

**STALEXPORT AUTOSTRADY S.A. CAPITAL
GROUP
KATOWICE, MICKIEWICZA 29 STREET**

**CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE 2012 FINANCIAL YEAR**

**WITH
AUDITOR'S OPINION
AND
AUDIT REPORT**

TABLE OF CONTENTS

AUDITOR'S OPINION	3
REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP FOR THE 2012 FINANCIAL YEAR	5
I. GENERAL INFORMATION	5
1. Details of the audited Parent Company.....	5
2. Information about the consolidated financial statements for the prior financial year....	9
3. Details of the authorized entity and the key certified auditor acting on its behalf.....	9
4. Availability of data and management's representations	10
II. ECONOMIC AND FINANCIAL POSITION OF THE CAPITAL GROUP.....	11
III. DETAILED INFORMATION	12
1. Information about the audited consolidated financial statements	12
2. Consolidation documentation.....	12
3. Completeness and correctness of drawing up notes and explanations and the report on the activities of the Capital Group.....	13
IV. CLOSING COMMENTS.....	14

CONSOLIDATED FINANCIAL STATEMENTS OF THE STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP FOR THE 2012 FINANCIAL YEAR

1. Consolidated Statement of Comprehensive Income
2. Consolidated Statement of Financial Position
3. Consolidated Statement of Cash Flows
4. Consolidated Statement of Changes in Equity
5. Notes comprising a summary of significant accounting policies and other explanatory information

REPORT ON THE ACTIVITIES OF THE STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP FOR THE 2012 FINANCIAL YEAR

AUDITOR'S OPINION

To the Shareholders and Supervisory Board of Stalexport Autostrady S.A.

We have audited the attached consolidated financial statements of the Stalexport Autostrady S.A. Capital Group with Stalexport Autostrady S.A., with its registered office in Katowice at Mickiewicza 29 Street, as the Parent Company, including consolidated statement of financial position prepared as of 31 December 2012, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the financial year from 1 January 2012 to 31 December 2012 and notes comprising a summary of significant accounting policies and other explanatory information.

Preparation of consolidated financial statements and a report on the activities of the Capital Group in line with the law is the responsibility of the Management Board of the Parent Company.

The Management Board of the Parent Company and members of its Supervisory Board are obliged to ensure that the consolidated financial statements and the report on the activities of the Capital Group meet the requirements of the Accounting Act of 29 September 1994 (Journal of Laws of 2009, No. 152, item 1223, as amended), hereinafter referred to as the "Accounting Act".

Our responsibility was to audit and express an opinion on compliance of the consolidated financial statements with the accounting principles (policy) adopted by the Capital Group and whether the financial statements present fairly and clearly, in all material respects, the financial and economic position as well as the financial result of the Capital Group.

Our audit of the financial statements has been planned and performed in accordance with:

- section 7 of the Accounting Act,
- national auditing standards, issued by the National Council of Statutory Auditors in Poland.

We have planned and performed our audit of the consolidated financial statements in such a way as to obtain reasonable assurance to express an opinion on the financial statements. Our audit included, in particular, verification of the correctness of the accounting principles (policy) applied by the Parent Company and the subsidiaries, verification – largely on a test basis – of the basis for the amounts and disclosures in the consolidated financial statements, as well as overall evaluation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the audited consolidated financial statements in all material respects:

- present fairly and clearly the information material to evaluate the economic and financial position of the Capital Group as of 31 December 2012 as well as its profit or loss in the financial year from 1 January 2012 to 31 December 2012,
- have been prepared in accordance with the International Accounting Standards, International Financial Reporting Standards and related interpretations published as European Commission regulations, and in all matters not regulated in the standards – in accordance with the provisions of the Accounting Act and secondary legislation to the Act,
- comply with the provisions of law applicable to the Capital Group which affect the contents of the consolidated financial statements.

