POLISH FINANCIAL SUPERVISION AUTHORITY

Consolidated quarterly report I / 2010

(prepared in accordance with §82 section 2 and §83 section 1 of the Minister of Finance Regulation of 19 February 2009 - Dz. U. Nr 33, poz. 259*)

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

for the first quarter of 2010 covering the period from 1 January 2010 to 31 March 2010, comprising condensed consolidated interim financial statements drawn in accordance with IFRS with amounts stated in PLN and condensed interim financial statements of the parent entity drawn in accordance with IFRS with amounts stated in PLN.

submission date: 12 May 2010

STALEXPORT AUTOSTRADY SPÓŁKA AKCYJNA
(issuer's full name)

STALEXPORT AUTOSTRADY S.A. (issuer's abbr. name)		**Other services** (sector according to GPW SE)
40-085 (postal code)		**Katowice** (city)
MICKIEWICZA (street)		**29** (number)
032 251-21-81 (phone)	**032 251-28-22** (fax)	**info@stalexport-autostrady.pl** (e-mail)
634-013-42-11 (NIP – tax identification number)	**271936361** (REGON)	**www.stalexport-autostrady.pl** (www)

Explanation
This document constitutes a translation of the financial statements of the entity named above. The original financial statements were 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 No. 33, item 259

STALEXPORT AUTOSTRADY S.A. Capital Group
Consolidated quarterly report QSr I / 2010

Financial data concerning the condensed consolidated interim financial statements for the three-month period ended 31 March 2010

	in TPLN		in TEUR	
	1 Q 2010	*1 Q 2009 (*)*	*1 Q 2010*	*1 Q 2009 (*)*
Revenue	35 154	30 858	8 862	6 709
Results from operating activities	10 392	6 423	2 620	1 396
Profit/(Loss) before income tax	1 394	(3 246)	351	(706)
Profit/(Loss) for the period	2 327	(3 102)	587	(674)
Profit/(Loss) for the period attributable to owners of the Company	1 395	(3 969)	352	(863)
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)	0,01	(0,02)	0,00	(0,00)
Diluted earnings attrib.to owners of the Company per 1 ordinary share (in PLN/ EUR)	0,01	(0,02)	0,00	(0,00)
Net cash from operating activities	28 694	8 557	7 233	1 860
Net cash from investing activities	(23 657)	(24 947)	(5 964)	(5 424)
Net cash from financing activities	14 427	(4 995)	3 637	(1 086)
Total net cash flow	19 464	(21 385)	4 907	(4 650)
	31 March 2010	*31 December 2009 (*)*	*31 March 2010*	*31 December 2009 (*)*
Total assets	1 082 324	1 077 885	280 235	262 374
Total non-current assets	851 906	858 615	220 575	209 000
Total current assets	230 418	219 270	59 660	53 374
Total liabilities	914 179	905 030	236 699	220 298
Total non-current liabilities	788 584	772 791	204 180	188 109
Total current liabilities	125 595	132 239	32 519	32 189
Total equity	168 145	172 855	43 536	42 076
Total equity attributable to owners of the Company	166 415	169 144	43 088	41 172
Non-controlling interest	1 730	3 711	448	903
Issued share capital	494 524	494 524	128 042	120 375

(*) - restated in accordance with the changes of accounting policies, described in note V.4.v)

Financial data concerning the condensed separate interim financial statements of the parent entity for the three-month period ended 31 March 2010

	in TPLN		in TEUR	
	1 Q 2010	*1 Q 2009*	*1 Q 2010*	*1 Q 2009*
Revenue	737	749	186	163
Results from operating activities	(1 883)	(1 281)	(475)	(279)
Profit/(Loss) before income tax	622	(712)	157	(155)
Profit/(Loss) for the period	622	(712)	157	(155)
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 per 1 ordinary share (in PLN/ EUR)	0,00	(0,00)	0,00	(0,00)
Diluted earnings per 1 ordinary share (in PLN/ EUR)	0,00	(0,00)	0,00	(0,00)
Net cash from operating activities	(3 571)	(4 557)	(900)	(991)
Net cash from investing activities	1 128	(9 623)	284	(2 092)
Net cash from financing activities	(27)	(90)	(7)	(20)
Total net cash flow	(2 470)	(14 270)	(623)	(3 103)
	31 March 2010	*31 December 2009*	*31 March 2010*	*31 December 2009*
Total assets	257 972	261 218	66 794	63 585
Total non-current assets	62 240	62 384	16 115	15 185
Total current assets	195 732	198 834	50 679	48 399
Total liabilities	65 316	69 184	16 912	16 840
Total non-current liabilities	43 698	46 946	11 314	11 427
Total current liabilities	21 618	22 238	5 597	5 413
Total equity	192 656	192 034	49 882	46 744
Issued share capital	494 524	494 524	128 042	120 375

STALEXPORT AUTOSTRADY S.A.
CAPITAL GROUP

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the three-month period ended 31 March 2010

