



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

**CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS**

for the six-month period ended  
30 June 2016

**STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP**  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 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 SIX-MONTH PERIOD ENDED 30 JUNE 2016**

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**Condensed consolidated interim statement of comprehensive income**  
**for the six-month period ended 30 June**

<i>In thousands of PLN, unless stated otherwise</i>	<i>Note</i>	<b>2016</b>	<b>2015</b>
Revenue	6,8	137 643	119 237
Cost of sales	6,9	(23 683)	(40 705)
<b>Gross profit</b>		<b>113 960</b>	<b>78 532</b>
Other income	10	1 747	3 939
Administrative expenses	9	(15 079)	(15 756)
Other expenses	11	(66)	(82)
<b>Results from operating activities</b>		<b>100 562</b>	<b>66 633</b>
Finance income		6 021	7 219
Finance expenses		(16 326)	(18 526)
<b>Net finance expense</b>	12	<b>(10 305)</b>	<b>(11 307)</b>
<b>Share of profit of equity accounted investees (net of income tax)</b>		<b>113</b>	<b>47</b>
<b>Profit before income tax</b>		<b>90 370</b>	<b>55 373</b>
Income tax expense		(17 127)	(10 325)
<b>Profit for the period</b>		<b>73 243</b>	<b>45 048</b>
<b>Other comprehensive income</b>			
<b>Items that will never be reclassified to profit or loss for the period</b>			
Remeasurement of employee benefits		20	31
Income tax on other comprehensive income		(3)	(5)
		<b>17</b>	<b>26</b>
<b>Items that are or may be reclassified subsequently to profit or loss for the period</b>			
Foreign currency translation differences for foreign operations		66	17
Effective portion of changes in fair value of cash flow hedges		(670)	1 714
Net change in fair value of cash flow hedges reclassified to profit or loss for the period		2 413	2 626
Income tax on other comprehensive income		(331)	(825)
		<b>1 478</b>	<b>3 532</b>
<b>Other comprehensive income for the period, net of income tax</b>		<b>1 495</b>	<b>3 558</b>
<b>Total comprehensive income for the period</b>		<b>74 738</b>	<b>48 606</b>
<b>Profit attributable to:</b>			
Owners of the Company		70 407	41 956
Non-controlling interest		2 836	3 092
<b>Profit for the period</b>		<b>73 243</b>	<b>45 048</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		71 902	45 511
Non-controlling interest		2 836	3 095
<b>Total comprehensive income for the period</b>		<b>74 738</b>	<b>48 606</b>
<b>Earnings per share</b>			
Basic earnings per share (PLN)		0.28	0.17
Diluted earnings per share (PLN)		0.28	0.17

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

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**Condensed consolidated interim statement of financial position**  
**as at**

<i>In thousands of PLN</i>	<i>Note</i>	<b>30 June 2016</b>	<b>31 December 2015</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	32 653	35 649
Intangible assets	14	511 115	522 681
Investment property		3 918	4 176
Investments in associates		946	833
Other non-current investments		487 596	506 623
Non-current receivables		844	816
Deferred tax assets	15	95 431	99 471
<b>Total non-current assets</b>		<b>1 132 503</b>	<b>1 170 249</b>
<b>Current assets</b>			
Inventories		2 406	2 038
Current investments		1 502	1 581
Trade and other receivables	16	11 601	13 422
Cash and cash equivalents		265 842	188 007
<b>Total current assets</b>		<b>281 351</b>	<b>205 048</b>
<b>Total assets</b>		<b>1 413 854</b>	<b>1 375 297</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	18.1	185 447	185 447
Treasury shares		(20)	(20)
Share premium reserve		7 430	7 430
Hedging reserve	18.2	(9 918)	(11 330)
Other reserve capitals and supplementary capital		231 486	320 644
Foreign currency translation reserve		162	134
Retained earnings and uncovered losses		75 437	(84 183)
<b>Total equity attributable to owners of the Company</b>		<b>490 024</b>	<b>418 122</b>
Non-controlling interest		3 537	4 973
<b>Total equity</b>		<b>493 561</b>	<b>423 095</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings		135 405	153 154
Employee benefits		2 638	1 891
Deferred income		8 102	8 518
Other non-current liabilities		205 536	199 812
Provisions	19	413 752	403 585
<b>Total non-current liabilities</b>		<b>765 433</b>	<b>766 960</b>
<b>Current liabilities</b>			
Loans and borrowings		36 215	34 831
Derivative financial instruments		13 414	15 250
Income tax liabilities		7 048	11 082
Trade and other payables		17 992	21 268
Employee benefits		312	3 633
Deferred income		5 765	5 975
Provisions	19	74 114	93 203
<b>Total current liabilities</b>		<b>154 860</b>	<b>185 242</b>
<b>Total liabilities</b>		<b>920 293</b>	<b>952 202</b>
<b>Total equity and liabilities</b>		<b>1 413 854</b>	<b>1 375 297</b>

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 SIX-MONTH PERIOD ENDED 30 JUNE 2016**

