

# POLISH FINANCIAL SUPERVISION AUTHORITY

## Consolidated quarterly report QSr I / 2017

(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.; zm.: Dz. U. 2016.860\*)

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

for the first quarter of 2017 covering the period from 1 January 2017 to 31 March 2017, 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: 10 May 2017

<b>STALEXPORT AUTOSTRADY SPÓŁKA AKCYJNA</b> (issuer's full name)		
<b>STALEXPORT AUTOSTRADY S.A.</b> (issuer's abbr. name)	<b>Other services</b> (sector according to GPW SE)	
<b>41-404</b> (postal code)	<b>Mysłowice</b> (city)	
<b>Piaskowa</b> (street)	<b>20</b> (number)	
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<b>634-013-42-11</b> (NIP – tax identification number)	<b>271936361</b> (REGON)	<a href="http://www.stalexport-autostrady.pl">www.stalexport-autostrady.pl</a> (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; changes: the Official Journal of law 2016.860;

Financial data concerning the condensed consolidated interim financial statements  
for the three-month period ended 31 March 2017

	in TPLN		in TEUR	
	I quarter 2017	I quarter 2016	I quarter 2017	I quarter 2016
Revenue	70 360	65 036	16 404	14 931
Results from operating activities	53 047	55 723	12 368	12 793
Profit before income tax	48 290	50 566	11 259	11 609
Profit for the period	38 986	41 345	9 090	9 492
Profit for the period attributable to owners of the Company	37 553	39 949	8 755	9 171
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)	0.15	0.16	0.04	0.04
Diluted earnings attrib. to owners of the Company per 1 ordinary share (in PLN/ EUR)	0.15	0.16	0.04	0.04
Net cash from operating activities	48 140	43 905	11 224	10 079
Net cash from/(used in) investing activities	(23 714)	9 851	(5 529)	2 262
Net cash used in financing activities	(25 054)	(23 225)	(5 841)	(5 332)
Total net cash flows	(628)	30 531	(146)	7 009
	<b>31 March 2017</b>	<b>31 December 2016</b>	<b>31 March 2017</b>	<b>31 December 2016</b>
Total assets	1 452 896	1 446 646	344 304	327 000
Total non-current assets	1 068 643	1 059 736	253 245	239 542
Total current assets	384 253	386 910	91 060	87 457
Total liabilities	830 861	859 818	196 896	194 353
Total non-current liabilities	665 288	682 793	157 659	154 338
Total current liabilities	165 573	177 025	39 237	40 015
Total equity	622 035	586 828	147 409	132 646
Total equity attributable to owners of the Company	619 901	581 829	146 903	131 517
Non-controlling interest	2 134	4 999	506	1 130
Share capital	185 447	185 447	43 947	41 918

Financial data concerning the condensed separate interim financial statements of the Parent Entity  
for the three-month period ended 31 March 2017

	in TPLN		in TEUR	
	I quarter 2017	I quarter 2016	I quarter 2017	I quarter 2016
Revenue	866	905	202	208
Results from operating activities	(1 170)	(988)	(273)	(227)
Profit/(Loss) before income tax	100	(336)	23	(77)
Profit/(Loss) for the period	71	(266)	17	(61)
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	(264)	(119)	(62)	(27)
Net cash from investing activities	1 281	2 203	299	506
Total net cash flows	1 017	2 084	237	478
	<b>31 March 2017</b>	<b>31 December 2016</b>	<b>31 March 2017</b>	<b>31 December 2016</b>
Total assets	390 294	389 671	92 491	88 081
Non-current assets	78 333	78 950	18 563	17 846
Current assets	311 961	310 721	73 928	70 235
Total liabilities	2 638	2 086	625	472
Non-current liabilities	1 367	1 109	324	251
Current liabilities	1 271	977	301	221
Total equity	387 656	387 585	91 866	87 610
Share capital	185 447	185 447	43 947	41 918

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 2017 and 31 March 2016 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. 4.2891 PLN/EUR and 4.3559 PLN/EUR respectively;
- (ii) items of the statement of financial position according to average NBP exchange rate at the reporting date, i.e. 4.2198 PLN/EUR at 31 March 2017 and 4.4240 PLN/EUR at 31 December 2016.



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

**CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS**

for the three-month period ended  
31 March 2017

**STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP**  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2017**

*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 2017**

*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>	<b>31 March 2017</b> <i>(unaudited)</i>	<b>31 March 2016</b> <i>(unaudited)</i>
Revenue	6, 8	70 360	65 036
Cost of sales	6, 9	(10 522)	(2 724)
<b>Gross profit</b>		<b>59 838</b>	<b>62 312</b>
Other income	10	868	864
Administrative expenses	9	(7 607)	(7 420)
Other expenses	11	(52)	(33)
<b>Results from operating activities</b>		<b>53 047</b>	<b>55 723</b>
Finance income		3 216	3 278
Finance expenses		(8 003)	(8 511)
<b>Net finance expense</b>	12	<b>(4 787)</b>	<b>(5 233)</b>
<b>Share of profit of equity accounted investees</b> <b>(net of income tax)</b>		<b>30</b>	<b>76</b>
<b>Profit before income tax</b>		<b>48 290</b>	<b>50 566</b>
Income tax expense		(9 304)	(9 221)
<b>Profit for the period</b>		<b>38 986</b>	<b>41 345</b>
<b>Other comprehensive income</b>			
<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		(93)	37
Effective portion of changes in fair value of cash flow hedges		(296)	(668)
Net change in fair value of cash flow hedges reclassified to profit or loss for the period		1 051	1 243
Income tax on other comprehensive income		(143)	(109)
<b>Other comprehensive income for the period, net of income tax</b>		<b>519</b>	<b>503</b>
<b>Total comprehensive income for the period</b>		<b>39 505</b>	<b>41 848</b>
<b>Profit attributable to:</b>			
Owners of the Company		37 553	39 949
Non-controlling interest		1 433	1 396
<b>Profit for the period</b>		<b>38 986</b>	<b>41 345</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		38 072	40 452
Non-controlling interest		1 433	1 396
<b>Total comprehensive income for the period</b>		<b>39 505</b>	<b>41 848</b>
<b>Earnings per share</b>			
Basic earnings per share (PLN)		0.15	0.16
Diluted earnings per share (PLN)		0.15	0.16