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STALEXPORT AUTOSTRADY S.A. Capital Group
Condensed consolidated interim financial statements
for the three-month period ended 31 March 2010

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

In thousands of PLN, unless stated otherwise	*31 March 2010* **3 months** (not audited)	*31 March 2009 (*)* **3 months** (not audited)
Revenue	35 154	30 858
Cost of sales	(18 052)	(19 269)
Gross profit	**17 102**	**11 589**
Other income	1 337	1 297
Administrative expenses	(6 652)	(6 180)
Other expenses	(1 395)	(283)
Results from operating activities	**10 392**	**6 423**
Finance income	3 085	2 311
Finance expenses	(12 053)	(11 583)
Net finance expense	**(8 968)**	**(9 272)**
Share of profit of equity accounted investees (net of income tax)	**(30)**	**(397)**
Profit/(Loss) before income tax	**1 394**	**(3 246)**
Income tax expense	933	144
Profit/(Loss) for the period	**2 327**	**(3 102)**
Other comprehensive income		
Foreign currency translation differences for foreign operations	(28)	35
Effective portion of changes in fair value of cash flow hedges	(5 071)	12 955
Income tax on other comprehensive income	963	(2 461)
Other comprehensive income for the period, net of income tax	**(4 136)**	**10 529**
Total comprehensive income for the period	**(1 809)**	**7 427**
Profit/(Loss) attributable to:		
Owners of the Company	1 395	(3 969)
Non-controlling interest	932	867
Profit/(Loss) for the period	**2 327**	**(3 102)**
Total comprehensive income attributable to:		
Owners of the Company	(2 741)	6 560
Non-controlling interest	932	867
Total comprehensive income for the period	**(1 809)**	**7 427**
Earnings per share		
Basic earnings per share (PLN)	0,01	(0,02)
Diluted earnings per share (PLN)	0,01	(0,02)

(*) - restated in accordance with the changes of accounting policies, described in note V.4.v)

II. Condensed consolidated interim statement of financial position
as at

In thousands of PLN	*31 March 2010* (not audited)	*31 December 2009 (*)*	*31 March 2009 (*)* (not audited)
ASSETS			
Non-current assets			
Property, plant and equipment	16 254	15 835	16 620
Intangible assets	722 095	730 656	790 396
Prepaid perpetual usufruct of land	116	116	116
Investment property	4 242	4 318	4 533
Investments in associates	86	116	-
Other long-term investments	7 099	7 056	4 328
Long-term prepayments for commissions and other	15 046	16 170	20 180
Deferred tax assets	86 968	84 348	83 741
Total non-current assets	**851 906**	**858 615**	**919 914**
Current assets			
Inventories	1 415	1 813	1 321
Short-term investments	56 388	54 889	84 650
Income tax receivables	493	106	3 249
Trade and other receivables	21 812	31 432	28 713
Cash and cash equivalents	150 310	130 846	93 253
Short-term prepayments for commissions and other	-	184	99
Total current assets	**230 418**	**219 270**	**211 285**
Total assets	**1 082 324**	**1 077 885**	**1 131 199**

(*) - restated in accordance with the changes of accounting policies, described in note V.4.v)

STALEXPORT AUTOSTRADY S.A. Capital Group
Condensed consolidated interim financial statements
for the three-month period ended 31 March 2010

Condensed consolidated interim statement of financial position
as at

In thousands of PLN	*31 March 2010* (not audited)	*31 December 2009 (*)*	*31 March 2009 (*)* (not audited)
EQUITY AND LIABILITIES			
Equity			
Share capital	494 524	494 524	494 524
Share capital revaluation adjustment	18 235	18 235	18 235
Treasury shares	(20)	(20)	(20)
Share premium reserve	20 916	20 916	20 916
Fair value reserve	(3 013)	(3 013)	(1 813)
Hedging reserve	(5 175)	(1 067)	(3 650)
Other reserve capitals and supplementary capital	181 504	161 643	161 722
Foreign currency translation reserve	198	167	364
Retained earnings and uncovered losses	(540 754)	(522 241)	(530 053)
Total equity attributable to owners of the Company	**166 415**	**169 144**	**160 225**
Non-controlling interest	1 730	3 711	1 728
Total equity	**168 145**	**172 855**	**161 953**
Liabilities			
Non-current liabilities			
Loans and borrowings	141 344	122 395	65 983
Finance lease liabilities	592	646	555
Employee benefits liabilities	497	497	592
Deferred income and government grants	14 533	14 796	15 586
Other non-current liabilities	183 984	185 475	190 540
Provisions	447 634	448 982	493 451
Total non-current liabilities	**788 584**	**772 791**	**766 707**
Current liabilities			
Loans and borrowings	-	1 470	-
Finance lease liabilities	208	270	1 157
Derivative financial instruments	6 389	1 599	4 506
Income tax liabilities	14	28	-
Trade and other payables	43 597	65 724	65 322
Employee benefits liabilities	96	269	81
Deferred income and government grants	2 073	1 053	2 043
Provisions	73 218	61 826	129 430
Total current liabilities	**125 595**	**132 239**	**202 539**
Total liabilities	**914 179**	**905 030**	**969 246**
Total equity and liabilities	**1 082 324**	**1 077 885**	**1 131 199**