*These condensed consolidated interim financial statements are unaudited*

**Condensed consolidated interim statement of cash flows**  
**for the six-month period ended 30 June**

<i>In thousands of PLN</i>	<b>2016</b>	<b>2015</b>
<b>Cash flows from operating activities</b>		
<b>Profit before income tax</b>	<b>90 370</b>	<b>55 373</b>
<b>Adjustments for</b>		
Depreciation and amortisation	22 195	20 704
Reversal of impairment on property, plant and equipment and intangible assets	-	(1)
Foreign currency translation differences for foreign operations	66	17
Loss on investment activity	79	124
Gain on disposal of intangible assets and property, plant and equipment	(49)	(20)
Interest and dividends	795	1 724
Share in profit of associated entities	(113)	(47)
Change in receivables	1 821	(2 129)
Change in inventories	(368)	10
Change in trade and other payables	5 676	8 369
Change in provisions	(7 980)	15 234
Change in deferred income	(626)	1 348
<b>Cash generated from operating activities</b>	<b>111 866</b>	<b>100 706</b>
Income tax paid	(17 455)	(8 574)
<b>Net cash from operating activities</b>	<b>94 411</b>	<b>92 132</b>
<b>Cash flows from investing activities</b>		
<b>Investment proceeds</b>	<b>24 979</b>	<b>6 429</b>
Sale of intangible assets and property, plant and equipment	52	87
Proceeds from non-current deposits held for investment expenditures	18 055	-
Dividends received	-	188
Interest received	6 872	6 154
<b>Investment expenditures</b>	<b>(14 129)</b>	<b>(48 706)</b>
Acquisition of intangible assets and property, plant and equipment	(14 129)	(19 093)
Non-current deposits held for investment expenditures	-	(29 613)
<b>Net cash from/(used in) investing activities</b>	<b>10 850</b>	<b>(42 277)</b>
<b>Cash flows from financing activities</b>		
<b>Financial expenditures</b>	<b>(27 426)</b>	<b>(26 668)</b>
Dividends paid	(4 272)	(3 400)
Repayment of loans and borrowings	(17 078)	(15 766)
Interest paid	(6 076)	(7 487)
Repayment of finance lease liabilities	-	(15)
<b>Net cash used in financing activities</b>	<b>(27 426)</b>	<b>(26 668)</b>
<b>Total net cash flows</b>	<b>77 835</b>	<b>23 187</b>
<b>Change in cash and cash equivalents</b>	<b>77 835</b>	<b>23 187</b>
<b>Cash and cash equivalents at 1 January</b>	<b>188 007</b>	<b>167 257</b>
<b>Cash and cash equivalents at 30 June</b>	<b>265 842</b>	<b>190 444</b>

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

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**Condensed consolidated interim statement of changes in equity**

*In thousands of PLN*

	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
<b>As at 1 January 2015</b>	185 447	(20)	7 430	(15 030)	262 049	160	(139 213)	300 823	4 101	304 924
<b>Profit for the period</b>	-	-	-	-	-	-	41 956	41 956	3 092	45 048
<b>Other comprehensive income:</b>	-	-	-	3 515	(13)	34	19	3 555	3	3 558
Effective portion of changes in fair value of cash flow hedges	-	-	-	1 714	-	-	-	1 714	-	1 714
Net change in fair value of cash flow hedges reclassified to profit or loss for the period	-	-	-	2 626	-	-	-	2 626	-	2 626
Remeasurement of employee benefits	-	-	-	-	-	-	27	27	4	31
Foreign currency translation differences for foreign operations	-	-	-	-	(13)	34	(4)	17	-	17
Income tax on other comprehensive income	-	-	-	(825)	-	-	(4)	(829)	(1)	(830)
<b>Total comprehensive income for the period</b>	-	-	-	3 515	(13)	34	41 975	45 511	3 095	48 606
Dividends paid	-	-	-	-	-	-	-	-	(3 400)	(3 400)
Allocation of profit to supplementary capital	-	-	-	-	58 595	-	(58 595)	-	-	-
<b>As at 30 June 2015</b>	185 447	(20)	7 430	(11 515)	320 631	194	(155 833)	346 334	3 796	350 130
	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
<b>As at 1 January 2016</b>	185 447	(20)	7 430	(11 330)	320 644	134	(84 183)	418 122	4 973	423 095
<b>Profit for the period</b>	-	-	-	-	-	-	70 407	70 407	2 836	73 243
<b>Other comprehensive income:</b>	-	-	-	1 412	32	28	23	1 495	-	1 495
Effective portion of changes in fair value of cash flow hedges	-	-	-	(670)	-	-	-	(670)	-	(670)
Net change in fair value of cash flow hedges reclassified to profit or loss for the period	-	-	-	2 413	-	-	-	2 413	-	2 413
Remeasurement of employee benefits	-	-	-	-	-	-	20	20	-	20
Foreign currency translation differences for foreign operations	-	-	-	-	32	28	6	66	-	66
Income tax on other comprehensive income	-	-	-	(331)	-	-	(3)	(334)	-	(334)
<b>Total comprehensive income for the period</b>	-	-	-	1 412	32	28	70 430	71 902	2 836	74 738
Coverage of previous years' losses	-	-	-	-	(201 495)	-	201 495	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(4 272)	(4 272)
Allocation of profit to supplementary capital	-	-	-	-	112 305	-	(112 305)	-	-	-
<b>As at 30 June 2016</b>	185 447	(20)	7 430	(9 918)	231 486	162	75 437	490 024	3 537	493 561

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”) 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 June 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 six-month period ended 30 June 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.