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 2017**

*These condensed consolidated interim financial statements are unaudited*

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

*In thousands of PLN*

	<b>Note</b>	<b>31 March 2017</b> <i>(unaudited)</i>	<b>31 December 2016</b>	<b>31 March 2016</b> <i>(unaudited)</i>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	13	41 009	32 080	34 839
Intangible assets	14	477 503	484 829	510 777
Investment property		4 261	4 401	4 047
Investments in associates		1 051	1 021	909
Other non-current investments		456 573	447 422	489 293
Non-current receivables		-	-	816
Deferred tax assets	15	88 246	89 983	96 295
<b>Total non-current assets</b>		<b>1 068 643</b>	<b>1 059 736</b>	<b>1 136 976</b>
<b>Current assets</b>				
Inventories		1 864	2 147	1 732
Current investments		1 474	1 488	1 494
Trade and other receivables	16	14 584	16 316	13 039
Cash and cash equivalents		366 331	366 959	218 538
<b>Total current assets</b>		<b>384 253</b>	<b>386 910</b>	<b>234 803</b>
<b>Total assets</b>		<b>1 452 896</b>	<b>1 446 646</b>	<b>1 371 779</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 THREE-MONTH PERIOD ENDED 31 MARCH 2017**

*These condensed consolidated interim financial statements are unaudited*

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

<i>In thousands of PLN</i>	<i>Note</i>	<b>31 March 2017</b> <i>(unaudited)</i>	<b>31 December 2016</b>	<b>31 March 2016</b> <i>(unaudited)</i>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
	18			
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	(6 594)	(7 206)	(10 864)
Other reserve capitals and supplementary capital		231 445	231 486	320 646
Foreign currency translation reserve		89	137	168
Retained earnings and uncovered losses		202 104	164 555	(44 233)
<b>Total equity attributable to owners of the Company</b>		<b>619 901</b>	<b>581 829</b>	<b>458 574</b>
Non-controlling interest		2 134	4 999	2 097
<b>Total equity</b>		<b>622 035</b>	<b>586 828</b>	<b>460 671</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Loans and borrowings		96 536	116 147	135 060
Employee benefits		3 388	3 094	2 198
Deferred income		7 478	7 686	8 309
Other non-current liabilities		213 964	211 064	202 565
Provisions	19	343 922	344 802	390 983
<b>Total non-current liabilities</b>		<b>665 288</b>	<b>682 793</b>	<b>739 115</b>
<b>Current liabilities</b>				
Loans and borrowings		37 465	37 215	34 599
Derivative financial instruments		8 188	10 014	13 412
Income tax liabilities		3 702	13 905	3 610
Trade and other payables		22 322	22 230	19 748
Employee benefits		355	373	3 624
Deferred income		7 340	5 431	6 795
Provisions	19	86 201	87 857	90 205
<b>Total current liabilities</b>		<b>165 573</b>	<b>177 025</b>	<b>171 993</b>
<b>Total liabilities</b>		<b>830 861</b>	<b>859 818</b>	<b>911 108</b>
<b>Total equity and liabilities</b>		<b>1 452 896</b>	<b>1 446 646</b>	<b>1 371 779</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 THREE-MONTH PERIOD ENDED 31 MARCH 2017**

*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*

	<b>31 March 2017</b> <i>(unaudited)</i>	<b>31 March 2016</b> <i>(unaudited)</i>
<b>Cash flows from operating activities</b>		
<b>Profit before income tax</b>	<b>48 290</b>	<b>50 566</b>
<b>Adjustments for</b>		
Depreciation and amortisation	11 455	10 941
Foreign currency translation differences for foreign operations	(93)	37
Loss on investment activity	13	87
Loss on disposal of property, plant and equipment and intangible assets	1	-
Interest and dividends	(185)	358
Share in profit of associated entities	(30)	(76)
Change in receivables	1 733	383
Change in inventories	283	306
Change in trade and other payables	6 684	4 920
Change in provisions	(3 798)	(10 602)
Change in deferred income	1 701	611
<b>Cash generated from operating activities</b>	<b>66 053</b>	<b>57 531</b>
Income tax paid	(17 913)	(13 626)
<b>Net cash from operating activities</b>	<b>48 140</b>	<b>43 905</b>
<b>Cash flows from investing activities</b>		
<b>Investment proceeds</b>	<b>4 837</b>	<b>20 608</b>
Proceeds from non-current deposits held for investment expenditures	-	15 050
Interest received	4 837	5 558
<b>Investment expenditures</b>	<b>(28 551)</b>	<b>(10 757)</b>
Acquisition of intangible assets and property, plant and equipment	(17 765)	(10 757)
Non-current deposits held for investment expenditures	(10 785)	-
Acquisition of financial assets	(1)	-
<b>Net cash from/(used in) investing activities</b>	<b>(23 714)</b>	<b>9 851</b>
<b>Cash flows from financing activities</b>		
<b>Financial expenditures</b>	<b>(25 054)</b>	<b>(23 225)</b>
Dividends paid	(1 575)	-
Repayment of loans and borrowings	(18 498)	(17 078)
Interest paid	(4 981)	(6 147)
<b>Net cash used in financing activities</b>	<b>(25 054)</b>	<b>(23 225)</b>
<b>Total net cash flows</b>	<b>(628)</b>	<b>30 531</b>
<b>Change in cash and cash equivalents</b>	<b>(628)</b>	<b>30 531</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>366 959</b>	<b>188 007</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>366 331</b>	<b>218 538</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



**STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP**  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2017**

*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
<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>	-	-	-	-	-	-	39 949	39 949	1 396	41 345
<b>Other comprehensive income:</b>	-	-	-	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)
<b>Total comprehensive income for the period</b>	-	-	-	466	2	34	39 950	40 452	1 396	41 848
Dividends paid	-	-	-	-	-	-	-	-	(4 272)	(4 272)
<b>As at 31 March 2016</b>	185 447	(20)	7 430	(10 864)	320 646	168	(44 233)	458 574	2 097	460 671

	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>	-	-	-	-	-	-	159 563	159 563	5 731	165 294
<b>Other comprehensive income:</b>	-	-	-	4 124	33	3	(16)	4 144	(16)	4 128
Effective portion of changes in fair value of cash flow hedges	-	-	-	426	-	-	-	426	-	426
Net change in fair value of cash flow hedges reclassified to profit or loss for the period	-	-	-	4 665	-	-	-	4 665	-	4 665
Remeasurement of employee benefits	-	-	-	-	-	-	(26)	(26)	(19)	(45)
Foreign currency translation differences for foreign operations	-	-	-	-	33	3	4	40	-	40
Income tax on other comprehensive income	-	-	-	(967)	-	-	6	(961)	3	(958)
<b>Total comprehensive income for the period</b>	-	-	-	4 124	33	3	159 547	163 707	5 715	169 422
Coverage of previous years' losses	-	-	-	-	(201 496)	-	201 496	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(5 689)	(5 689)
Allocation of profit to other reserve capitals and supplementary capital	-	-	-	-	112 305	-	(112 305)	-	-	-
<b>As at 31 December 2016</b>	185 447	(20)	7 430	(7 206)	231 486	137	164 555	581 829	4 999	586 828