(*) - restated in accordance with the changes of accounting policies, described in note V.4.v)

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

In thousands of PLN	***31 March 2010*** **3 months** (not audited)	***31 March 2009 (*)*** **3 months** (not audited)
Cash flows from operating activities		
Profit/(Loss) before income tax	**1 394**	**(3 246)**
Adjustments for:		
Depreciation and amortisation	9 246	8 610
Impairment of property, plant and equipment and intangible assets	(260)	-
Profit from currency translation	(25)	(56)
Profit/(Loss) on investment activity	(1 499)	658
Profit/(loss) on sale of property, plant and equipment and intangible assets	(6)	80
Interest and dividends	576	144
Share in loss of associated entities	30	397
Change in receivables	9 620	(994)
Change in inventories	398	326
Change in prepayments for commissions and other	1 308	1
Change in trade and other payables	(2 558)	17 753
Change in provisions (**)	10 881	(12 850)
Change in deferred income and government grants	757	727
Proceeds/(expenditures) related to collateral requested by creditors	(43)	(59)
Cash generated from operating activities	**29 819**	**11 491**
Income tax paid	(1 125)	(2 934)
Net cash from operating activities	**28 694**	**8 557**

(*) - restated in accordance with the changes of accounting policies, described in note V.4.v)

(**) - change in provisions was adjusted by use of provisions related to capital expenditures incurred

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

In thousands of PLN	*31 March 2010* **3 months** (not audited)	*31 March 2009 (*)* **3 months** (not audited)
Cash flows from investing activities		
Investment proceeds	**1 573**	**1 499**
Sale of intangible assets and property, plant and equipment	6	78
Dividends received	2	-
Interest received	1 565	1 421
Investment expenditures	**(25 230)**	**(26 446)**
Acquisition of intangible assets and property, plant and equipment	(25 230)	(15 846)
Acquisition of financial assets	-	(10 000)
Other expenditures	-	(600)
Net cash from investing activities	**(23 657)**	**(24 947)**
Cash flows from financing activities		
Financial proceeds	**20 000**	**-**
Loans and borrowings drawn	20 000	-
Financial expenditures	**(5 573)**	**(4 995)**
Dividends paid	(1 575)	(1 575)
Interest paid	(3 882)	(3 052)
Payment of payables upon finance lease	(116)	(368)
Net cash from financing activities	**14 427**	**(4 995)**
Net increase in cash and cash equivalents	**19 464**	**(21 385)**
Change in cash as in statement of financial position	**19 464**	**(21 385)**
Cash and cash equivalents net of bank overdraft, at 1 January	**130 846**	**114 638**
Cash and cash equivalents net of bank overdraft, at 31 March, including:	**150 310**	**93 253**
Restricted cash and cash equivalents	143	133

(*) - restated in accordance with the changes of accounting policies, described in note V.4.v)

IV. Condensed consolidated interim statement of changes in equity

In thousands of PLN

(not audited)	Share capital	Share capital revaluation adjustment	Treasury shares	Share premium reserve	Fair value reserve	Hedging reserve	Other reserve capitals and supplementary capital	Foreign currency translation reserve	Retained earnings and uncovered losses	Total equity attributable to owners of the Company	Non-controlling interest	Total equity
As at 1 January 2009 (*)	**494 524**	**18 235**	**(20)**	**20 916**	**(1 813)**	**(14 144)**	**140 042**	**387**	**(504 462)**	**332 367**	**3 753**	**336 120**
Profit/(Loss) for the period	-	-	-	-	-	-	-	-	*(3 969)*	*(3 969)*	*867*	*(3 102)*
Other comprehensive income:	-	-	-	-	-	*10 494*	*70*	*(23)*	*(12)*	*10 529*	-	*10 529*
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	12 955	-	-	-	**12 955**	-	**12 955**
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	70	(23)	(12)	**35**	-	**35**
Income tax on other comprehensive income	-	-	-	-	-	(2 461)	-	-	-	**(2 461)**	-	**(2 461)**
Total comprehensive income for the period	-	-	-	-	-	*10 494*	*70*	*(23)*	*(3 981)*	*6 560*	*867*	*7 427*
Dividends paid	-	-	-	-	-	-	-	-	-	-	(2 892)	**(2 892)**
Distribution of profit	-	-	-	-	-	-	21 610	-	(21 610)	-	-	-
As at 31 March 2009 (*)	**494 524**	**18 235**	**(20)**	**20 916**	**(1 813)**	**(3 650)**	**161 722**	**364**	**(530 053)**	**160 225**	**1 728**	**161 953**

