PLN 15,804k. The revaluation pertaining to the concession payments schedule did not affect the Group's performance in 1st semester of 2011;
- as the complaint, filed by STX Autostrady regarding the decision by the Head of the 1st Silesian Inland Revenue in Sosnowiec, was dismissed by the Supreme Administrative Court, the Company recognized an allowance of PLN 6,894k for its VAT receivables, which reduced the net result reported by the Group in 1st semester of 2011.

2.1.1. The Mount and structure of operating revenues

The financial results of STX Autostrady Group are mainly affected by its motorway activities based on the management and operation of the toll A4 Katowice-Kraków motorway section, for which SAM subsidiary is responsible for under the Concession Agreement executed by the same and in force until 2027.

Chart 2 ADT levels in 1Q and 2Q – data for the period between 2009 and 2011



Source: own materials

In 1st semester of 2011, STX Autostrady Group generated revenues on toll collection amounting to PLN 78,404k, whereas in the corresponding period of the previous year the figure was PLN 70,205k. The increase resulted mainly from the increased ADT (by 8%) as well as the increase in the toll received for the so-called vignette vehicles applicable as of July 1, 2010. Heavy vehicle traffic displayed a noticeably higher dynamics within the analyzed period: almost a 15% increase was recorded in the case of heavy vehicles, whereas in the case of light vehicles the increase exceeded 6%. The difference between the increased car traffic dynamics (6%) and the dynamics of revenues on the actual car toll (8%) results from sale of subscription coupons for frequent users, in the case of which the revenues – in line with the accounting policy of the Group – are reported on the day of sale and not on the day they are actually used. Apart from the toll collection, additional revenues were generated on the motorway operation in the amount of PLN 184k.

Table 4 Structure of the revenues on the motorway toll collection – data for 1st semester of 2011 and the corresponding period of 2010

	June 30, 2011	June 30, 2010	Variation
Toll revenues from light vehicles	53 267	49 289	8%
Toll revenues from heavy vehicles	4 549	3 952	15%
Revenues from vignette vehicles	20 588	16 964	21%
Total	78 404	70 205	12%

Source: own materials

Apart from the motorway business, the revenues of PLN 4,700k generated by STX Autostrady Group resulted from the real property management and rental of office space. In 1st semester of 2011, the figure was lower by 1% in comparison with the corresponding period of the previous year.

In 1st semester of 2011, other income amounted to PLN 1,853k, the major part of which was represented by rentals for using real properties located within the A4 Katowice-Kraków motorway right-of-way in the amount of PLN 1,114k. It needs emphasizing at this point that in the previous reporting periods the other revenues item included relatively significant revenues on recovered historic trade and tax receivables related to the previous Company's business. In line with the earlier estimates prepared by the Management Board of STX Autostrady, the above-mentioned revenues currently have insignificant influence on the financial results generated by the Group.

2.1.2. The amount and structure of operating expenses

In 1st semester of 2011, total operating expenses of STX Autostrady Group amounted to PLN 60,254k, including the following:

- the cost of sales amounting to PLN 39,360k. Due to reduced costs of provisions established for recurring repaving, the value of the said group of costs was lower by approximately 7% than the figure reported in the corresponding period of the previous year;
- the overheads amounting to PLN 13,701 thousand. Thanks to reduced outsourcing costs, the level of overheads was reduced by 6% in comparison with 1st semester of 2010;
- other operating expenses amounting to PLN 7,193k. Within the analyzed period this item included mainly the recognition of an allowance for VAT receivables of PLN 6,894k, which was created because the Supreme Administrative Court dismissed the complaint filed by STX Autostrady regarding the decision by the Head of the 1st Silesian Inland Revenue in Sosnowiec.

As a result of the above-mentioned one-off event related to the historic commercial activity, the total value of the operating expenses in 1st semester of 2011 was higher by 3.5% than in the corresponding period of the previous year.

2.1.3. Financial activities

In 1st semester of 2011, STX Autostrady Group achieved a negative net finance expense: the generated financial income of PLN 10,134k were lower than the incurred financial expenses (PLN 32,241k). The financial income is mainly affected by the interest on bank deposits of PLN 8,102k as well as the profit on investments in investment funds of PLN 1,696k. The increase in the income on bank deposits by PLN 4,939k (in 1st semester of 2010, the interest on bank deposits amounted to PLN 3,163k) was possible thanks to the increased cash, which resulted mainly from the final drawdown of the Project Loan granted for completion of investments on the A4 motorway section managed by the Group. When comparing the data for the 1st semester of 2011 with the corresponding period of the previous year, one has to be aware of the fact that in 1st semester of 2010 the Group reported the amount of PLN 15,804k on account of the revaluation pertaining to the concession payments schedule (in 1st semester of 2011 no such revaluation took place).

Whereas the financial expenses were mainly affected by the discount on liabilities and provisions in the total amount of PLN 17,226k, of which: (i) PLN 12,724k pertained to the provision for Phase 2 construction works; (ii) PLN 4,136 thousand pertained to reversal of the discount on the liability towards the State Treasury on account of the concession payment; and (iii) PLN 366 thousand included reversal of the discount on the repaving provision. At this point, it needs emphasizing that in line with the International Accounting Standards as well as the International Financial Reporting Standards, both the subordinated debt towards the National Road Fund on account of the loan granted by the European Bank for Reconstruction and Development as well as the provisions created for repaving and construction works are reflected by the Group in the financial statements in their current values. Therefore, the figure reflects the nominal value of a given liability or an expected expenditure discounted as at the day the financial statements are prepared on using the market interest rate.