<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
<b>As at 1 January 2017</b>	185 447	(20)	7 430	(7 206)	231 486	137	164 555	581 829	4 999	586 828
<b>Profit for the period</b>	-	-	-	-	-	-	37 553	37 553	1 433	38 986
<b>Other comprehensive income:</b>	-	-	-	612	(41)	(48)	(4)	519	-	519
Effective portion of changes in fair value of cash flow hedges	-	-	-	(296)	-	-	-	(296)	-	(296)
Net change in fair value of cash flow hedges reclassified to profit or loss for the period	-	-	-	1 051	-	-	-	1 051	-	1 051
Foreign currency translation differences for foreign operations	-	-	-	-	(41)	(48)	(4)	(93)	-	(93)
Income tax on other comprehensive income	-	-	-	(143)	-	-	-	(143)	-	(143)
<b>Total comprehensive income for the period</b>	-	-	-	612	(41)	(48)	37 549	38 072	1 433	39 505
Dividends paid	-	-	-	-	-	-	-	-	(4 298)	(4 298)
<b>As at 31 March 2017</b>	185 447	(20)	7 430	(6 594)	231 445	89	202 104	619 901	2 134	622 035

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 2017**

*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 2017, 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 2017 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 higher-level parent entity Atlantia S.p.A. (Italy).

**STALEXPORT AUTOSTRADY S.A. CAPITAL GROUP**  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2017**

*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)*

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## **2. Basis for preparation of condensed consolidated interim financial statements**

### **2.1. Statement of compliance**

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

Condensed consolidated interim financial statements do not include all the information required for yearly financial statements and therefore should be analysed together with the Group's consolidated financial statements as at the day and for the year ended 31 December 2016.

The condensed consolidated interim financial statements were approved by the Management Board of the Company on 10 May 2017.

### **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.

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#### **4. Information concerning the Concession Agreement**

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

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

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

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

Throughout the term of 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, Raiffeisen Bank Polska 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 2016.

**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 2017*

	<b>Management, advisory and rental services</b>	<b>Management and operation of motorways</b>	<b>Total</b>
<b>Operating revenues</b>			
Revenue from external customers	821	69 539	<b>70 360</b>
Total revenue	<b>821</b>	<b>69 539</b>	<b>70 360</b>
<b>Operating expenses</b>			
Cost of sales to external customers	(1 021)	(9 501)	<b>(10 522)</b>
Total cost of sales	<b>(1 021)</b>	<b>(9 501)</b>	<b>(10 522)</b>
Other income	5	863	<b>868</b>
Other expenses	(2)	(50)	<b>(52)</b>
Administrative expenses (*)	(1 052)	(6 555)	<b>(7 607)</b>
<b>Results from operating activities</b>	<b>(1 249)</b>	<b>54 296</b>	<b>53 047</b>
Net finance income/(expense)	1 299	(6 086)	<b>(4 787)</b>
Share of profit of equity accounted investees (net of income tax)	30	-	<b>30</b>
Income tax expense	(50)	(9 254)	<b>(9 304)</b>
<b>Profit for the period</b>	<b>30</b>	<b>38 956</b>	<b>38 986</b>
Other comprehensive income, net of income tax	(93)	612	<b>519</b>
<b>Total comprehensive income for the period</b>	<b>(63)</b>	<b>39 568</b>	<b>39 505</b>
<b>Major non-cash items</b>			
Depreciation and amortisation	(152)	(11 303)	<b>(11 455)</b>
Reversal/(recognition) of allowances for receivables	(1)	-	<b>(1)</b>
Unwinding of discount	-	(4 895)	<b>(4 895)</b>
Revaluation of investment	(13)	-	<b>(13)</b>

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

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	Management, advisory and rental services	Management and operation of motorways	Total
<b>Operating revenues</b>			
Revenue from external customers	860	64 176	<b>65 036</b>
Total revenue	<b>860</b>	<b>64 176</b>	<b>65 036</b>
<b>Operating expenses</b>			
Cost of sales to external customers	(958)	(1 766)	<b>(2 724)</b>
Total cost of sales	<b>(958)</b>	<b>(1 766)</b>	<b>(2 724)</b>
Other income	8	856	<b>864</b>
Other expenses	(1)	(32)	<b>(33)</b>
Administrative expenses (*)	(1 041)	(6 379)	<b>(7 420)</b>
<b>Results from operating activities</b>	<b>(1 132)</b>	<b>56 855</b>	<b>55 723</b>
Net finance income/(expense)	577	(5 810)	<b>(5 233)</b>
Share of profit of equity accounted investees (net of income tax)	76	-	<b>76</b>
Income tax expense	56	(9 277)	<b>(9 221)</b>
<b>Profit/(Loss) for the period</b>	<b>(423)</b>	<b>41 768</b>	<b>41 345</b>
Other comprehensive income, net of income tax	37	466	<b>503</b>
<b>Total comprehensive income for the period</b>	<b>(386)</b>	<b>42 234</b>	<b>41 848</b>

**Major non-cash items**

Depreciation and amortisation	(129)	(10 812)	<b>(10 941)</b>
Reversal/(recognition) of allowances for receivables	4	-	<b>4</b>
Unwinding of discount	-	(4 787)	<b>(4 787)</b>
Revaluation of investment	(87)	-	<b>(87)</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**

	31 March 2017	31 December 2016	31 March 2016
<b>Management, advisory and rental services</b>			
Assets of the segment	321 420	318 359	139 298
Liabilities of the segment	2 658	2 148	4 650
<b>Management and operation of motorways</b>			
Assets of the segment	1 131 476	1 128 287	1 232 481
Liabilities of the segment	828 203	857 670	906 458
<b>Total assets</b>	<b>1 452 896</b>	<b>1 446 646</b>	<b>1 371 779</b>
<b>Total liabilities</b>	<b>830 861</b>	<b>859 818</b>	<b>911 108</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**

	<b>I quarter 2017</b>	<b>I quarter 2016</b>
Toll revenue	69 308	63 865
Revenue from rental of investment property	807	845
Revenue due to other services provided	73	110
Other revenue	172	216
<b>Total</b>	<b>70 360</b>	<b>65 036</b>

**9. Expenses by nature**

	<b>I quarter 2017</b>	<b>I quarter 2016</b>
Depreciation and amortisation	(11 455)	(10 941)
Energy and materials consumption	(1 425)	(1 377)
Accrual of provision for motorway resurfacing disclosed within cost of sales (external services)	5 682	12 586
Other external services	(3 560)	(3 828)
Taxes and charges	(418)	(395)
Employee benefit expenses	(6 485)	(5 625)
Other costs	(467)	(564)
Cost of goods and materials sold	(1)	-
<b>Total expenses by nature</b>	<b>(18 129)</b>	<b>(10 144)</b>
<b>Cost of sales and administrative expenses</b>	<b>(18 129)</b>	<b>(10 144)</b>