	Share capital	Share capital revaluation adjustment	Treasury shares	Share premium reserve	Fair value reserve	Hedging reserve	Other reserve capitals and supplementary capital	Foreign currency translation reserve	Retained earnings and uncovered losses	Total equity attributable to owners of the Company	Non-controlling interest	Total equity
As at 1 January 2009 (*)	**494 524**	**18 235**	**(20)**	**20 916**	**(1 813)**	**(14 144)**	**140 042**	**387**	**(504 462)**	**332 367**	**3 753**	**336 120**
Profit for the period	-	-	-	-	-	-		-	*3 842*	*3 842*	*3 789*	*7 631*
Other comprehensive income:	-	-	-	-	*(1 200)*	*13 077*	*(9)*	*(220)*	*(11)*	*11 637*	*(41)*	*11 596*
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	16 144	-	-	-	**16 144**	-	**16 144**
Net change in fair value of available-for-sale financial assets	-	-	-	-	(1 200)	-	-	-	-	**(1 200)**	(41)	**(1 241)**
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	(9)	(220)	(11)	**(240)**	-	**(240)**
Income tax on other comprehensive income	-	-	-	-	-	(3 067)	-	-	-	**(3 067)**	-	**(3 067)**
Total comprehensive income for the period	-	-	-	-	*(1 200)*	*13 077*	*(9)*	*(220)*	*3 831*	*15 479*	*3 748*	*19 227*
Dividends paid	-	-	-	-	-	-	-	-	-	-	(3 790)	**(3 790)**
Distribution of profit	-	-	-	-	-	-	21 610	-	(21 610)	-	-	-
As at 31 December 2009 (*)	**494 524**	**18 235**	**(20)**	**20 916**	**(3 013)**	**(1 067)**	**161 643**	**167**	**(522 241)**	**169 144**	**3 711**	**172 855**

(not audited)	Share capital	Share capital revaluation adjustment	Treasury shares	Share premium reserve	Fair value reserve	Hedging reserve	Other reserve capitals and supplementary capital	Foreign currency translation reserve	Retained earnings and uncovered losses	Total equity attributable to owners of the Company	Non-controlling interest	Total equity
As at 1 January 2010 (*)	**494 524**	**18 235**	**(20)**	**20 916**	**(3 013)**	**(1 067)**	**161 643**	**167**	**(522 241)**	**169 144**	**3 711**	**172 855**
Profit for the period	-	-	-	-	-	-	-	-	*1 395*	*1 395*	*932*	*2 327*
Other comprehensive income:	-	-	-	-	-	*(4 108)*	*(46)*	*31*	*(13)*	*(4 136)*	-	*(4 136)*
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	(5 071)	-	-	-	**(5 071)**	-	**(5 071)**
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	(46)	31	(13)	**(28)**	-	**(28)**
Income tax on other comprehensive income	-	-	-	-	-	963	-	-	-	**963**	-	**963**
Total comprehensive income for the period	-	-	-	-	-	*(4 108)*	*(46)*	*31*	*1 382*	*(2 741)*	*932*	*(1 809)*
Dividends paid	-	-	-	-	-	-	-	-	-	-	(2 913)	**(2 913)**
Distribution of profit	-	-	-	-	-	-	19 907	-	(19 907)	-	-	-
Other	-	-	-	-	-	-	-	-	12	**12**	-	**12**
As at 31 March 2010	**494 524**	**18 235**	**(20)**	**20 916**	**(3 013)**	**(5 175)**	**181 504**	**198**	**(540 754)**	**166 415**	**1 730**	**168 145**

(*) - restated in accordance with the changes of accounting policies, described in note V.4.v)

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

V. Notes to the condensed consolidated interim financial statements

1. Group overview

Stalexport Autostrady S.A. („the Company") with its seat in Katowice, Mickiewicza 29 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 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 2010, beside the parent 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.	Luxemburg	Holding and administration activities	Subsidiary	100%	2005 r.	Full consolidation
Stalexport Autostrada Małopolska S.A.	Mysłowice	Construction and operation of motorway	Subsidiary	100%*	1998 r.	Full consolidation
Stalexport Transroute Autostrada S.A.	Mysłowice	Motorway operation	Subsidiary	55%*	1998 r.	Full consolidation
Stalexport Autostrada Dolnośląska S.A.	Katowice	Construction and operation of motorway	Subsidiary	100%	1997 r.	Full consolidation
Autostrada Mazowsze S.A.	Katowice	Construction and operation of motorway	Associate	30%	2007 r.	Equity method
Biuro Centrum Sp. z o.o.	Katowice	Real estate administration	Subsidiary	74,38%	2007 r.	Full consolidation
Stalexport Autostrada Śląska S.A. w likwidacji	Katowice	Construction and operation of motorway	Subsidiary	100%**	2008 r.	Full consolidation

* through Stalexport Autoroute S.a r.l.

**through Stalexport Autostrada Dolnośląska S.A.

Notes to the condensed consolidated interim financial statements

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

The condensed consolidated interim financial statements for the three-month period ended 31 March 2010 comprises 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.

Information concerning the Concession Agreement

The activities of the Group include primarily business related to the management, construction by transformation to the 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 and the 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 April 2027.

