



**STALEXPORT AUTOSTRADY S.A.
CAPITAL GROUP**

**CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**

for the nine-month period ended
30 September 2014

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2014

These condensed consolidated interim financial statements are unaudited

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STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
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Condensed consolidated interim statement of comprehensive income
for the three and nine-month periods ended

In thousands of PLN, unless stated otherwise

	Note	30 September 2014		30 September 2013	
		3 months (unaudited)	9 months (unaudited)	3 months (unaudited)	9 months (unaudited)
Revenue		62 315	166 867	59 786	153 861
Cost of sales	9	(23 438)	(67 059)	(9 983)	(46 706)
Gross profit		38 877	99 808	49 803	107 155
Other income	10	731	3 167	1 893	3 703
Administrative expenses	9	(6 634)	(19 737)	(6 374)	(19 788)
Other expenses	11	(305)	(371)	(59)	(132)
Results from operating activities		32 669	82 867	45 263	90 938
Finance income		3 899	11 094	3 795	12 507
Finance expenses		(10 631)	(31 655)	(11 572)	(39 897)
Net finance expense	12	(6 732)	(20 561)	(7 777)	(27 390)
Share of profit/(loss) of equity accounted investees (net of income tax)		22	20	15	30
Profit before income tax		25 959	62 326	37 501	63 578
Income tax expense		(4 417)	(12 093)	(7 089)	(12 528)
Profit for the period		21 542	50 233	30 412	51 050
Other comprehensive income					
<i>Items that will never be reclassified to profit or loss for the period</i>					
Remeasurement of employee benefits		-	(7)	-	-
Income tax on other comprehensive income		-	1	-	-
		-	(6)	-	-
<i>Items that are or may be reclassified subsequently to profit or loss for the period</i>					
Foreign currency translation differences for foreign operations		(16)	(5)	(64)	(35)
Effective portion of changes in fair value of cash flow hedges		(3 282)	(8 374)	(250)	2 459
Net change in fair value of cash flow hedges reclassified to profit or loss for the period		1 174	3 557	1 027	2 456
Income tax on other comprehensive income		401	915	(147)	(933)
		(1 723)	(3 907)	566	3 947
Other comprehensive income for the period, net of income tax		(1 723)	(3 913)	566	3 947
Total comprehensive income for the period		19 819	46 320	30 978	54 997
Profit attributable to:					
Owners of the Company		18 971	45 971	29 293	48 240
Non-controlling interest		2 571	4 262	1 119	2 810
Profit for the period		21 542	50 233	30 412	51 050
Total comprehensive income attributable to:					
Owners of the Company		17 248	42 058	29 859	52 187
Non-controlling interest		2 571	4 262	1 119	2 810
Total comprehensive income for the period		19 819	46 320	30 978	54 997
Earnings per share					
Basic earnings per share (PLN)		0.08	0.19	0.12	0.20
Diluted earnings per share (PLN)		0.08	0.19	0.12	0.20

The condensed consolidated interim statement of comprehensive income should be analyzed together with notes, which constitute integral part of the condensed consolidated interim financial statements

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
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Condensed consolidated interim statement of financial position
as at

<i>In thousands of PLN</i>	<i>Note</i>	30 September 2014 <i>(unaudited)</i>	30 June 2014 <i>(unaudited)</i>	31 December 2013	30 September 2013 <i>(unaudited)</i>
ASSETS					
Non-current assets					
Property, plant and equipment	13	31 641	31 495	25 280	22 135
Intangible assets	14	605 509	611 969	608 861	648 850
Investment property		4 055	4 172	4 406	4 522
Investments in associates		710	688	692	662
Other non-current investments		413 090	353 901	320 024	242 608
Deferred tax assets	15	106 409	105 388	104 355	105 243
Total non-current assets		1 161 414	1 107 613	1 063 618	1 024 020
Current assets					
Inventories		2 379	1 918	2 346	2 447
Current investments		1 866	1 866	1 789	1 812
Trade and other receivables	16	9 221	9 891	10 057	8 606
Cash and cash equivalents		134 175	170 496	169 535	219 254
Total current assets		147 641	184 171	183 727	232 119
Total assets		1 309 055	1 291 784	1 247 345	1 256 139

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STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
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Condensed consolidated interim statement of financial position
as at

<i>In thousands of PLN</i>	<i>Note</i>	30 September 2014 <i>(unaudited)</i>	30 June 2014 <i>(unaudited)</i>	31 December 2013	30 September 2013 <i>(unaudited)</i>
EQUITY AND LIABILITIES					
Equity					
	18				
Share capital	18.1	185 447	185 447	185 447	185 447
Treasury shares		(20)	(20)	(20)	(20)
Share premium reserve		7 430	7 430	7 430	7 430
Hedging reserve	18.2	(14 514)	(12 807)	(10 612)	(10 555)
Other reserve capitals and supplementary capital		262 032	262 029	203 060	203 074
Foreign currency translation reserve		180	199	191	116
Retained earnings and uncovered losses		(153 706)	(173 980)	(140 705)	(150 803)
Total equity attributable to owners of the Company		286 849	268 298	244 791	234 689
Non-controlling interest		4 963	3 696	3 719	3 511
Total equity		291 812	271 994	248 510	238 200
Liabilities					
Non-current liabilities					
Loans and borrowings		185 771	201 650	218 651	216 171
Finance lease liabilities		-	1	17	24
Employee benefits		2 697	2 420	1 823	1 381
Deferred income		9 557	9 765	10 181	10 389
Other non-current liabilities		186 719	183 289	184 026	181 053
Provisions	19	501 672	474 266	456 061	486 437
Deferred tax liabilities	15	-	-	4	10
Total non-current liabilities		886 416	871 391	870 763	895 465
Current liabilities					
Loans and borrowings		30 094	31 519	28 655	27 076
Finance lease liabilities		24	31	44	71
Derivative financial instruments		17 919	16 972	14 351	13 031
Income tax liabilities		4 709	2 718	3 152	2 830
Trade and other payables		21 224	22 112	24 273	24 353
Employee benefits		226	253	246	147
Deferred income		7 058	7 231	5 589	6 407
Provisions	19	49 573	67 563	51 762	48 559
Total current liabilities		130 827	148 399	128 072	122 474
Total liabilities		1 017 243	1 019 790	998 835	1 017 939
Total equity and liabilities		1 309 055	1 291 784	1 247 345	1 256 139

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FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2014

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Condensed consolidated interim statement of cash flows
for the three and nine-month periods ended

In thousands of PLN

	30 September 2014		30 September 2013	
	3 months <i>(unaudited)</i>	9 months <i>(unaudited)</i>	3 months <i>(unaudited)</i>	9 months <i>(unaudited)</i>
Cash flows from operating activities				
Profit before income tax	25 959	62 326	37 501	63 578
Adjustments for				
Depreciation and amortisation	11 075	32 120	10 232	29 946
Reversal of impairment on property, plant and equipment and intangible assets	(1)	(2)	-	(1)
Foreign currency translation differences for foreign operations	(16)	(5)	(64)	(35)
(Profit)/Loss on investment activity	-	(77)	15	2 444
(Gain)/Loss on sale of intangible assets and property, plant and equipment	297	295	6	(17)
Interest and dividends	882	2 385	1 485	3 976
Share in profit/(loss) of associated entities	(22)	(20)	(15)	(30)
Change in receivables	670	836	777	826
Change in inventories	(461)	(33)	(1 253)	(374)
Change in trade and other payables	2 294	(193)	653	(1 293)
Change in provisions	11 465	32 333	(1 852)	16 021
Change in deferred income	(381)	845	(589)	356
Cash generated from operating activities	51 761	130 810	46 896	115 397
Income tax paid	(3 047)	(11 678)	(3 248)	(12 860)
Net cash from operating activities	48 714	119 132	43 648	102 537

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Condensed consolidated interim statement of cash flows
for the three and nine-month periods ended