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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.

In accordance with Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (the Official Journal of law 2014.133 unified text; changes: the Official Journal of law 2016.860) the Group is required to publish the financial results for the six-month period ended 30 June 2016, which is deemed to be the current interim financial reporting period.

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 1 August 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 and 19.



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*Notes to the condensed consolidated interim financial statements*  
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**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.

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

**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 the day 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 period from 1 January 2016 to 30 June 2016*

	Management, advisory and rental services	Management and operation of motorways	Total
<b>Operating revenues</b>			
Revenue from external customers	1 706	135 937	<b>137 643</b>
Total revenue	<b>1 706</b>	<b>135 937</b>	<b>137 643</b>
<b>Operating expenses</b>			
Cost of sales to external customers	(1 938)	(21 745)	<b>(23 683)</b>
Total cost of sales	<b>(1 938)</b>	<b>(21 745)</b>	<b>(23 683)</b>
Other income	7	1 740	1 747
Other expenses	(7)	(59)	<b>(66)</b>
Administrative expenses (*)	(1 441)	(13 638)	<b>(15 079)</b>
<b>Results from operating activities</b>	<b>(1 673)</b>	<b>102 235</b>	<b>100 562</b>
Net finance income/(expense)	1 280	(11 585)	<b>(10 305)</b>
Share of profit of equity accounted investees (net of income tax)	113	-	<b>113</b>
Income tax expense	435	(17 562)	<b>(17 127)</b>
<b>Profit for the period</b>	<b>155</b>	<b>73 088</b>	<b>73 243</b>
Other comprehensive income, net of income tax	71	1 424	<b>1 495</b>
<b>Total comprehensive income for the period</b>	<b>226</b>	<b>74 512</b>	<b>74 738</b>
<b>Major non-cash items</b>			
Depreciation and amortisation	(260)	(21 935)	<b>(22 195)</b>
Reversal/(recognition) of allowances for receivables	(5)	-	<b>(5)</b>
Unwinding of discount	-	(9 405)	<b>(9 405)</b>
Revaluation of investment	(79)	-	<b>(79)</b>

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

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**Notes to the condensed consolidated interim financial statements**

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

*For the period from 1 January 2015 to 30 June 2015*

	Management, advisory and rental services	Management and operation of motorways	Total
<b>Operating revenues</b>			
Revenue from external customers	1 678	117 559	<b>119 237</b>
Total revenue	<b>1 678</b>	<b>117 559</b>	<b>119 237</b>
<b>Operating expenses</b>			
Cost of sales to external customers	(1 841)	(38 864)	<b>(40 705)</b>
Total cost of sales	<b>(1 841)</b>	<b>(38 864)</b>	<b>(40 705)</b>
Other income	131	3 839	<b>3 970</b>
Other expenses	(39)	(74)	<b>(113)</b>
Administrative expenses (*)	(1 954)	(13 802)	<b>(15 756)</b>
<b>Results from operating activities</b>	<b>(2 025)</b>	<b>68 658</b>	<b>66 633</b>
Net finance income/(expense)	1 404	(12 711)	<b>(11 307)</b>
Share of profit of equity accounted investees (net of income tax)	47	-	<b>47</b>
Income tax expense	160	(10 485)	<b>(10 325)</b>
<b>Profit/(Loss) for the period</b>	<b>(414)</b>	<b>45 462</b>	<b>45 048</b>
Other comprehensive income, net of income tax	19	3 539	<b>3 558</b>
<b>Total comprehensive income for the period</b>	<b>(395)</b>	<b>49 001</b>	<b>48 606</b>
<b>Major non-cash items</b>			
Depreciation and amortisation	(275)	(20 429)	<b>(20 704)</b>
Reversal/(recognition) of other provisions	1	-	<b>1</b>
Reversal/(recognition) of allowances for receivables	(7)	1	<b>(6)</b>
Unwinding of discount	-	(9 746)	<b>(9 746)</b>
Revaluation of investment	(124)	-	<b>(124)</b>

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

**Financial position according to business segments as at**

	<b>30 June 2016</b>	<b>31 December 2015</b>
<b>Management, advisory and rental services</b>		
Assets of the segment	228 459	138 724
Liabilities of the segment	1 610	4 324
<b>Management and operation of motorways</b>		
Assets of the segment	1 185 395	1 236 573
Liabilities of the segment	918 683	947 878
<b>Total assets</b>	<b>1 413 854</b>	<b>1 375 297</b>
<b>Total liabilities</b>	<b>920 293</b>	<b>952 202</b>