The Concession Agreement specifies the ways of earning the revenues by the Concession Holder from execution of the project. Principal revenues of the Concession Holder are:
a) toll revenues,
b) revenues due to reimbursement for the passage of toll-exempted vehicles.

Toll rates for the use of the toll motorway aforementioned in point (a) are set in accordance with:
- polish act on toll motorways;
- decree on detailed rules for establishing and adjusting rates of tolls for the use of the toll motorway and resolutions of the Concession Agreement.

Conditions for revenue recognition as stated in point (b) above are set in accordance with above-mentioned regulations and the decree on public roads.

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.

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.

The Concession Holder is obliged, among other things, to perform construction works.

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

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

During the term of the Concession Agreement the Concession Holder is obliged to maintain proper standard of the road surface of the toll motorway and to carry out periodic heavy maintenance works of the toll motorway. In November 2009 works on the first heavy maintenance were principally completed. On 7 January 2010 Taking-over certificate for the second stage of works was issued.

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 („EBRD") for the purpose of financing the construction of A-4 Toll Motorway Katowice-Kraków taken over by the Concession Holder).

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

2. Basis for preparation of condensed consolidated interim financial statements

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 and disclose reliably Group's financial position as at 31 March 2010, 31 December 2009 and 31 March 2009, Group's comprehensive income and cash flows for 3-month period ending 31 March 2010 and 2009 respectively.

Condensed consolidated interim financial statements do not include all the information required for yearly financial statements and therefore should be analyzed together with the Group's consolidated financial statements for the year ended 31 December 2009.

Basis for valuation

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

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

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.

Translation of financial data rules

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

a) items of the statement of comprehensive income and the statement of cash flows for the 3 months ended 31 March 2010 and 31 March 2009 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. 3.9669 PLN/EUR and 4.5994 PLN/EUR respectively;

a) items of the statement of financial position according to average NBP exchange rate at the reporting date, i.e. 3.8622 PLN/EUR at 31 March 2010 and 4.1082 PLN/EUR at 31 December 2009.

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. At the condensed consolidated interim financial statements authorization date, no issues were identified that could threat Group's going concern.

4. Description of significant accounting principles

Except for changes described below, in particular the effects of **IFRIC 12** implementation (described in note 4.iii)), the accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2009.

i) Accounting for acquisitions of non-controlling interests

As a result of changes in IFRS 3 *Business Combinations* and IAS 27 *Consolidated and Separate Financial Statements* acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions. Previously, goodwill was recognised arising on the acquisition of a non-controlling interest in a subsidiary and that represented the excess of the cost of the additional investment over the carrying amount of the interest in the net assets acquired at the date of exchange.

Moreover the term "non-controlling interest" (NCI) replaces minority interest. At an acquisition date, the acquirer may choose, on a transaction-by-transaction basis, whether to measure NCI at fair value; or at the NCI's proportionate share of the net identifiable assets of the entity acquired. The revised IAS 27 requires an entity to attribute the NCI's share of profit or loss to the NCI even if this results in the NCI having a deficit balance.

The changes in accounting policies were applied prospectively and had no influence on Group's financial data for the period from 1 January till 31 March 2010; i.e. the period in which the revised standards were applied for the first time. The term "minority interest" was replaced by "non-controlling interest".

ii) Accounting for business combinations

As a result of changes in IFRS 3 *Business Combinations* and IAS 27 *Consolidated and Separate Financial Statements* all business combinations occurring on or after 1 January 2010 will be accounted for by applying the acquisition method.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination (see below). If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

When share-based payment awards exchanged (replacement awards) for awards held by the acquiree's employees (acquiree's awards) relate to past services, then a part of the market-based measure of the awards replaced is included in the consideration transferred. If they require future services, then the difference between the amount included in consideration transferred and the market-based measure of the replacement awards is treated as post-combination compensation cost.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

The changes in accounting policies were applied prospectively and had no influence on Group's financial data for the period from 1 January till 31 March 2010; i.e. the period in which the revised standards were applied for the first time.

iii) IFRIC 12 – Service Concession Arrangements

Interpretation IFRIC 12 – *Service concession arrangements*, which gives guidance on the accounting by operators for public-to-private service concession arrangements, was endorsed by European Union with the Commission Regulation (EC) No 254/2009 on 25 March 2009.

Stalexport Autostrady S.A. Capital Group, in accordance with the provisions of abovementioned regulation, applied IFRIC 12 for the year starting on 1 January 2010. **The herby condensed consolidated interim financial statements of the Group are therefore the first financial statements prepared in accordance with IFRIC 12 provisions.** The changes in accounting policies were applied retrospectively in accordance with IAS 8. Data for comparative periods presented in this condensed consolidated interim financial statements were restated (see note V.4.v) on page 17).

a. Accounting treatment of concession agreements under IFRIC 12

Interpretation IFRIC 12 applies to public-to-private service concession arrangements if:

- the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and
- the grantor controls — through ownership, beneficial entitlement or otherwise — any significant residual interest in the infrastructure at the end of the term of the arrangement.