In thousands of PLN

	30 September 2014		30 September 2013	
	3 months <i>(unaudited)</i>	9 months <i>(unaudited)</i>	3 months <i>(unaudited)</i>	9 months <i>(unaudited)</i>
Cash flows from investing activities				
Investment proceeds	6 342	13 042	42 609	62 868
Sale of intangible assets and property, plant and equipment	62	64	26	151
Proceeds from non-current deposits held for investment expenditures	-	-	36 510	18 773
Dividends received	-	61	-	1
Interest received	6 280	12 915	6 073	15 113
Sale of financial assets	-	-	-	28 830
Other proceeds from financial assets	-	2	-	-
Investment expenditures	(68 103)	(118 446)	(7 996)	(37 031)
Acquisition of intangible assets and property, plant and equipment	(6 551)	(23 362)	(7 996)	(30 009)
Non-current deposits held for investment expenditures	(61 552)	(95 084)	-	-
Acquisition of financial assets	-	-	-	(7 022)
Net cash from/(used in) investing activities	(61 761)	(105 404)	34 613	25 837
Cash flows from financing activities				
Financial expenditures	(23 274)	(49 088)	(25 221)	(50 622)
Dividends paid	(1)	(3 018)	(1 938)	(3 288)
Repayment of loans and borrowings	(15 484)	(30 380)	(14 330)	(28 115)
Interest paid	(7 781)	(15 653)	(8 922)	(19 080)
Repayment of finance lease liabilities	(8)	(37)	(31)	(139)
Net cash used in financing activities	(23 274)	(49 088)	(25 221)	(50 622)
Net change in cash and cash equivalents	(36 321)	(35 360)	53 040	77 752
Change in cash as in statement of financial position	(36 321)	(35 360)	53 040	77 752
Cash and cash equivalents at the beginning of the period	170 496	169 535	166 214	141 502
Cash and cash equivalents at the end of the period, including:	134 175	134 175	219 254	219 254
Restricted cash and cash equivalents	279	279	306	306

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Condensed consolidated interim statement of changes in equity

In thousands of PLN

<i>(unaudited)</i>	Share capital	Treasury shares	Share premium reserve	Hedging reserve	Other reserve capitals and supplementary capital	Foreign currency translation reserve	Retained earnings and uncovered losses	Total equity attributable to owners of the Company	Non-controlling interest	Total equity
As at 1 January 2013	185 447	(20)	8 395	(14 537)	199 143	178	(196 104)	182 502	3 989	186 491
Profit for the period	-	-	-	-	-	-	48 240	48 240	2 810	51 050
Other comprehensive income:	-	-	-	3 982	27	(62)	-	3 947	-	3 947
Effective portion of changes in fair value of cash flow hedges	-	-	-	2 459	-	-	-	2 459	-	2 459
Net change in fair value of cash flow hedges reclassified to profit or loss for the period	-	-	-	2 456	-	-	-	2 456	-	2 456
Foreign currency translation differences for foreign operations	-	-	-	-	27	(62)	-	(35)	-	(35)
Income tax on other comprehensive income	-	-	-	(933)	-	-	-	(933)	-	(933)
Total comprehensive income for the period	-	-	-	3 982	27	(62)	48 240	52 187	2 810	54 997
Coverage of previous years' losses	-	-	(965)	-	(6 314)	-	7 279	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(3 288)	(3 288)
Allocation of profit to supplementary capital	-	-	-	-	10 218	-	(10 218)	-	-	-
As at 30 September 2013	185 447	(20)	7 430	(10 555)	203 074	116	(150 803)	234 689	3 511	238 200

	Share capital	Treasury shares	Share premium reserve	Hedging reserve	Other reserve capitals and supplementary capital	Foreign currency translation reserve	Retained earnings and uncovered losses	Total equity attributable to owners of the Company	Non-controlling interest	Total equity
As at 1 January 2013	185 447	(20)	8 395	(14 537)	199 143	178	(196 104)	182 502	3 989	186 491
Profit for the period	-	-	-	-	-	-	58 572	58 572	3 863	62 435
Other comprehensive income:	-	-	-	3 925	13	13	(234)	3 717	-	3 717
Effective portion of changes in fair value of cash flow hedges	-	-	-	1 141	-	-	-	1 141	-	1 141
Net change in fair value of cash flow hedges reclassified to profit or loss for the period	-	-	-	3 704	-	-	-	3 704	-	3 704
Remeasurement of employee benefits	-	-	-	-	-	-	(265)	(265)	-	(265)
Foreign currency translation differences for foreign operations	-	-	-	-	13	13	-	26	-	26
Income tax on other comprehensive income	-	-	-	(920)	-	-	31	(889)	-	(889)
Total comprehensive income for the period	-	-	-	3 925	13	13	58 338	62 289	3 863	66 152
Coverage of previous years' losses	-	-	(965)	-	(6 314)	-	7 279	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(4 133)	(4 133)
Allocation of profit to supplementary capital	-	-	-	-	10 218	-	(10 218)	-	-	-
As at 31 December 2013	185 447	(20)	7 430	(10 612)	203 060	191	(140 705)	244 791	3 719	248 510

<i>(unaudited)</i>	Share capital	Treasury shares	Share premium reserve	Hedging reserve	Other reserve capitals and supplementary capital	Foreign currency translation reserve	Retained earnings and uncovered losses	Total equity attributable to owners of the Company	Non-controlling interest	Total equity
As at 1 January 2014	185 447	(20)	7 430	(10 612)	203 060	191	(140 705)	244 791	3 719	248 510
Profit for the period	-	-	-	-	-	-	45 971	45 971	4 262	50 233
Other comprehensive income:	-	-	-	(3 902)	6	(11)	(6)	(3 913)	-	(3 913)
Effective portion of changes in fair value of cash flow hedges	-	-	-	(8 374)	-	-	-	(8 374)	-	(8 374)
Net change in fair value of cash flow hedges reclassified to profit or loss for the period	-	-	-	3 557	-	-	-	3 557	-	3 557
Remeasurement of employee benefits	-	-	-	-	-	-	(7)	(7)	-	(7)
Foreign currency translation differences for foreign operations	-	-	-	-	6	(11)	-	(5)	-	(5)
Income tax on other comprehensive income	-	-	-	915	-	-	1	916	-	916
Total comprehensive income for the period	-	-	-	(3 902)	6	(11)	45 965	42 058	4 262	46 320
Dividends paid	-	-	-	-	-	-	-	-	(3 018)	(3 018)
Allocation of profit to supplementary capital	-	-	-	-	58 966	-	(58 966)	-	-	-
As at 30 September 2014	185 447	(20)	7 430	(14 514)	262 032	180	(153 706)	286 849	4 963	291 812

The condensed consolidated interim statement of changes in equity should be analyzed together with notes, which constitute integral part of the condensed consolidated interim financial statements

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Notes to the condensed consolidated interim financial statements

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

1. Group overview

Stalexport Autostrady S.A. (“the Company”, “Parent Entity”) with its seat in Mysłowice, Piaskowa 20 Street, is a public listed company registered in the National Court Register under registration number KRS 16854.

The Company together with its subsidiaries constitutes Stalexport Autostrady S.A. Capital Group (“Group”, “Capital Group”).

The business activities of the Group include the following:

- construction of roads and railroads, in particular services related to managing, construction by adapting to the requirements of toll motorway and exploitation of the section of A-4 motorway Katowice-Kraków,
- management and business advisory,
- rental services.

As at 30 September 2014, beside the Company, the Group comprised of the following entities:

Name of the entity	Seat of the entity	Main activities	Status	Ownership interest and voting rights	Date of obtaining control/Date of acquisition	Consolidation method
Stalexport Autoroute S.a r.l.	Luxembourg	Management activities	Subsidiary	100%	2005	Full consolidation
Stalexport Autostrada Małopolska S.A.	Mysłowice	Construction and operation of motorway	Subsidiary	100%*	1998	Full consolidation
VIA4 S.A.	Mysłowice	Motorway operation	Subsidiary	55%*	1998	Full consolidation
Biuro Centrum Sp. z o.o.	Katowice	Real estate administration	Associate	40.63%	1994	Equity method
Stalexport Wielkopolska Sp. z o.o. w upadłości**	Komorniki	Non-operational	Subsidiary	97.96%	1990	-
Petrostal S.A. w likwidacji**	Warszawa	Non-operational	Subsidiary	100%	2005	-

* through Stalexport Autoroute S.a r.l.;

** these entities are not subject to consolidation due to existing limitations regarding control exercise;

The condensed consolidated interim financial statements as at the day and for the nine-month period ended 30 September 2014 comprise financial statements of the Company and its subsidiaries and also Group’s share in net assets of associates.