The Report on the activities of the Capital Group for the 2012 financial year is complete within the meaning of Article 49.2 of the Accounting Act and the Ordinance of the Minister of Finance of 19 February 2009 on current and periodic information published by issuers of securities and the rules of equal treatment of the information required by the laws of non-member states and consistent with underlying information disclosed in the audited consolidated financial statements.

.....
Miroslaw Mitrenga
Key certified auditor
conducting the audit
No. 11723

On behalf of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. (formerly: Deloitte Audyt Sp. z o.o.) – entity authorized to audit financial statements entered under number 73 on the list kept by the National Council of Statutory Auditors:

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Artur Maziarka - Vice-President of the Management Board of Deloitte Polska Sp. z o.o. - which is the General Partner of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k.

Warsaw, March 5, 2013

The above audit opinion together with audit report is a translation from the original Polish version. In case of any discrepancies between the Polish and English version, the Polish version shall prevail.

**REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL
STATEMENTS OF THE STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
FOR THE 2012 FINANCIAL YEAR**

I. GENERAL INFORMATION

1. Details of the audited Parent Company

The Parent Company of the Capital Group operates under the business name Stalexport Autostrady S.A. The Company's registered office is located in Katowice at Mickiewicza 29 Street.

The Company operates as a joint stock company established by a notarized deed on October 26, 1993, before Paweł Błaszczuk, Notary Public in Warsaw (Repertory A No. 10526/93). The Company was recorded in the Commercial Register kept by the District Court, VIII Business-Registry Division in Katowice, section B, under number RHB 10130. Currently, the Company is recorded in the Register of Entrepreneurs kept by the District Court, Business-Registry Division in Katowice, under KRS number 0000016854.

The Company's tax identification number NIP assigned by First Tax Office in Katowice is: 634-013-42-11.

The REGON number assigned by the Statistical Office is: 271936361.

The Company operates based on the provisions of the Code of Commercial Companies.

In accordance with the Company's articles of association, the scope of its activities includes:

- manufacture of metal structures and parts of structures,
- other manufacturing not elsewhere classified,
- repair of fabricated metal products,
- installation of industrial machinery and equipment,
- dismantling of wrecks,
- development of building projects,
- construction of residential and non-residential buildings,
- construction of roads and motorways,
- construction of railways and underground railways,
- construction of bridges and tunnels,
- construction of utility projects for fluids,
- construction of utility projects for electricity and telecommunications,
- construction of water projects,
- construction of other civil engineering projects not elsewhere classified,
- electrical installation,
- other construction installation,
- joinery installation,
- roofing activities,
- other specialised construction activities not elsewhere classified,
- sale of cars and light motor vehicles,
- sale of other motor vehicles,
- agents involved in the sale of timber and building materials,
- wholesale of china and glassware and cleaning materials,
- wholesale of computers, computer peripheral equipment and software,
- wholesale of other machinery and equipment,

- wholesale of wood, construction materials and sanitary equipment,
- wholesale of hardware, plumbing and heating equipment and supplies,
- wholesale of chemical products,
- wholesale of other intermediate products,
- wholesale of waste and scrap,
- non-specialised wholesale trade,
- freight transport by road,
- warehousing and storage of gas fuel,
- warehousing and storage of other goods,
- service activities incidental to land transportation,
- cargo handling,
- other transportation support activities,
- sound recording and music publishing activities,
- computer programming activities,
- computer consultancy activities,
- computer facilities management activities,
- other information technology and computer service activities,
- data processing, hosting and related activities,
- web portals,
- other information service activities not elsewhere classified,
- activities of holding companies,
- trusts, funds and similar financial entities,
- financial leasing,
- other credit granting,
- other financial service activities, except insurance and pension funding not elsewhere classified,
- other activities auxiliary to financial services, except insurance and pension funding,
- buying and selling of own real estate,
- renting and operating of own or leased real estate,
- management of real estate on a fee or contract basis,
- accounting, bookkeeping and auditing activities; tax consultancy,
- activities of head offices,
- public relations and communication activities,
- business and other management consultancy activities,
- architectural activities,
- engineering activities and related technical consultancy,
- technical testing and analysis,
- advertising agencies,
- media representation in radio and television,
- media representation in printed media,
- media representation in internet,
- media representation in other media,
- specialised design activities,
- other professional, scientific and technical activities not elsewhere classified,
- renting and leasing of trucks,
- renting and leasing of construction and civil engineering machinery and equipment,
- renting and leasing of other machinery, equipment and tangible goods not elsewhere classified,
- leasing of intellectual property and similar products, except copyrighted works,
- activities of employment placement agencies,
- temporary employment agency activities,
- other human resources provision,