Interpretation applies to infrastructure that the operator constructs or acquires from a third party for the purpose of the service arrangement as well as to existing infrastructure to which the grantor gives the operator access for the purpose of the service arrangement.

Infrastructure within the scope of this interpretation shall not be recognised as property, plant and equipment of the operator because the contractual service arrangement does not convey the right to control the use of the public service infrastructure to the operator. The operator has access to operate the infrastructure to provide the public service on behalf of the grantor in accordance with the terms specified in the contract.

Under the terms of contractual arrangements within the scope of this IFRIC 12, the operator acts as a service provider. The operator constructs or upgrades infrastructure (construction or upgrade services – the revenue is recognised in accordance with IAS 11) used to provide a public service and operates and maintains that infrastructure (operation services – the revenue is recognized in accordance with IAS 18) for a specified period of time.

If the operator provides construction or upgrade services the consideration received or receivable by the operator shall be recognised at its fair value. The consideration may be rights to:

- *a financial asset*: The operator shall recognise a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services;
- *an intangible asset*: The operator shall recognise an intangible asset to the extent that it receives a right (a licence) to charge users of the public service. A right to charge users of the public service is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses the service.

  Under this model, the operator's rights are recognised in the consolidated statement of financial position under concession intangible assets in the fair value of construction or upgrade services. It is amortised over the term of the arrangement, starting from the beginning of rendering services to public.

If the operator is paid for the construction services partly by a financial asset and partly by an intangible asset it is necessary to account separately for each component of the operator's consideration. The consideration received or receivable for both components shall be recognised initially at the fair value of the consideration received or receivable.

Intangible asset model have been applied to the Concession Agreement, concerning Stalexport Autostrada Małopolska S.A. (see note V.1),

The operator may have contractual obligations it must fulfill as a condition of its licence (a) to maintain the infrastructure to a specified level of serviceability or (b) to restore the infrastructure to a specified condition before it is handed over to the grantor at the end of the service arrangement. These contractual obligations to maintain or restore infrastructure, except for upgrade element shall be recognised and measured in accordance with IAS 37, i.e. at the best estimate of the expenditure that would be required to settle the present obligation at the balance sheet date.

In line with adopted interpretation of KIMSF 12, when the contract requires the operator to incur replacement costs independently of the use of the concession infrastructure during the concession, these expenditures, if regarded as capital expenditures, should be included in the consideration given for these services i.e. intangible asset's cost. Bearing in mind, that these outflows are not contingent on use of infrastructure, the operator should recognise a provision in accordance with IAS 37 (with the above mentioned intangible asset as a corresponding item) for the present value of the best estimate of the amount of the future replacement costs to be incurred due to obligation undertaken. The provision shall be recognized when the obligation is accepted, i.e. on inception of the concession agreement.

b. Implementation of IFRIC 12 by Stalexport Autostrady S.A. Capital Group

In accordance with IAS 8, the Group applied IFRIC 12 retrospectively, since the date the Concession was granted (year 1997), i.e. the moment when the Group accepted an obligation to construct/adapt and maintain the motorway.

As the result of IFRIC 12 implementation, the Group recognised an intangible asset as the consideration given for the adaptation of motorway to toll motorway requirements (Phase I) and for construction/upgrade works, which according to the Concession Agreement were to be executed in later periods (Phase II). The cost of the intangible asset recognized in relation to Phase I expenditures, was defined as the value of costs incurred during its execution (including borrowing costs) – the cost of the intangible asset recognized in relation to estimated costs of Phase II, was determined as the present value of those future outflows at the date of concession agreement's inception (without borrowing costs recognition).

In line with applied interpretation, the intangibles recognized in relation to Phase II expenditures, were recorded in correspondence with the provision. A present value of future outflows was calculated, through discounting of their estimated nominal value, using non-current risk-free interest rate, which was determined by the Group on the basis of historical and current return on non-current Treasury Bonds.

All changes in estimates due to:

- changes of interest rates;
- changes of renovation works schedule;
- changes in capital expenditures estimates;

are reflected in accordance with IAS 8, i.e. prospectively by including in statement of comprehensive income in the period of the change, and additionally in future periods, if they are also affected by the change. These changes are reflected in valuation of both intangible asset and corresponding provision.

The unwinding of the discount related to provision is recognized as finance expenses of the period.

According to IAS 38, an intangible asset with a finite useful life, is subject to amortization over its useful life, i.e. since the moment the asset is available for use (meaning it is in the location and condition necessary for it to be capable of operating in the manner intended by management), till the date that the asset is classified as held for sale or the date that the asset is derecognized (depending on which of these dates is the earliest).

As the consequence of above the Group decided, that the intangible asset recognized as the result of Concession Agreement is to be amortised from the beginning of toll collection (year 2000), until expiration date of aforementioned Agreement (year 2027).

Using IAS 38 guidelines, the Group applied amortization method, which in its view reflects in most appropriate way the manner in which future economic benefits deriving from intangible asset will be consumed, i.e. unit of production method based on specifically forecasted annual average traffic increase during the concession period on the section of motorway subject to concession. The annual amortization rate calculated using the unit of production method does not exceed 2.5%-6.8% bracket during the concession period.