The Capital Group is also included within the consolidated financial statements of the parent entity of the highest level Atlantia S.p.A. (Italy), a parent company to inter alia Autostrade per l’Italia S.p.A., a majority shareholder of the Company.

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2. Basis for preparation of condensed consolidated interim financial statements

2.1. Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with the International Accounting Standard 34 *Interim Financial Reporting* as adopted by the European Union and other regulations in force.

Condensed consolidated interim financial statements do not include all the information required for yearly financial statements and therefore should be analysed together with the Group's consolidated financial statements as at the day and for the year ended 31 December 2013.

The condensed consolidated interim financial statements were approved by the Management Board of the Company on 6 November 2014.

2.2. Basis for valuation

The condensed consolidated interim financial statements have been prepared on the historical cost basis, except for the following:

- derivative financial instruments measured at fair value;
- available-for-sale financial assets measured at fair value;
- financial assets measured at fair value through profit or loss.

2.3. Functional and presentation currency

The condensed consolidated interim financial statements are presented in Polish zloty, being the functional currency and presentation currency of the Group, rounded to full thousands.

2.4. Use of estimates and judgments

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

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

Judgments and estimates made by the Management Board, which have significant impact on condensed consolidated interim financial statements, have been disclosed in notes 14, 15, 16 and 19.

3. Going concern

The condensed consolidated interim financial statements have been prepared under the assumption that the Group will continue to operate as a going concern for the foreseeable future.

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4. Information concerning the Concession Agreement

The activities of the Group include primarily business related to the management, construction by transformation to toll motorway and operation of the section Katowice – Kraków of A-4 motorway, performed mainly by the Company’s subsidiary Stalexport Autostrada Małopolska S.A. (“Concession Holder”, “SAM S.A.”). These activities are regulated by the concession agreement (“Concession Agreement”).

The subject of the Concession Agreement is completion of construction of the A-4 motorway (by transformation to the toll motorway) on the section from Katowice (junction Murckowska, km 340.2) to Krakow (junction Balice I, km 401.1) and its subsequent operation as well as conducting and completion of the remaining construction works as specified in the Concession Agreement.

The Concession Agreement has been concluded for a time equal to the term of the concession i.e. 30 years ending in March 2027.

As specified in the Concession Agreement, toll revenues constitute the principal source of income from the execution of the project.

Throughout the term of the Concession Agreement, the Concession Holder shall have the right to use and receive profits from the road strip of the motorway. The right includes among other things the right to demolish and remove the existing buildings, facilities, equipment, trees and plants, subject to any relevant legal provisions.

In return the Concession Holder is responsible for the operation and maintenance of the toll motorway until the termination or expiry of the Concession Agreement, which determines detailed range of the Concession Holder’s obligations, and is obliged to perform precisely specified construction works.

As determined by the Concession Agreement, after fulfilment of conditions therein defined, the Concession Holder will be obliged to make concession payments to the National Road Fund constituting so-called subordinate debt (obligation due to loan received by State Treasury from the European Bank for Reconstruction and Development for the purpose of financing the construction of A-4 Toll Motorway Katowice-Kraków taken over by the Concession Holder).

So far completed Phase I included the construction of toll collection system, implementation of maintenance centre in Brzęczkowice and construction of a communication and motorway traffic management system, including an emergency communication system. Further investment phases (Phase II) in progress or to be carried out include, among others, renovations of bridges, development of junctions, construction of rest areas and works related to environmental protection measures (constructions of noise screens, motorway drainage system, passes for animals).

At the conclusion of the Concession Agreement the right to use and receive profits from all buildings, structures and facilities constructed by the Concession Holder will be transferred to the State Treasury.

According to provisions of the Concession Agreement between SAM S.A. and the Minister of Infrastructure and Development and also of the Project Loan Agreement between SAM S.A. and consortium of following banks: PEKAO S.A., DEPFA BANK PLC, KfW, PBP S.A. and Portigon AG (London Branch), the possibility of dividend payment by SAM S.A. to its shareholder(s) depends, among others, on completion of specified construction phases, achieving minimum level of debt service ratios, and assuring the sufficient coverage of reserve accounts.

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Notes to the condensed consolidated interim financial statements
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5. Description of significant accounting principles

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2013.

6. Segment reporting

The Group presents its activity in business segments, which are based on the Group's management and internal reporting structure.

The Group operates in one geographical segment – entire revenue is earned in Poland.

Business segments

Business segments include:

- management, advisory and rental services,
- management and operation of motorways.

Business segments results

For the three and nine-month periods ended 30 September 2014

	Management, advisory and rental services		Management and operation of motorways		Total	
	3 months	9 months	3 months	9 months	3 months	9 months
Operating revenues						
Revenue from external customers	831	2 563	61 484	164 304	62 315	166 867
Total revenue	831	2 563	61 484	164 304	62 315	166 867
Operating expenses						
Cost of sales to external customers	(870)	(2 669)	(22 568)	(64 390)	(23 438)	(67 059)
Total cost of sales	(870)	(2 669)	(22 568)	(64 390)	(23 438)	(67 059)
Other income	5	188	726	2 979	731	3 167
Other expenses	17	(5)	(322)	(366)	(305)	(371)
Administrative expenses (*)	(937)	(3 034)	(5 697)	(16 703)	(6 634)	(19 737)
Results from operating activities	(954)	(2 957)	33 623	85 824	32 669	82 867
Net finance income/(expense)	698	2 695	(7 430)	(23 256)	(6 732)	(20 561)
Share of profit/(loss) of equity accounted investees (net of income tax)	22	28	-	(8)	22	20
Income tax expense	16	(25)	(4 433)	(12 068)	(4 417)	(12 093)
Profit/(Loss) for the period	(218)	(259)	21 760	50 492	21 542	50 233
Other comprehensive income, net of income tax	(16)	(5)	(1 707)	(3 908)	(1 723)	(3 913)
Total comprehensive income for the period	(234)	(264)	20 053	46 584	19 819	46 320
Major non-cash items						
Depreciation and amortisation	(136)	(458)	(10 939)	(31 662)	(11 075)	(32 120)
Reversal/(recognition) of other provisions and allowances	1	13	-	763	1	776
Reversal/(recognition) of allowances for receivables	4	154	1	2	5	156
Unwinding of discount	-	-	(6 058)	(18 206)	(6 058)	(18 206)
Revaluation of investment	-	77	-	-	-	77

(*) Administrative expenses in "Management, advisory and rental services" segment comprise all administrative expenses of the Company.

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For the three and nine-month periods ended 30 September 2013

	Management, advisory and rental services		Management and operation of motorways		Total	
	3 months	9 months	3 months	9 months	3 months	9 months
Operating revenues						
Revenue from external customers	840	2 513	58 946	151 348	59 786	153 861
Total revenue	840	2 513	58 946	151 348	59 786	153 861
Operating expenses						
Cost of sales to external customers	(866)	(2 437)	(9 117)	(44 269)	(9 983)	(46 706)
Total cost of sales	(866)	(2 437)	(9 117)	(44 269)	(9 983)	(46 706)
Other income	64	460	1 829	3 243	1 893	3 703
Other expenses	(28)	(40)	(31)	(92)	(59)	(132)
Administrative expenses (*)	(910)	(3 318)	(5 464)	(16 470)	(6 374)	(19 788)
Results from operating activities	(900)	(2 822)	46 163	93 760	45 263	90 938
Net finance income/(expense)	761	368	(8 538)	(27 758)	(7 777)	(27 390)
Share of profit/(loss) of equity accounted investees (net of income tax)	17	46	(2)	(16)	15	30
Income tax expense	-	(14)	(7 089)	(12 514)	(7 089)	(12 528)
Profit/(Loss) for the period	(122)	(2 422)	30 534	53 472	30 412	51 050
Other comprehensive income, net of income tax	(64)	(35)	630	3 982	566	3 947
Total comprehensive income for the period	(186)	(2 457)	31 164	57 454	30 978	54 997
Major non-cash items						
Depreciation and amortisation	(164)	(500)	(10 068)	(29 446)	(10 232)	(29 946)
Reversal/(recognition) of other provisions and allowances	62	60	1 027	963	1 089	1 023
Reversal/(recognition) of allowances for receivables	(13)	144	1	10	(12)	154
Unwinding of discount	-	-	(6 205)	(20 845)	(6 205)	(20 845)
Revaluation of investment	(14)	(1 591)	-	-	(14)	(1 591)

(*) Administrative expenses in "Management, advisory and rental services" segment comprise all administrative expenses of the Company.