As far as other financial expenses are concerned, significant items included interest on the loan (PLN 12,216k), interest on the liabilities on account of guarantees towards the State Treasury (PLN 1,186k) as well as the loss on transactions on derivatives (PLN 1,580k). At this point, it needs emphasizing that the costs of interest on the loan increased (PLN 5,904k in 1st semester of 2010), due the above-mentioned drawdown (PLN 210,000k) of the final tranche of the Project Loan.

2.2. Assets and financial position

The following table includes a synthetic balance sheet of STX Autostrady Group as well as its structure as at June 30, 2011.

Table 5 Condensed financial position of STX Autostrady Group (consolidated data) as AT June 30, 2011 and December 31, 2010

			Variance	Structure	
	30.06.2011	31.12.2010	2011/2010	30.06.2011	31.12.2010
Non-current assets	1 152 540	1 084 459	6%	82%	78%
Current assets	258 364	298 299	-13%	18%	22%
Equity	174 851	180 082	-3%	12%	13%
Non-current liabilities (incl. provisions)	1 051 741	1 042 843	1%	75%	75%
Current liabilities (incl. provisions)	184 312	159 833	15%	13%	12%
Total equity and liabilities	1 410 904	1 382 758	2%	100%	100%

Source: own materials

At the end of 1st semester of 2011, the value of the fixed assets amounted to PLN 1,152,540k and was higher by 6% in comparison with the figure reported at the end of 2010. This resulted mainly from the increase, by PLN 65,215k, in the value of cash allocated by SAM to deposit/reserve accounts created in line with the provisions of the Concession Agreement for the purpose of completion of the tasks provided for in this agreement (mainly financing of the investment scheme being implemented). The other fixed assets items were not subject to significant changes in 1st semester of 2011.

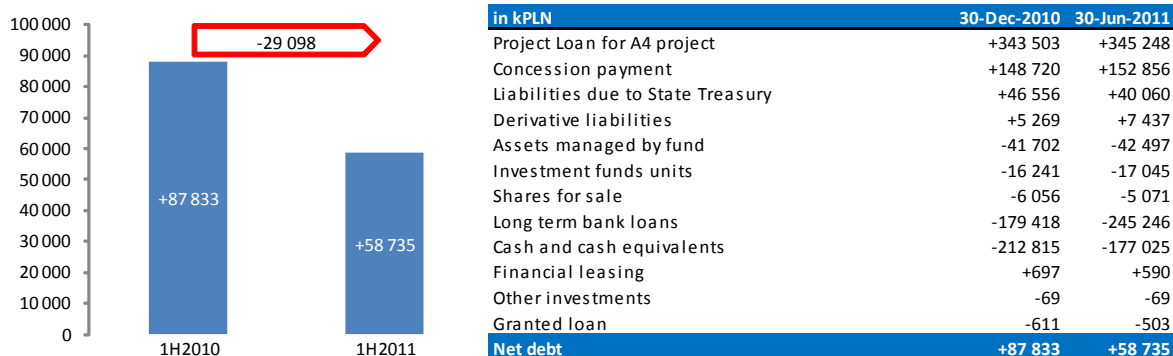
Within the analyzed period, value of the current assets was reduced to the level of PLN 258,364k, i.e. by 13%, mainly due to the lower value of cash, which was reduced by PLN 35,790k. A large part of the current assets was used to increase the cash allocated to long-term deposit/reserve accounts. Additionally, as a result of the allowance for tax receivables (PLN 6,894k) created by STX Autostrady based on the decision by the Supreme Administrative Court, the value of trade receivables in 1st semester of 2011 was reduced by PLN 6,105k. Value of the other items of current assets was similar to the level reported at the end of 2010.

As at June 30, 2011, total liabilities (incl. provisions) of the Capital Group amounted to PLN 1,236,053k, of which as much as 85% was represented by long-term liabilities (and provisions). The liabilities result mainly from the following:

- provisions for Phase 2 construction works (PLN 598,105k);
- bank loan (including charged interest as well as prepaid financing costs) for financing of the investments on the A4 Katowice-Kraków motorway section (PLN 345,248k)
- current value (discounted) of the liability towards the National Road Fund on account of the concession (PLN 152,856k);
- liability towards the State Treasury on account of the guarantees provided by the Company for Huta Ostrowiec S.A. (PLN 40,060k);
- provisions for motorway repaving (PLN 38,961k);
- prepayments on account of lease of the Rest Areas and the land where optic fiber wires are to be buried as well as accrued revenues resulting from the compensation for mining damage – regarding the A4 Katowice-Kraków motorway section (PLN 14,197k).

The increase in the total liabilities recorded in 1st semester of 2011 (incl. provisions) resulted mainly from revaluation of the following provisions established by the Group: (i) for construction works (by PLN 16,274k); and (ii) for repaving of the motorway (by PLN 1,362k, total increase in the repaving provisions of PLN 11,302k). Additionally, within the area of liabilities the Company reclassified the provision for Phase 2 construction works amounting to PLN 23,244k from long-term to short-term liabilities.

