

POLISH FINANCIAL SUPERVISION AUTHORITY

Consolidated quarterly report QSr I / 2016

(prepared in accordance with §82 section 2 and §83 section 1 of the Minister of Finance Regulation of 19 February 2009 - Dz.U.2014.133 j.t.*)

(for issuers of securities whose business activity embraces manufacture, construction, trade and services)

for the first quarter of 2016 covering the period from 1 January 2016 to 31 March 2016, comprising condensed consolidated interim financial statements drawn in accordance with International Financial Reporting Standards with amounts stated in PLN and condensed interim separate financial statements of the parent entity drawn in accordance with International Financial Reporting Standards with amounts stated in PLN.

submission date: 6 May 2016

STALEXPORT AUTOSTRADY SPÓŁKA AKCYJNA (issuer's full name)		
STALEXPORT AUTOSTRADY S.A. (issuer's abbr. name)	Other services (sector according to GPW SE)	
41-404 (postal code)	Mysłowice (city)	
Piaskowa (street)	20 (number)	
032 76 27 545 (phone)	032 76 27 556 (fax)	info@stalexport-autostrady.pl (e-mail)
634-013-42-11 (NIP – tax identification number)	271936361 (REGON)	www.stalexport-autostrady.pl (www)

Explanation

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

*The Official Journal of Law 2014.133 unified text

Financial data concerning the condensed consolidated interim financial statements
for the three-month period ended 31 March 2016

	in TPLN		in TEUR	
	I quarter 2016	I quarter 2015	I quarter 2016	I quarter 2015
Revenue	65 036	54 263	14 931	13 079
Results from operating activities	55 723	28 872	12 793	6 959
Profit before income tax	50 566	22 963	11 609	5 535
Profit for the period	41 345	18 859	9 492	4 546
Profit for the period attributable to owners of the Company	39 949	17 402	9 171	4 194
Weighted average number of ordinary shares at the end of the period (in thousands of shares)	247 262	247 262	247 262	247 262
Earnings attrib. to owners of the Company per 1 ordinary share (in PLN/ EUR)	0.16	0.07	0.04	0.02
Diluted earnings attrib. to owners of the Company per 1 ordinary share (in PLN/ EUR)	0.16	0.07	0.04	0.02
Net cash from operating activities	43 905	42 109	10 079	10 149
Net cash from/(used in) investing activities	9 851	(42 087)	2 262	(10 144)
Net cash used in financing activities	(23 225)	(24 836)	(5 332)	(5 986)
Total net cash flows	30 531	(24 814)	7 009	(5 981)
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Total assets	1 371 779	1 375 297	321 380	322 726
Total non-current assets	1 136 976	1 170 249	266 371	274 610
Total current assets	234 803	205 048	55 010	48 116
Total liabilities	911 108	952 202	213 454	223 443
Total non-current liabilities	739 115	766 960	173 160	179 974
Total current liabilities	171 993	185 242	40 294	43 469
Total equity	460 671	423 095	107 926	99 283
Total equity attributable to owners of the Company	458 574	418 122	107 435	98 116
Non-controlling interest	2 097	4 973	491	1 167
Share capital	185 447	185 447	43 446	43 517

Financial data concerning the condensed separate interim financial statements of the Parent Entity
for the three-month period ended 31 March 2016

	in TPLN		in TEUR	
	I quarter 2016	I quarter 2015	I quarter 2016	I quarter 2015
Revenue	905	879	208	212
Results from operating activities	(988)	(875)	(227)	(211)
Loss before income tax	(336)	(41)	(77)	(10)
Loss for the period	(266)	(56)	(61)	(13)
Weighted average number of ordinary shares at the end of the period (in thousands of shares)	247 262	247 262	247 262	247 262
Basic earnings per share (in PLN/ EUR)	(0.00)	(0.00)	(0.00)	(0.00)
Diluted earnings per share (in PLN/ EUR)	(0.00)	(0.00)	(0.00)	(0.00)
Net cash used in operating activities	(119)	(140)	(27)	(34)
Net cash from investing activities	2 203	673	506	162
Total net cash flows	2 084	533	478	128
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Total assets	211 077	211 090	49 451	49 534
Non-current assets	76 153	76 516	17 841	17 955
Current assets	134 924	134 574	31 610	31 579
Total liabilities	4 507	4 254	1 056	998
Non-current liabilities	340	69	80	16
Current liabilities	4 167	4 185	976	982
Total equity	206 570	206 836	48 395	48 536
Share capital	185 447	185 447	43 446	43 517

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

- (i) items of the statement of comprehensive income and the statement of cash flows for the 3 months ended 31 March 2016 and 31 March 2015 according to exchange rate, calculated as an average of average NBP exchange rates at the last day of every month comprising the accounting period, i.e. 4.3559 PLN/EUR and 4.1489 PLN/EUR respectively;
- (ii) items of the statement of financial position according to average NBP exchange rate at the reporting date, i.e. 4.2684 PLN/EUR at 31 March 2016 and 4.2615 PLN/EUR at 31 December 2015.



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

**CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**

for the three-month period ended
31 March 2016

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

These condensed consolidated interim financial statements are unaudited

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STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

These condensed consolidated interim financial statements are unaudited

Condensed consolidated interim statement of comprehensive income
for the three-month period ended

<i>In thousands of PLN, unless stated otherwise</i>	<i>Note</i>	31 March 2016 <i>(unaudited)</i>	31 March 2015 <i>(unaudited)</i>
Revenue	6, 8	65 036	54 263
Cost of sales	6, 9	(2 724)	(20 093)
Gross profit		62 312	34 170
Other income	10	864	923
Administrative expenses	9	(7 420)	(6 203)
Other expenses	11	(33)	(18)
Results from operating activities		55 723	28 872
Finance income		3 278	3 737
Finance expenses		(8 511)	(9 693)
Net finance expense	12	(5 233)	(5 956)
Share of profit of equity accounted investees (net of income tax)		76	47
Profit before income tax		50 566	22 963
Income tax expense		(9 221)	(4 104)
Profit for the period		41 345	18 859
Other comprehensive income			
<i>Items that are or may be reclassified subsequently</i> <i>to profit or loss for the period</i>			
Foreign currency translation differences for foreign operations		37	(2)
Effective portion of changes in fair value of cash flow hedges		(668)	(600)
Net change in fair value of cash flow hedges reclassified to profit or loss for the period		1 243	1 243
Income tax on other comprehensive income		(109)	(122)
Other comprehensive income for the period, net of income tax		503	519
Total comprehensive income for the period		41 848	19 378
Profit attributable to:			
Owners of the Company		39 949	17 402
Non-controlling interest		1 396	1 457
Profit for the period		41 345	18 859
Total comprehensive income attributable to:			
Owners of the Company		40 452	17 921
Non-controlling interest		1 396	1 457
Total comprehensive income for the period		41 848	19 378
Earnings per share			
Basic earnings per share (PLN)		0.16	0.07
Diluted earnings per share (PLN)		0.16	0.07