**9.1. Employee benefit expenses**

	<b>I quarter 2017</b>	<b>I quarter 2016</b>
Wages and salaries	(4 886)	(4 231)
Social security contributions and other benefits	(1 305)	(1 097)
Movement in employee benefits liabilities included in profit and loss:		
Jubilee bonuses liabilities	-	9
Other employee benefits	(294)	(306)
<b>Total</b>	<b>(6 485)</b>	<b>(5 625)</b>

**10. Other income**

	<b>I quarter 2017</b>	<b>I quarter 2016</b>
Rental income from passenger service sites	750	757
Reversal of allowances for receivables	-	4
Compensations, contractual penalties, taxes and costs of court proceedings received	39	28
Interest from receivables	18	2
Other	61	73
<b>Total</b>	<b>868</b>	<b>864</b>

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**11. Other expenses**

	<b>I quarter 2017</b>	<b>I quarter 2016</b>
Allowances for receivables	(1)	-
Donations granted	(17)	(6)
Repair of damages	(16)	(19)
Penalties, compensations, payments	(9)	(4)
Loss on disposal of property, plant and equipment and intangible assets	(1)	-
Unrecoverable input VAT	(5)	(1)
Other	(3)	(3)
<b>Total</b>	<b>(52)</b>	<b>(33)</b>

**12. Net finance expense**

	<b>I quarter 2017</b>	<b>I quarter 2016</b>
<b>Recognised in profit or loss for the period</b>		
Interest income, including:	3 132	3 215
- from bank accounts and deposits	3 131	3 215
- other	1	-
Net foreign exchange gain	84	63
<b>Finance income</b>	<b>3 216</b>	<b>3 278</b>
Interest expense on liabilities measured at amortised cost, including:	(4 895)	(5 096)
- loans and borrowings, including:	(2 040)	(2 394)
- nominal	(1 414)	(1 716)
- other	(626)	(678)
- discount of concession payments	(2 855)	(2 702)
Discount of provisions	(2 040)	(2 085)
Revaluation of investments	(13)	(87)
Other finance expenses, including:	(1 055)	(1 243)
- loss on derivatives	(1 051)	(1 243)
- other finance expenses	(4)	-
<b>Finance expenses</b>	<b>(8 003)</b>	<b>(8 511)</b>
<b>Net finance expense recognised in profit or loss for the period</b>	<b>(4 787)</b>	<b>(5 233)</b>
<b>Recognised in other comprehensive income</b>		
Foreign currency translation differences for foreign operations	(93)	37
Effective portion of changes in fair value of cash flow hedges (*)	(296)	(668)
Net change in fair value of cash flow hedges reclassified to profit or loss for the period (*)	1 051	1 243
<b>Finance income/(expenses) recognised in other comprehensive income</b>	<b>662</b>	<b>612</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 2016 - 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 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	-	2	-	10	374	<b>386</b>
Transfer from property, plant and equipment under construction	-	29	-	-	(29)	-
Disposals	-	-	-	(4)	-	<b>(4)</b>
<b>Cost as at 31 March 2016</b>	<b>20 377</b>	<b>14 845</b>	<b>15 360</b>	<b>5 227</b>	<b>4 749</b>	<b>60 558</b>
<b>Cost as at 1 January 2017</b>	<b>20 525</b>	<b>16 559</b>	<b>15 862</b>	<b>6 433</b>	<b>1 154</b>	<b>60 533</b>
Acquisitions	-	18	77	6	10 069	<b>10 170</b>
Disposals	-	(4)	-	(3)	-	<b>(7)</b>
<b>Cost as at 31 March 2017</b>	<b>20 525</b>	<b>16 573</b>	<b>15 939</b>	<b>6 436</b>	<b>11 223</b>	<b>70 696</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>(24 527)</b>
Depreciation for the period	(276)	(406)	(384)	(130)	-	<b>(1 196)</b>
Disposals	-	-	-	4	-	<b>4</b>
<b>Depreciation and impairment losses as at 31 March 2016</b>	<b>(11 747)</b>	<b>(4 811)</b>	<b>(6 917)</b>	<b>(2 244)</b>	-	<b>(25 719)</b>
<b>Depreciation and impairment losses as at 1 January 2017</b>	<b>(12 582)</b>	<b>(6 112)</b>	<b>(7 064)</b>	<b>(2 695)</b>	-	<b>(28 453)</b>
Depreciation for the period	(224)	(460)	(397)	(159)	-	<b>(1 240)</b>
Disposals	-	3	-	3	-	<b>6</b>
<b>Depreciation and impairment losses as at 31 March 2017</b>	<b>(12 806)</b>	<b>(6 569)</b>	<b>(7 461)</b>	<b>(2 851)</b>	-	<b>(29 687)</b>
<b>Carrying amounts</b>						
As at 1 January 2016	8 906	10 409	8 827	3 103	4 404	<b>35 649</b>
As at 31 March 2016	8 630	10 034	8 443	2 983	4 749	<b>34 839</b>
As at 1 January 2017	7 943	10 447	8 798	3 738	1 154	<b>32 080</b>
As at 31 March 2017	7 719	10 004	8 478	3 585	11 223	<b>41 009</b>

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**Impairment losses**

As at 31 March 2017 and 31 December 2016 there were no indicators, which would require the Group to test property, plant and equipment for impairment.

As at 31 March 2016 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 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	(2 288)	-	-	-	<b>(2 288)</b>
<b>Cost as at 31 March 2016</b>	<b>881 082</b>	<b>5 271</b>	<b>970</b>	<b>-</b>	<b>887 323</b>
<b>Cost as at 1 January 2017</b>	<b>883 326</b>	<b>6 559</b>	<b>970</b>	<b>23</b>	<b>890 878</b>
Acquisitions	-	10	-	16	26
Transfer from intangible assets not ready for use	-	23	-	(23)	-
Revaluation of concession intangible assets	2 723	-	-	-	<b>2 723</b>
<b>Cost as at 31 March 2017</b>	<b>886 049</b>	<b>6 592</b>	<b>970</b>	<b>16</b>	<b>893 627</b>
<b>Amortisation and impairment losses as at 1 January 2016</b>	<b>(364 656)</b>	<b>(1 304)</b>	<b>(970)</b>	<b>-</b>	<b>(366 930)</b>
Amortisation for the period	(9 455)	(161)	-	-	<b>(9 616)</b>
<b>Amortisation and impairment losses as at 31 March 2016</b>	<b>(374 111)</b>	<b>(1 465)</b>	<b>(970)</b>	<b>-</b>	<b>(376 546)</b>
<b>Amortisation and impairment losses as at 1 January 2017</b>	<b>(402 977)</b>	<b>(2 102)</b>	<b>(970)</b>	<b>-</b>	<b>(406 049)</b>
Amortisation for the period	(9 860)	(215)	-	-	<b>(10 075)</b>
<b>Amortisation and impairment losses as at 31 March 2017</b>	<b>(412 837)</b>	<b>(2 317)</b>	<b>(970)</b>	<b>-</b>	<b>(416 124)</b>
<b>Carrying amounts</b>					
As at 1 January 2016	518 714	3 850	-	117	<b>522 681</b>
As at 31 March 2016	506 971	3 806	-	-	<b>510 777</b>
As at 1 January 2017	480 349	4 457	-	23	<b>484 829</b>
As at 31 March 2017	473 212	4 275	-	16	<b>477 503</b>

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 441; and
- (ii) due to changes of estimates regarding construction works schedule and capital expenditures, which according to the Concession Agreement are to be executed by the Group before the end of the concession period (see note 19), resulting in the increase of concession intangible assets by TPLN 2,282.