- combined facilities support activities,
- combined office administrative service activities,
- photocopying, document preparation and other specialised office support activities,
- activities of collection agencies and credit bureaus,
- other business support service activities not elsewhere classified,
- educational support activities,
- manufacture of communication equipment,
- retail sale of computers, peripheral units and software in specialised stores,
- retail sale of telecommunications equipment in specialised stores,
- satellite telecommunications activities,
- other telecommunications activities,
- repair of computers and peripheral equipment,
- repair of communication equipment.

In the audited period, the Company conducted the business activities in renting office space and as a holding company of the capital group.

As of December 31, 2012, the Company's share capital amounted to PLN 185,447 thousand and was divided into 247,262,023 ordinary shares with a face value of PLN 0.75 each.

As of February 18, 2013, according to the Company's representation, the Company's shareholders included:

- Autostrade per l'Italia S.p.A. - 60.63% shares,
- ALTUS TFI S.A. - 5.13% shares,
- others - 34.24% shares.

There were no changes in the share capital of the Company during the financial year.

After the balance-sheet date there were no changes in the Company's share capital.

As of December 31, 2012, the Capital Group's equity amounted to PLN 186,491 thousand.

The Capital Group's financial year is the calendar year.

Composition of the Management Board as of the date of the opinion:

- Emil Wąsacz - President of Management Board,
- Mariusz Serwa - Vice President of Management Board.

Changes in the composition of the Management Board during the audited period and till the date of the opinion:

- on December 19, 2012, effective from December 31, 2012, Mr Mieczysław Skołożyński has been dismissed from the position of Vice President of Management Board;
- on December 19, 2012, effective from January 1, 2013 Mr Mariusz Serwa has been appointed for the position of Vice President of Management Board.

The above changes have been reported and registered at a relevant court register.

Composition of the Capital Group as of 31 December 2012:

- Parent Company – Stalexport Autostrady S.A.
- subsidiaries:
 - Stalexport Autoroute S.a.r.l. (Luxemburg),
 - Stalexport Autostrada Dolnośląska S.A.,

- Stalexport Autostrada Małopolska S.A.,
- VIA 4 S.A.,
- Petrostal S.A. in liquidation,
- Stalexport Wielkopolska Sp. z o.o. in bankruptcy,
- associates:
 - Autostrada Mazowsze S.A,
 - Biuro Centrum Sp. z o.o.

The consolidated financial statements as of 31 December 2012 included the following entities:

a) Parent Company – Stalexport Autostrady S.A

We have audited the financial statements of Stalexport Autostrady S.A, the Parent Company, for the period from 1 January to 31 December 2012. As a result of our audit, on March 5, 2013, we issued an unqualified opinion.

b) Companies subject to full consolidation:

Name and address of the Company	Interest in the capital (%)	Name of entity that audited the financial statements and type of opinion issued	Balance sheet date of the consolidated entity	Opinion date
Stalexport Autoroute S.a.r.l.	100%	Deloitte Audit S.à.r.l. (Luxemburg)	December 31, 2012	not issued yet
Stalexport Autostrada Dolnośląska S.A	100%	Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. (formerly: Deloitte Audyt Sp. z o.o.) - an unqualified opinion	December 31, 2012	February 15, 2013
Stalexport Autostrada Małopolska S.A.	100%	Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. (formerly: Deloitte Audyt Sp. z o.o.) - an unqualified opinion	December 31, 2012	February 15, 2013
VIA 4 S.A.	55%	Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. (formerly: Deloitte Audyt Sp. z o.o.) - an unqualified opinion	December 31, 2012	February 15, 2013

c) Companies subject to equity method of consolidation:

Name and address of the Company	Interest in the capital (%)	Name of entity that audited the financial statements and type of opinion issued	Balance sheet date of the consolidated entity	Opinion date
Autostrada Mazowsze S.A.	30%	Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. (formerly: Deloitte Audyt Sp. z o.o.)	December 31, 2012	not issued yet
Biuro Centrum Sp. z o.o.	40,63%	Rewido Spółka z ograniczoną odpowiedzialnością sp. k. (formerly: Kancelaria Biegłych Rewidentów REWIDO Sp. z o.o.) – unqualified opinion	December 31, 2012	February 15, 2013

The Parent Company preparing the consolidated financial statements did not simplify or alter consolidation principles in relation to the controlled entities.

In the financial year, no changes occurred in the composition of the audited Capital Group and its entities included in consolidation, for which the Parent Company has prepared the audited consolidated financial statements. In 2012 Biuro Centrum Sp. z o.o., due to the disposal of its shares by Stalexport Autostrady S.A., has become an associate.

2. Information about the consolidated financial statements for the prior financial year

The activities of the Capital Group in 2011 resulted in a net profit of PLN 10,536 thousand. The consolidated financial statements of the Capital Group for 2011 were audited by a certified auditor. The audit was performed by authorized entity KPMG Audyt Sp. z o.o. On March 1, 2012, the certified auditor issued an unqualified opinion on those financial statements.

The General Shareholders' Meeting which approved the consolidated financial statements for the 2011 financial year was held on April 4, 2012.

In accordance with applicable laws, the consolidated financial statements for the 2011 financial year were submitted to the National Court Register (KRS) on May 8, 2012, and filed for publication in Monitor Polski B on April 10, 2012. They were published in Monitor Polski B No. 1225 on June 11, 2012.

3. Details of the authorized entity and the key certified auditor acting on its behalf

The audit of the consolidated financial statements was performed based on the agreement of July 13, 2012, concluded between Stalexport Autostrady S.A. and Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. (formerly: Deloitte Audyt Sp. z o.o.) with its registered office in Warsaw, al. Jana Pawła II 19, recorded under number 73 on the list of entities authorized to provide audit services kept by the National Council of Statutory Auditors. On behalf of the authorized entity, the audit of the consolidated financial statements was conducted under the supervision of Mirosław Mitrenga, key certified auditor (No. 11723) in the registered office of the Parent Company from 17 to 20 December 2012, from January 28 to February 1, 2013, as well as outside the Company's premises until the date of this opinion.

The entity authorized to audit the consolidated financial statements was appointed by the resolution of the Supervisory Board of March 1, 2012, based on authorization included in Article 18 of the Parent Company's articles of association.

Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. (formerly: Deloitte Audyt Sp. z o.o.) and Mirosław Mitrenga, key certified auditor, confirm that they are authorized to carry out audits and meet the requirements of Article 56 of the Act on statutory auditors and their self-governing body, auditing firms and on public oversight (Journal of Laws of 2009, No. 77, item 649, as amended) to express an unbiased and independent opinion on the consolidated financial statements of the Stalexport Autostrady S.A. Capital Group.

4. Availability of data and management's representations

The scope of our audit was not limited.

During the audit, all necessary documents and data as well as detailed information and explanations, were provided to the authorized entity and the key certified auditor, as confirmed in the written representation of the Management Board of the Parent Company of March 5, 2013.