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
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

These condensed consolidated interim financial statements are unaudited

Condensed consolidated interim statement of financial position
as at

In thousands of PLN

	Note	31 March 2016 <i>(unaudited)</i>	31 December 2015	31 March 2015 <i>(unaudited)</i>
ASSETS				
Non-current assets				
Property, plant and equipment	13	34 839	35 649	38 633
Intangible assets	14	510 777	522 681	565 967
Investment property		4 047	4 176	3 982
Investments in associates		909	833	779
Other non-current investments		489 293	506 623	431 090
Non-current receivables		816	816	-
Deferred tax assets	15	96 295	99 471	105 425
Total non-current assets		1 136 976	1 170 249	1 145 876
Current assets				
Inventories		1 732	2 038	1 789
Current investments		1 494	1 581	1 761
Trade and other receivables	16	13 039	13 422	11 962
Cash and cash equivalents		218 538	188 007	142 443
Total current assets		234 803	205 048	157 955
Total assets		1 371 779	1 375 297	1 303 831

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

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

These condensed consolidated interim financial statements are unaudited

Condensed consolidated interim statement of financial position (continued)
as at

In thousands of PLN

	Note	31 March 2016 <i>(unaudited)</i>	31 December 2015	31 March 2015 <i>(unaudited)</i>
EQUITY AND LIABILITIES				
Equity				
Share capital	18.1	185 447	185 447	185 447
Treasury shares		(20)	(20)	(20)
Share premium reserve		7 430	7 430	7 430
Hedging reserve	18.2	(10 864)	(11 330)	(14 509)
Other reserve capitals and supplementary capital		320 646	320 644	315 927
Foreign currency translation reserve		168	134	196
Retained earnings and uncovered losses		(44 233)	(84 183)	(175 727)
Total equity attributable to owners of the Company		458 574	418 122	318 744
Non-controlling interest		2 097	4 973	2 158
Total equity		460 671	423 095	320 902
Liabilities				
Non-current liabilities				
Loans and borrowings		135 060	153 154	169 651
Employee benefits		2 198	1 891	1 676
Deferred income		8 309	8 518	9 141
Other non-current liabilities		202 565	199 812	193 811
Provisions	19	390 983	403 585	462 458
Total non-current liabilities		739 115	766 960	836 737
Current liabilities				
Loans and borrowings		34 599	34 831	31 521
Finance lease liabilities		-	-	9
Derivative financial instruments		13 412	15 250	17 913
Income tax liabilities		3 610	11 082	2 157
Trade and other payables		19 748	21 268	19 124
Employee benefits		3 624	3 633	2 769
Deferred income		6 795	5 975	9 583
Provisions	19	90 205	93 203	63 116
Total current liabilities		171 993	185 242	146 192
Total liabilities		911 108	952 202	982 929
Total equity and liabilities		1 371 779	1 375 297	1 303 831

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

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

These condensed consolidated interim financial statements are unaudited

Condensed consolidated interim statement of cash flows
for the three-month period ended

In thousands of PLN

	31 March 2016 <i>(unaudited)</i>	31 March 2015 <i>(unaudited)</i>
Cash flows from operating activities		
Profit before income tax	50 566	22 963
Adjustments for		
Depreciation and amortisation	10 941	10 298
Recognition of impairment on property, plant and equipment and intangible assets	-	(1)
Foreign currency translation differences for foreign operations	37	(2)
(Profit)/Loss on investment activity	87	(27)
Gain on disposal of intangible assets and property, plant and equipment	-	(4)
Interest and dividends	358	1 193
Share in profit of associated entities	(76)	(47)
Change in receivables	383	(829)
Change in inventories	306	441
Change in trade and other payables	4 920	2 196
Change in provisions	(10 602)	7 832
Change in deferred income	611	3 249
Cash generated from operating activities	57 531	47 262
Income tax paid	(13 626)	(5 153)
Net cash from operating activities	43 905	42 109
Cash flows from investing activities		
Investment proceeds	20 608	5 078
Sale of intangible assets and property, plant and equipment	-	14
Proceeds from non-current deposits held for investment expenditures	15 050	-
Interest received	5 558	5 064
Investment expenditures	(10 757)	(47 165)
Acquisition of intangible assets and property, plant and equipment	(10 757)	(14 327)
Non-current deposits held for investment expenditures	-	(32 838)
Net cash from/(used in) investing activities	9 851	(42 087)
Cash flows from financing activities		
Financial expenditures	(23 225)	(24 836)
Dividends paid	-	(1 575)
Repayment of loans and borrowings	(17 078)	(15 766)
Interest paid	(6 147)	(7 487)
Repayment of finance lease liabilities	-	(8)
Net cash used in financing activities	(23 225)	(24 836)
Total net cash flows	30 531	(24 814)
Change in cash and cash equivalents	30 531	(24 814)
Cash and cash equivalents at the beginning of the period	188 007	167 257
Cash and cash equivalents at the end of the period	218 538	142 443

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

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

These condensed consolidated interim financial statements are unaudited

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 2015	185 447	(20)	7 430	(15 030)	262 049	160	(139 213)	300 823	4 101	304 924
Profit for the period	-	-	-	-	-	-	17 402	17 402	1 457	18 859
Other comprehensive income:	-	-	-	521	(35)	36	(3)	519	-	519
Effective portion of changes in fair value of cash flow hedges	-	-	-	(600)	-	-	-	(600)	-	(600)
Net change in fair value of cash flow hedges reclassified to profit or loss for the period	-	-	-	1 243	-	-	-	1 243	-	1 243
Foreign currency translation differences for foreign operations	-	-	-	-	(35)	36	(3)	(2)	-	(2)
Income tax on other comprehensive income	-	-	-	(122)	-	-	-	(122)	-	(122)
Total comprehensive income for the period	-	-	-	521	(35)	36	17 399	17 921	1 457	19 378
Dividends	-	-	-	-	-	-	-	-	(3 400)	(3 400)
Allocation of profit to supplementary capital	-	-	-	-	53 913	-	(53 913)	-	-	-
As at 31 March 2015	185 447	(20)	7 430	(14 509)	315 927	196	(175 727)	318 744	2 158	320 902