Financial position according to business segments as at

	30 September 2014	30 June 2014	31 December 2013	30 September 2013
Management, advisory and rental services				
Assets of the segment	129 265	130 335	129 272	130 348
Liabilities of the segment	2 632	3 709	10 836	12 815
Management and operation of motorways				
Assets of the segment	1 179 790	1 161 449	1 118 073	1 125 791
Liabilities of the segment	1 014 611	1 016 081	987 999	1 005 124
Total assets	1 309 055	1 291 784	1 247 345	1 256 139
Total liabilities	1 017 243	1 019 790	998 835	1 017 939

7. Periodicity and seasonality of the business

Activity of the "Management and operation of motorways" business segment is influenced by seasonality, due to fluctuations of traffic levels on the A4 motorway section subject to concession between the individual quarterly periods. The highest level of traffic is recorded in third quarter and the lowest in first quarter of each calendar year.

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8. Changes in the Capital Group's structure

On 26 September 2014 District Court Katowice-Wschód in Katowice issued a sentence on striking off Autostrada Mazowsze S.A. w likwidacji from the National Court Registry. Up to the date the liquidation was completed, Autostrada Mazowsze S.A. w likwidacji had an associate entity status within the Group.

On 3 April 2014 the Ordinary General Meeting of the Company and Ordinary General Meeting of its subsidiary Stalexport Autostrada Dolnośląska S.A. ("SAD S.A.") adopted resolutions on the business combination of these two entities – on 30 May 2014 the Katowice-East District Court issued a decision on registration of the aforementioned business combination.

The business combination has been carried out in accordance with art. 492 § 1.1 of the Polish Commercial Companies Code, i.e. by means of transfer of all assets of SAD S.A. to the Company without the increase of the Company's share capital. Considering that IFRS EU do not contain any specific regulations for this type of transaction, it has been carried out and recognized in accordance with art. 44a § 2 and art. 44c of Polish Accounting Act, i.e. by means of "pooling of interest method".

Considering that until the date of business combination SAD S.A. was consolidated by means of full consolidation method, the combination described above had no impact on these condensed consolidated interim financial statements.

9. Expenses by nature

	30 September 2014		30 September 2013	
	3 months	9 months	3 months	9 months
Depreciation and amortisation	(11 075)	(32 120)	(10 232)	(29 946)
Energy and materials consumption	(852)	(3 174)	(450)	(4 021)
Accrual of provision for motorway resurfacing disclosed within cost of sales (external services)	(7 987)	(22 558)	4 548	(3 374)
Other external services	(4 652)	(11 819)	(4 313)	(11 315)
Taxes and charges	(254)	(866)	(238)	(830)
Personnel expenses, including:	(4 847)	(14 945)	(4 846)	(15 026)
- wages and salaries	(4 025)	(12 288)	(4 023)	(12 428)
- compulsory social security contributions and other benefits	(822)	(2 657)	(823)	(2 598)
Other costs	(405)	(1 313)	(826)	(1 982)
Cost of goods and materials sold	-	(1)	-	-
Total expenses by nature	(30 072)	(86 796)	(16 357)	(66 494)
Cost of sales and administrative expenses	(30 072)	(86 796)	(16 357)	(66 494)

10. Other income

	30 September 2014		30 September 2013	
	3 months	9 months	3 months	9 months
Rental income from passenger service sites	620	1 906	607	1 865
Reversal of allowances for receivables	5	156	-	154
Recorded surpluses	7	33	19	41
Compensations, contractual penalties and costs of court proceedings received	6	55	63	93
Interest from receivables	-	4	-	214
Reversal of other provisions and allowances	1	776	1 089	1 023
Net gain on disposal of property, plant and equipment and intangible assets	-	-	-	17
Other	92	237	115	296
	731	3 167	1 893	3 703

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11. Other expenses

	30 September 2014		30 September 2013	
	3 months	9 months	3 months	9 months
Allowances for receivables	-	-	(12)	-
Donations granted	(6)	(13)	-	(16)
Repair of damages	(2)	(2)	(12)	(36)
Penalties, compensations, payments	(4)	(10)	(15)	(35)
Loss on disposal of property, plant and equipment and intangible assets	(297)	(295)	(6)	-
Unrecoverable input VAT	(3)	(26)	(12)	(39)
Other	7	(25)	(2)	(6)
	(305)	(371)	(59)	(132)

12. Net finance expense

	30 September 2014		30 September 2013	
	3 months	9 months	3 months	9 months
Recognised in profit or loss for the period				
Dividends	-	61	-	1
Interest income from bank accounts and deposits	3 784	10 760	3 662	12 240
Revaluation of investments	-	77	-	-
Net foreign exchange gain	115	196	133	266
Finance income	3 899	11 094	3 795	12 507
Interest expense on liabilities measured at amortised cost, including:	(5 888)	(17 254)	(6 680)	(21 172)
- loans and borrowings, including:	(3 395)	(9 784)	(4 183)	(13 598)
- nominal	(2 588)	(7 819)	(3 358)	(11 182)
- other	(807)	(1 965)	(825)	(2 416)
- discount of concession payments	(2 489)	(7 365)	(2 356)	(6 972)
- other	(4)	(105)	(141)	(602)
Discount of provisions	(3 569)	(10 841)	(3 849)	(13 873)
Revaluation of investments	-	-	(14)	(1 591)
Other finance expenses, including:	(1 174)	(3 560)	(1 029)	(3 261)
- loss on investments in asset management funds (financial assets measured at fair value through profit or loss)	-	-	-	(803)
- loss on derivatives	(1 174)	(3 557)	(1 027)	(2 456)
- other finance expenses	-	(3)	(2)	(2)
Finance expenses	(10 631)	(31 655)	(11 572)	(39 897)
Net finance expense recognised in profit or loss for the period	(6 732)	(20 561)	(7 777)	(27 390)
Recognised in other comprehensive income				
Foreign currency translation differences for foreign operations	(16)	(5)	(64)	(35)
Effective portion of changes in fair value of cash flow hedges (*)	(3 282)	(8 374)	(250)	2 459
Net change in fair value of cash flow hedges reclassified to profit or loss for the period (*)	1 174	3 557	1 027	2 456
Finance income/(expenses) recognised in other comprehensive income	(2 124)	(4 822)	713	4 880

(*) The Group hedges cash flows resulting from payments of interest related to Project Loan Agreement between SAM S.A. and Banks' Consortium. For cash flow being hedged a cash flow hedge accounting is applied. Derivatives are used as hedging instruments (interest rate swap). For further information see consolidated financial statements for the year 2013 - notes 31.2 and 32.3.

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13. Property, plant and equipment

	Buildings and constructions	Plant and equipment	Vehicles	Other	Under construction	Total
Cost as at 1 January 2013	19 535	13 402	13 783	4 090	1 388	52 198
Acquisitions	102	126	528	68	1 766	2 590
Transfer from property, plant and equipment under construction	499	252	181	-	(932)	-
Disposals	-	(48)	(727)	(57)	-	(832)
Reclassifications	(1 142)	(1 126)	-	-	-	(2 268)
Cost as at 30 September 2013	18 994	12 606	13 765	4 101	2 222	51 688
Cost as at 1 January 2014	19 406	11 038	14 155	4 148	3 413	52 160
Acquisitions	-	317	868	16	7 880	9 081
Transfer from property, plant and equipment under construction	-	246	-	-	(246)	-
Disposals	-	(1 242)	(224)	(1 059)	(19)	(2 544)
Reclassifications	-	-	-	-	(38)	(38)
Cost as at 30 September 2014	19 406	10 359	14 799	3 105	10 990	58 659
Depreciation and impairment losses as at 1 January 2013	(9 749)	(11 910)	(5 287)	(2 978)	-	(29 924)
Depreciation for the period	(733)	(381)	(926)	(162)	-	(2 202)
Disposals	-	40	602	57	-	699
Reclassifications	849	1 025	-	-	-	1 874
Depreciation and impairment losses as at 30 September 2013	(9 633)	(11 226)	(5 611)	(3 083)	-	(29 553)
Depreciation and impairment losses as at 1 January 2014	(9 880)	(9 330)	(4 545)	(3 125)	-	(26 880)
Depreciation for the period	(746)	(376)	(1 058)	(142)	-	(2 322)
Disposals	-	1 142	219	823	-	2 184
Depreciation and impairment losses as at 30 September 2014	(10 626)	(8 564)	(5 384)	(2 444)	-	(27 018)
Carrying amounts						
As at 1 January 2013	9 786	1 492	8 496	1 112	1 388	22 274
As at 30 September 2013	9 361	1 380	8 154	1 018	2 222	22 135
As at 1 January 2014	9 526	1 708	9 610	1 023	3 413	25 280
As at 30 September 2014	8 780	1 795	9 415	661	10 990	31 641

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Impairment losses

As at 30 September 2014 there were no indicators that would require the Group to test property, plant and equipment for impairment.