II. ECONOMIC AND FINANCIAL POSITION OF THE CAPITAL GROUP

Presented below are the main items from the consolidated statement of comprehensive income as well as financial ratios describing the financial performance of the Capital Group and its economic and financial position compared to the prior year.

<u>Main items from the consolidated statement of comprehensive income (PLN '000)</u>	<u>2012</u>	<u>2011</u>
Sales revenue	185,507	179,763
Operating expenses	(122,442)	(112,144)
Other operating revenue	3,333	4,163
Other operating expenses	(339)	(8,507)
Financial revenue	21,542	21,218
Financial expenses	(69,297)	(68,696)
Income tax	(5,265)	(5,261)
Net profit (loss)	12,879	10,536
Total comprehensive income	11,728	4,077

<u>Profitability ratios</u>	<u>2012</u>	<u>2011</u>
– gross profit margin	36%	35%
– net profit margin	7%	6%
– net return on equity	7%	6%

<u>Effectiveness ratios</u>		
– assets turnover ratio	0.14	0.13
– receivables turnover in days	1	5
– liabilities turnover in days	58	53

Liquidity/Net working capital

– debt ratio	86%	87%
– equity to fixed assets ratio	14%	13%
– net working capital (PLN '000)	32,610	20,321
– current ratio	1.22	1.10
– quick ratio	1.21	1.09

An analysis of the above figures and ratios indicated the following trends in 2012:

- in 2012 the gross profit margin ratio was set at 36% and was higher by 1 p.p. compared to prior year,
- the net profit margin ratio and net return on equity were set at 7% and both were higher by 1 p.p. compared to prior year,
- the assets turnover ratio was set at 0.14 in 2012 and has increased compared to 0.13 in 2011,
- the receivables turnover in days has decreased by 4 day compared to 2011 and was set at 1 day in 2012,
- the liabilities turnover in days has increased to 58 days compared to 53 days in 2011,
- the debt ratio was calculated at 86% in 2012, compared to 87% in 2011,
- the equity to fixed assets ratio was calculated at 14% in 2012, compared to 13% in 2011,
- the net working capital has increased compared to prior year,
- the current ratio has increased compared to 2011 and was calculated at 1.22;
- the quick ratio was calculated at 1.21 in 2012 compared to 1.09 in 2011.

III. DETAILED INFORMATION

1. Information about the audited consolidated financial statements

The audited consolidated financial statements were prepared as of 31 December 2012 and include:

- consolidated statement of comprehensive income for the period from 1 January 2012 to 31 December 2012, with a net profit of PLN 12,879 thousand and total comprehensive income of PLN 11,728 thousand,
- consolidated statement of financial position prepared as of 31 December 2012, with total assets and liabilities plus equity of PLN 1,295,696 thousand,
- consolidated statement of cash flows for the period from 1 January 2012 to 31 December 2012, showing a cash outflow of PLN 187 thousand,
- consolidated statement of changes in equity for the period from 1 January 2012 to 31 December 2012, disclosing an increase in equity of PLN 6,901 thousand,
- notes, comprising a summary of significant accounting policies and other explanatory information.

The structure of assets and liabilities plus equity as well as items affecting the financial profit or loss has been presented in the consolidated financial statements.

The audit covered the period from 1 January 2012 to 31 December 2012 and focused mainly on:

- verification of the correctness and fairness of the consolidated financial statements prepared by the Management Board of the Parent Company,
- verification of the consolidation documentation,
- evaluation of the correctness of the consolidation methods and procedures applied during consolidation,
- review of opinions and reports on audits of financial statements of subsidiaries and associated companies included in consolidation, prepared by other certified auditors.

2. Consolidation documentation

The Parent Company presented the consolidation documentation including:

- 1) financial statements of entities, included in the consolidated financial statements,
- 2) financial statements of controlled entities, adjusted to the accounting principles (policy) applied during consolidation,
- 3) financial statements of controlled entities translated into the Polish currency,
- 4) all consolidation adjustments and eliminations necessary for preparation of the consolidated financial statements,
- 5) calculation of the fair value of the net assets of controlled entities,
- 6) calculation of non-controlling interest,
- 7) calculation of exchange differences arising from translation of the financial statements of controlled entities denominated in foreign currencies.