**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>I semester 2016</i>	<i>I semester 2015</i>
Toll revenue	135 383	117 020
Revenue from rental of investment property	1 675	1 648
Revenue due to other services provided	226	238
Other revenue	359	331
<b>Total</b>	<b>137 643</b>	<b>119 237</b>

**9. Expenses by nature**

	<i>I semester 2016</i>	<i>I semester 2015</i>
Depreciation and amortisation	(22 195)	(20 704)
Energy and materials consumption	(2 391)	(2 361)
Accrual of provision for motorway resurfacing disclosed within cost of sales (external services)	7 388	(10 850)
Other external services	(8 785)	(7 808)
Taxes and charges	(902)	(2 942)
Employee benefit expenses	(10 818)	(10 930)
Other costs	(1 059)	(866)
<b>Total expenses by nature</b>	<b>(38 762)</b>	<b>(56 461)</b>
<b>Cost of sales and administrative expenses</b>	<b>(38 762)</b>	<b>(56 461)</b>

**9.1. Employee benefit expenses**

	<i>I semester 2016</i>	<i>I semester 2015</i>
Wages and salaries	(8 557)	(8 113)
Social security contributions and other benefits	(2 124)	(2 051)
Movement in employee benefits liabilities included in profit and loss:	(137)	(766)
Post-employment benefits	(41)	(36)
Jubilee bonuses liabilities	(148)	(175)
Other employee benefits	52	(555)
<b>Total</b>	<b>(10 818)</b>	<b>(10 930)</b>

**10. Other income**

	<i>I semester 2016</i>	<i>I semester 2015</i>
Rental income from passenger service sites	1 451	3 592
Compensations, contractual penalties, taxes and costs of court proceedings received	43	68
Interest from receivables	4	112
Reversal of other provisions and allowances	-	1
Recorded surpluses	13	7
Net gain on disposal of property, plant and equipment and intangible assets	49	20
Other	187	139
<b>Total</b>	<b>1 747</b>	<b>3 939</b>

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**11. Other expenses**

	<i>I semester 2016</i>	<i>I semester 2015</i>
Allowances for receivables	(5)	(6)
Donations granted	(15)	(12)
Repair of damages	(21)	(35)
Penalties, compensations, payments	(18)	(3)
Unrecoverable input VAT	(2)	(1)
Other	(5)	(25)
<b>Total</b>	<b>(66)</b>	<b>(82)</b>

**12. Net finance expense**

	<i>I semester 2016</i>	<i>I semester 2015</i>
<b>Recognised in profit or loss for the period</b>		
Dividends	-	188
Interest income, including:	5 933	6 967
- from bank accounts and deposits	5 933	6 128
- other	-	839
Net foreign exchange gain	88	64
<b>Finance income</b>	<b>6 021</b>	<b>7 219</b>
Interest expense on liabilities measured at amortised cost, including:	(9 867)	(10 516)
- loans and borrowings, including:	(4 425)	(5 363)
- nominal	(3 252)	(4 041)
- other	(1 173)	(1 322)
- discount of concession payments	(5 442)	(5 152)
- other	-	(1)
Discount of provisions	(3 963)	(4 594)
Revaluation of investments	(79)	(124)
Other finance expenses, including:	(2 417)	(3 292)
- loss on derivatives	(2 413)	(2 626)
- other finance expenses	(4)	(666)
<b>Finance expenses</b>	<b>(16 326)</b>	<b>(18 526)</b>
<b>Net finance expense recognised in profit or loss for the period</b>	<b>(10 305)</b>	<b>(11 307)</b>
<b>Recognised in other comprehensive income</b>		
Foreign currency translation differences for foreign operations	66	17
Effective portion of changes in fair value of cash flow hedges (*)	(670)	1 714
Net change in fair value of cash flow hedges reclassified to profit or loss for the period (*)	2 413	2 626
<b>Finance income/(expenses) recognised in other comprehensive income</b>	<b>1 809</b>	<b>4 357</b>