14. Intangible assets

	Concession intangible assets	Other concessions, licences, software and other	Other intangible assets	Total
Cost as at 1 January 2013	964 876	1 628	970	967 474
Acquisitions	-	17	-	17
Revaluation of concession intangible assets	(41 138)	-	-	(41 138)
Cost as at 30 September 2013	923 738	1 645	970	926 353
Cost as at 1 January 2014	893 413	1 711	970	896 094
Acquisitions	-	54	-	54
Revaluation of concession intangible assets	26 039	-	-	26 039
Cost as at 30 September 2014	919 452	1 765	970	922 187
Amortisation and impairment losses as at 1 January 2013	(248 427)	(696)	(970)	(250 093)
Amortisation for the period	(27 279)	(132)	-	(27 411)
Reversal of impairment loss	-	1	-	1
Amortisation and impairment losses as at 30 September 2013	(275 706)	(827)	(970)	(277 503)
Amortisation and impairment losses as at 1 January 2014	(285 393)	(870)	(970)	(287 233)
Amortisation for the period	(29 353)	(94)	-	(29 447)
Reversal of impairment loss	-	2	-	2
Amortisation and impairment losses as at 30 September 2014	(314 746)	(962)	(970)	(316 678)
Carrying amounts				
As at 1 January 2013	716 449	932	-	717 381
As at 30 September 2013	648 032	818	-	648 850
As at 1 January 2014	608 020	841	-	608 861
As at 30 September 2014	604 706	803	-	605 509

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During the current period the Group revalued concession intangible assets recognized in relation to estimated costs of Phase II:

- (i) due to changes of discount rates used for valuation of provision for capital expenditures of Phase II (see note 19), which resulted in their increase by TPLN 17,584 (out of which by TPLN 7,174 in III quarter); and
- (ii) due to changes of estimates regarding construction works schedule and capital expenditures, which according to the Concession Agreement are to be executed by the Group before the end of the concession period (see note 19), resulting in the increase of concession intangible assets by TPLN 8,455 (however a decrease of TPLN 3,499 was observed in III quarter).

The amortization charge on concession intangible assets is recognized in cost of sales. The amortization charge on other intangible assets is recognized in administrative expenses.

The annual amortization rate calculated based on estimated traffic increase during the concession period in relation to present net value of intangible asset at the beginning of the quarterly period equalled 6.31% in III quarter 2014 (III quarter 2013: 5.20%). According to current amortization schedule, based on updated estimates of traffic increase, the proportion of annual amortization costs to the carrying value of intangible asset as at 30 September 2014 will range from 6.49% to 9.24% during the concession period.

As at 30 September 2014 there were no indicators, which would require the Group to test concession intangible assets for impairment. As at 30 September 2014, the Group recognized impairment related to other intangible assets of TPLN 2 (31 December 2013: TPLN 4, 30 September 2013: TPLN 5, 1 January 2013: TPLN 6).

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15. Deferred tax

Deferred tax assets have not been identified in full amount of excess of negative temporary differences and tax losses over positive temporary differences, due to uncertainty of utilization of tax losses and some of temporary differences.

	Assets				Liabilities				Net			
	30 September 2014	30 June 2014	31 December 2013	30 September 2013	30 September 2014	30 June 2014	31 December 2013	30 September 2013	30 September 2014	30 June 2014	31 December 2013	30 September 2013
Deferred tax assets/liabilities	220 149	220 909	219 290	227 522	(113 740)	(115 521)	(114 939)	(122 289)	106 409	105 388	104 351	105 233
Set off of tax	(113 740)	(115 521)	(114 935)	(122 279)	113 740	115 521	114 935	122 279	-	-	-	-
Net deferred tax assets/liabilities as in statement of financial position	106 409	105 388	104 355	105 243	-	-	(4)	(10)	106 409	105 388	104 351	105 233

Changes of deferred tax assets / liabilities for three and nine-month periods ended 30 September 2014 and 30 September 2013 were following:

	Change of deferred tax on temporary differences recognised in	
	profit or loss for the period	comprehensive income
30 September 2014		
3 months	620	401
9 months	1 142	916
30 September 2013		
3 months	(2 124)	(147)
9 months	(1 249)	(933)

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16. Allowances for current receivables

Trade and other receivables are presented net of allowances for doubtful debts amounting to TPLN 105,633 (30 June 2014: TPLN 105,634, 31 December 2013: TPLN 112,838, 30 September 2013: TPLN 112,845).

Change in allowances for bad debt was as follows:

	3 quarters 2014	3 quarters 2013
Allowances for bad debts as at 1 January	(112 838)	(113 280)
Allowances recognised	(4)	(57)
Allowances reversed	159	211
Allowances utilised	7 066	287
Reclassifications	(16)	(6)
Allowances for bad debts as at 30 September	(105 633)	(112 845)

	III quarter 2014	III quarter 2013
Allowances for bad debts as at 1 July	(105 634)	(113 077)
Allowances recognised	-	(18)
Allowances reversed	5	6
Allowances utilised	-	246
Reclassifications	(4)	(2)
Allowances for bad debts as at 30 September	(105 633)	(112 845)

The allowances for doubtful debts within trade receivables were recognized due to expected difficulties in collection of amounts due from some customers. The allowances for other receivables concern mainly receivables deriving from activities discontinued in previous periods, resulting from loan guarantees granted to entities which were not able to settle their liabilities.

According to the Group, the collection of receivables which have not been subject to allowances is not considered doubtful.

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17. Financial instruments

17.1. Classification and fair value of financial instruments

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels on the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

30 September 2014

	Carrying amount				Fair value				
	Loans and receivables	Available-for-sale financial assets	Derivatives	Financial liabilities valued at amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Equity instruments	-	271	-	-	271	271	-	-	271
	-	271	-	-	271				
Financial assets not measured at fair value									
Equity instruments*	-	1 664	-	-	1 664				
Trade and other receivables**	9 189	-	-	-	9 189				
Non-current deposits	413 021	-	-	-	413 021				
Cash and cash equivalents	134 175	-	-	-	134 175				
	556 385	1 664	-	-	558 049				
Financial liabilities measured at fair value									
Hedge derivatives***	-	-	(17 919)	-	(17 919)	-	(17 919)	-	(17 919)
	-	-	(17 919)	-	(17 919)				
Financial liabilities not measured at fair value									
Loans and borrowings	-	-	-	(215 865)	(215 865)				
Finance lease liabilities	-	-	-	(24)	(24)				
Concession payments****	-	-	-	(182 695)	(182 695)				
Trade and other payables**	-	-	-	(20 764)	(20 764)				
	-	-	-	(419 348)	(419 348)				