Chart 3 Group's net debt (consolidated data) – as at December 31, 2010 and June 30, 2011



Source: own materials

Capital expenditure incurred by STX Autostrady Group in 1st semester of 2011 amounted to PLN 12,495k and included mainly the construction works carried out along the A4 Katowice-Kraków motorway section managed by the Group. The said capital expenditure was related to modernization of 22 bridges as well as modernization of the motorway drainage system in Balice (the expenditure was allowed for in the construction works provision). The other capital expenditure of the Capital Group pertains mainly to purchase of the equipment required for the purpose of motorway maintenance as well as purchase of office equipment and means of transport. All the above-mentioned measures were allowed for in the capital expenditure budget of the Group for 2011 and had been approved by Supervisory Boards of particular entities incorporated in the Group. At this point, it needs emphasizing that financing of the investments resulting from the Concession Agreement executed by SAM is secured with Company's own funds, which come from operation of the A4 motorway (toll) as well as the Project Loan Agreement entered in December 2005 with Financing Banks. The above-mentioned agreement ensured external financing for completion of the investment programme implemented by SAM in the amount up to PLN 380,000k. At the end of 1st semester of 2011 the nominal value of bank loans related to the same amounted to PLN 360,000k. As the loan availability period has come to an end, liabilities of the Group on this account will not increase in the following reporting periods.

3. Other information on STX Autostrady Group

3.1. Information on concluded agreements significant for the Capital Group's operations, including the agreements, the Company is knowledgeable about, concluded between the shareholders, insurance agreements or cooperation agreements

On June 08, 2011 STX Autostrady, SAM, STX Autoroute and Financing Banks entered into the Consent and Waiver Letter related to the settlement of Phase I Cost Refund (concerning the outlays incurred by the Company for adapting the concession motorway section to toll collection) and related to the right of the Company – in accordance with the Concession Agreement - to increase the share capital in SAM. An increase in share capital of SAM requires the prior consent of the Financing Banks according to the standard provisions foreseen by the signed Project Loan Agreement and also in connection with the existing structure of collaterals under for the granted loan (share pledges).

During the hardening period when pledges established on new shares in SAM might be ineffective or diminished (Bankruptcy and Restructuring law §128, §127 item 3 and §130), the Company in order to obtain the Financing Banks' consent to acquire new shares to be issued – committed itself to follow certain procedures. In accordance with the concluded agreement, STX Autostrady is free to perform actions associated with the Company's statutory activities, including participation in new motorway projects. The transactions of significant value, which exceeds cumulative threshold will be subject to the procedure of obtaining the Financing Banks consent.

In accordance with the Consent and Waiver Letter, the formal consent of Financing Banks to increase share capital of SAM requires (as conditions precedent) that:

- (i) the authorized bodies of STX Autostrady, SAM and STX Autoroute pass effectively the appropriate resolutions;
- (ii) ASPI submit a letter of intent;
- (iii) SAM pay bank commissions specified in the Consent and Waiver Letter.

Within 6 months after the conclusion of the Consent and Waiver Letter, the Company and SAM take actions resulting in (conditions subsequent):

- (i) share capital be increased in SAM by STX Autostrady;
- (ii) setting –off of the mutual receivables between the Company and SAM resulting from share capital increase in SAM and Phase I Cost Refund, and prepayment by SAM of the loan in the amount of PLN 40m primarily drawn for payment of the Company's receivable resulting from the said Phase I Cost Refund;
- (iii) increase in share capital of STX Autoroute by contribution in kind of newly issued shares of SAM;
- (iv) establishing of pledges in favour of Financing Banks on newly issued shares of SAM and STX Autoroute;

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

On April 13, 2011 the District Court Katowice-East in Katowice, VIII Economic Department of National Court Register, made an entry on the reduction of share capital of STX Autostrady, as adopted by the Company's Ordinary GM in resolution no 20 dated April 4, 2011.

As a consequence, the share capital of STX Autostrady was decreased by PLN 309,077,528.75, i.e. from PLN 494,524,046.00 to PLN 185,446,517.25, by reducing the nominal value of each share by PLN 1.25 (i.e. from PLN 2.00 to PLN 0.75).

Number of votes attached to all issued shares amounts to 247,262,023.

3.3. Information regarding transactions concluded by the Company or by its subsidiary with related entities on non-market terms

All transactions concluded by STX Autostrady or by its subordinate unit with related entities were made on market terms. However, the Management Board of STX Autostrady would like to point out three important contracts concluded between the Company's subordinate units and related entities.

The first of them is the **Maintenance and Operation Contract**, concluded originally in 1998 between STX Autostrady and STA. Current contract was signed between SAM and STA on March 21, 2006. The Maintenance and Operation Contract was concluded for the validity period of the Concession Agreement (until 2027), and it strictly concerns the work related to the A-4 license project, including the toll collection services and running maintenance and operation of the motorway (with winter season maintenance). The contractual level of operator remuneration is a long-term risk separator with regard to volatile market prices of maintenance and operation, and ensures a continuity of services and operation during the long period of investment project implementation. The value of transactions concluded between SAM and STA pursuant to the said contract amounted to PLN 17,168k in 1st semester 2011.

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 actual conditions obtainable on the so-called free market. Nonetheless, in the opinion of the Company's Management Board the said Contract was concluded on market terms, and its provisions do not diverge from the conditions obtainable by Group-external entities, were they a party to this Contract.