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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 8.21% in I quarter 2017 (I quarter 2016: 7.29%). 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 2017 will range from 8.44% to 11.14% during the concession period.

As at 31 March 2017, 31 December 2016 and 31 March 2016 there were no indicators, which would require the Group to test concession and other intangible assets for impairment.

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**15. Deferred tax**

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

	Assets			Liabilities			Net		
	31 March 2017	31 December 2016	31 March 2016	31 March 2017	31 December 2016	31 March 2016	31 March 2017	31 December 2016	31 March 2016
Deferred tax assets/liabilities	176 795	180 257	192 240	(88 549)	(90 274)	(95 945)	<b>88 246</b>	<b>89 983</b>	<b>96 295</b>
Set off of tax	(88 549)	(90 274)	(95 945)	88 549	90 274	95 945	-	-	-
<b>Net deferred tax assets/liabilities as in statement of financial position</b>	<b>88 246</b>	<b>89 983</b>	<b>96 295</b>	-	-	-	<b>88 246</b>	<b>89 983</b>	<b>96 295</b>

Changes of deferred tax assets / liabilities for three-month periods ended 31 March 2017 and 31 March 2016 were following:

	Change of deferred tax on temporary differences recognised in	
	profit or loss for the period	comprehensive income
<b>I quarter 2017</b>	(1 594)	(143)
<b>I quarter 2016</b>	(3 067)	(109)

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**16. Allowances for current receivables**

Trade and other receivables are presented net of allowances for doubtful debts amounting to TPLN 91,567 (31 December 2016: TPLN 91,565, 31 March 2016: TPLN 91,509).

Change in allowances for bad debt was as follows:

	<i>I quarter 2017</i>	<i>I quarter 2016</i>
<b>Allowances for bad debts as at 1 January</b>	<b>(91 565)</b>	<b>(91 518)</b>
Allowances reversed	1	4
Allowances utilised	-	7
Other reclassifications	(1)	(2)
<b>Allowances for bad debts as at 31 March</b>	<b>(91 567)</b>	<b>(91 509)</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 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 2017**

	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 not measured at fair value</b>									
Equity instruments*	-	1 544	-	-	<b>1 544</b>				
Trade and other receivables**	14 583	-	-	-	<b>14 583</b>				
Non-current deposits	456 503	-	-	-	<b>456 503</b>				
Cash and cash equivalents	366 331	-	-	-	<b>366 331</b>				
	<b>837 417</b>	<b>1 544</b>	-	-	<b>838 961</b>				
<b>Financial liabilities measured at fair value</b>									
Hedge derivatives***	-	-	(8 188)	-	<b>(8 188)</b>	-	(8 188)	-	<b>(8 188)</b>
	-	-	<b>(8 188)</b>	-	<b>(8 188)</b>				
<b>Financial liabilities not measured at fair value</b>									
Loans and borrowings	-	-	-	(134 001)	<b>(134 001)</b>				
Concession payments****	-	-	-	(209 554)	<b>(209 554)</b>				
Trade and other payables**	-	-	-	(19 713)	<b>(19 713)</b>				
	-	-	-	<b>(363 268)</b>	<b>(363 268)</b>				

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**31 December 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 not measured at fair value</b>									
Equity instruments*	-	1 557	-	-	<b>1 557</b>				
Trade and other receivables**	16 033	-	-	-	<b>16 033</b>				
Non-current deposits	447 353	-	-	-	<b>447 353</b>				
Cash and cash equivalents	366 959	-	-	-	<b>366 959</b>				
	<b>830 345</b>	<b>1 557</b>	-	-	<b>831 902</b>				
<b>Financial liabilities measured at fair value</b>									
Hedge derivatives***	-	-	(10 014)	-	<b>(10 014)</b>	-	(10 014)	-	<b>(10 014)</b>
	-	-	<b>(10 014)</b>	-	<b>(10 014)</b>				
<b>Financial liabilities not measured at fair value</b>									
Loans and borrowings	-	-	-	(153 362)	<b>(153 362)</b>				
Concession payments****	-	-	-	(206 700)	<b>(206 700)</b>				
Trade and other payables**	-	-	-	(23 076)	<b>(23 076)</b>				
	-	-	-	<b>(383 138)</b>	<b>(383 138)</b>				

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**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
<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*	-	1 473	-	-	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				
<b>Financial liabilities measured at fair value</b>									
Hedge derivatives***	-	-	(13 412)	-	(13 412)	-	(13 412)	-	(13 412)
	-	-	(13 412)	-	(13 412)				
<b>Financial liabilities not measured at fair value</b>									
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)				

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

**18. Equity**

**18.1. Share capital**

	<b>31 March 2017</b>	<b>31 December 2016</b>	<b>31 March 2016</b>
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 1 share (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
<b>Total</b>	<b>185 447</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 -296 in I quarter 2017 (I quarter 2016: TPLN -668). As the consequence of hedged interest payments made in I quarter 2017, the Group reclassified the corresponding net change in fair value of cash flow hedges of TPLN -1,051 (I quarter 2016: 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 56, out of which TPLN 199 was attributable to portion of changes reclassified to finance expense (I quarter 2016: TPLN 127 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 2017 and 31 March 2016