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30 June 2014

	Carrying amount				Total	Fair value			Total
	Loans and receivables	Available-for-sale financial assets	Derivatives	Financial liabilities valued at amortised cost		Level 1	Level 2	Level 3	
Financial assets measured at fair value									
Equity instruments	-	271	-	-	271	-	-	-	271
	-	271	-	-	271				
Financial assets not measured at fair value									
Equity instruments*	-	1 664	-	-	1 664				
Trade and other receivables**	9 888	-	-	-	9 888				
Non-current deposits	353 832	-	-	-	353 832				
Cash and cash equivalents	170 496	-	-	-	170 496				
	534 216	1 664	-	-	535 880				
Financial liabilities measured at fair value									
Hedge derivatives***	-	-	(16 972)	-	(16 972)	-	(16 972)	-	(16 972)
	-	-	(16 972)	-	(16 972)				
Financial liabilities not measured at fair value									
Loans and borrowings	-	-	-	(233 169)	(233 169)				
Finance lease liabilities	-	-	-	(32)	(32)				
Concession payments****	-	-	-	(180 206)	(180 206)				
Liabilities upon guarantees granted	-	-	-	(1 083)	(1 083)				
Trade and other payables**	-	-	-	(19 981)	(19 981)				
	-	-	-	(434 471)	(434 471)				

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31 December 2013

	Carrying amount				Fair value				
	Loans and receivables	Available-for-sale financial assets	Derivatives	Financial liabilities valued at amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Equity instruments	-	271	-	-	271	271	-	-	271
	-	271	-	-	271				
Financial assets not measured at fair value									
Equity instruments*	-	1 587	-	-	1 587				
Trade and other receivables**	9 774	-	-	-	9 774				
Non-current deposits	319 955	-	-	-	319 955				
Cash and cash equivalents	169 535	-	-	-	169 535				
	499 264	1 587	-	-	500 851				
Financial liabilities measured at fair value									
Hedge derivatives***	-	-	(14 351)	-	(14 351)	-	(14 351)	-	(14 351)
	-	-	(14 351)	-	(14 351)				
Financial liabilities not measured at fair value									
Loans and borrowings	-	-	-	(247 306)	(247 306)				
Finance lease liabilities	-	-	-	(61)	(61)				
Concession payments****	-	-	-	(175 329)	(175 329)				
Liabilities upon guarantees granted	-	-	-	(8 692)	(8 692)				
Trade and other payables**	-	-	-	(21 186)	(21 186)				
	-	-	-	(452 574)	(452 574)				

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30 September 2013

	Carrying amount				Fair value				
	Loans and receivables	Available-for-sale financial assets	Derivatives	Financial liabilities valued at amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Equity instruments	-	271	-	-	271	271	-	-	271
	-	271	-	-	271				
Financial assets not measured at fair value									
Equity instruments*	-	1 609	-	-	1 609				
Trade and other receivables**	8 606	-	-	-	8 606				
Non-current deposits	242 539	-	-	-	242 539				
Cash and cash equivalents	219 254	-	-	-	219 254				
	470 399	1 609	-	-	472 008				
Financial liabilities measured at fair value									
Hedge derivatives***	-	-	(13 031)	-	(13 031)	-	(13 031)	-	(13 031)
	-	-	(13 031)	-	(13 031)				
Financial liabilities not measured at fair value									
Loans and borrowings	-	-	-	(243 247)	(243 247)				
Finance lease liabilities	-	-	-	(95)	(95)				
Concession payments****	-	-	-	(172 941)	(172 941)				
Liabilities upon guarantees granted	-	-	-	(10 827)	(10 827)				
Trade and other payables**	-	-	-	(17 247)	(17 247)				
	-	-	-	(444 357)	(444 357)				

* Shares of companies which are not listed on financial markets, and for which there are no alternative measures to define their fair value, are disclosed at cost net of any impairment losses.

** Without consideration of receivables/payables due to taxes, duties, social and health insurance and other benefits.

*** Fair value of hedge derivatives (interest rate SWAP) is based on discounted future cash flows for undersigned transactions, constituting a difference between cash flows based on forecasted floating interest rate (6M WIBOR) and cash flows based on fixed interest rate.

**** For concession payments it is not possible to assess their fair value due to the lack of active market for similar financial instruments.

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17.2. Hierarchy of financial instruments carried at fair value

Financial instruments carried at fair value can be classified according to the following valuation methods:

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

18. Equity

18.1. Share capital

	30 September 2014	30 June 2014	31 December 2013	30 September 2013
Number of shares at the beginning of the period	247 262 023	247 262 023	247 262 023	247 262 023
Number of shares at the end of the period (fully paid)	247 262 023	247 262 023	247 262 023	247 262 023
Nominal value of shares (PLN)	0.75	0.75	0.75	0.75
Nominal value of A-series issue	6 256	6 256	6 256	6 256
Nominal value of B-series issue	370	370	370	370
Nominal value of D-series issue	3 000	3 000	3 000	3 000
Nominal value of E-series issue	71 196	71 196	71 196	71 196
Nominal value of F-series issue	37 500	37 500	37 500	37 500
Nominal value of G-series issue	67 125	67 125	67 125	67 125
	185 447	185 447	185 447	185 447

18.2. Hedging reserve

Hedging reserve balance is the result of valuation of derivatives meeting the requirements of cash flow hedge accounting. Recognized as effective changes to fair value of cash flow hedging instruments, amounted to TPLN -8,374 in the period of 3 quarters 2014, out of which TPLN -3,282 in III quarter (3 quarters 2013: TPLN 2,459, III quarter 2013: TPLN -250).

As the consequence of hedged interest payments made in the period of 3 quarters 2014, the Group reclassified the corresponding net change in fair value of cash flow hedges of TPLN -3,557, out of which TPLN -1,174 in III quarter (3 quarters 2013: TPLN -2,456, III quarter 2013: TPLN -1,027) to finance expense. The amount of aforementioned effective changes was adjusted by change in deferred tax recognized in other comprehensive income in amount of TPLN 1,591, out of which TPLN 676 was attributable to portion of changes reclassified to finance expense (3 quarters 2013: TPLN -467 and TPLN 466 respectively).

18.3. Fair value reserve

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

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19. Provisions

For nine-month periods ended 30 September 2014 and 30 September 2013

	Provisions for motorway resurfacing	Provisions for capital expenditures (Phase II)	Other provisions	Total
Non-current provisions				
Balance at 1 January 2013	86 608	438 723	-	525 331
Additions, including:	20 096	10 413	-	30 509
- due to discounting	2 170	10 413	-	12 583
Change of estimates	(14 738)	13 855	-	(883)
Reclassifications	(22 456)	(46 064)	-	(68 520)
Balance at 30 September 2013	69 510	416 927	-	486 437
Balance at 1 January 2014	85 095	370 966	-	456 061
Additions, including:	18 016	7 679	-	25 695
- due to discounting	1 902	7 679	-	9 581
Change of estimates	5 434	57 268	-	62 702
Reclassifications	-	(42 786)	-	(42 786)
Balance at 30 September 2014	108 545	393 127	-	501 672
Current provisions				
Balance at 1 January 2013	-	50 225	1 817	52 042
Additions, including:	57	1 233	67	1 357
- due to discounting	57	1 233	-	1 290
Change of estimates	185	(54 993)	-	(54 808)
Utilisation	(175)	(17 260)	(28)	(17 463)
Reversal	-	-	(1 089)	(1 089)
Reclassifications	22 456	46 064	-	68 520
Balance at 30 September 2013	22 523	25 269	767	48 559
Balance at 1 January 2014	12 082	38 905	775	51 762
Additions, including:	256	1 004	-	1 260
- due to discounting	256	1 004	-	1 260
Change of estimates	1 010	(31 229)	-	(30 219)
Utilisation	(329)	(14 912)	-	(15 241)
Reversal	-	-	(775)	(775)
Reclassifications	-	42 786	-	42 786
Balance at 30 September 2014	13 019	36 554	-	49 573

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For three-month periods ended 30 September 2014 and 30 September 2013

	Provisions for motorway resurfacing	Provisions for capital expenditures (Phase II)	Other provisions	Total
Non-current provisions				
Balance at 1 July 2013	87 877	409 736	-	497 613
Additions, including:	6 545	2 883	-	9 428
- due to discounting	618	2 883	-	3 501
Change of estimates	(10 455)	18 416	-	7 961
Reclassifications	(14 457)	(14 108)	-	(28 565)
Balance at 30 September 2013	69 510	416 927	-	486 437
Balance at 1 July 2014	100 053	374 213	-	474 266
Additions, including:	6 160	2 465	-	8 625
- due to discounting	659	2 465	-	3 124
Change of estimates	2 332	30 634	-	32 966
Reclassifications	-	(14 185)	-	(14 185)
Balance at 30 September 2014	108 545	393 127	-	501 672
Current provisions				
Balance at 1 July 2013	8 084	41 267	1 864	51 215
Additions, including:	57	291	-	348
- due to discounting	57	291	-	348
Change of estimates	(20)	(22 485)	-	(22 505)
Utilisation	(55)	(7 912)	(8)	(7 975)
Reversal	-	-	(1 089)	(1 089)
Reclassifications	14 457	14 108	-	28 565
Balance at 30 September 2013	22 523	25 269	767	48 559
Balance at 1 July 2014	12 909	54 654	-	67 563
Additions, including:	85	360	-	445
- due to discounting	85	360	-	445
Change of estimates	154	(26 959)	-	(26 805)
Utilisation	(129)	(5 686)	-	(5 815)
Reversal	-	-	-	-
Reclassifications	-	14 185	-	14 185
Balance at 30 September 2014	13 019	36 554	-	49 573

Provision for capital expenditures is recognized in the present value of future construction costs to be incurred in relation to section Katowice-Kraków of A4 motorway (Phase II), due to obligations undertaken by Concession Holder under the Concession Agreement (see note 4).