Second contract to be mentioned here is **Contract** No. F2b-1-2009 signed by SAM and Pavimental S.p.A. and Pavimental Polska Sp. z o.o. (both entities belong to Atlantia Group - Atlantia owns 100% of ASPI stock, and ASPI owns 71.67% of Pavimental S.p.A. stock), **concerning the restoration of 22 bridges in A-4 motorway**. Contractor of this project was selected on the basis of a two-stage procurement procedure whose conditions were agreed upon with GDDKiA (in accordance with the provisions of the Concession Agreement, the Concessioner shall choose each contractor in a procurement procedure, and GDDKiA reserves the right to verify the criteria and procurement conditions before each procurement is announced).

The announcement on tender was published in the Official Journal of the European Union – a Supplement to the Official Journal of the European Union No. TED-publication 2009/S123-179334-PL dated July 1, 2009. In response to the announcement, a pre-qualification application has been filed by: (i) Budimex Dromex S.A.; (ii) WARBUD S.A. (iii) consortium Pavimental S.p.A. and Pavimental Polska Sp. z o.o., as well as (iv) Sinohydro Corporation Ltd. from China. The pre-qualification stage has been overcome positively by the first three companies, and ultimately the offers have been made by: (i) Budimex Dromex S.A.; (ii) WARBUD S.A. as well as (iii) consortium Pavimental S.p.A. and Pavimental Polska Sp. z o.o. As a result of the tender procedure, comprising assessment of quality criteria as well as price criterion, the offer made by the consortium Pavimental S.p.A. and Pavimental Polska Sp. z o.o. has been considered the most advantageous, and this entity has been selected the contract Provider. The total value of contracted works amounts to PLN 103,194,265.00 net. The instructions to start work were given on December 22, 2009, and the Contract is expected to be completed in the year 2012. In that case, having in mind the procedure of selecting the entity to execute the Contract, in the opinion of the Company's Management Board its conditions should be considered market-oriented.

In 1st semester 2011 the turnover between SAM and consortium of Pavimental S.p.A. and Pavimental Polska Sp. z o.o. related to the contract no. F2b-1-2009 amounted to PLN 4.366k.

The third contract of that kind is the **contract** no F2b-2-2009, signed between SAM and the consortium of Pavimental S.p.A. and Pavimental Polska Sp. z o.o. (those entities belong to the Atlantia capital group, which holds 100% of the shares in ASPI, while ASPI is a 71.67% shareholder of Pavimental S.p.A.) **for the execution of modernization of the water drainage system of the motorway in Balice**. The contractor for this project was selected on the basis of tender procedure, whose conditions had been agreed with GDDKiA (in accordance with the provisions of the Concession Contract, SAM shall choose each contractor in a tender, and GDDKiA reserves the right to verify the criteria and tenders' terms before it is announced) as well as loan providers.

In March 2010 SAM made a decision to cancel the first tender, due to poor competition and contract price not being adequate to the assumed one. SAM obtained approval of Financing Banks to modify the tender documentation. A repeated tender was announced in 3Q2010. On September 7, 2010 an offer for the execution of works was received from the consortium of companies Pavimental S.p.A. and Pavimental Polska Sp. z o.o. As a result of bid assessment, comprising quality criterion and price criterion, the offer submitted by the Pavimental consortium has been considered the most advisable, and the bidder has been selected the contractor for the project. The total value of contract works is PLN 17,316,115 net. The order to start work was issued on December 20, 2010 and it is planned to complete the contract in late 2011/ early 2012. Taking into consideration the applied procedure for the selection of the contractor, in the Company's Management opinion the contract F2b-2-2009 was concluded on market terms.

In 1st semester 2011 the turnover between SAM and consortium of Pavimental S.p.A. and Pavimental Polska Sp. z o.o. related to this contract amounted to PLN 854k.

3.4. Information on suretyships and guarantees granted and obtained in the turnover year, in particular suretyships and guarantees granted to affiliated entities

In the reporting period no suretyships or guarantees were granted.

3.5. Information on the issuance of securities along with the description of the utilization of inflows from the issuance by the Company

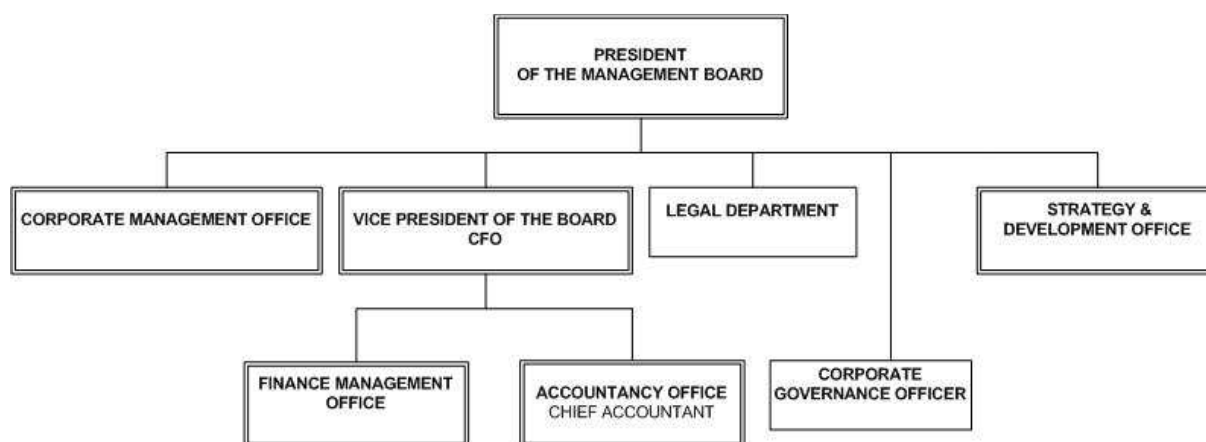
In the reporting period the Company did not issue any securities.