	Provisions for motorway resurfacing	Provisions for capital expenditures (Phase II)	Total
<b>Non-current provisions</b>			
<b>Balance at 1 January 2016</b>	<b>64 607</b>	<b>338 978</b>	<b>403 585</b>
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)
<b>Balance at 31 March 2016</b>	<b>67 868</b>	<b>323 115</b>	<b>390 983</b>
<b>Balance at 1 January 2017</b>	<b>43 884</b>	<b>300 918</b>	<b>344 802</b>
Additions, including:	4 295	1 419	5 714
- due to discounting	207	1 419	1 626
Change of estimates	(8 068)	12 773	4 705
Reclassifications	-	(11 299)	(11 299)
<b>Balance at 31 March 2017</b>	<b>40 111</b>	<b>303 811</b>	<b>343 922</b>
<b>Current provisions</b>			
<b>Balance at 1 January 2016</b>	<b>52 751</b>	<b>40 452</b>	<b>93 203</b>
Additions, including:	221	170	391
- due to discounting	221	170	391
Change of estimates	(15 576)	(627)	(16 203)
Utilisation	(101)	(2 710)	(2 811)
Reclassifications	-	15 625	15 625
<b>Balance at 31 March 2016</b>	<b>37 295</b>	<b>52 910</b>	<b>90 205</b>
<b>Balance at 1 January 2017</b>	<b>36 221</b>	<b>51 636</b>	<b>87 857</b>
Additions, including:	171	243	414
- due to discounting	171	243	414
Change of estimates	(1 702)	(10 050)	(11 752)
Utilisation	(156)	(1 461)	(1 617)
Reclassifications	-	11 299	11 299
<b>Balance at 31 March 2017</b>	<b>34 534</b>	<b>51 667</b>	<b>86 201</b>

Provision for capital expenditures constitutes 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 2017 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 2016 the rates ranged from 1.90% to 3.84%, currently from 1.81% to 3.67%). As result of those changes the provision for resurfacing increased by TPLN 97 (I quarter 2016: increase of TPLN 410), 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 441 (I quarter 2016: increase of TPLN 1,946), which was recognized as an increase of concession intangible assets.

As at 31 March 2017 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 those changes the provision for resurfacing decreased by TPLN 9,867 (I quarter 2016: decrease of TPLN 18,592), 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) increased by TPLN 2,282 (I quarter 2016: decrease of TPLN 4,234 ), which was recognized as an increase of concession intangible assets.

**20. Contingent liabilities**

Contingent liabilities relate to guarantees granted to related entities amounting to TPLN 20,325 (31 December 2016: TPLN 21,540, 31 March 2016: TPLN 19,039).

**21. Related party transactions**

**21.1. Intragroup receivables and liabilities**

<b>31 March 2017</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.	7	10	-
<b>Associates</b>	<b>7</b>	<b>10</b>	-
Pavimental S.p.A. S.A. Oddział w Polsce	-	-	3 840
Pavimental Polska Sp. z o.o.	12	-	1 796
Telepass S.p.A.	415	-	-
Autogrill Polska Sp. z o.o.	-	-	10
Autostrade Tech S.p.A.	152	542	1 586
<b>Other related entities</b>	<b>579</b>	<b>542</b>	<b>7 232</b>
<b>Total</b>	<b>586</b>	<b>569</b>	<b>7 232</b>

<b>31 December 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	62	-
<b>Associates</b>	<b>8</b>	<b>62</b>	-
Pavimental S.p.A. S.A. Oddział w Polsce	-	1 804	4 405
Pavimental Polska Sp. z o.o.	14	-	1 961
Telepass S.p.A.	721	-	-
Autogrill Polska Sp. z o.o.	-	-	10
Autostrade Tech S.p.A.	985	362	806
<b>Other related entities</b>	<b>1 720</b>	<b>2 166</b>	<b>7 182</b>
<b>Total</b>	<b>1 728</b>	<b>2 246</b>	<b>7 182</b>

<b>31 March 2016</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	7	-
<b>Associates</b>	<b>8</b>	<b>7</b>	-
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
<b>Other related entities</b>	<b>133</b>	<b>1 115</b>	<b>4 580</b>
<b>Total</b>	<b>141</b>	<b>1 139</b>	<b>4 580</b>

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**21.2. Related party transactions amounts**

	Revenue	Other income	Cost of acquired goods and services	Capital expenditures and resurfacing works
<b>I quarter 2017</b>				
Biuro Centrum Sp. z o.o.	67	-	(766)	-
<b>Associates</b>	<b>67</b>	-	<b>(766)</b>	-
Pavimental S.p.A. S.A. Oddział w Polsce	-	-	-	(892)
Pavimental Polska Sp. z o.o.	17	6	-	-
Telepass S.p.A.	814	-	-	-
Autogrill Polska Sp. z o.o.	19	-	-	-
Autostrade Tech S.p.A.	71	15	(214)	(9 971)
<b>Other related entities</b>	<b>921</b>	<b>21</b>	<b>(214)</b>	<b>(10 863)</b>
<b>Total</b>	<b>988</b>	<b>21</b>	<b>(980)</b>	<b>(10 863)</b>
	Revenue	Other income	Cost of acquired goods and services	Capital expenditures and resurfacing works
<b>I quarter 2016</b>				
Biuro Centrum Sp. z o.o.	69	-	(732)	-
<b>Associates</b>	<b>69</b>	-	<b>(732)</b>	-
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)
<b>Other related entities</b>	<b>107</b>	<b>27</b>	<b>(197)</b>	<b>(1 269)</b>
<b>Total</b>	<b>176</b>	<b>27</b>	<b>(929)</b>	<b>(1 269)</b>

**22. Financial results of the Capital Group and its Parent Entity for the I quarter 2017**

**22.1. Financial results of Stalexport Autostrady S.A.**

In I quarter 2017 the Company generated revenue on sales amounting to TPLN 866, i.e. 4% lower than in comparable quarterly period of 2016. The decrease of revenue in comparison to I quarter 2016 resulted mainly from lower revenues from rental of office space.

The Company suffered a loss from operating activities for I quarter 2017 of TPLN 1,170 – loss for comparable period of 2016 amounted to TPLN 988. The above resulted mainly from higher costs of external services (8.6% increase) and employee benefit expenses (5.4% increase), as well as the decrease of revenue described above.

The financial activity of Stalexport Autostrady S.A. generated a profit of TPLN 1,270 for I quarter 2017 – I quarter 2016 brought a profit of TPLN 652. This positive variation is mainly the consequence of TPLN 541 (82%) increase of profit on the investment activity (interests on deposits and revaluation of investment).

As the consequence of all the above Stalexport Autostrady S.A. generated a net profit for I quarter 2017 amounting to TPLN 71, comparing to TPLN 266 net loss incurred for I quarter 2016.

**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 2017 amounted to TPLN 69,539, increasing by 8.4% in relation to revenue for I quarter 2016 (TPLN 64,176).

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The aforementioned variation was mainly the consequence of:

- (i) 8% increase of traffic level in relation to I quarter 2016, resulting from 7.4% increase of traffic level for light vehicles and 10.9% increase of traffic level for heavy vehicles;
- (ii) increase of toll rates since 1 March 2017 respectively for:
  - a) the passage of heavy vehicles category 2 and 3 from PLN 16.50 to PLN 18.00,
  - b) the passage of heavy vehicles category 4 and 5 from PLN 26.50 to PLN 30.00.

