



Stalexport Autostrady S.A. Group

**Opinion and Report
of the Independent Auditor
Financial Year ended
31 December 2011**

The opinion contains 2 pages
The report supplementing the auditor's opinion
contains 12 pages
Opinion of the independent auditor
and report supplementing the auditor's opinion
on the consolidated financial statements
for the financial year ended
31 December 2011

This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.

OPINION OF THE INDEPENDENT AUDITOR

To the General Meeting of Stalexport Autostrady S.A.

We have audited the accompanying consolidated financial statements of Stalexport Autostrady S.A. Group, whose parent entity is seated in Katowice, ul. Mickiewicza 29 (“the Group”), which comprise the consolidated statement of financial position as at 31 December 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, comprising of a summary of significant accounting policies and other explanatory information.

Management’s and Supervisory Board’s Responsibility for the Consolidated Financial Statements

Management of the Parent Entity is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by European Union and with other applicable regulations and preparation of the Report on the Group’s activities. Management of the Parent Entity is also responsible for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

According to the Accounting Act dated 29 September 1994 (Official Journal from 2009, No. 152, item 1223 with amendments) (“the Accounting Act”), Management of the Parent Entity and members of the Supervisory Board are required to ensure that the consolidated financial statements and the Report on the Group’s activities are in compliance with the requirements set forth in the Accounting Act.

Auditor’s Responsibility

Our responsibility, based on our audit, is to express an opinion on these consolidated financial statements. We conducted our audit in accordance with section 7 of the Accounting Act, national standards on auditing issued by the Polish National Council of Certified Auditors and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the accompanying consolidated financial statements of Stalexport Autostrady S.A. Group have been prepared and present fairly, in all material respects, the financial position of the Group as at 31 December 2011 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, and are in compliance with the respective regulations that apply to the consolidated financial statements, applicable to the Group.

Other Matters

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

On behalf of KPMG Audyt Sp. z o.o. registration number 458
ul. Chłodna 51, 00-867 Warsaw

Signed on the Polish original

Signed on the Polish original

.....
Certified Auditor No. 90118
Renata Kucharska

.....
Certified Auditor No. 90066
Director
Arkadiusz Cieślik

1 March 2012
Cracow



TRANSLATION

Stalexport Autostrady S.A. Group

**Report supplementing
the auditor's opinion
on the consolidated financial
statements**

**Financial Year ended
31 December 2011**

The report supplementing the auditor's opinion
contains 12 pages
Report supplementing the auditor's opinion
on the consolidated financial statements
for the financial year ended
31 December 2011

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current in Anglo-Saxon countries has been used where practicable for the
purposes of this translation in order to aid understanding. The binding
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1. General

1.1 Identification of the Group

1.1.1 Name of the Group

Stalexport Autostrady S.A. Group

1.1.2 Registered office of the Parent Company of the Group

ul. Mickiewicza 29
40-085 Katowice

1.1.3 Registration of the Parent Company in the National Court Register

Registration court:	District Court in Katowice, VIII Commercial Department of the National Court Register
Date:	3 July 2001
Registration number:	KRS 0000016854
Share capital as at balance sheet date:	PLN 185,446,517.25

1.1.4. Management of the Parent Company

The Management Board is responsible for management of the Parent Company.

At 31 December 2011, the Management Board of the Parent Company was comprised of the following members:

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

Based on the Supervisory Board resolution dated 10 February 2011, Mr. Wojciech Gębicki was recalled from the position of Vice-President of the Management Board.

1.2 Information about companies comprising the Group

1.2.1 Companies included in the consolidated financial statements

As at 31 December 2011, the following companies were consolidated by the Group:

Parent Company:

- Stalexport Autostrady S.A.

Subsidiaries consolidated on the full consolidation basis:

- Stalexport Autoroute S.a r.l.,
- Stalexport Autostrada Małopolska S.A.,
- Stalexport Transroute Autostrada S.A. (since 2 February 2012 the company changed its name to VIA4. S.A.),
- Stalexport Autostrada Dolnośląska S.A.,

- Biuro Centrum Sp. z o.o.