	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 2015	185 447	(20)	7 430	(15 030)	262 049	160	(139 213)	300 823	4 101	304 924
Profit for the period	-	-	-	-	-	-	113 599	113 599	5 811	119 410
Other comprehensive income:	-	-	-	3 700	(1)	(26)	27	3 700	7	3 707
Effective portion of changes in fair value of cash flow hedges	-	-	-	(718)	-	-	-	(718)	-	(718)
Net change in fair value of cash flow hedges reclassified to profit or loss for the period	-	-	-	5 286	-	-	-	5 286	-	5 286
Remeasurement of employee benefits	-	-	-	-	-	-	36	36	8	44
Foreign currency translation differences for foreign operations	-	-	-	-	(1)	(26)	(3)	(30)	-	(30)
Income tax on other comprehensive income	-	-	-	(868)	-	-	(6)	(874)	(1)	(875)
Total comprehensive income for the period	-	-	-	3 700	(1)	(26)	113 626	117 299	5 818	123 117
Dividends	-	-	-	-	-	-	-	-	(4 946)	(4 946)
Allocation of profit to supplementary capital	-	-	-	-	58 596	-	(58 596)	-	-	-
As at 31 December 2015	185 447	(20)	7 430	(11 330)	320 644	134	(84 183)	418 122	4 973	423 095

<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 2016	185 447	(20)	7 430	(11 330)	320 644	134	(84 183)	418 122	4 973	423 095
Profit for the period	-	-	-	-	-	-	39 949	39 949	1 396	41 345
Other comprehensive income:	-	-	-	466	2	34	1	503	-	503
Effective portion of changes in fair value of cash flow hedges	-	-	-	(668)	-	-	-	(668)	-	(668)
Net change in fair value of cash flow hedges reclassified to profit or loss for the period	-	-	-	1 243	-	-	-	1 243	-	1 243
Foreign currency translation differences for foreign operations	-	-	-	-	2	34	1	37	-	37
Income tax on other comprehensive income	-	-	-	(109)	-	-	-	(109)	-	(109)
Total comprehensive income for the period	-	-	-	466	2	34	39 950	40 452	1 396	41 848
Dividends	-	-	-	-	-	-	-	-	(4 272)	(4 272)
As at 31 March 2016	185 447	(20)	7 430	(10 864)	320 646	168	(44 233)	458 574	2 097	460 671

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

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

These condensed consolidated interim financial statements are unaudited

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”, “the 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 31 March 2016, 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
Petrostal S.A. w likwidacji**	Warszawa	Non-operational	Subsidiary	100%	2005	-

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

** this entity is not subject to consolidation due to existing limitations regarding control exercise.

The condensed consolidated interim financial statements as at the day and for the three-month period ended 31 March 2016 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.

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

These condensed consolidated interim financial statements are unaudited

Notes to the condensed consolidated interim financial statements
(all amounts in PLN thousand (TPLN), unless stated otherwise)

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 2015.

The condensed consolidated interim financial statements were approved by the Management Board of the Company on 6 May 2016.

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.

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, 19 and 20.

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.

STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016

These condensed consolidated interim financial statements are unaudited

Notes to the condensed consolidated interim financial statements

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

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 this 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 and structures 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 Construction and also of the Project Loan Agreement between SAM S.A. and consortium (“Consortium”) of: PEKAO S.A., FMS WERTMANAGEMENT, KfW IPEX-Bank, FM Bank 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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5. Description of significant accounting principles

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 2015.

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-month period ended 31 March 2016

	Management, advisory and rental services	Management and operation of motorways	Total
Operating revenues			
Revenue from external customers	860	64 176	65 036
Total revenue	860	64 176	65 036
Operating expenses			
Cost of sales to external customers	(958)	(1 766)	(2 724)
Total cost of sales	(958)	(1 766)	(2 724)
Other income	8	856	864
Other expenses	(1)	(32)	(33)
Administrative expenses (*)	(1 041)	(6 379)	(7 420)
Results from operating activities	(1 132)	56 855	55 723
Net finance income/(expense)	577	(5 810)	(5 233)
Share of profit of equity accounted investees (net of income tax)	76	-	76
Income tax expense	56	(9 277)	(9 221)
Profit/(Loss) for the period	(423)	41 768	41 345
Other comprehensive income, net of income tax	37	466	503
Total comprehensive income for the period	(386)	42 234	41 848
Major non-cash items			
Depreciation and amortisation	(129)	(10 812)	(10 941)
Reversal/(recognition) of allowances for receivables	4	-	4
Unwinding of discount	-	(4 787)	(4 787)
Revaluation of investment	(87)	-	(87)

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

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For the three-month period ended 31 March 2015

	Management, advisory and rental services	Management and operation of motorways	Total
Operating revenues			
Revenue from external customers	841	53 422	54 263
Total revenue	841	53 422	54 263
Operating expenses			
Cost of sales to external customers	(910)	(19 183)	(20 093)
Total cost of sales	(910)	(19 183)	(20 093)
Other income	136	787	923
Other expenses	-	(18)	(18)
Administrative expenses (*)	(1 030)	(5 173)	(6 203)
Results from operating activities	(963)	29 835	28 872
Net finance income/(expense)	840	(6 796)	(5 956)
Share of profit of equity accounted investees (net of income tax)	47	-	47
Income tax expense	(30)	(4 074)	(4 104)
Profit/(Loss) for the period	(106)	18 965	18 859
Other comprehensive income, net of income tax	(2)	521	519
Total comprehensive income for the period	(108)	19 486	19 378

Major non-cash items

Depreciation and amortisation	(136)	(10 162)	(10 298)
Reversal/(recognition) of other provisions	1	-	1
Reversal/(recognition) of allowances for receivables	5	-	5
Unwinding of discount	-	(5 088)	(5 088)
Revaluation of investment	27	-	27

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

Financial position according to business segments as at

	31 March 2016	31 December 2015	31 March 2015
Management, advisory and rental services			
Assets of the segment	139 298	138 724	132 685
Liabilities of the segment	4 650	4 324	3 552
Management and operation of motorways			
Assets of the segment	1 232 481	1 236 573	1 171 146
Liabilities of the segment	906 458	947 878	979 377
Total assets	1 371 779	1 375 297	1 303 831
Total liabilities	911 108	952 202	982 929

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. Revenue

	I quarter 2016	I quarter 2015
Toll revenue	63 865	53 108
Revenue from rental of investment property	845	825
Revenue due to other services provided	110	117
Other revenue	216	213
Total	65 036	54 263

9. Expenses by nature

	I quarter 2016	I quarter 2015
Depreciation and amortisation	(10 941)	(10 298)
Energy and materials consumption	(1 377)	(1 470)
Accrual of provision for motorway resurfacing disclosed within cost of sales (external services)	12 586	(5 368)
Other external services	(3 828)	(3 061)
Taxes and charges	(395)	(248)
Employee benefit expenses	(5 625)	(5 450)
Other costs	(564)	(401)
Total expenses by nature	(10 144)	(26 296)
Cost of sales and administrative expenses	(10 144)	(26 296)