(\*) 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
<b>Cost as at 1 January 2015</b>	<b>19 980</b>	<b>9 075</b>	<b>15 097</b>	<b>2 792</b>	<b>18 567</b>	<b>65 511</b>
Acquisitions	-	124	-	10	1 898	2 032
Transfer from property, plant and equipment under construction	-	12	-	2	(14)	-
Disposals	-	(1 500)	(577)	(215)	-	(2 292)
Reclassification to investment property	(484)	(15)	-	-	(178)	(677)
Other reclassifications	-	24	-	-	-	24
<b>Cost as at 30 June 2015</b>	<b>19 496</b>	<b>7 720</b>	<b>14 520</b>	<b>2 589</b>	<b>20 273</b>	<b>64 598</b>
<b>Cost as at 1 January 2016</b>	<b>20 377</b>	<b>14 814</b>	<b>15 360</b>	<b>5 221</b>	<b>4 404</b>	<b>60 176</b>
Acquisitions	-	86	395	257	934	1 672
Transfer from property, plant and equipment under construction	-	1 590	-	855	(2 445)	-
Recognition as utilization of provisions for capital expenditure	-	-	-	-	(818)	(818)
Transfer to intangible assets	-	-	-	-	(1 261)	(1 261)
Transfer to operating expenses	-	-	-	-	(63)	(63)
Transfer of prepayments for property, plant and equipment	-	-	-	-	(28)	(28)
Disposals	-	(107)	(134)	(9)	-	(250)
<b>Cost as at 30 June 2016</b>	<b>20 377</b>	<b>16 383</b>	<b>15 621</b>	<b>6 324</b>	<b>723</b>	<b>59 428</b>
<b>Depreciation and impairment losses as at 1 January 2015</b>	<b>(10 827)</b>	<b>(7 437)</b>	<b>(5 803)</b>	<b>(2 231)</b>	<b>-</b>	<b>(26 298)</b>
Depreciation for the period	(513)	(203)	(734)	(78)	-	(1 528)
Disposals	-	1 500	489	214	-	2 203
Reversal/utilization of impairment loss	-	-	54	-	-	54
Reclassification to investment property	387	5	-	-	-	392
Other reclassifications	-	(24)	-	-	-	(24)
<b>Depreciation and impairment losses as at 30 June 2015</b>	<b>(10 953)</b>	<b>(6 159)</b>	<b>(5 994)</b>	<b>(2 095)</b>	<b>-</b>	<b>(25 201)</b>
<b>Depreciation and impairment losses as at 1 January 2016</b>	<b>(11 471)</b>	<b>(4 405)</b>	<b>(6 533)</b>	<b>(2 118)</b>	<b>-</b>	<b>(24 527)</b>
Depreciation for the period	(553)	(880)	(768)	(294)	-	(2 495)
Disposals	-	107	98	9	-	214
Reversal/utilization of impairment loss	-	-	33	-	-	33
<b>Depreciation and impairment losses as at 30 June 2016</b>	<b>(12 024)</b>	<b>(5 178)</b>	<b>(7 170)</b>	<b>(2 403)</b>	<b>-</b>	<b>(26 775)</b>
<b>Carrying amounts</b>						
As at 1 January 2015	9 153	1 638	9 294	561	18 567	39 213
As at 30 June 2015	8 543	1 561	8 526	494	20 273	39 397
As at 1 January 2016	8 906	10 409	8 827	3 103	4 404	35 649
As at 30 June 2016	8 353	11 205	8 451	3 921	723	32 653

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**Impairment losses**

As at 30 June 2016 there were no indicators, that would require the Group to test property, plant and equipment for impairment.

As at 31 December 2015 the Group recognized impairment loss related to property, plant and equipment in amount of TPLN 33.

**14. Intangible assets**

	Concession intangible assets	Other concessions, licences, software and other	Other intangible assets	Intangible assets not ready for use	Total
<b>Cost as at 1 January 2015</b>	<b>908 782</b>	<b>1 801</b>	<b>970</b>	-	<b>911 553</b>
Acquisitions	-	26	-	9	35
Revaluation of concession intangible assets	(16 468)	-	-	-	(16 468)
<b>Cost as at 30 June 2015</b>	<b>892 314</b>	<b>1 827</b>	<b>970</b>	<b>9</b>	<b>895 120</b>
<b>Cost as at 1 January 2016</b>	<b>883 370</b>	<b>5 154</b>	<b>970</b>	<b>117</b>	<b>889 611</b>
Transfer from intangible assets not ready for use	-	117	-	(117)	-
Revaluation of concession intangible assets	6 614	-	-	-	6 614
Transfer from property, plant and equipment under construction	-	1 261	-	-	1 261
<b>Cost as at 30 June 2016</b>	<b>889 984</b>	<b>6 532</b>	<b>970</b>	-	<b>897 486</b>
<b>Amortisation and impairment losses as at 1 January 2015</b>	<b>(325 177)</b>	<b>(983)</b>	<b>(970)</b>	-	<b>(327 130)</b>
Amortisation for the period	(18 882)	(49)	-	-	(18 931)
Reversal of impairment loss	-	1	-	-	1
<b>Amortisation and impairment losses as at 30 June 2015</b>	<b>(344 059)</b>	<b>(1 031)</b>	<b>(970)</b>	-	<b>(346 060)</b>
<b>Amortisation and impairment losses as at 1 January 2016</b>	<b>(364 656)</b>	<b>(1 304)</b>	<b>(970)</b>	-	<b>(366 930)</b>
Amortisation for the period	(19 068)	(373)	-	-	(19 441)
<b>Amortisation and impairment losses as at 30 June 2016</b>	<b>(383 724)</b>	<b>(1 677)</b>	<b>(970)</b>	-	<b>(386 371)</b>
<b>Carrying amounts</b>					
As at 1 January 2015	583 605	818	-	-	584 423
As at 30 June 2015	548 255	796	-	9	549 060
As at 1 January 2016	518 714	3 850	-	117	522 681
As at 30 June 2016	506 260	4 855	-	-	511 115

During the current reporting 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 1,780 (I semester 2015: decrease of TPLN 4,754); 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 an increase of concession intangible assets by TPLN 4,834 (I semester 2015: decrease of TPLN 11,714 ).

