

**STALEXPORT AUTOSTRADY S.A
MYSŁOWICE, UL. PIASKOWA 20**

**SEPARATE FINANCIAL STATEMENTS
FOR THE 2014 FINANCIAL YEAR**

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

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FINANCIAL STATEMENTS FOR THE 2014 FINANCIAL YEAR

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REPORT ON THE ACTIVITIES OF THE COMPANY FOR THE 2014 FINANCIAL YEAR

AUDITOR'S OPINION

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

We have audited the attached separate financial statements of Stalexport Autostrady S.A. with its registered office in Mysłowice at Piaskowa 20 Street (hereinafter: the "Company"), including separate statement of financial position prepared as of 31 December 2014, separate statement of comprehensive income and separate statement of changes in equity, separate statement of cash flows for the financial year from 1 January 2014 to 31 December 2014 and notes comprising a summary of significant accounting policies and other explanatory information, as required by the International Accounting Standards, International Financial Reporting Standards and related interpretations published as European Commission regulations.

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

The Management Board of the Company and members of its Supervisory Board are obliged to ensure that the financial statements and the report on the activities meet the requirements of the Accounting Act of 29 September 1994 (Journal of Laws of 2013 item 330, as amended), hereinafter referred to as the "Accounting Act".

Our responsibility was to audit and express an opinion on compliance of the financial statements with the accounting principles (policy) adopted by the Company and whether the financial statements give a true and fair view of the financial and economic position as well as the financial performance of the Company and on the correctness of the underlying accounting records.

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 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) and material estimates applied by the Company, verification - largely on a test basis - of the accounting evidence and records supporting the amounts and disclosures in the financial statements, as well as overall evaluation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

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

- give a true and fair view of the information material to evaluation of the economic and financial position of the Company as of 31 December 2014 as well as its financial performance in the financial year from 1 January 2014 to 31 December 2014,
- 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 its executory provisions and based on properly kept accounting records,
- comply with the provisions of law and the articles of association of the Company, which affect the contents of the financial statements.

Without raising any qualifications to the correctness and fairness of the audited financial statements, we would like to emphasize the information presented in point 5 of additional notes to the financial statements, where the business combination of Stalexport Autostrady S.A. and Stalexport Autostrada Dolnośląska S.A. is described. Business combination was conducted under Polish Commercial Companies Code article 492 paragraph 1 – by transfer of assets and liabilities of combined entity to Stalexport Autostrady S.A. The business combination has been registered in the National Court Register on 30 May 2014.

The Report on the activities of the Company for the 2014 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 (Journal of Laws of 2014 item 133) and consistent with underlying information disclosed in the audited financial statements.

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Miroslaw Mitrenga
Key certified auditor
conducting the audit
No. 11723

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

DELOITTE POLSKA
Spółka z ograniczoną odpowiedzialnością Sp. k.
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Maciej Krasoń – 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, 5 March 2015

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 SEPARATE FINANCIAL STATEMENTS
OF STALEXPORT AUTOSTRADY S.A.
FOR THE 2014 FINANCIAL YEAR**

I. GENERAL INFORMATION

1. Details of the audited Company

The Company operates under the business name Stalexport Autostrady S.A. (hereinafter: the "Company"). The Company's registered office is located in Myslowice at Piaskowa 20 Street.

The Company operates as a joint stock company. The Company is recorded in the Register of Entrepreneurs kept by the District Court, VIII Business-Registry Division in Katowice, under KRS number 0000016854.

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

As of 31 December 2014, the Company's share capital equaled PLN 185.447 thousand and was divided into 247.262.023 ordinary shares with a face value of PLN 0,75 each.

In the audited period, the Company conducted activities mainly in the area of renting office space and as a holding company for the capital group as well as providing leasing operations.

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

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

There were no changes in the composition of the Management Board during the audited period.

2. Information on the financial statements for the previous financial year

The activities of the Company in 2013 resulted in a net profit of PLN 3.112 thousand. The separate financial statements of the Company for the 2013 financial year were audited by a certified auditor. The audit was performed by authorized entity Deloitte Polska spółka z ograniczoną odpowiedzialnością sp.k. The certified auditor issued an unqualified opinion on those financial statements.

The General Shareholders' Meeting which approved the separate financial statements for the 2013 financial year was held on 3 April 2014. The General Shareholders' Meeting decided to distribute the net profit for 2013 in the following manner:

- coverage the previous years net loss - PLN 103 thousand;
- increase supplementary capital - PLN 3.009 thousand.

The financial statements for the 2013 financial year were submitted to the National Court Register (KRS) on 14 May 2014.