9.1. Employee benefit expenses

	I quarter 2016	I quarter 2015
Wages and salaries	(4 231)	(4 264)
Social security contributions and other benefits	(1 097)	(1 066)
Movement in employee benefits liabilities included in profit and loss:	(297)	(120)
Jubilee bonuses liabilities	9	158
Other employee benefits	(306)	(278)
Total	(5 625)	(5 450)

10. Other income

	I quarter 2016	I quarter 2015
Rental income from passenger service sites	757	671
Reversal of allowances for receivables	4	5
Compensations, contractual penalties, taxes and costs of court proceedings received	28	28
Interest from receivables	2	112
Reversal of other provisions and allowances	-	1
Net gain on disposal of property, plant and equipment and intangible assets	-	4
Other	73	102
Total	864	923

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11. Other expenses

	<i>I quarter 2016</i>	<i>I quarter 2015</i>
Donations granted	(6)	(3)
Repair of damages	(19)	(7)
Penalties, compensations, payments	(4)	-
Unrecoverable input VAT	(1)	-
Other	(3)	(8)
Total	(33)	(18)

12. Net finance expense

	<i>I quarter 2016</i>	<i>I quarter 2015</i>
Recognised in profit or loss for the period		
Interest income, including:	3 215	3 700
- from bank accounts and deposits	3 215	3 280
- other	-	420
Revaluation of investments	-	27
Net foreign exchange gain	63	10
Finance income	3 278	3 737
Interest expense on liabilities measured at amortised cost, including:	(5 096)	(5 564)
- loans and borrowings, including:	(2 394)	(3 006)
- nominal	(1 716)	(2 251)
- other	(678)	(755)
- discount of concession payments	(2 702)	(2 558)
Discount of provisions	(2 085)	(2 530)
Revaluation of investments	(87)	-
Other finance expenses, including:	(1 243)	(1 599)
- loss on derivatives	(1 243)	(1 243)
- other finance expenses	-	(356)
Finance expenses	(8 511)	(9 693)
Net finance expense recognised in profit or loss for the period	(5 233)	(5 956)
Recognised in other comprehensive income		
Foreign currency translation differences for foreign operations	37	(2)
Effective portion of changes in fair value of cash flow hedges (*)	(668)	(600)
Net change in fair value of cash flow hedges reclassified to profit or loss for the period (*)	1 243	1 243
Finance income/(expenses) recognised in other comprehensive income	612	641

(*) The Group hedges cash flows resulting from payments of interest related to Project Loan Agreement between SAM S.A. and 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 Group's consolidated financial statements for the year 2015 - notes 32.2 and 33.3.

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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 2015	19 980	9 075	15 097	2 792	18 567	65 511
Acquisitions	-	18	-	-	281	299
Transfer from property, plant and equipment under construction	-	8	-	2	(10)	-
Disposals	-	-	(136)	-	-	(136)
Reclassification to investment property	(483)	(15)	-	-	-	(498)
Cost as at 31 March 2015	19 497	9 086	14 961	2 794	18 838	65 176
Cost as at 1 January 2016	20 377	14 814	15 360	5 221	4 404	60 176
Acquisitions	-	2	-	10	374	386
Transfer from property, plant and equipment under construction	-	29	-	-	(29)	-
Disposals	-	-	-	(4)	-	(4)
Cost as at 31 March 2016	20 377	14 845	15 360	5 227	4 749	60 558
Depreciation and impairment losses as at 1 January 2015	(10 827)	(7 437)	(5 803)	(2 231)	-	(26 298)
Depreciation for the period	(256)	(100)	(369)	(38)	-	(763)
Disposals	-	-	88	-	-	88
Reclassification to investment property	387	5	-	-	-	392
Reversal/utilization of impairment loss	-	-	38	-	-	38
Depreciation and impairment losses as at 31 March 2015	(10 696)	(7 532)	(6 046)	(2 269)	-	(26 543)
Depreciation and impairment losses as at 1 January 2016	(11 471)	(4 405)	(6 533)	(2 118)	-	(24 527)
Depreciation for the period	(276)	(406)	(384)	(130)	-	(1 196)
Disposals	-	-	-	4	-	4
Depreciation and impairment losses as at 31 March 2016	(11 747)	(4 811)	(6 917)	(2 244)	-	(25 719)
Carrying amounts						
As at 1 January 2015	9 153	1 638	9 294	561	18 567	39 213
As at 31 March 2015	8 801	1 554	8 915	525	18 838	38 633
As at 1 January 2016	8 906	10 409	8 827	3 103	4 404	35 649
As at 31 March 2016	8 630	10 034	8 443	2 983	4 749	34 839

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Impairment losses

As at 31 March 2016 the Group recognized impairment loss related to property, plant and equipment in amount of TPLN 33 (31 December 2015: TPLN 33, 31 March 2015: TPLN 16).

14. Intangible assets

	Concession intangible assets	Other concessions, licences, software and other	Other intangible assets	Intangible assets not ready for use	Total
Cost as at 1 January 2015	908 782	1 801	970	-	911 553
Acquisitions	-	16	-	-	16
Revaluation of concession intangible assets	(9 060)	-	-	-	(9 060)
Cost as at 31 March 2015	899 722	1 817	970	-	902 509
Cost as at 1 January 2016	883 370	5 154	970	117	889 611
Transfer from intangible assets not ready for use	-	117	-	(117)	-
Revaluation of concession intangible assets	(2 288)	-	-	-	(2 288)
Cost as at 31 March 2016	881 082	5 271	970	-	887 323
Amortisation and impairment losses as at 1 January 2015	(325 177)	(983)	(970)	-	(327 130)
Amortisation for the period	(9 389)	(24)	-	-	(9 413)
Reversal of impairment loss	-	1	-	-	1
Depreciation and impairment losses as at 31 December 2015	(334 566)	(1 006)	(970)	-	(336 542)
Amortisation and impairment losses as at 1 January 2016	(364 656)	(1 304)	(970)	-	(366 930)
Amortisation for the period	(9 455)	(161)	-	-	(9 616)
Depreciation and impairment losses as at 31 December 2016	(374 111)	(1 465)	(970)	-	(376 546)
Carrying amounts					
As at 1 January 2015	583 605	818	-	-	584 423
As at 31 March 2015	565 156	811	-	-	565 967
As at 1 January 2016	518 714	3 850	-	117	522 681
As at 31 March 2016	506 971	3 806	-	-	510 777

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 (see note 19), which resulted in their increase by TPLN 1,946; 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 decrease of concession intangible assets by TPLN 4,234.

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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 7.29% in I quarter 2016 (I quarter 2015: 6.43%). 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 31 March 2016 will range from 7.59% to 10.29% during the concession period.

As at 31 March 2016 there were no indicators, which would require the Group to test concession intangible assets for impairment. As at 31 March 2016 Group's other intangible assets weren't subject to any impairment (31 December 2015: no impairment, 31 March 2015: TPLN 1).