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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 period equalled 7.37% in I semester 2016 (I semester 2015: 6.52%). 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 June 2016 will range from 7.87% to 10.48% during the concession period.

As at 30 June 2016 there were no indicators, which would require the Group to test intangible assets for impairment.

**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.

**Change in temporary differences during the period**

	1 January 2016	Change of deferred tax on temporary differences recognised in		30 June 2016
		profit or loss for the period	other comprehensive income	
Property, plant and equipment	61 357	(5 594)	-	55 763
Intangible assets	(95 902)	2 249	-	(93 653)
Investment property	277	(67)	-	210
Other non-current investments	(431)	185	-	(246)
Trade and other receivables	226	-	-	226
Inventories	7	-	-	7
Current investments	1 919	15	-	1 934
Cash and cash equivalents	(78)	(15)	-	(93)
Loans and borrowings	(374)	(104)	-	(478)
Other non-current liabilities	37 176	1 034	-	38 210
Deferred income	2 754	(119)	-	2 635
Employee benefits	1 270	(536)	(3)	731
Provisions	94 389	(1 695)	-	92 694
Trade and other payables	228	23	-	251
Derivative financial instruments	2 657	223	(331)	2 549
Tax loss carry-forwards	739	514	-	1 253
Valuation adjustment	(6 743)	181	-	(6 562)
<b>Total</b>	<b>99 471</b>	<b>(3 706)</b>	<b>(334)</b>	<b>95 431</b>



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**16. Allowances for current receivables**

Trade and other receivables are presented net of allowances for doubtful debts amounting to TPLN 91,519 (31 December 2015: TPLN 91,518).

Change in allowances for bad debt was as follows:

	<i>1 semester 2016</i>	<i>1 semester 2015</i>
<b>Allowances for bad debts as at 1 January</b>	<b>(91 518)</b>	<b>(91 569)</b>
Allowances recognised	(17)	(15)
Allowances reversed	12	9
Allowances utilised	8	12
Other reclassifications	(4)	(6)
<b>Allowances for bad debts as at 30 June</b>	<b>(91 519)</b>	<b>(91 569)</b>

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 June 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
<b>Financial assets measured at fair value</b>									
Equity instruments	-	90	-	-	90	90	-	-	90
	-	90	-	-	90				
<b>Financial assets not measured at fair value</b>									
Equity instruments*	-	1 481	-	-	1 481				
Trade and other receivables**	11 550	-	-	-	11 550				
Non-current deposits	487 527	-	-	-	487 527				
Cash and cash equivalents	265 842	-	-	-	265 842				
	<b>764 919</b>	<b>1 481</b>	-	-	<b>766 400</b>				
<b>Financial liabilities measured at fair value</b>									
Hedge derivatives***	-	-	(13 414)	-	(13 414)	-	(13 414)	-	(13 414)
	-	-	<b>(13 414)</b>	-	<b>(13 414)</b>				
<b>Financial liabilities not measured at fair value</b>									
Loans and borrowings	-	-	-	(171 620)	(171 620)				
Concession payments****	-	-	-	(201 106)	(201 106)				
Trade and other payables**	-	-	-	(17 921)	(17 921)				
	-	-	-	<b>(390 647)</b>	<b>(390 647)</b>				

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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
<b>Financial assets measured at fair value</b>									
Equity instruments	-	90	-	-	90	90	-	-	90
	-	90	-	-	90				
<b>Financial assets not measured at fair value</b>									
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				
<b>Financial liabilities measured at fair value</b>									
Hedge derivatives***	-	-	(15 250)	-	(15 250)	-	(15 250)	-	(15 250)
	-	-	(15 250)	-	(15 250)				
<b>Financial liabilities not measured at fair value</b>									
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)				

\* 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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**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 or indirectly,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**18. Equity**

**18.1. Share capital**

	<b>30 June 2016</b>	<b>31 December 2015</b>
Number of shares at the beginning of the period	247 262 023	247 262 023
Number of shares at the end of the period (fully paid)	247 262 023	247 262 023
Nominal value of shares (PLN)	0.75	0.75
Nominal value of A-series issue	6 256	6 256
Nominal value of B-series issue	370	370
Nominal value of D-series issue	3 000	3 000
Nominal value of E-series issue	71 196	71 196
Nominal value of F-series issue	37 500	37 500
Nominal value of G-series issue	67 125	67 125
<b>Total</b>	<b>185 447</b>	<b>185 447</b>

**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 -670 in I semester 2016 (I semester 2015: TPLN 1,714). As the consequence of hedged interest payments made in I semester 2016, the Group reclassified the corresponding net change in fair value of cash flow hedges of TPLN -2,413 (I semester 2015: TPLN -2,626) 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 458 was attributable to portion of changes reclassified to finance expense (I semester 2015: TPLN -326 and TPLN 499 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**