Operating expenses incurred in relation to motorway activity amounted to TPLN 16,106, increasing by 97% in relation to I quarter 2016 (TPLN 8,177). The above resulted mainly from the increase of accrued cost of provision for motorway resurfacing by the amount of TPLN 6,904, which comprised of a negative variance between the effects of estimates changes in relation to the provision recorded during the periods subject to comparison (TPLN 8,412) and lower current accrued cost of the provision recorded in I quarter 2017 (decrease of TPLN 1,508).

The financial activity of motorway segment for I quarter 2017 resulted in a loss amounting to TPLN 6,086, comparing to a loss of TPLN 5,810 for I quarter 2016. This negative variation was mainly the consequence of diminished (by TPLN 639) income from bank deposits attributed to motorway business segment in I quarter 2017, mostly as the result of the decrease of cash and cash equivalents in 2016 due to dividend payments.

As the consequence of all the above, the Group's motorway activity generated a net profit of TPLN 38,956 for I quarter 2017, comparing to net profit of TPLN 41,768 for I quarter 2016.

### **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 value, including so called temporary prices set for part of the works, amounts to TPLN 35,100. As at 31 March 2017 the financial progress of the project amounted to TPLN 33,663 (96% of the contract value), out of which TPLN 10,169 was recorded in 2017.

On 15 June 2015 SAM S.A. and consortium of Pavimental S.p.A. and Pavimental Polska Sp. z o.o. signed a contract F2b-8-2014 "Reconstruction of Myslowice Junction and construction of Rudno Junction" amounting to TPLN 22,283 (including change orders). As at 31 March 2017 the financial progress of the project (value of works invoiced) amounted to TPLN 20,233 (91% of the contract value), none of which was invoiced in 2017.

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 40,070 (including change orders). As at 31 March 2017 the financial progress of the project (value of works recorded) amounted to TPLN 16,261 (41% of the contract value), none of which was invoiced in 2017.

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 31 March 2017 the financial progress of the project (value of works recorded) amounted to TPLN 8,340 (36% of the contract value), out of which TPLN 892 was recorded in 2017.

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On 17 October 2016 SAM S.A. signed a contract with WASKO S.A. for the construction of traffic management system amounting to TPLN 2,267. As at 31 March 2017 the financial progress of the project (value of works recorded) amounted to TPLN 450 (20% of the contract value), none of which was invoiced in 2017.

On 15 March 2017 SAM S.A. and Berger Bau Polska Sp. z o.o. signed the contract HM-2-2015 „Resurfacing of S1 expressway section within the Brzęczkowice Junction” amounting to TPLN 2,906. As at 31 March 2017 no capital expenditures have yet been incurred in relation to the contract.

**23. Other important events within the Stalexport Autostrady S.A. Capital Group during the period from 1 January to 31 March 2017**

On 13 February 2017 the Company purchased 10% share in Catterick Investments Sp. z o.o. for the total amount of TPLN 1. Catterick Investments is currently taking part in a procedure for the award of public procurement for “the National Toll Collecting System, with activities related to electronic and physical toll collections”, announced on 14 December 2016 by the General Directorate for National Roads and Motorways.

On 23 March 2017 the Ordinary General Meeting of VIA4 S.A. decided to pay out the dividend for 2016 in the amount of TPLN 12,702 (including interim dividends of TPLN 3,151 paid out in 2016), out of which TPLN 5,716 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 (%)
Atlantia S.p.A.	151,323,463	61.20%	151,323,463	61.20%

\*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 2017.

**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.*



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INTERIM FINANCIAL STATEMENTS**

for the three-month period ended  
31 March 2017

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

*In thousands of PLN, unless stated otherwise*

	<b>31 March 2017</b> <i>(unaudited)</i>	<b>31 March 2016</b> <i>(unaudited)</i>
Revenue	866	905
Cost of sales	(1 021)	(958)
<b>Gross loss</b>	<b>(155)</b>	<b>(53)</b>
Other income	5	8
Administrative expenses	(1 017)	(942)
Other expenses	(3)	(1)
<b>Results from operating activities</b>	<b>(1 170)</b>	<b>(988)</b>
Finance income	1 283	739
Finance expenses	(13)	(87)
<b>Net finance income</b>	<b>1 270</b>	<b>652</b>
<b>Profit/(Loss) before income tax</b>	<b>100</b>	<b>(336)</b>
Income tax expense	(29)	70
<b>Profit/(Loss) for the period</b>	<b>71</b>	<b>(266)</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>71</b>	<b>(266)</b>
<b>Earnings per share</b>		
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

**STALEXPORT AUTOSTRADY S.A.**  
**CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2017**

*These condensed separate interim financial statements are unaudited*

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

<i>In thousands of PLN</i>	<b>31 March 2017</b> <i>(unaudited)</i>	<b>31 December 2016</b>	<b>31 March 2016</b> <i>(unaudited)</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	211	223	149
Investment property	4 261	4 401	4 047
Investments in subsidiaries and associates	67 118	67 118	67 118
Other non-current investments	70	69	69
Finance lease receivables	3 205	3 642	4 094
Deferred tax assets	3 468	3 497	676
<b>Total non-current assets</b>	<b>78 333</b>	<b>78 950</b>	<b>76 153</b>
<b>Current assets</b>			
Current investments	1 474	1 488	1 495
Finance lease receivables	1 843	1 867	1 645
Trade and other receivables	5 509	5 248	6 314
Cash and cash equivalents	303 135	302 118	125 470
<b>Total current assets</b>	<b>311 961</b>	<b>310 721</b>	<b>134 924</b>
<b>Total assets</b>	<b>390 294</b>	<b>389 671</b>	<b>211 077</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
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	13 975	13 975	8 861
Retained earnings and uncovered losses	180 824	180 753	4 852
<b>Total equity</b>	<b>387 656</b>	<b>387 585</b>	<b>206 570</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Employee benefits	1 367	1 109	340
<b>Total non-current liabilities</b>	<b>1 367</b>	<b>1 109</b>	<b>340</b>
<b>Current liabilities</b>			
Trade and other payables	1 165	871	1 037
Employee benefits	106	106	3 130
<b>Total current liabilities</b>	<b>1 271</b>	<b>977</b>	<b>4 167</b>
<b>Total liabilities</b>	<b>2 638</b>	<b>2 086</b>	<b>4 507</b>
<b>Total equity and liabilities</b>	<b>390 294</b>	<b>389 671</b>	<b>211 077</b>