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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		
	31 March 2016	31 December 2015	31 March 2015	31 March 2016	31 December 2015	31 March 2015	31 March 2016	31 December 2015	31 March 2015
Deferred tax assets/liabilities	192 240	197 048	212 692	(95 945)	(97 577)	(107 267)	96 295	99 471	105 425
Set off of tax	(95 945)	(97 577)	(107 267)	95 945	97 577	107 267	-	-	-
Net deferred tax assets/liabilities as in statement of financial position	96 295	99 471	105 425	-	-	-	96 295	99 471	105 425

Changes of deferred tax assets / liabilities for three-month periods ended 31 March 2016 and 31 March 2015 were following:

	Change of deferred tax on temporary differences recognised in	
	profit or loss for the period	comprehensive income
I quarter 2016	(3 067)	(109)
I quarter 2015	434	(122)

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16. Allowances for current receivables

Trade and other receivables are presented net of allowances for doubtful debts amounting to TPLN 91,509 (31 December 2015: TPLN 91,518, 31 March 2015: TPLN 91,567).

Change in allowances for bad debt was as follows:

	<i>I quarter 2016</i>	<i>I quarter 2015</i>
Allowances for bad debts as at 1 January	(91 518)	(91 569)
Allowances reversed	4	5
Allowances utilised	7	1
Other reclassifications	(2)	(4)
Allowances for bad debts as at 31 March	(91 509)	(91 567)

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 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.

31 March 2016

	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	-	90	-	-	90	90	-	-	90
	-	90	-	-	90				
Financial assets not measured at fair value									
Equity instruments*	-	1 473	-	-	1 473				
Trade and other receivables**	13 038	-	-	-	13 038				
Non-current deposits	489 224	-	-	-	489 224				
Cash and cash equivalents	218 538	-	-	-	218 538				
	720 800	1 473	-	-	722 273				
Financial liabilities measured at fair value									
Hedge derivatives***	-	-	(13 412)	-	(13 412)	-	(13 412)	-	(13 412)
	-	-	(13 412)	-	(13 412)				
Financial liabilities not measured at fair value									
Loans and borrowings	-	-	-	(169 659)	(169 659)				
Concession payments****	-	-	-	(198 367)	(198 367)				
Trade and other payables**	-	-	-	(17 932)	(17 932)				
	-	-	-	(385 958)	(385 958)				

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31 December 2015

	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	-	90	-	-	90	90	-	-	90
	-	90	-	-	90				
Financial assets not measured at fair value									
Equity instruments*	-	1 560	-	-	1 560				
Trade and other receivables**	13 262	-	-	-	13 262				
Non-current deposits	506 554	-	-	-	506 554				
Cash and cash equivalents	188 007	-	-	-	188 007				
	707 823	1 560	-	-	709 383				
Financial liabilities measured at fair value									
Hedge derivatives***	-	-	(15 250)	-	(15 250)	-	(15 250)	-	(15 250)
	-	-	(15 250)	-	(15 250)				
Financial liabilities not measured at fair value									
Loans and borrowings	-	-	-	(187 985)	(187 985)				
Concession payments****	-	-	-	(195 664)	(195 664)				
Trade and other payables**	-	-	-	(22 546)	(22 546)				
	-	-	-	(406 195)	(406 195)				

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31 March 2015

	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	-	181	-	-	181	181	-	-	181
	-	181	-	-	181				
Financial assets not measured at fair value									
Equity instruments*	-	1 649	-	-	1 649				
Trade and other receivables**	11 962	-	-	-	11 962				
Non-current deposits	431 021	-	-	-	431 021				
Cash and cash equivalents	142 443	-	-	-	142 443				
	585 426	1 649	-	-	587 075				
Financial liabilities measured at fair value									
Hedge derivatives***	-	-	(17 913)	-	(17 913)	-	(17 913)	-	(17 913)
	-	-	(17 913)	-	(17 913)				
Financial liabilities not measured at fair value									
Loans and borrowings	-	-	-	(201 172)	(201 172)				
Finance lease liabilities	-	-	-	(9)	(9)				
Concession payments****	-	-	-	(187 776)	(187 776)				
Trade and other payables**	-	-	-	(20 513)	(20 513)				
	-	-	-	(409 470)	(409 470)				

* 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 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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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

	31 March 2016	31 December 2015	31 March 2015
Number of shares at the beginning of the period	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
Nominal value of shares (PLN)	0.75	0.75	0.75
Nominal value of A-series issue	6 256	6 256	6 256
Nominal value of B-series issue	370	370	370
Nominal value of D-series issue	3 000	3 000	3 000
Nominal value of E-series issue	71 196	71 196	71 196
Nominal value of F-series issue	37 500	37 500	37 500
Nominal value of G-series issue	67 125	67 125	67 125
Total	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 -668 in I quarter 2016 (I quarter 2015: TPLN -600). As the consequence of hedged interest payments made in I quarter 2016, the Group reclassified the corresponding net change in fair value of cash flow hedges of TPLN -1,243 (I quarter 2015: TPLN -1,243) 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 127, out of which TPLN 236 was attributable to portion of changes reclassified to finance expense (I quarter 2015: TPLN 114 and TPLN 236 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 declare their fair value based on regulatory market, or in any other reliable way, are attributed to this item of the equity.

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19. Provisions

For three-month periods ended 31 March 2016 and 31 March 2015

	Provisions for motorway resurfacing	Provisions for capital expenditures (Phase II)	Total
Non-current provisions			
Balance at 1 January 2015	109 065	373 504	482 569
Additions, including:	6 994	1 789	8 783
- due to discounting	522	1 789	2 311
Change of estimates	227	(4 549)	(4 322)
Reclassifications	-	(24 572)	(24 572)
Balance at 31 March 2015	116 286	346 172	462 458
Balance at 1 January 2016	64 607	338 978	403 585
Additions, including:	5 867	1 423	7 290
- due to discounting	271	1 423	1 694
Change of estimates	(2 606)	(1 661)	(4 267)
Reclassifications	-	(15 625)	(15 625)
Balance at 31 March 2016	67 868	323 115	390 983
Current provisions			
Balance at 1 January 2015	6 224	39 560	45 784
Additions, including:	30	189	219
- due to discounting	30	189	219
Change of estimates	(1 331)	(4 511)	(5 842)
Utilisation	(66)	(1 551)	(1 617)
Reclassifications	-	24 572	24 572
Balance at 31 March 2015	4 857	58 259	63 116
Balance at 1 January 2016	52 751	40 452	93 203
Additions, including:	221	170	391
- due to discounting	221	170	391
Change of estimates	(15 575)	(627)	(16 202)
Utilisation	(102)	(2 710)	(2 812)
Reclassifications	-	15 625	15 625
Balance at 31 March 2016	37 295	52 910	90 205

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 31 March 2016 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 2015 the rates ranged from 1.61% to 3.33%, currently from 1.53% to 3.08%). As result of those changes the provision for resurfacing increased by TPLN 410 (I quarter 2015: increase of TPLN 368), 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 1,946 (I quarter 2015: increase of TPLN 1,330), which was recognized as an increase of concession intangible assets.