3.6. Information significant for the evaluation of the HR matters of the STX Autostrady Group

(i) Organizational scheme of STX Autostrady

Due to changes in the composition of the Management Board of STX Autostrady, in 1st semester 2011 organizational scheme of the Company was modified. The current scheme is presented in below Chart.

Chart 4 STX Autostrady's organizational scheme as at June 30, 2011



Source: own materials

As at June 30, 2011 the employment amounted to 28 persons (25,75 full time equivalents), thus it increased slightly compared to December 31, 2011 when it stood at 27 persons (25,5 full time equivalents) respectively.

The structure of the Capital Group along with the description of its companies is presented in points 1 of the Report.

(ii) Employment in the Capital Group

In 1st semester of 2011 the process of consolidating management positions in the Group, launched in 2nd semester 2009, was carried on, at present resulting in:

- Emil Wąsacz acts as: President of the Management Board of STX Autostrady, President of the Management Board of SAM and the Chairman of the Supervisory Board of STA;
- Mieczysław Skołożyński acts as: Vice-President of the Management Board of STX Autostrady, Vice-President of the Management Board of STA, Vice-Chairman of the Supervisory Board of SAM, Chairman of the Supervisory Board of AMSA and a Member of the Supervisory Board of SAD;
- Andrzej Kluba acts as: Director of Strategy and Development Office in STX Autostrady and President of the Management Board of AMSA;
- Zbigniew Czapla-Nowicki acts as: Deputy Director of Strategy and Development Office in STX Autostrady, Vice-President of the Management Board of AMSA and President of the Management Board of SAD;
- Marek Długajczyk acts as: Director of Finance Management Office in STX Autostrady and Vice-President of the Management Board of SAD;
- Ireneusz Sakowski acts as: Chief Specialist for Tenders in STX Autostrady and President of the Management Board of Biuro Centrum.

As at June 30, 2011 there were 290 employees in the STX Autostrady Group including 6 managing persons (top management) and 21 middle managers (directors and managers). For comparison the number of employees in STX Autostrady Group (headcount) as at:

- December 31, 2011 – amounted to 276 employees, including 6 managing persons (top management members) and 21 middle managers (directors and managers);
- June 30, 2010 - amounted to 271 employees, including 6 managing persons (top management) and 22 middle managers (director and managers).

In 1st semester of 2011 the employment increased (headcount) by more than 5%, mainly due to the increase in employment in the toll collection department in STA aimed at improving the quality of customer service and at reduction of queuing time at toll collection plazas.

(iii) The changes in the composition of the persons managing and supervising the Company and its Capital Group in the reporting period

STX Autostrady

a) Management Board

Pursuant to §10 of the Company's Statutes, the Management Board consists of 1 to 3 persons. President of the Management Board is appointed by the Supervisory Board, the other members of the Board are appointed by the Supervisory Board, upon the motion of the President of Management Board. Joint term of the Management Board's members lasts three successive years and their mandates expire on the day of the General Meeting approving the financial statement for the last full turnover year of performing the function of the Board's member.

In the reporting period the composition of the Management Board has change and it was as follows:

From January 01, 2011 to February 10, 2011 the Management Board acted in the following composition:

- Emil Wąsacz- President of the Management Board;
- Mieczysław Skołożyński – Vice-President of the Management Board;
- Wojciech Gębicki - Vice-President of the Management Board.

On February 10, 2011 Wojciech Gębicki resigned from the position of the member of the Management Board of STX Autostrady and he was dismissed by the Supervisory Board from the Company's Management Board as from February 10, 2011. The Company informed the GPW about that matter in the current Report no. 3 dated February 10, 2011.

From February 10, 2011 up to the date of drawing up that Report the Management Board has been acting in the following composition:

- Emil Wąsacz- President of the Management Board;
- Mieczysław Skołożyński – Vice-President of the Management Board;

b) Supervisory Board

Pursuant to §14 of the Company's Statutes, Supervisory Board consists of 5 to 9 persons appointed for the joint term of three years. GM appoints and recalls the members of Supervisory Board fixing first their number for a given term. General Meeting on December 22, 2010, in the resolution no 3 decided that the Supervisory Board of VII term (2010-2012) will consist of seven members.

From January 01, 2011 up to the day of drawing up the report, the Supervisory Board's composition did not change and the Supervisory Board has been acting in the following, a seven – member composition:

- Roberto Mengucci – Chairman;
- Aleksander Galos – Vice-Chairman;
- Michelangelo Damasco – Secretary;
- Costantino Ivoi;
- Christopher Melnyk;
- Massimo Lapucci;
- Tadeusz Włudyka.

In 1st semester of 2011 the Remuneration Committee of the Supervisory Board acted in the following composition: Roberto Mengucci (Chairman); Aleksander Galos; Costantino Ivoi; Tadeusz Włudyka. As at January 01, 2011 the Audit Committee of the Supervisory Board acted in the composition: Costantino Ivoi (Chairman), Massimo Lapucci. The composition of the Audit Committee was supplemented by the resolution no 1/2011 of the Supervisory Board and since February 09, 2011 Audit Committee has been acting in the following composition: Costantino Ivoi (Chairman), Aleksander Galos, Massimo Lapucci.