Basis for the preparation of the consolidated financial statements

The consolidated financial statements of the Capital Group for the 2012 financial year have been prepared in accordance with the International Financial Reporting Standards.

Entities in the Capital Group

The scope and method of consolidation as well as the relationship between entities in the capital group have been determined based on the criteria specified in IFRS.

Financial period

The consolidated financial statements have been prepared as of the same balance sheet date and for the same financial year as the financial statements of the Parent Company – Stalexport Autostrady S.A. Subsidiaries and associated companies included in consolidation prepared their financial statements as of the same balance sheet date as the Parent Company. The financial year of all subsidiaries and associated companies included in consolidation ended on 31 December 2012.

Consolidation method

The financial statements of the subsidiaries were consolidated using the full method, i.e. full amounts of all relevant items of the financial statements of the Parent Company and the subsidiaries included in consolidation were summed up.

Once the values had been summed up, consolidation adjustments and eliminations were applied to:

- the cost of shares held by the Parent Company in subsidiaries and the part of net assets of subsidiaries corresponding to the interest of the Parent Company in these companies,
- mutual receivables and liabilities of entities included in consolidation,
- material revenue and expenses related to transactions between entities included in consolidation.

The equity method was applied with respect to associated entities. The value of the Parent Company's interest in the associated company was adjusted by increases or decreases in the equity of the associated company attributable to the Parent Company, which occurred in the period covered by consolidation, and decreased by dividends due from such companies.

3. Completeness and correctness of drawing up notes and explanations and the report on the activities of the Capital Group

The Parent Company confirmed the validity of the going concern basis in preparation of the consolidated financial statements. The notes to the consolidated financial statements give a correct and complete description of measurement principles regarding assets, liabilities, profit or loss and principles of preparation of the consolidated financial statements.

The Parent Company prepared notes in the form of tables to individual items of the consolidated statement of financial position and consolidated statement of comprehensive income as well as narrative descriptions, in line with the requirement of IFRS.

Notes describing property, plant and equipment, intangible assets, investments, liabilities and provisions correctly present increases and decreases as well as their basis during the financial year.

Limitations imposed on individual assets disclosed in the consolidated statement of financial position arising from security granted to creditors have been described.

Individual assets and liabilities as well as revenue and expenses have been correctly presented by the Parent Company in the consolidated financial statements. The consolidated statement of comprehensive income, consolidated statement of financial position, consolidated, statement of cash flows and consolidated statement of changes in equity as well as notes which constitute an integral part of the financial statements include all items required for disclosure in the consolidated financial statements under IFRS.

The Management Board prepared and supplemented the consolidated financial statements with a report on the activities of the Capital Group in the 2012 financial year. The report contains all information required under Article 49.2 of the Accounting Act and the Ordinance of the Minister of Finance Ordinance of 19 February 2009 on current and periodic information published by issuers of securities and the rules of equal treatment of the information required by the laws of non-member states. We have audited the report with respect to the disclosed information derived directly from the audited consolidated financial statements.

IV. CLOSING COMMENTS

Management Board's Representation

Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. (formerly: Deloitte Audyt Sp. z o.o.) and the key certified auditor received a representation letter from the Parent Company's Management Board, in which the Board stated that the Capital Group complied with the laws in force.

.....
Miroslaw Mitrenga
Key certified auditor
conducting the audit
No. 11723

On behalf of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. (formerly: Deloitte Audyt Sp. z o.o.) – entity authorized to audit financial statements entered under number 73 on the list kept by the National Council of Statutory Auditors:

.....
Artur Maziarka – Vice-President of the Management Board of Deloitte Polska Sp. z o.o. - which is the General Partner of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k.

Warsaw, March 5, 2013