As at 31 March 2016 the Group made also a revaluation of 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 18,592 (I quarter 2015: decrease of TPLN 1,472), which in line with IAS 37 was recognised as a decrease of operating

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expenses for the period. At the same time the provision for capital expenditures (Phase II) decreased by TPLN 4,234 (I quarter 2015: decrease of TPLN 10,390), which was recognized as a decrease of concession intangible assets.

20. Contingent liabilities

Contingent liabilities relate to guarantees granted to related entities amounting to TPLN 19,039 (31 December 2015: TPLN 19,402, 31 March 2015: TPLN 18,456).

21. Transactions with related parties

21.1. Intragroup receivables and liabilities

31 March 2016	Receivables	Trade payables	Guarantees and suspended amounts
Atlantia S.p.A.	-	17	-
Parent entities	-	17	-
Biuro Centrum Sp. z o.o.	8	7	-
Associates	8	7	-
Pavimental S.p.A. S.A. Oddział w Polsce	-	-	2 168
Pavimental Polska Sp. z o.o.	7	-	1 534
Autogrill Polska Sp. z o.o.	-	-	10
Autostrade Tech S.p.A.	126	1 115	868
Other related entities	133	1 115	4 580
Total	141	1 139	4 580

31 December 2015	Receivables	Trade payables	Guarantees and suspended amounts
Atlantia S.p.A.	-	17	-
Parent entities	-	17	-
Biuro Centrum Sp. z o.o.	8	292	-
Associates	8	292	-
Pavimental S.p.A. S.A. Oddział w Polsce	-	1 695	8 184
Pavimental Polska Sp. z o.o.	4	269	1 776
Autogrill Polska Sp. z o.o.	-	-	10
Autostrade Tech S.p.A.	102	657	868
Other related entities	106	2 621	10 838
Total	114	2 930	10 838

31 March 2015	Receivables	Trade payables	Guarantees and suspended amounts
Atlantia S.p.A.	-	16	-
Parent entities	-	16	-
Biuro Centrum Sp. z o.o.	7	-	-
Associates	7	-	-
Pavimental S.p.A. S.A. Oddział w Polsce	5	-	8 410
Pavimental Polska Sp. z o.o.	-	12	1 456
Autogrill Polska Sp. z o.o.	-	-	10
Autostrade Tech S.p.A.	100	262	1 586
Other related entities	105	274	11 462
Total	112	290	11 462

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21.2. Transactions with related parties

	Revenue	Other income	Cost of acquired goods and services	Capital expenditures and resurfacing works
I quarter 2016				
Biuro Centrum Sp. z o.o.	69	-	(732)	-
Associates	69	-	(732)	-
Pavimental S.p.A. S.A. Oddział w Polsce	-	-	-	(1 186)
Pavimental Polska Sp. z o.o.	27	5	-	-
Autogrill Polska Sp. z o.o.	14	-	-	-
Autostrade Tech S.p.A.	66	22	(197)	(83)
Other related entities	107	27	(197)	(1 269)
Total	176	27	(929)	(1 269)
I quarter 2015				
Biuro Centrum Sp. z o.o.	67	-	(689)	-
Associates	67	-	(689)	-
Pavimental Polska Sp. z o.o.	14	5	(2)	(11)
Autogrill Polska Sp. z o.o.	14	-	-	-
Autostrade Tech S.p.A.	73	6	-	-
Other related entities	101	11	(2)	(11)
Total	168	11	(691)	(11)

22. Financial results of the Capital Group and its Parent Entity for the I quarter 2016

22.1. Financial results of Stalexport Autostrady S.A.

In I quarter 2016 the Company generated revenue on sales amounting to TPLN 905, i.e. 3% higher than in comparable quarterly period of 2015. The increase of revenue in comparison to I quarter 2015 results mainly from improved revenues from rental of office space.

The Company suffered a loss from operating activities for I quarter 2016 of TPLN 988 – loss for comparable period of 2015 amounted to TPLN 875. The above resulted mainly from higher by TPLN 110 income due to interest on receivables recorded in I quarter 2015.

The financial activity of Stalexport Autostrady S.A. generated a profit of TPLN 652 for I quarter 2016 – I quarter 2015 brought a profit of TPLN 834. This negative variation was mainly the consequence of TPLN 170 decrease of profit on the investment activity (interests on deposits and revaluation of investment).

As the consequence of all the above Stalexport Autostrady S.A. suffered a net loss for I quarter 2016 amounting to TPLN 266, comparing to TPLN 56 net loss incurred for I quarter 2015.

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 I quarter 2016 amounted to TPLN 64,176, increasing by 20.1% in relation to revenue for I quarter 2015 (TPLN 53,422).

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The aforementioned variation was mainly the consequence of:

- (i) 11.6% increase of traffic level in relation to I quarter 2015, resulting from 12% increase of traffic level for light vehicles and 9.4% increase of traffic level for heavy vehicles;
- (ii) increase of toll rates since 1 March 2015 respectively for:
 - a) the passage of heavy vehicles category 2 and 3 from PLN 15.00 to PLN 16.50,
 - b) the passage of heavy vehicles category 4 and 5 from PLN 24.50 to PLN 26.50,
 - c) the passage of light vehicles from PLN 9.00 to PLN 10.00.

Operating expenses incurred in relation to motorway activity amounted to TPLN 8,177, decreasing by 66% in relation to I quarter 2015 (TPLN 24,374). The above resulted mainly from the decrease of accrued cost of provision for motorway resurfacing by the amount of TPLN 17,954, which comprised of a positive variance between the effects of estimates changes in relation to the provision recorded during the periods subject to comparison (TPLN 17,078) and lower current accrued cost of the provision recorded in I quarter 2016 (decrease of TPLN 876).

The financial activity of motorway segment for I quarter 2016 resulted in a loss amounting to TPLN 5,810, comparing to a loss of TPLN 6,796 for I quarter 2015. This positive variation was mainly the consequence of lower expenses due to unwinding of the discount related to provisions and also diminishing financial expenses due to Project Loan Agreement.

As the consequence of all the above, the Group's motorway activity generated a net profit of TPLN 41,768 for I quarter 2016, comparing to net profit of TPLN 18,965 for I quarter 2015.

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 25,183. The current scope of the contract may expand due to introduction of new payment methods. As at 31 March 2016 the financial progress of the project (value of works recorded) amounted to TPLN 22,904 (91% of the contract value), out of which TPLN 280 was recorded in 2016.