	Provisions for motorway resurfacing	Provisions for capital expenditures (Phase II)	Total
<b>Non-current provisions</b>			
<b>Balance at 1 January 2015</b>	<b>109 065</b>	<b>373 504</b>	<b>482 569</b>
Additions, including:	13 887	3 148	<b>17 035</b>
- due to discounting	979	3 148	<b>4 127</b>
Change of estimates	(909)	14 184	<b>13 275</b>
Reclassifications	(31 014)	(31 819)	<b>(62 833)</b>
<b>Balance at 30 June 2015</b>	<b>91 029</b>	<b>359 017</b>	<b>450 046</b>
<b>Balance at 1 January 2016</b>	<b>64 607</b>	<b>338 978</b>	<b>403 585</b>
Additions, including:	11 014	2 684	<b>13 698</b>
- due to discounting	536	2 684	<b>3 220</b>
Change of estimates	18 587	27 228	<b>45 815</b>
Reclassifications	(10 419)	(38 927)	<b>(49 346)</b>
<b>Balance at 30 June 2016</b>	<b>83 789</b>	<b>329 963</b>	<b>413 752</b>
<b>Current provisions</b>			
<b>Balance at 1 January 2015</b>	<b>6 224</b>	<b>39 560</b>	<b>45 784</b>
Additions, including:	49	418	<b>467</b>
- due to discounting	49	418	<b>467</b>
Change of estimates	(1 150)	(30 652)	<b>(31 802)</b>
Utilisation	(209)	(4 938)	<b>(5 147)</b>
Reclassifications	31 014	31 819	<b>62 833</b>
<b>Balance at 30 June 2015</b>	<b>35 928</b>	<b>36 207</b>	<b>72 135</b>
<b>Balance at 1 January 2016</b>	<b>52 751</b>	<b>40 452</b>	<b>93 203</b>
Additions, including:	367	376	<b>743</b>
- due to discounting	367	376	<b>743</b>
Change of estimates	(36 453)	(20 614)	<b>(57 067)</b>
Utilisation	(4 555)	(6 738)	<b>(11 293)</b>
Capital expenditures transferred from property, plant and equipment under construction	-	(818)	<b>(818)</b>
Reclassifications	10 419	38 927	<b>49 346</b>
<b>Balance at 30 June 2016</b>	<b>22 529</b>	<b>51 585</b>	<b>74 114</b>

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 June 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 1.38% to 3.05%). As result of those changes the provision for resurfacing increased by TPLN 318 (I semester 2015: decrease of TPLN 727), 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 1,780 (I semester 2015: decrease of TPLN 4,754), which was recognized as an increase of concession intangible assets.

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As at 30 June 2016 the Group revalued also the provision for resurfacing and the provision for capital expenditures of Phase II following the change of estimates regarding expected expenditures and future works schedule. As result of those changes the provision for resurfacing decreased by TPLN 18,184 (I semester 2015: decrease of TPLN 1,332), 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 TPLN 4,834 (I semester 2015: decrease of TPLN 11,714), which was recognized as an increase of concession intangible assets.

## **20. Capital expenditure commitments**

On 14 September 2012 SAM S.A. and Autostrade Tech S.p.A. signed a contract WUPO 2012 "Tolling Equipment Replacement". The current contract value (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 30 June 2016 the financial progress of the project (value of works recorded) amounted to TPLN 23,101 (92% of the contract value), out of which TPLN 477 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 21,222 (including change orders). The contract includes reconstruction of drainage for eleven catchments in Silesian voivodeship. As at 30 June 2016 the financial progress of the project (value of works invoiced) amounted to TPLN 19,745 (93% 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 30 June 2016 the financial progress of the project (value of works invoiced) amounted to TPLN 7,873 (36% of the contract value), out of which TPLN 4,702 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 2,229 (including change orders). As at 30 June 2016 the financial progress of the project (value of works invoiced) amounted to TPLN 2,229 (100% of the contract value), out of which TPLN 783 was recorded in 2016.

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” 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. The current contract value amounts to TPLN 40,058 (including change orders). As at 30 June 2016 the financial progress of the project (value of works recorded) amounted to TPLN 4,254 (11% of the contract value).

On 1 April 2016 SAM S.A. and consortium of Pavimental S.p.A. and Pavimental Polska Sp. z o.o. signed a contract F2b-6-2014 "Reconstruction of A-4 motorway drainage for Silesian voivodeship section – part II" for the total amount of TPLN 23,420. The contract includes reconstruction of drainage for eight catchments in Silesian voivodeship. As at 30 June 2016 no capital expenditures have yet been incurred in relation to the contract.

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**21. Collateral established on Group's property**

As at 30 June 2016 property, plant and equipment with a carrying value of TPLN 21,341 (31 December 2015: TPLN 20,394) provided a collateral for the Project Loan Agreement.