SAM

On February 10, 2011 the President of the Management Board of SAM was changed: Wojciech Gębicki was replaced by Emil Wąsacz. At the same time Emil Wąsacz resigned from the position of the Chairman of the Supervisory Board of SAM. On the same day, the Supervisory Board appointed Costantino Ivoi as a new Chairman of the Supervisory Board.

STA

In the reporting period the Management Board of STA acted in the unchanged composition. On February 11, 2011 the composition of the Supervisory Board of STA was changed: Mariusz Serwa (acting also as the Vice-President of SAM) replaced Wojciech Gębicki who was dismissed.

SAD

In the reporting period the Management Board of SAD acted in the unchanged composition. From January 01, 2011 to February 10, 2011 of the Supervisory Board of SAD acted in the composition: Wojciech Gębicki (Chairman), Christopher Melnyk (Vice-Chairman), Mieczysław Skołożyński (Secretary). On February 10, 2011 STX Autostrady dismissed Wojciech Gębicki from the Supervisory Board of SAD, appointing Emil Wąsacz to his position. On April 12, 2011 STX Autostrady dismissed Emil Wąsacz and Christopher Melnyk from the Supervisory Board of SAD appointing Giuseppe Natali and Riccardo Starace to their positions. Thus, from April 12, 2011, the Supervisory Board of SAD operates in the following composition: Giuseppe Natali, Mieczysław Skołożyński, Riccardo Starace.

AMSA

On February 10, 2011 the President of the Management Board of AMSA was changed: Wojciech Gębicki was replaced by Andrzej Kluba. Thus since February 10, 2011, the Management Board of AMSA has been acting in the composition: Andrzej Kluba (President of the Management Board), Zbigniew Czapla-Nowicki (Vice-President of the Management Board). In the reporting period the Supervisory Board of AMSA acted in the unchanged composition.

BIURO CENTRUM

In the reporting period the Management Board of Biuro Centrum did not change. Whereas the composition of the Supervisory Board was changed on May 11, 2011 by WĘGŁOKOKS S.A.: Bogusław Oleksy was appointed to replace Marek Szczyrba, who was dismissed.

3.7. Company's shares as well as stocks in the entities connected with the Company held by the STX Autostrady Group managing and supervising persons

The number along with the nominal value of STX Autostrady shares held by the persons managing and supervising the Company and the Capital Group, are specified on the base of the statements submitted by particular persons. The table below presents the data as at June 30, 2011 (and as on the day of publication of the Report).

Table 6 Number and nominal value of STX Autostrady shares held by the Capital Group's managing and supervising persons

Item	Name and surname	No of shares [units]	Nominal value [in PLN]
1.	Emil Wąsacz	59.000	44.250,00
2.	Katarzyna Bijak	2.000	1.500,00
3.	Marek Długajczyk	2.067	1.550,25

Source: own study based on the statements submitted by the Capital Group's managing and supervising persons

The persons managing and supervising the companies of the STX Autostrady Group do not hold any stocks or shares in entities affiliated with STX Autostrady.

3.8. 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

The shareholders holding - according to the best knowledge of the Company - at least 5% in total number of votes at the STX Autostrady's GM are presented in the table below

Table 7 List of STX Autostrady's shareholders holding significant block of shares of the Company

Name of company	Number of ordinary bearer shares [units]	Share in share capital [%]	Number of votes at GM	Share in the total number of votes at 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 %
Kairos Investment Management SpA	12.391.265	5,01 %	12.391.265	5,01 %

Source: own materials

3.9. Information on judicial proceedings pending in court, proper authority for the arbitration proceedings or the authority of the public administration

The Company is not a Party of any proceedings in common, arbitration court of law, and also the bodies of the public administration in cases, in which the value of the subject of the dispute exceeds the amount constituting at least 10% of the equity of the Company. It concerns both a single case and all the cases conducted by the Company and against the Company.

Also the Companies of the Capital Group are not the Parties of any proceedings – except for SAM - in common, arbitration court of law, and also the bodies of the public administration in cases, in which the value of the subject of the dispute exceeds the amount constituting at least 10 % of their equity.

In case of SAM there are two cases fulfilling the above-mentioned criteria:

- on sentence dated December 18, 2009 of the District Court in Katowice I Civil department upon the action of CTL Maczki Bór Sp. z o.o. against SAM, State Treasury and STX Autostrady for usage of land located in the roadstrip of motorway – the Court adjudged from SAM for CTL Maczki Bór Sp. z o.o. an amount of PLN 995,593.28 along with the statutory interest as from April 3, 2007. The sentence is not legally valid. On January 25, 2010 SAM lodged an appeal against the sentence;
- the decision of Antimonopoly Office dated April 28, 2008 imposing:
 - ♦ payment by SAM a penalty of PLN 1,3 million for exercise of monopolistic position on A4 motorway Katowice-Kraków;
 - ♦ abandoning monopolistic position, understood as charging of full toll rates during the repairs of the motorway.

On May 10, 2010 Court for Consumer and Competition Protection issued a sentence upholding the decision of Antimonopoly Office dated April 28, 2008. On June 28, 2010 SAM made an appeal to the Appeal Competition and Consumer Protection Court in Warsaw. On May 31, 2011 the Court issued a sentence dismissing the SAM's appeal and upholding the UOKiK decision. On July 06, 2011, SAM paid the financial penalty of PLN 1,300k but it is going to made a final appeal.