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 20,425 (including change orders). The contract includes reconstruction of drainage for eleven catchments in Silesian voivodeship. As at 31 March 2016 the financial progress of the project (value of works invoiced) amounted to TPLN 19,745 (96.7% of the contract value), none of which was invoiced in 2016.

On 15 June 2015 SAM and consortium of Pavimental S.p.A. and Pavimental Polska Sp. z o.o. signed a contract F2b-8-2014 "Reconstruction of Mysłowice Junction and construction of Rudno Junction" amounting to TPLN 22,046. As at 31 March 2016 the financial progress of the project (value of works invoiced) amounted to TPLN 4,358 (19.8% of the contract value), out of which TPLN 1,187 was recorded in 2016.

On 15 June 2015 SAM employed PRI SBL Żelbet Sp. z o.o. for the contract F2b-9-2015 "Construction of noise screens 1, 6a, 24a, 25 and 34" amounting to TPLN 2,219. As at 31 March 2016 the financial progress of the project (value of works invoiced) amounted to TPLN 2,186 (98% of the contract value), out of which TPLN 740 was recorded in 2016.

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On 5 February 2016 SAM and consortium of Pavimental S.p.A. and Pavimental Polska Sp. z o.o. signed the contract HM-3-2016 „Resurfacing 2016-2017” amounting to TPLN 40,227 for the resurfacing of motorway sections with a total length of 59.9 km, resurfacing of bridges and the partial reconstruction of linear drainage within the motorway median. As at 31 March 2016 no capital expenditures have yet been incurred in relation to the contract.

23. Important other events within the Stalexport Autostrady S.A. Capital Group during the period from 1 January to 31 March 2016

On 4 January 2016 contactless cards issued by SAM S.A. under the commercial name “KartA4” were introduced as a method of payment on the toll collection plazas of the Katowice-Kraków A-4 motorway section subject to the Concession. The above is the result of the continued replacement of toll equipment, which is a part of the comprehensive program of increasing toll collection plazas capacity carried out by SAM S.A.

On 31 March 2016 the Ordinary General Meeting of VIA4 S.A. decided to pay out the dividend for 2015 in the amount of TPLN 12,927 (including interim dividends of TPLN 3,435 paid out in 2015), out of which TPLN 5,817 was attributed to non-controlling shareholders.

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%

*Based on notifications received by the Company according to article 69 and 69a in connection with article 87 of the Act on Public Offering and conditions of introducing the financial instruments to public trading and on public companies.

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 Mr 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 3-month period ended 31 March 2016.

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.



STALEXPORT AUTOSTRADY S.A.

**CONDENSED SEPARATE
INTERIM FINANCIAL STATEMENTS**

for the three-month period ended
31 March 2016

Mysłowice, 6 May 2016

STALEXPORT AUTOSTRADY S.A.
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Condensed separate interim statement of comprehensive income
for the three-month period ended

In thousands of PLN, unless stated otherwise

	31 March 2016 <i>(unaudited)</i>	31 March 2015 <i>(unaudited)</i>
Revenue	905	879
Cost of sales	(958)	(910)
Gross loss	(53)	(31)
Other income	8	136
Administrative expenses	(942)	(980)
Other expenses	(1)	-
Results from operating activities	(988)	(875)
Finance income	739	834
Finance expenses	(87)	-
Net finance income	652	834
Loss before income tax	(336)	(41)
Income tax expense	70	(15)
Loss for the period	(266)	(56)
Other comprehensive income	-	-
Total comprehensive income for the period	(266)	(56)
Earnings per share		
Basic earnings per share (PLN)	(0.00)	(0.00)
Diluted earnings per share (PLN)	(0.00)	(0.00)

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

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Condensed separate interim statement of financial position
as at

<i>In thousands of PLN</i>	31 March 2016 <i>(unaudited)</i>	31 December 2015	31 March 2015 <i>(unaudited)</i>
ASSETS			
Non-current assets			
Property, plant and equipment	149	40	115
Investment property	4 047	4 176	3 981
Investments in subsidiaries and associates	67 118	67 118	67 118
Other non-current investments	69	69	69
Finance lease receivables	4 094	4 507	4 724
Deferred tax assets	676	606	514
Total non-current assets	76 153	76 516	76 521
Current assets			
Current investments	1 495	1 581	1 761
Finance lease receivables	1 645	1 642	1 457
Trade and other receivables	6 314	7 965	7 808
Cash and cash equivalents	125 470	123 386	117 549
Total current assets	134 924	134 574	128 575
Total assets	211 077	211 090	205 096
EQUITY AND LIABILITIES			
Equity			
Share capital	185 447	185 447	185 447
Treasury shares	(20)	(20)	(20)
Share premium reserve	7 430	7 430	7 430
Other reserve and supplementary capitals	8 861	8 861	4 178
Retained earnings and uncovered losses	4 852	5 118	4 627
Total equity	206 570	206 836	201 662
Liabilities			
Non-current liabilities			
Employee benefits	340	69	74
Total non-current liabilities	340	69	74
Current liabilities			
Trade and other payables	1 037	1 055	1 000
Employee benefits	3 130	3 130	2 360
Total current liabilities	4 167	4 185	3 360
Total liabilities	4 507	4 254	3 434
Total equity and liabilities	211 077	211 090	205 096

The condensed separate interim statement of financial position should be analyzed together with notes, which constitute integral part of the condensed separate interim financial statements

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Condensed separate interim statement of cash flows
for the three-month period ended

In thousands of PLN

	31 March 2016 <i>(unaudited)</i>	31 March 2015 <i>(unaudited)</i>
Cash flows from operating activities		
Loss before income tax	(336)	(41)
Adjustments for		
Depreciation and amortisation	129	136
(Profit)/Loss on investment activity	87	(27)
Interest and dividends	(682)	(726)
Change in receivables	311	69
Change in trade and other payables	372	449
Net cash used in operating activities	(119)	(140)
Cash flows from investing activities		
Investment proceeds	2 432	726
Dividends received	1 750	-
Interest received	682	726
Investment expenditures	(229)	(53)
Acquisition of intangible assets and property, plant and equipment	(229)	(53)
Net cash from investing activities	2 203	673
Cash flows from financing activities		
Net cash from/(used) in financing activities	-	-
Total net cash flows	2 084	533
Change in cash and cash equivalents	2 084	533
Cash and cash equivalents at the beginning of the period	123 386	117 016
Cash and cash equivalents at the end of the period	125 470	117 549

The condensed separate interim statement of cash flows should be analyzed together with notes, which constitute integral part of the condensed separate interim financial statements

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Condensed separate interim statement of changes in equity