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

**STALEXPORT AUTOSTRADY S.A.**  
**CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2017**

*These condensed separate interim financial statements are unaudited*

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

*In thousands of PLN*

	<b>31 March 2017</b>	<b>31 March 2016</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Cash flows from operating activities</b>		
<b>Profit/(Loss) before income tax</b>	<b>100</b>	<b>(336)</b>
<b>Adjustments for</b>		
Depreciation and amortisation	152	129
Loss on investment activity	13	87
Interest and dividends	(1 282)	(682)
Change in receivables	200	311
Change in trade and other payables	553	372
<b>Net cash used in operating activities</b>	<b>(264)</b>	<b>(119)</b>
<b>Cash flows from investing activities</b>		
<b>Investment proceeds</b>	<b>1 282</b>	<b>2 432</b>
Dividends received	-	1 750
Interest received	1 282	682
<b>Investment expenditures</b>	<b>(1)</b>	<b>(229)</b>
Acquisition of intangible assets and property, plant and equipment	-	(229)
Acquisition of financial assets	(1)	-
<b>Net cash from investing activities</b>	<b>1 281</b>	<b>2 203</b>
<b>Cash flows from financing activities</b>		
<b>Net cash from/(used) in financing activities</b>	<b>-</b>	<b>-</b>
<b>Total net cash flows</b>	<b>1 017</b>	<b>2 084</b>
<b>Change in cash and cash equivalents</b>	<b>1 017</b>	<b>2 084</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>302 118</b>	<b>123 386</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>303 135</b>	<b>125 470</b>

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

**STALEXPORT AUTOSTRADY S.A.**  
**CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2017**

*These condensed separate interim financial statements are unaudited*

**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 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

  

	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>Profit for the period</i>	-	-	-	-	180 747	180 747
<i>Other comprehensive income</i>	-	-	-	-	2	2
Remeasurement of employee benefits	-	-	-	-	3	3
Income tax on other comprehensive income	-	-	-	-	(1)	(1)
<i>Total comprehensive income for the period</i>	-	-	-	-	180 749	180 749
Allocation of profit to supplementary capital	-	-	-	5 114	(5 114)	-
As at 31 December 2016	185 447	(20)	7 430	13 975	180 753	387 585

  

<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 2017	185 447	(20)	7 430	13 975	180 753	387 585
<i>Profit for the period</i>	-	-	-	-	71	71
<i>Other comprehensive income</i>	-	-	-	-	-	-
<i>Total comprehensive income for the period</i>	-	-	-	-	71	71
As at 31 March 2017	185 447	(20)	7 430	13 975	180 824	387 656

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

**STALEXPORT AUTOSTRADY S.A.**  
**CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2017**

*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)*

**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 2016 and the condensed consolidated interim financial statements prepared as at the day and for the three-month period ended 31 March 2017.

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 2016.

**2. Investments in subsidiaries and associates**

Investments in subsidiaries and associates relate to the following companies:

	Cost	Impairment loss	Carrying amount	Ownership
<b>31 March 2017</b>				
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%
<b>Total</b>	<b>68 845</b>	<b>(1 727)</b>	<b>67 118</b>	
<b>31 December 2016</b>				
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%
<b>Total</b>	<b>68 845</b>	<b>(1 727)</b>	<b>67 118</b>	
<b>31 March 2016</b>				
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%
<b>Total</b>	<b>68 845</b>	<b>(1 727)</b>	<b>67 118</b>	

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

**STALEXPORT AUTOSTRADY S.A.**  
**CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2017**

*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)*

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
<b>31 March 2017</b>						
Stalexport Autoroute S.a r.l	100.00%	267 193	24	267 169	-	5 292
Biuro Centrum Sp. z o.o.	40.63%	3 001	1 087	1 914	2 464	75
<b>Total</b>		<b>270 194</b>	<b>1 111</b>	<b>269 083</b>	<b>2 464</b>	<b>5 367</b>
<b>31 December 2016</b>						
Stalexport Autoroute S.a r.l	100.00%	274 704	65	274 639	-	175 758
Biuro Centrum Sp. z o.o.	40.63%	2 854	1 015	1 839	10 249	463
<b>Total</b>		<b>277 558</b>	<b>1 080</b>	<b>276 478</b>	<b>10 249</b>	<b>176 221</b>
<b>31 March 2016</b>						
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
<b>Total</b>		<b>269 985</b>	<b>1 081</b>	<b>268 904</b>	<b>2 422</b>	<b>2 600</b>

**STALEXPORT AUTOSTRADY S.A.**  
**CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2017**

*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. Related party transactions**

**3.1. Intragroup receivables and liabilities**

**31 March 2017**

	Receivables	Payables
Atlantia SpA	-	17
<b>Parent entities</b>	<b>-</b>	<b>17</b>
Stalexport Autostrada Małopolska S.A.	-	3
VIA4 S.A.	5 066	-
<b>Subsidiaries</b>	<b>5 066</b>	<b>3</b>
Biuro Centrum Sp. z o.o.	7	10
<b>Associates</b>	<b>7</b>	<b>10</b>
Autogrill Polska Sp. z o.o.	-	10
<b>Other related entities</b>	<b>-</b>	<b>10</b>
<b>Total</b>	<b>5 073</b>	<b>40</b>

**31 December 2016**

	Receivables	Payables
Atlantia SpA	-	18
<b>Parent entities</b>	<b>-</b>	<b>18</b>
Stalexport Autostrada Małopolska S.A.	-	3
VIA4 S.A.	5 649	-
<b>Subsidiaries</b>	<b>5 649</b>	<b>3</b>
Biuro Centrum Sp. z o.o.	8	62
<b>Associates</b>	<b>8</b>	<b>62</b>
Autogrill Polska Sp. z o.o.	-	10
<b>Other related entities</b>	<b>-</b>	<b>10</b>
<b>Total</b>	<b>5 657</b>	<b>93</b>

**31 March 2016**

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

**STALEXPORT AUTOSTRADY S.A.**  
**CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2017**

*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 party transactions amounts**

	Revenue	Finance income	Cost of sales
<b>I quarter 2017</b>			
Stalexport Autostrada Małopolska S.A.	-	-	(6)
VIA4 S.A.	45	66	-
<b>Subsidiaries</b>	<b>45</b>	<b>66</b>	<b>(6)</b>
Biuro Centrum Sp. z o.o.	67	-	(766)
<b>Associates</b>	<b>67</b>	-	<b>(766)</b>
Autogrill Polska Sp. z o.o.	19	-	-
<b>Other related entities</b>	<b>19</b>	-	-
<b>Total</b>	<b>131</b>	<b>66</b>	<b>(772)</b>
<b>I quarter 2016</b>			
Stalexport Autostrada Małopolska S.A.	-	-	(6)
VIA4 S.A.	45	76	-
<b>Subsidiaries</b>	<b>45</b>	<b>76</b>	<b>(6)</b>
Biuro Centrum Sp. z o.o.	69	-	(730)
<b>Associates</b>	<b>69</b>	-	<b>(730)</b>
Autogrill Polska Sp. z o.o.	14	-	-
<b>Other related entities</b>	<b>14</b>	-	-
<b>Total</b>	<b>128</b>	<b>76</b>	<b>(736)</b>

In the periods of I quarter 2017 and I quarter 2016 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 2017.

**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.*