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

The entity authorized to audit the separate financial statements was appointed by the Supervisory Board. The audit of the financial statements was performed based on the agreement of 29 May 2014 concluded between the Company and Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. with 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 financial statements was conducted under the supervision of Mirosław Mitrenga, key certified auditor (No. 11723), in the registered office of the Company from 10 to 12 December 2014, 2 to 6 February 2015 and outside the Company's premises until the opinion date.

Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. and the key certified auditor conducting the audit 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 financial statements of the Company.

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 e.g. in the written representation of the Management Board of 5 March 2015.

II. ECONOMIC AND FINANCIAL POSITION OF THE COMPANY

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

<u>Main items from the statement of comprehensive income (PLN '000)</u>	<u>2014</u>	<u>2013*</u>
Sales revenue	3.792	3.712
Operating expenses	(7.600)	(7.315)
Operating profit (loss)	(3.577)	(3.152)
Net profit (loss)	6.180	3.112

<u>Main items from the statement of financial position (PLN '000)</u>	<u>2014</u>	<u>2013*</u>
Trade receivables (excluding overdue above 1 year)	162	99
Current assets	127.725	128.645
Total assets	204.705	206.335
Equity	201.718	195.543
Short-term liabilities (including short-term provisions and accruals)	905	9.767
Trade liabilities	342	412
Total liabilities and provisions	2.987	10.792

* Data from converted financial statement after the merger of the companies Stalexport Autostrady S.A. and Stalexport Autostrada Dolnośląska S.A.

<u>Profitability and efficiency ratios</u>	<u>2014</u>	<u>2013</u>
– return on sales	-94%	-85%
– net return on equity	3%	2%
– assets turnover ratio	0,02	0,02
– receivables turnover in days	18	15
– liabilities turnover in days	31	34

Liquidity/Net working capital

– debt ratio	1%	5%
– equity to fixed assets ratio	99%	95%
– net working capital (PLN '000)	126.820	118.878
– current ratio	141	13

An analysis of the above figures and ratios indicated the following trends in 2014:

- decrease of return on sales,
- increase of net return on equity,
- subsistence of assets turnover ratio,
- increase of receivables turnover ratio,
- decrease of liabilities turnover ratio,
- decrease of debt ratio,
- increase of equity to fixed assets ratio,
- increase of net working capital,
- increase of current ratio.

III. DETAILED INFORMATION

1. Evaluation of the accounting system

The Company has valid documentation describing the adopted accounting principles, complying in all material respects with Article 10 of the Accounting Act. The principles have been applied consistently and did not change compared to the principles applied in the prior year. The opening balance resulting from the approved financial statements for the prior financial year has been properly introduced into the accounting records of the audited period.

Based on tests performed during the audit procedures, we have verified the adopted accounting system and found no misstatements that would affect the financial statements. Our audit did not include, though, the entire accounting system used by the Company.

The Company performed a physical count of assets and liabilities within the scope necessary to confirm the existence of the presented assets and liabilities.

2. Information identifying the audited financial statements

The audited financial statements were prepared as of 31 December 2014 and include:

- separate statement of financial position prepared as of 31 December 2014, with total assets and liabilities plus equity of PLN 204.705 thousand,
- separate statement of comprehensive income for the period from 1 January 2014 to 31 December 2014, with a net profit of PLN 6.180 thousand and total comprehensive income of PLN 6.175 thousand,
- separate statement of changes in equity for the period from 1 January 2014 to 31 December 2014, disclosing an increase in equity of PLN 6.175 thousand,
- separate statement of cash flows for the period from 1 January 2014 to 31 December 2014, showing a cash outflow of PLN 813 thousand,
- notes, comprising a summary of significant accounting policies and other explanatory information.

3. Information about selected material items of the financial statements

Long-term investments

The Company's long-term investments include shares in controlled entities of PLN 67.118 thousand.

The notes correctly describe changes in investments during the financial year.

Receivables

Ageing of trade receivables has been correctly presented in the respective explanatory note to the statement of financial position, together with related impairment losses.

4. Completeness and correctness of drawing up the introduction to the financial statements, notes and explanations and the report on the activities of the Company

The Company confirmed the validity of the going concern principle in the preparation of the financial statements. The notes and explanations give a correct and complete description of measurement principles regarding assets, liabilities, financial result and principles of preparation of the financial statements.

The notes to the financial statements give a correct and complete description of the reporting items and clearly present other information required under IFRS.

The financial statements have been supplemented with the Management Board's report on the activities of the Company in the 2014 financial year. The report contains information required under 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 (Journal of Laws of 2014 item 133). We have audited the report with respect to the disclosed information derived directly from the audited financial statements.

IV. FINAL NOTES

Management Board's Representations

Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. and the key certified auditor received a representation letter from the Company's Management Board, in which the Board stated that the Company complied with the laws in force.

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Mirosław Mitręga
Key certified auditor
conducting the audit
No. 11723

On behalf of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. – 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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Warsaw, 5 March 2015