Impact of the abovementioned changes on consolidated financial statements of the Group was presented in note V.4.v) *Impact of the changes in accounting policies on the consolidated financial statements*.

iv) Changes in classification

In the consolidated financial statements for 2009 the Group implemented some classification changes to consolidated statement of comprehensive income by moving some costs previously presented as cost of sales to administrative expenses in order to reflect more appropriately their nature. Comparative amounts in this condensed consolidated interim financial statements were properly reclassified. That resulted in TPLN 428 being reclassified from ‘Cost of sales’ to ‘Administrative expenses’ in consolidated statement of comprehensive income for the three-month period ended 31 March 2010. Moreover, in order to comply with 2010 classification, some income and expenses were presented net in consolidated statement of comprehensive income for the three-months period ended 31 March 2010, which resulted in decrease of other income and other expenses by TPLN 52, as well as decrease in finance income and finance expenses by TPLN 45.

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

v) Impact of the changes in accounting policies on the consolidated financial statements

Consolidated statement of financial position

In thousands of PLN	*31 December 2009*	*impact IFRIC 12*	*other changes (6)*	*31 December 2009*	*31 March 2009* (not audited)	*impact IFRIC 12*	*other changes (6)*	*31 March 2009* (not audited)
	published			**restated**	**published**			**restated**
ASSETS								
Non-current assets								
Property, plant and equipment	509 927	(478 030) **(1)**	(16 062)	15 835	474 177	(441 495) **(1)**	(16 062)	16 620
Intangible assets	1 081	729 575 **(2)**	-	730 656	1 088	789 308 **(2)**	-	790 396
Prepaid perpetual usufruct of land	116	-	-	116	116	-	-	116
Investment property	4 318	-	-	4 318	4 533	-	-	4 533
Investments in associates	116	-	-	116	-	-	-	-
Other long-term investments	7 056	-	-	7 056	4 328	-	-	4 328
Long-term prepayments for commissions and other	6 341	-	9 829	16 170	7 378	-	12 802	20 180
Deferred tax assets	37 113	47 157 **(3)**	78	84 348	40 466	43 240 **(3)**	35	83 741
Total non-current assets	**566 068**	**298 702**	**(6 155)**	**858 615**	**532 086**	**391 053**	**(3 225)**	**919 914**
Current assets								
Inventories	1 813	-	-	1 813	1 321	-	-	1 321
Short-term investments	54 889	-	-	54 889	84 650	-	-	84 650
Income tax receivables	106	-	-	106	3 249	-	-	3 249
Trade and other receivables	31 432	-	-	31 432	28 713	-	-	28 713
Cash and cash equivalents	130 846	-	-	130 846	93 253	-	-	93 253
Short-term prepayments for commissions and other	184	-	-	184	99	-	-	99
Total current assets	**219 270**	**-**	**-**	**219 270**	**211 285**	**-**	**-**	**211 285**
Total assets	**785 338**	**298 702**	**(6 155)**	**1 077 885**	**743 371**	**391 053**	**(3 225)**	**1 131 199**
EQUITY AND LIABILITIES								
Equity								
Share capital	494 524	-	-	494 524	494 524	-	-	494 524
Share capital revaluation adjustment	18 235	-	-	18 235	18 235	-	-	18 235
Treasury shares	(20)	-	-	(20)	(20)	-	-	(20)
Share premium reserve	20 916	-	-	20 916	20 916	-	-	20 916
Fair value reserve	(3 013)	-	-	(3 013)	(1 813)	-	-	(1 813)
Hedging reserve	(1 067)	-	-	(1 067)	(3 650)	-	-	(3 650)
Other reserve capitals and supplementary capital	161 643	-	-	161 643	161 722	-	-	161 722
Foreign currency translation reserve	167	-	-	167	364	-	-	364
Retained earnings and uncovered losses	(320 871)	(201 036) **(4)**	(334)	(522 241)	(345 568)	(184 335) **(4)**	(150)	(530 053)
Total equity attributable to owners of the Company	**370 514**	**(201 036)**	**(334)**	**169 144**	**344 710**	**(184 335)**	**(150)**	**160 225**
Non-controlling interest	3 711	-	-	3 711	1 728	-	-	1 728
Total equity	**374 225**	**(201 036)**	**(334)**	**172 855**	**346 438**	**(184 335)**	**(150)**	**161 953**
Liabilities								
Non-current liabilities								
Loans and borrowings	128 216	-	(5 821)	122 395	69 058	-	(3 075)	65 983
Finance lease liabilities	646	-	-	646	555	-	-	555
Employee benefits liabilities	497	-	-	497	592	-	-	592
Deferred income and government grants	14 796	-	-	14 796	15 586	-	-	15 586
Other non-current liabilities	185 475	-	-	185 475	190 540	-	-	190 540
Provisions	6 508	442 474 **(5)**	-	448 982	5 112	488 339 **(5)**	-	493 451
Total non-current liabilities	**336 138**	**442 474**	**(5 821)**	**772 791**	**281 443**	**488 339**	**(3 075)**	**766 707**
Current liabilities								
Loans and borrowings	1 470	-	-	1 470	-	-	-	-
Finance lease liabilities	270	-	-	270	1 157	-	-	1 157
Derivative financial instruments	1 599	-	-	1 599	4 506	-	-	4 506
Income tax liabilities	28	-	-	28	-	-	-	-
Trade and other payables	65 724	-	-	65 724	65 322	-	-	65 322
Employee benefits liabilities	269	-	-	269	81	-	-	81
Deferred income and government grants	1 053	-	-	1 053	2 043	-	-	2 043
Provisions	4 562	57 264 **(5)**	-	61 826	42 381	87 049 **(5)**	-	129 430
Total current liabilities	**74 975**	**57 264**	**-**	**132 239**	**115 490**	**87 049**	**-**	**202 539**
Total liabilities	**411 113**	**499 738**	**(5 821)**	**905 030**	**396 933**	**575 388**	**(3 075)**	**969 246**
Total equity and liabilities	**785 338**	**298 702**	**(6 155)**	**1 077 885**	**743 371**	**391 053**	**(3 225)**	**1 131 199**