1.3 Auditor information

1.3.1 Key certified auditor information

Name and surname: Arkadiusz Cieřlik
Registration number: 90066

Name and surname: Renata Kucharska
Registration number: 90118

1.3.2 Audit auditor information

Name: KPMG Audyt Sp. z o.o.
Registered office: Warsaw
Address: ul. Chłodna 51, 00-867 Warsaw
Registration number: KRS 0000104753
Registration court: District Court for the Capital City Warsaw in Warsaw,
XII Commercial Department of the National Court Register
Share capital: PLN 125,000
NIP number: 526-10-24-841

KPMG Audyt Sp. z o.o. is entered in the register of audit firms under number 458.

1.4 Prior period consolidated financial statements

The consolidated financial statements for the financial year ended 31 December 2010 were audited by KPMG Audyt Sp. z o.o. and received an unqualified opinion.

The consolidated financial statements were approved at the General Meeting on 4 April 2011.

The consolidated financial statements were submitted to the Registry Court on 6 April 2011 and were published in Monitor Polski B No. 1036 on 9 June 2011.

1.5 Audit scope and responsibilities

This report was prepared for the General Meeting of Stalexport Autostrady S.A. seated in Katowice, ul. Mickiewicza 29 and relates to the consolidated financial statements comprising: the consolidated statement of financial position as at 31 December 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, comprising of a summary of significant accounting policies and other explanatory information.

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

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



We conducted the audit in accordance with section 7 of the Accounting Act, national standards on auditing issued by the Polish National Council of Certified Auditors and International Standards on Auditing.

We audited the consolidated financial statements in the Parent Company's head office during the period from 17 to 18 November 2011 and from 30 January to 3 February 2012.

Management of the Parent Company is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations and preparation of the Report on the activities.

Our responsibility is to express an opinion and to prepare a supplementing report on the consolidated financial statements.

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

All required statements, explanations and information and all our requests for additional documents and information necessary for expressing our opinion and preparing the report have been fulfilled.

Key certified auditors and KPMG Audyt Sp. z o.o. fulfill independence requirements as described in Art. 56 points 3 and 4 of the Act on Certified Auditors and Their Government, Audit Firms and Public Oversight dated 7 May 2009 (Official Journal from 2009, No. 77, item 649).

The scope of the work planned and performed has not been limited in any way. The method and scope of our audit is detailed in working papers prepared by us and retained in the offices of KPMG Audyt Sp. z o.o.



1.6 Information on audits of the financial statements of the consolidated companies

1.6.1 Parent Company

The financial statements of the Parent Company for the year ended 31 December 2011 were audited by KPMG Audyt Sp. z o.o., certified auditor number 458, and received an unqualified opinion.

1.6.2 Other consolidated entities

Entity's name	Authorised auditor	Financial year end	Type of auditor's opinion
Stalexport Autoroute S.a r.l.	FPS Audit S.a r.l.	31.12.2011	unqualified opinion
Stalexport Autostrada Małopolska S.A.	KPMG Audyt Sp. z o.o. sp.k.	31.12.2011	unqualified opinion
Stalexport Transroute Autostrada S.A. (from 2 February 2012 VIA4 S.A.)	KPMG Audyt Sp. z o.o. sp.k.	31.12.2011	unqualified opinion
Stalexport Autostrada Dolnośląska S.A.	Kancelaria Biegłych Rewidentów Rewido Sp. z o.o.	31.12.2011	unqualified opinion
Biuro Centrum Sp. z o.o.	Kancelaria Biegłych Rewidentów Rewido Sp. z o.o.	31.12.2011	unqualified opinion



2 Financial analysis of the Group

2.1 Summary of the consolidated financial statements

2.1.1 Consolidated statement of financial position

ASSETS	31.12.2011	% of total	31.12.2010	% of total
	PLN '000		PLN '000	
Non-current assets				
Property, plant and equipment	21,018	1.5	18,019	1.3
Intangible assets	785,592	57.5	792,571	57.3
Investment property	4,356	0.3	3,500	0.3
Other non-current investments	238,003	17.4	180,098	13.0
Deferred tax asset	97,077	7.1	90,271	6.5
Total non-current assets	1,146,046	83.8	1,084,459	78.4
Current assets				
Inventories	2,494	0.2	1,570	0.1
Other current investments	63,782	4.7	63,999	4.6
Income tax receivable	2	0.0	12	0.0
Trade and other receivables	12,773	0.9	19,903	1.5
Cash and cash equivalents	141,428	10.3	212,815	15.4
Assets held for sale	1,477	0.1	-	-
Total current assets	221,956	16.2	298,299	21.6
TOTAL ASSETS	1,368,002	100.0	1,382,758	100.0