4. Description of the main risks and hazards as well as the characterization of the external and internal factors crucial for the development of the Company and the GK STX Autostrady Group

4.1. Basic risk groups and threat groups for the activities run by the Company

Political and economic stability is one of the main conditions to ensure the harmonious development of the motorway activities.

The basic prerequisites of **economic and financial risks** are – in case of the decline in the growth of economic development - a potential decrease in traffic, and consequently decline of the revenues level. The Company reduces this risk by applying appropriate pricing policies, as well as taking actions to improve the quality of customer service by the expansion of toll collection plazas within the managed section of the motorway and currently implemented replacement of toll collection devices, enabling customers to diversify the forms of payment for the use of motorway.

In the case of making the decision to participate in tenders for the development of motorway infrastructure the worsening of the investment climate is a significant risk factor which can cause difficulty in obtaining long-term investment capital. The Company has experienced this situation two years ago when owing to lack of financing the tender for the construction and operation of the A2 motorway section between Stryków and Konotopa junction did not become realized. The Company tries to minimize such risks, among others by continuous cooperation with financial institutions having extensive knowledge and experience in the sector of infrastructure projects, such as entities comprising the Atlantia Group, participate in public consultations aimed at developing and implementing innovative solutions in this regard, involving, among others the allocation of risks in the sphere of infrastructure projects and placing them on the side of entities, which can manage them efficiently.

Institutional and legal instability of the environment governing the sector of infrastructure in Poland are the main groups of legal and political risks. By among others promoting good practices and solutions aimed at creating an appropriate legal framework for the implementation of infrastructure projects, active participation in public discussion on new legislative solutions, the Company seeks to counteract such risks.

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

(i) Proposal of changes to the Concession Agreement made by GDDKiA and the Ministry of Infrastructure.

On 13 January 2010 the management of SAM, received the proposal from GDDKiA of implementation of changes to ruling Concession Agreement. It should be highlighted that implementation of any changes to the Concession Agreement requires acceptance from the SAM's Management Board, its Supervisory Board and Financing Banks.

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

(ii) Other factors:

- ♦ In October 2007 the Antimonopoly Office initiated the antimonopoly proceeding against the SAM, in connection with an allegation of abuse of dominant position by SAM in the market of collecting toll for driving the motorway A4 Katowice - Krakow by imposing unfair prices for driving the motorway, in the amount specified in the price list of tolls at the time of repair of that section of the motorway, causing considerable difficulties in vehicles traffic, which may constitute a violation of art. 9 section 2 point 1 of the Act on competition and consumer protection. As a result of this proceeding on 25 April 2008 the Antimonopoly Office issued a decision in which:

- considered the practice of SAM as restricting the competition, consisting in the opinion of the Antimonopoly Office as "imposing unfair prices for driving the motorway, in the amount

specified in the price list of tolls at the time of repair of that section of the motorway, causing considerable difficulties in vehicles traffic" and ordered to abandon it;

- imposed a penalty payment of SAM in the amount of PLN 1,300k;
- charged SAM with the costs of the proceedings in the amount of PLN 49.

On 12 May 2008 SAM appealed against the above decision in its entirety to the Court of Competition and Consumer Protection, which issued a sentence upholding the decision of Antimonopoly Office dated April 28, 2008. On June 28, 2010 SAM made an appeal to the Appeal Competition and Consumer Protection Court in Warsaw, which dismissed the SAM's appeal on May 2011. On July 06, 2011, SAM paid the financial penalty of PLN 1,300k but SAM's Management Board is going to make a final appeal. In the opinion of SAM implementation of renovation and investment tasks to which the company has committed itself under the Concession Agreement and the general provisions relating to toll motorways does not constitute a breach of the provisions on competition and consumer protection.

- ♦ 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. Additionally above-mentioned Act, valid since July 1, 2011, cancelled the obligation for buses and heavy vehicles exceeding maximum load capacity of 12t to buy a vignette which was replaced by the Electronic Toll Collection System (viaTOLL).
As a consequence above mentioned changes, all users pay real tolls for travelling the motorway. The Group monitors the impact of the above mentioned Act and the change of tolling regime on its economic situation.
- ♦ The Group monitors the progress of investment works carried out by the town of Jaworzno on the national road No. 79, in the aspect of potential influence of those works upon the level of traffic at the toll section of the motorway A4 (Katowice-Kraków)
- ♦ Moreover, the Group monitors 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.

For the scope in which the other factors described in this point will exert a negative influence upon the economic situation of SAM, and in consequence the entire Group, the Group is entitled – on the basis of provisions of the Concession Agreement – to approach the Minister of Infrastructure representing the State Treasury with a claim for full compensation.

5. Summary

Summing up the Report we want to highlight that STX Autostrady acting on motorway business is the entity with solid financial bases giving possibilities for future usually capital intensive projects related to the construction and management of the motorway network.

Vice-President
Chief Financial Officer

President
Chief Executive Officer

Signed on Polish original

Signed on Polish original

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/Mieczysław Skołożyński/

.....
/Emil Wąsacz/

Katowice. July 29, 2011

6. Statements

- 6.1. **Statement of the Management Board setting forth that according to their best knowledge, the semi-annual condensed consolidated financial statement 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 Capital Group 's state of affairs and its financial result, as well as the Management Board's semi-report on the activities of the Company's Capital Group comprises a true picture of the Company's Capital Group development and achievements and situation, including the description of basic risks**

Statement

We hereby state that according to our best knowledge, the semi-annual abridged consolidated financial statement of the Company for 2011 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 Group's state of affairs as well as its the financial result.