Apart from the aforementioned securities established on property, plant and equipment, the most significant collateral established in relation to the bank loan included:

- pledge of shares of Stalexport Autoroute S.a r.l, Stalexport Autostrada Małopolska S.A. and VIA4 S.A.,
- transfer of rights deriving from agreements related to project Toll Motorway A-4 Katowice-Kraków,
- transfer of rights to bank accounts of Stalexport Autostrada Małopolska S.A.,
- cession of Stalexport Autostrada Małopolska S.A. claims in relation to project Toll Motorway A-4 Katowice-Kraków.

**22. Contingent liabilities**

Contingent liabilities relate to guarantees granted to related entities amounting to TPLN 19,398 (31 December 2015: TPLN 19,402).

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**23. Transactions with related parties**

**23.1. Intragroup receivables and liabilities**

<b>30 June 2016</b>	<b>Receivables</b>	<b>Trade payables</b>	<b>Guarantees and suspended amounts</b>
Atlantia S.p.A.	-	18	-
<b>Parent entities</b>	-	<b>18</b>	-
Biuro Centrum Sp. z o.o.	8	6	-
<b>Associates</b>	<b>8</b>	<b>6</b>	-
Pavimental S.p.A. S.A. Oddział w Polsce	-	2 658	2 520
Pavimental Polska Sp. z o.o.	6	2 736	1 760
Autogrill Polska Sp. z o.o.	-	-	10
Autostrade Tech S.p.A.	116	361	806
<b>Other related entities</b>	<b>122</b>	<b>5 755</b>	<b>5 096</b>
<b>Total</b>	<b>130</b>	<b>5 779</b>	<b>5 096</b>

<b>31 December 2015</b>	<b>Receivables</b>	<b>Trade payables</b>	<b>Guarantees and suspended amounts</b>
Atlantia S.p.A.	-	17	-
<b>Parent entities</b>	-	<b>17</b>	-
Biuro Centrum Sp. z o.o.	8	292	-
<b>Associates</b>	<b>8</b>	<b>292</b>	-
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
<b>Other related entities</b>	<b>106</b>	<b>2 621</b>	<b>10 838</b>
<b>Total</b>	<b>114</b>	<b>2 930</b>	<b>10 838</b>

**23.2. Related parties transactions amounts**

<b>I semester 2016</b>	<b>Revenue</b>	<b>Other income</b>	<b>Cost of acquired goods and services</b>	<b>Capital expenditures and resurfacing works</b>
Biuro Centrum Sp. z o.o.	139	-	(1 480)	-
<b>Associates</b>	<b>139</b>	-	<b>(1 480)</b>	-
Pavimental S.p.A. S.A. Oddział w Polsce	-	-	-	(4 702)
Pavimental Polska Sp. z o.o.	61	7	-	(4 254)
Autogrill Polska Sp. z o.o.	28	-	-	-
Autostrade Tech S.p.A.	131	26	(462)	(111)
<b>Other related entities</b>	<b>220</b>	<b>33</b>	<b>(462)</b>	<b>(9 067)</b>
<b>Total</b>	<b>359</b>	<b>33</b>	<b>(1 942)</b>	<b>(9 067)</b>

<b>I semester 2015</b>	<b>Revenue</b>	<b>Other income</b>	<b>Cost of acquired goods and services</b>	<b>Capital expenditures and resurfacing works</b>
Biuro Centrum Sp. z o.o.	134	-	(1 392)	-
<b>Associates</b>	<b>134</b>	-	<b>(1 392)</b>	-
Pavimental Polska Sp. z o.o.	43	7	(2)	(21)
Autogrill Polska Sp. z o.o.	28	-	-	-
Autostrade Tech S.p.A.	151	-	(394)	(1 222)
<b>Other related entities</b>	<b>222</b>	<b>7</b>	<b>(396)</b>	<b>(1 243)</b>
<b>Total</b>	<b>356</b>	<b>7</b>	<b>(1 788)</b>	<b>(1 243)</b>



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**23.3. Transactions with key personnel**

The remuneration cost of the key and supervising personnel of the Group was as follows:

	<i>I semester 2016</i>	<i>I semester 2015</i>
<b>the Company</b>		
<b>Management Board</b>	<b>349</b>	<b>910</b>
Salaries	407	410
Movement in employee benefits liabilities	(58)	500
<b>Supervisory Board</b>	<b>32</b>	<b>32</b>
Salaries	32	32
<b>Subsidiaries</b>		
<b>Management Boards</b>	<b>982</b>	<b>1 017</b>
Salaries	952	932
Movement in employee benefits liabilities	30	85
<b>Supervisory Boards</b>	<b>1</b>	<b>2</b>
Salaries	1	2
<b>Total</b>	<b>1 364</b>	<b>1 961</b>

In the I semester of 2016 and 2015 the Group did not grant any loans to the members of Management Board or Supervisory Board Members of the companies constituting the Group. The Group also did not grant any advance payments or guarantees to the above mentioned individuals.

**24. Subsequent events**

There were no significant subsequent events, which should be disclosed in the condensed consolidated interim financial statements for the 6-month period ended 30 June 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.*