As at 30 September 2014 the Group changed estimates regarding discount rates used for calculation of the present value of provisions for resurfacing and provision for capital expenditures of Phase II (in both cases as at 31 December 2013 the rates ranged from 2.90% to 4.81%, currently from 1.93% to 3.65%). As result of those changes the provision for resurfacing increased by TPLN 8,003 (out of which by TPLN 3,217 in III quarter), which in line with IAS 37 was recognized as an increase of operating expenses for the period. At the same time the provision for capital expenditures (Phase II) increased by TPLN 17,584 (out of which by TPLN 7,174 in III quarter), which was recognized as an increase of concession intangible assets.

As at 30 September 2014 the Group also remeasured the provision for resurfacing and provision for capital expenditures of Phase II following the change of estimates regarding expected expenditures and future construction works schedule. As result of that changes the provision for resurfacing decreased by TPLN 1,559 (out of which by TPLN 731 in III quarter), which in line with IAS 37 was recognised as a decrease of operating expenses for the period. At the same time the provision for capital expenditures (Phase II) increased by

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TPLN 8,455 (however a decrease of TPLN 3,499 was observed in III quarter), which was recognized as an increase of concession intangible assets.

Other provisions as at 31 December 2013 comprised a provision recognized based on the sentence of the District Court in Katowice dated 18 December 2009 responding to a claim lodged by CTL Maczki Bór Sp. z o.o. for compensation for the use of certain lots of land in the motorway lane without valid agreement. The court awarded to CTL Maczki Bór Sp. z o.o. the amount of TPLN 40 plus interest from Stalexport Autostrady S.A. and TPLN 996 plus interest from Stalexport Autostrada Małopolska S.A. Abovementioned interest was also subject to a provision. On 25 January 2010 both Stalexport Autostrady S.A. and Stalexport Autostrada Małopolska S.A. submitted appeals against the abovementioned sentence to the Appeal Court in Katowice. On 14 October 2013 the Appeal Court changed the sentence subject to the appeal awarding to CTL Maczki Bór Sp. z o.o. i) jointly and severally from State Treasury (GDDKiA) and Stalexport Autostrady S.A. the amount of TPLN 6 plus interest, ii) jointly and severally from State Treasury (GDDKiA) and Stalexport Autostrada Małopolska S.A. the amount of TPLN 412 plus interest. In February 2014 CTL Maczki Bór Sp. z o.o. issued a cassation complaint in relation to the aforementioned sentence. Due to the fact that the State Treasury (GDDKiA) paid the whole amount deriving from the aforementioned Appeal Court's sentence, the Group companies reversed the corresponding provisions.

20. Contingent liabilities

Contingent liabilities amounting to TPLN 19,357 (30 June 2014: TPLN 17,672, 31 December 2013: TPLN 17,098, 30 September 2013: TPLN 17,242) relate to guarantees granted to related entities.

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21. Transactions with related parties

21.1. Intragroup receivables and liabilities

30 September 2014	Receivables	Trade payables	Guarantees and suspended amounts
Atlantia S.p.A.	-	17	-
Parent entities	-	17	-
Biuro Centrum Sp. z o.o.	7	1	-
Associates	7	1	-
Pavimental S.p.A. S.A. Oddział w Polsce	9	-	7 623
Pavimental Polska Sp. z o.o.	-	590	1 555
Autogrill Polska Sp. z o.o.	-	-	10
Autostrade Tech S.p.A.	66	2 526	841
Other related entities	75	3 116	10 029
Total	82	3 134	10 029

30 czerwca 2014 r.	Receivables	Trade payables	Guarantees and suspended amounts
Atlantia S.p.A.	-	17	-
Parent entities	-	17	-
Biuro Centrum Sp. z o.o.	6	-	-
Associates	6	-	-
Pavimental S.p.A. S.A. Oddział w Polsce	2	-	7 177
Pavimental Polska Sp. z o.o.	-	4	1 532
Autogrill Polska Sp. z o.o.	-	-	10
Autostrade Tech S.p.A.	58	3 394	842
Other related entities	60	3 398	9 561
Total	66	3 415	9 561

31 December 2013	Receivables	Trade payables	Guarantees and suspended amounts
Atlantia S.p.A.	-	17	-
Parent entities	-	17	-
Biuro Centrum Sp. z o.o.	7	81	-
Associates	7	81	-
Pavimental S.p.A. S.A. Oddział w Polsce	-	-	6 584
Pavimental Polska Sp. z o.o.	4	1 605	2 029
Autostrade Tech S.p.A.	8	1 192	176
Spea Ingegneria Europea S.p.A.	-	29	-
Other related entities	12	2 826	8 789
Total	19	2 924	8 789

30 September 2013	Receivables	Trade payables	Guarantees and suspended amounts
Atlantia S.p.A.	-	17	-
Parent entities	-	17	-
Biuro Centrum Sp. z o.o.	39	6	-
Associates	39	6	-
Pavimental S.p.A. S.A. Oddział w Polsce	-	180	6 495
Pavimental Polska Sp. z o.o.	6	1 633	1 860
Autostrade Tech S.p.A.	1	-	71
Other related entities	7	1 813	8 426
Total	46	1 836	8 426

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21.2. Transactions with related parties

	Revenue	Other income	Cost of acquired goods and services	Other expenses	Capital expenditures and resurfacing works
III quarter 2014					
Biuro Centrum Sp. z o.o.	65	-	(693)	-	-
Associates	65	-	(693)	-	-
Pavimental S.p.A. S.A. Oddział w Polsce	-	-	-	-	(4 464)
Pavimental Polska Sp. z o.o.	32	1	(34)	-	(471)
Autogrill Polska Sp. z o.o.	15	-	-	-	-
Autostrade Tech S.p.A.	66	3	-	(2)	-
Other related entities	113	4	(34)	(2)	(4 935)
Total	178	4	(727)	(2)	(4 935)
III quarter 2013					
Autostrada Mazowsze S.A. w likwidacji	8	-	-	-	-
Biuro Centrum Sp. z o.o.	64	-	(715)	-	-
Associates	72	-	(715)	-	-
Pavimental S.p.A. S.A. Oddział w Polsce	-	-	-	-	(147)
Pavimental Polska Sp. z o.o.	32	3	(59)	-	(6 650)
Autogrill Polska Sp. z o.o.	14	-	-	-	-
Autostrade Tech S.p.A.	-	1	-	-	(709)
Other related entities	46	4	(59)	-	(7 506)
Total	118	4	(774)	-	(7 506)
3 quarters 2014					
Autostrada Mazowsze S.A. w likwidacji	10	-	-	-	-
Biuro Centrum Sp. z o.o.	198	-	(2 146)	-	-
Associates	208	-	(2 146)	-	-
Pavimental S.p.A. S.A. Oddział w Polsce	-	-	-	-	(12 386)
Pavimental Polska Sp. z o.o.	77	7	(155)	-	(475)
Autogrill Polska Sp. z o.o.	43	-	-	-	-
Autostrade Tech S.p.A.	110	19	-	(2)	(6 652)
Other related entities	230	26	(155)	(2)	(19 513)
Total	438	26	(2 301)	(2)	(19 513)
3 quarters 2013					
Autostrada Mazowsze S.A. w likwidacji	28	-	-	-	-
Biuro Centrum Sp. z o.o.	197	-	(2 094)	-	-
Associates	225	-	(2 094)	-	-
Pavimental S.p.A. S.A. Oddział w Polsce	-	-	-	-	(4 449)
Pavimental Polska Sp. z o.o.	77	14	(65)	-	(10 565)
Autogrill Polska Sp. z o.o.	41	-	-	-	-
Autostrade Tech S.p.A.	-	1	-	-	(709)
Other related entities	118	15	(65)	-	(15 723)
Total	343	15	(2 159)	-	(15 723)

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22. Financial results of the Capital Group and its Parent Entity for the III quarter 2014

22.1. Financial results of Stalexport Autostrady S.A.

In III quarter 2014 the Company generated revenue on sales amounting to TPLN 868, i.e. almost identical as in comparable quarterly period of 2013 and 11.9% lower than in II quarter 2014. The decrease of revenue in comparison to II quarter 2014 results mainly from the fact that the Company charges VIA4 S.A. on semi-annual basis for performance guarantee issued in relation to execution of motorway operation contract.