We also declare that the semi-annual report of the Management Board from the activities of the STX Autostrady Group reflects a true picture of the Capital Group's development, achievements and situation, including the description of basic risks and threats.

Vice-President
Chief Financial Officer

President
Chief Executive Officer

Signed on Polish original

Signed on Polish original

.....

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/Mieczysław Skołączyński/

/Emil Wąsacz/

Katowice. July 29, 2011

- 6.2. Statement of the Management Board stating that the entity entitled to audit financial statements, reviewing the semi-annual condensed consolidated financial statement, has been selected in accordance with the provisions of law and that this entity as well as chartered auditors reviewing the statement have met the conditions regarding issuing impartial and independent report on reviewing the semi-annual abridged consolidated financial statement, in line with the appropriate provisions of the national law and the professional

Statement

We hereby state that KPMG, entitled to audit the financial statements, reviewing the semi-annual condensed consolidated financial statement for 2010, has been selected in accordance with the provisions of law, i.e. pursuant to §18 section 3 item 8 of the Statutes of STX Autostrady.

At the same time we also declare that the above-mentioned entity and the chartered auditors reviewing the semi-annual condensed consolidated financial statement have met the conditions regarding issuing impartial and independent report on reviewing the semi-annual abridged consolidated financial statement, in line with the appropriate provisions of law and the professional standards.

Vice-President
Chief Financial Officer

Signed on Polish original

.....

/Mieczysław Skołyżyński/

President
Chief Executive Officer

Signed on Polish original

.....

/Emil Wąsacz/

Katowice. July 29, 2011

Enclosure 1 - Financial highlights of STX Autostrady Group

Table 6 Financial data concerning the condensed consolidated interim financial statements for the six-month period ended June 30, 2011

	in kPLN		in kEUR	
	1H2011	1H2010	1H2011	1H2010
Revenue on sales	83 288	75 232	20 994	18 788
Profit/(loss) from operating activities	24 887	19 157	6 273	4 784
Profit/(loss) before tax	2 780	14 422	701	3 602
Profit/(loss) for the period	1 003	11 141	253	2 782
Profit/(loss) for the period attributable to owners of the Parent	(1 894)	9 016	(477)	2 252
Weighted average number of 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)	(0,01)	0,04	(0,00)	0,01
Diluted earnings per share (PLN/EUR)	(0,01)	0,04	(0,00)	0,01
Net cash from operating activities	47 143	51 612	11 883	12 889
Net cash from investing activities	(68 964)	(30 377)	(17 383)	(7 586)
Net cash from financing activities	(13 969)	13 218	(3 521)	3 301
	30.06.2011	31.12.2010	30.06.2011	31.12.2010
Total assets	1 410 904	1 382 758	353 912	349 155
Non-current assets	1 152 540	1 084 459	289 103	273 833
Current assets	258 364	298 299	64 808	75 322
Total liabilities	1 236 053	1 202 676	310 052	303 683
Non-current liabilities	1 051 741	1 042 843	263 819	263 324
Current liabilities	184 312	159 833	46 233	40 359
Total equity	174 851	180 082	43 860	45 472
Equity attributable to equity holders of the Parent	171 235	176 187	42 953	44 488
Non-controlling interest	3 616	3 895	907	984
Issued share capital	185 447	494 524	46 518	124 870

Source: own materials

Table 7 Financial data concerning the condensed unconsolidated interim financial statements for the six-month period ended June 30, 2011

	in kPLN		In kEUR	
	1H2011	1H2010	1H2011	1H2010
Revenue on sales	1 966	1 581	496	395
Profit/(loss) from operating activities	(10 576)	(4 037)	(2 666)	(1 008)
Profit/(loss) before tax	(5 926)	1 800	(1 494)	450
Profit/(loss) for the period	(5 926)	1 800	(1 494)	450
Weighted average number of 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)	0,01	(0,01)	0,00
Diluted earnings per share (PLN/EUR)	(0,02)	0,01	(0,01)	0,00
Net cash from operating activities	(12 263)	(9 838)	(3 091)	(2 457)
Net cash from investing activities	17 953	2 088	4 525	521
Net cash from financing activities	(6 516)	(45)	(1 642)	(11)
	30.06.2011	31.12.2010	30.06.2011	31.12.2010
Total assets	232 740	253 747	58 381	64 073
Non-current assets	47 629	48 990	11 947	12 370
Current assets	185 111	204 757	46 433	51 702
Total liabilities	44 066	58 062	11 054	14 661
Non-current liabilities	27 510	35 983	6 901	9 086
Current liabilities	16 556	22 079	4 153	5 575
Total equity	188 674	195 685	47 327	49 412
Issued share capital	185 447	494 524	46 518	124 870

Source: own materials

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

- a) *items of the statement of comprehensive income and the statement of cash flows for the 1st semester 2011 and 1 semester 2010 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. 3.9673 PLN/EUR and 4.0042 PLN/EUR respectively;*
- b) *items of the statement of financial position according to average NBP exchange rate at the reporting date i.e. 3.9866 PLN/EUR at June 30, 2011 and 3.9603 PLN/EUR at December 31, 2010 respectively.*