In thousands of PLN

<i>(unaudited)</i>	Share capital	Treasury shares	Share premium reserve	Other reserve and supplementary capitals	Retained earnings and uncovered losses	Total equity
As at 1 January 2015	185 447	(20)	7 430	4 178	4 683	201 718
<i>Loss for the period</i>	-	-	-	-	(56)	(56)
<i>Other comprehensive income</i>	-	-	-	-	-	-
<i>Total comprehensive income for the period</i>	-	-	-	-	(56)	(56)
As at 31 March 2015	185 447	(20)	7 430	4 178	4 627	201 662

	Share capital	Treasury shares	Share premium reserve	Other reserve and supplementary capitals	Retained earnings and uncovered losses	Total equity
As at 1 January 2015	185 447	(20)	7 430	4 178	4 683	201 718
<i>Profit for the period</i>	-	-	-	-	5 114	5 114
<i>Other comprehensive income</i>	-	-	-	-	4	4
Remeasurement of employee benefits	-	-	-	-	4	4
<i>Total comprehensive income for the period</i>	-	-	-	-	5 118	5 118
Allocation of profit to supplementary capital	-	-	-	4 683	(4 683)	-
As at 31 December 2015	185 447	(20)	7 430	8 861	5 118	206 836

<i>(unaudited)</i>	Share capital	Treasury shares	Share premium reserve	Other reserve and supplementary capitals	Retained earnings and uncovered losses	Total equity
As at 1 January 2016	185 447	(20)	7 430	8 861	5 118	206 836
<i>Loss for the period</i>	-	-	-	-	(266)	(266)
<i>Other comprehensive income</i>	-	-	-	-	-	-
<i>Total comprehensive income for the period</i>	-	-	-	-	(266)	(266)
As at 31 March 2016	185 447	(20)	7 430	8 861	4 852	206 570

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

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1. Accounting principles

These condensed separate interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union and other regulations in force.

These condensed separate interim financial statements should be analysed together with the separate financial statements prepared as at the day and for the year ended 31 December 2015 and the condensed consolidated interim financial statements prepared as at the day and for the three-month period ended 31 March 2016.

The Company while preparing these condensed separate interim financial statements applied accounting principles identical to the ones used for preparation of separate financial statements for the year ended 31 December 2015.

2. Investments in subsidiaries and associates

Investments in subsidiaries and associates relate to the following companies:

	Cost	Impairment loss	Carrying amount	Ownership
31 March 2016				
Petrostal S.A. w likwidacji	1 727	(1 727)	-	100.00%
Stalexport Autoroute S.a r.l	67 086	-	67 086	100.00%
Biuro Centrum Sp. z o.o.	32	-	32	40.63%
Total	68 845	(1 727)	67 118	
31 December 2015				
Petrostal S.A. w likwidacji	1 727	(1 727)	-	100.00%
Stalexport Autoroute S.a r.l	67 086	-	67 086	100.00%
Biuro Centrum Sp. z o.o.	32	-	32	40.63%
Total	68 845	(1 727)	67 118	
31 March 2015				
Petrostal S.A. w likwidacji	1 727	(1 727)	-	100.00%
Stalexport Autoroute S.a r.l	67 086	-	67 086	100.00%
Biuro Centrum Sp. z o.o.	32	-	32	40.63%
Total	68 845	(1 727)	67 118	

The consequences of the non-current investments' valuation at the end of the reporting period were described in note 3.2.

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The financial data concerning investments which are not subject to 100% impairment loss are presented below:

	Ownership	Assets	Liabilities	Equity	Revenue	Profit or loss for the period
31 March 2016						
Stalexport Autoroute S.a r.l	100.00%	267 486	146	267 340	-	2 413
Biuro Centrum Sp. z o.o.	40.63%	2 499	935	1 564	2 422	187
Total		269 985	1 081	268 904	2 422	2 600
31 December 2015						
Stalexport Autoroute S.a r.l	100.00%	266 335	1 788	264 547	-	5 941
Biuro Centrum Sp. z o.o.	40.63%	2 443	1 066	1 377	10 100	249
Total		268 778	2 854	265 924	10 100	6 190
31 March 2015						
Stalexport Autoroute S.a r.l	100.00%	255 736	120	255 616	-	1 886
Biuro Centrum Sp. z o.o.	40.63%	2 391	1 146	1 245	2 154	117
Total		258 127	1 266	256 861	2 154	2 003

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3. Transactions with related parties

3.1. Intragroup receivables and liabilities

31 March 2016

	Receivables	Payables
Atlantia SpA	-	17
Parent entities	-	17
Stalexport Autostrada Małopolska S.A.	-	3
VIA4 S.A.	5 757	-
Subsidiaries	5 757	3
Biuro Centrum Sp. z o.o.	8	7
Associates	8	7
Autogrill Polska Sp. z o.o.	-	10
Other related entities	-	10
Total	5 765	37

31 December 2015

	Receivables	Payables
Atlantia SpA	-	17
Parent entities	-	17
Stalexport Autostrada Małopolska S.A.	-	3
VIA4 S.A.	6 277	-
Stalexport Autoroute S.a.r.l	1 750	-
Subsidiaries	8 027	3
Biuro Centrum Sp. z o.o.	8	292
Associates	8	292
Autogrill Polska Sp. z o.o.	-	10
Other related entities	-	10
Total	8 035	322

31 March 2015

	Receivables	Payables
Atlantia SpA	-	16
Parent entities	-	16
Stalexport Autostrada Małopolska S.A.	-	3
VIA4 S.A.	6 198	-
Subsidiaries	6 198	3
Biuro Centrum Sp. z o.o.	7	-
Associates	7	-
Autogrill Polska Sp. z o.o.	-	10
Other related entities	-	10
Total	6 205	29

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These condensed separate interim financial statements are unaudited

Notes to the condensed separate interim financial statements

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

3.2. Related parties transactions amounts

	Revenue	Finance income	Cost of sales
I quarter 2016			
Stalexport Autostrada Małopolska S.A.	-	-	(6)
VIA4 S.A.	45	76	-
Subsidiaries	45	76	(6)
Biuro Centrum Sp. z o.o.	69	-	(730)
Associates	69	-	(730)
Autogrill Polska Sp. z o.o.	14	-	-
Other related entities	14	-	-
Total	128	76	(736)
I quarter 2015			
Stalexport Autostrada Małopolska S.A.	-	-	(6)
VIA4 S.A.	39	90	-
Subsidiaries	39	90	(6)
Biuro Centrum Sp. z o.o.	67	-	(689)
Associates	67	-	(689)
Autogrill Polska Sp. z o.o.	14	-	-
Other related entities	14	-	-
Total	120	90	(695)

In the periods of I quarter 2016 and I quarter 2015 the impairment losses recognized in relation to non-current investments were not subject to any change.

4. Subsequent events

There were no significant subsequent events, which should be disclosed in the condensed separate interim financial statements for the 3-month period ended 31 March 2016.

Explanation

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