The Company suffered a loss from operating activities for III quarter 2014 of TPLN 852 – for similar period of 2013 a loss amounting to TPLN 853 was incurred. Cumulative operating loss for 3 quarters 2014 amounted to TPLN 2,573 (3 quarters 2013: loss of TPLN 2,488). The aforementioned negative variation is mainly the consequence of lower other income (interest on receivables) recorded in the period of 3 quarters 2014.

The financial activity of Stalexport Autostrady S.A. generated a profit of TPLN 2,996 for III quarter 2014 (III quarter 2013: TPLN 3,213). Interest on bank deposits (TPLN 897) and dividends received from a subsidiary (TPLN 2,000) constituted the main items of financial income in III quarter 2014.

As the consequence of all the above Stalexport Autostrady S.A. generated a net profit for the III quarter 2014 amounting to TPLN 2,143 (3 quarters 2014: net profit of TPLN 4,046), comparing to TPLN 2,339 net profit for III quarter 2013 (3 quarters 2013: net profit of TPLN 1,946).

22.2. Financial results of motorway business

The motorway activity, consisting mainly of exploitation, toll collecting and execution of motorway investments on section Katowice – Kraków of A4 motorway, has the biggest impact on Group's financial results. The activity is performed mainly by two related entities: Stalexport Autostrada Małopolska S.A. and VIA4 S.A. SAM S.A. organizes and supervises motorway investments and has the right to receive profits from the motorway, while VIA4 S.A is responsible for motorway operation and on behalf of SAM S.A. collects tolls for vehicle passage.

Consolidated revenue on sales generated by motorway activity for III quarter 2014 amounted to TPLN 61,484, increasing by 4.3% in relation to revenue for III quarter 2013 (TPLN 58,946) and by 13.1% in relation to revenue for II quarter 2014 (TPLN 54,355).

The aforementioned variation in relation to III quarter 2013 was mainly the consequence of 4.1% increase of traffic level, resulting from 4.7% increase of traffic level for heavy vehicles and 4% increase of traffic level for light vehicles.

The variation in relation to II quarter 2014 was mainly the consequence of 13.1% increase of traffic level, which comprised of 4.3% increase of traffic level for heavy vehicles and 14.9% increase of traffic level for light vehicles.

Operating expenses incurred in relation to motorway activity amounted to TPLN 28,587 for III quarter 2014, increasing by 95.6% in relation to III quarter 2013 (TPLN 14,612). The above was mainly a result of change of estimates regarding provision for motorway resurfacing recorded in aforementioned periods (III quarter 2014 increase of expenses by TPLN 2,486; III quarter 2013 decrease of expenses by TPLN 10,475 – see also note 19) and higher by TPLN 837 cost of concession intangible assets amortization as the result of increasing rates of unit per production amortization (see note 14).

The financial activity of motorway segment for III quarter 2014 resulted in a loss amounting to TPLN 7,430, comparing to a loss of TPLN 8,538 for III quarter 2013. This positive variation was mainly the consequence of lower finance expenses incurred in relation to Project Loan Agreement and also lower expenses due to unwinding of the discount related to provisions.

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As the consequence of all the above, the Group's motorway activity generated a net profit of TPLN 21,760 for III quarter 2014 (3 quarters 2014: profit of TPLN 50,492), comparing to net profit of TPLN 30,534 for III quarter 2013 (3 quarters 2013: profit of TPLN 53,472).

22.3. Information on construction contracts involving Stalexport Autostrada Małopolska S.A.

On 14 September 2012 SAM S.A. and Autostrade Tech S.p.A. signed a contract WUPO 2012 Tolling Equipment Replacement. The current contract net amount (without consideration of contract value changes due to potential additional change orders) amounts to TPLN 19,899. The current scope of the contract may expand depending on the functionality and interoperability of electronic toll collection system, which introduction is a part of WUPO contract, with the National Electronic Tolling System, which embraces public roads network under GDDKiA management (so called interoperability options). As at 30 September 2014 the financial progress of the project (value of works invoiced) amounted to TPLN 8,415 (42.3% of the contract value), out of which TPLN 6,651 was invoiced in 2014.

On 26 July 2013 SAM S.A. and consortium of Pavimental S.p.A. and Pavimental Polska Sp. z o.o. signed a contract F2b-4-2013 "Reconstruction of A-4 motorway drainage for Silesian voivodeship section – part I" for the total amount of TPLN 20,276 (including change orders). The contract includes reconstruction of drainage for eleven catchments in Silesian voivodeship. As at 30 September 2014 the financial progress of the project (value of works invoiced) amounted to TPLN 13,278 (65.5% of the contract value), out of which TPLN 12,386 was invoiced in 2014.

On 14 May 2014 SAM employed RE-Bau Sp. z o.o. for the contract F2b-7-2014 "Construction of noise screens 13, 15, 18, 24 and heightening of noise screen 29" amounting to TPLN 4,756. The contract includes the construction of 4 noise screens with the accumulated length of 2.4 km along A4 motorway and heightening of existing noise screen no 29. In III quarter 2014 the mobilization phase has been completed with the design phase ongoing. As at 30 September 2014 no capital expenditures have yet been incurred in relation to the project.

On 9 July 2014 SAM and consortium of Pavimental S.p.A. and Pavimental Polska Sp. z o.o. signed the Contract HM-1-2014 „Resurfacing 2014” for the resurfacing of the motorway on 4 sections with a total length of 11.3 km and preparation of thin top layer on the section with a total length of 1.9 km. The value of the contract amounted to TPLN 12,932. In III quarter 2014 after completion of the mobilization phase, the works commenced. As at 30 September 2014 no works has yet been invoiced.

23. Important other events within the Stalexport Autostrady S.A. Capital Group during the period from 1 July to 30 September 2014

On 23 July 2014 the Extraordinary General Meeting of the STX Autostrady took place, which initially was supposed to determine the number of Supervisory Board's members for VIII term. In the end no resolutions were undertaken on this issue.

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24. Shareholders holding directly or indirectly via their subsidiaries at least 5% of total number of votes at the Annual General Meeting of the Parent Entity at quarterly report's date

List of Shareholders holding more than 5% of total number of votes eligible for Annual General Meeting of Stalexport Autostrady S.A.:

Shareholder	Number of ordinary shares held	Share in share capital (%)	Number of votes at AGM	Share in total number of votes at AGM (%)
Autostrade per l'Italia S.p.A.	149,923,463	60.63%	149,923,463	60.63%
ALTUS TFI S.A.	12,679,263	5.13%	12,679,263	5.13%

25. Parent Entity's shares held by managing and supervising personnel at quarterly report's date

The President of the Management Board of the Parent Entity Emil Wąsacz held 59,000 shares at report's issue date. There were no changes in the number of Parent Entity's shares held by managing and supervising personnel since the previous report's issue date.

26. Subsequent events

There were no significant subsequent events, which should be disclosed in the condensed consolidated interim financial statements for the 9-month period ended 30 September 2014.

Explanation

This document constitutes a translation of the condensed consolidated interim financial statements of Stalexport Autostrady S.A. Capital Group, which were originally issued in Polish. In case of ambiguities in interpretation of terminology, the original Polish terminology should be treated as binding.