EQUITY AND LIABILITIES

	31.12.2011	% of total	31.12.2010	% of total
	PLN '000		PLN '000	
Equity				
Share capital	185,447	13.6	494,524	35.8
Share capital revaluation adjustment	-	-	18,235	1.3
Treasury shares	(20)	(0.0)	(20)	(0.0)
Share premium	13,514	1.0	20,916	1.5
Revaluation reserve relating to available-for-sale financial assets	(5,788)	(0.4)	(3,390)	(0.2)
Revaluation reserve relating to hedge accounting	(7,379)	(0.5)	(3,537)	(0.3)
Items taken directly to equity related to assets held for sale	(238)	(0.0)	-	-
Other reserve capital	189,374	13.8	181,240	13.1
Foreign exchange translation differences	116	0.0	174	0.0
Retained earnings and uncovered losses	(199,975)	(14.6)	(531,955)	(38.5)
Total equity attributable to equity holders of the parent	175,051	12.9	176,187	12.7
Non-controlling interests	4,539	0.3	3,895	0.3
Total equity	179,590	13.2	180,082	13.0
Liabilities				
Interest-bearing loans and borrowings	269,226	19.7	329,876	23.9
Financial lease liabilities	234	0.0	479	0.0
Employee benefits	631	0.0	2,824	0.2
Deferred income and government grants	11,845	0.9	12,676	0.9
Other non-current liabilities	177,679	13.0	182,284	13.2
Long-term provisions	527,146	38.5	514,698	37.2
Deferred tax liabilities	16	0.0	6	0.0
Total non-current liabilities	986,777	72.1	1,042,843	75.4
Interest-bearing loans and borrowings	27,833	2.0	13,627	1.0
Financial lease liabilities	245	0.0	218	0.0
Derivatives	9,599	0.7	5,269	0.4
Income tax payable	1,177	0.1	908	0.1
Trade and other payables	60,440	4.4	43,944	3.2
Employee benefits	2,418	0.2	125	0.0
Deferred income and government grants	1,749	0.1	832	0.1
Short-term provisions	96,914	7.1	94,910	6.8
Liabilities held for sale	1,260	0.1	-	-
Total current liabilities	201,635	14.7	159,833	11.6
Total liabilities	1,188,412	86.8	1,202,676	87.0
TOTAL EQUITY AND LIABILITIES	1,368,002	100.0	1,382,758	100.0



2.1.2. Consolidated statement of comprehensive income

	1.01.2011 - 31.12.2011 PLN'000	% of total sales	1.01.2010 - 31.12.2010 PLN'000	% of total sales
Revenue	179,763	100.0	165,219	100.0
Cost of sales	(80,813)	(45.0)	(76,119)	(46.1)
Gross profit on sales	98,950	55.0	89,100	53.9
Other operating income	4,163	2.3	6,827	4.1
Administrative expenses	(31,331)	(17.4)	(31,457)	(19.0)
Other operating expenses	(8,507)	(4.7)	(2,491)	(1.5)
Results from operating activities	63,275	35.2	61,979	37.5
Finance income	21,218	11.8	12,966	7.8
Finance expenses	(68,696)	(38.2)	(55,219)	(33.4)
Net finance costs	(47,478)	(26.4)	(42,253)	(25.6)
Share of net loss of equity accounted associates	-	-	(116)	(0.0)
Profit before tax	15,797	8.8	19,610	11.9
Income tax expense	(5,261)	(2.9)	(5,128)	(3.1)
Net profit for the period	10,536	5.9	14,482	8.8
OTHER COMPREHENSIVE INCOME				
Foreign currency translation differences for foreign operations	55	0.0	(34)	(0.0)
Effective portion of changes in fair value of cash flow hedges	(4,743)	(2.6)	(3,049)	(1.9)
Net change in fair value of available-for-sale financial assets	(2,672)	(1.5)	(382)	(0.2)
Income tax on other comprehensive income	901	0.5	579	0.3
Other comprehensive income for the period, net of income tax	(6,459)	(3.6)	(2,886)	(1.8)
Total comprehensive income for the period	4,077	2.3	11,596	7.0
Earnings per share				
Basic earnings per share (PLN)	0.02		0.04	
Diluted earnings per share (PLN)	0.02		0.04	



2.2 Selected financial ratios

	2011	2010	2009
1. Return on sales			
$\frac{\text{net profit} \times 100\%}{\text{net revenues}}$	5.9%	8.8%	5.5%
2. Return on equity			
$\frac{\text{net profit} \times 100\%}{\text{equity} - \text{net profit}}$	6.2%	8.7%	4.6%
3. Debt ratio			
$\frac{\text{liabilities} \times 100\%}{\text{equity and liabilities}}$	86.9%	87.0%	84.0%
4. Current ratio			
$\frac{\text{current assets}}{\text{current liabilities}}$	1.1	1.9	1.7

3 Detailed report

3.1 Accounting principles

The Parent Company maintains current documentation describing the accounting principles applied by the Group and adopted by the Management Board of the Parent Company.

The accounting principles are described in the notes to the consolidated financial statements to the extent required by International Financial Reporting Standards as adopted by the European Union.

Entities included in the Group apply common accounting principles consistent with the accounting principles applied by the Parent Company.

The financial statements of the entities included in the consolidated financial statements were prepared at the end of the same reporting period as the financial statements of the Parent Company.

3.2 Basis of preparation of the consolidated financial statements

The consolidated financial statements of the Stalexport Autostrady S.A. Group were prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations.

The consolidated financial statements were prepared on the basis of the consolidation documentation prepared in accordance with the requirements the Decree of the Ministry of Finance dated 25 September 2009 on principles for the preparation of consolidated financial statements of a capital group by companies other than banks and insurance companies (Official Journal from 2009 r., No 169, item 1327).

3.3 Method of consolidation

The method of consolidation is described in note 5.1 of the notes to the consolidated financial statements.

3.4 Consolidation of equity and calculation of non-controlling interest

The share capital of the Group is equal to the share capital of the Parent Company.

Other equity items of the Group are determined by adding the equity balances of subsidiaries included in the consolidated financial statements in the proportion reflecting the Parent Company's share in the subsidiaries' equity as at the end of the reporting period to the corresponding positions of the equity of the Parent Company.

Only equity of subsidiaries arising after the Parent Company obtained control of the subsidiary is included in the equity of the Group.

Non-controlling interests in subsidiaries included in the consolidated financial statements were determined based on the non-controlling interests' share in the subsidiaries' equity as at the end of the reporting period.

3.5 Consolidation eliminations

Intercompany balances within the Group were eliminated on consolidation.



Sales between entities and other intercompany operating revenues and expenses and financial revenues and expenses were eliminated on consolidation.

The consolidation eliminations were based on the accounting records of Stalexport Autostrady S.A. (or subsidiary entities) and agreed with information received from the subsidiaries.

3.6 Notes to the consolidated financial statements

All information included in the notes to the consolidated financial statements, comprising of a summary of significant accounting policies and other explanatory information, is, in all material respects, presented correctly and completely. This information should be read in conjunction with the consolidated financial statements.

3.7 Report on the Group's activities

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

3.8 Information on the opinion of the independent auditor

Based on our audit of the consolidated financial statements of the Group as at and for the year ended 31 December 2011, we have issued an unqualified opinion.

On behalf of KPMG Audyt Sp. z o.o. registration number 458
ul. Chłodna 51, 00-867 Warsaw

Signed on the Polish original

.....
Certified Auditor No. 90118
Renata Kucharska

1 March 2012
Cracow

Signed on the Polish original

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Certified Auditor No. 90066
Director
Arkadiusz Cieřlik