Notes to the condensed consolidated interim financial statements

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

(1) Reclassification of infrastructure under the control of the grantor, which is used by the Group to render public services (previously recognised as property, plant and equipment);

(2) Recognition of an intangible asset – as at 31 December 2009 the carrying amount recognised in relation to Phase I capital expenditures amounted to PLN 202 million and PLN 528 million in relation to Phase II capital expenditures (as at 31 March 2009 PLN 208 million and PLN 581 million respectively);

(3) Total impact of IFRIC 12 adjustments on deferred tax assets;

(4) Total impact of IFRIC 12 adjustments on retained earnings and uncovered losses, including profit/loss for the period;

(5) Recognition of provision in relation to intangible asset, in the fair value of future estimated capital expenditures of Phase II;

(6) An adjustment for incorrect recognition of finance and legal advisory costs, that were previously accounted as cost of property, plant and equipment and the resulting adjustment of settlement of loan based on effective interest rate method.

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

Consolidated statement of comprehensive income

In thousands of PLN	*31 March 2009* 3 months (not audited) published	*impact IFRIC 12*		*other chnges (4)*	*31 March 2009* 3 months (not audited) restated
Revenue	30 858	-		-	30 858
Cost of sales	(17 951)	(1 746)	**(1)**	428	(19 269)
Gross profit/(loss)	**12 907**	**(1 746)**		**428**	**11 589**
Other income	1 349	-		(52)	1 297
Administrative expenses	(5 752)	-		(428)	(6 180)
Other expenses	(335)	-		52	(283)
Results from operating activities	**8 169**	**(1 746)**		**-**	**6 423**
Finance income	2 356	-		(45)	2 311
Finance expenses	(6 234)	(5 315)	**(2)**	(34)	(11 583)
Net finance income/(expense)	**(3 878)**	**(5 315)**		**(79)**	**(9 272)**
Share of profit of equity accounted investees (net of income tax)	**(397)**	**-**		**-**	**(397)**
Profit/(Loss) before income tax	**3 894**	**(7 061)**		**(79)**	**(3 246)**
Income tax expense	(1 213)	1 342	**(3)**	15	144
Profit/(Loss) for the period	**2 681**	**(5 719)**		**(64)**	**(3 102)**
Other comprehensive income					
Foreign currency translation differences for foreign operations	35	-		-	35
Effective portion of changes in fair value of cash flow hedges	12 955	-		-	12 955
Income tax on other comprehensive income	(2 461)	-		-	(2 461)
Other comprehensive income for the period, net of income tax	**10 529**	**-**		**-**	**10 529**
Total comprehensive income for the period	**13 210**	**(5 719)**		**(64)**	**7 427**
Profit/(Loss) attributable to:					
Owners of the Company	1 814	(5 719)		(64)	(3 969)
Non-controlling interest	867	-		-	867
Profit/(Loss) for the period	**2 681**	**(5 719)**		**(64)**	**(3 102)**
Total comprehensive income attributable to:					
Owners of the Company	12 343	(5 719)		(64)	6 560
Non-controlling interest	867	-		-	867
Total comprehensive income for the period	**13 210**	**(5 719)**		**(64)**	**7 427**

(1) Total impact of property, plant and equipment straight-line method depreciation reversal and accounting for unit of production method (natural method) amortization of intangible assets;

(2) Unwinding of the discount related to the provision for future capital expenditures of Phase II;

(3) Total impact of IFRIC 12 adjustments on deferred tax;

(4) Adjustment of settlement of loan based on effective interest rate method (see adjustment 6 in consolidated statement of financial position) and other classification changes described in point iv) *Changes in classification.*

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

5. Segment reporting

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

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 2010

	Management, advisory and rental services	Management and operation of motorways	Total
Operating revenues			
Revenue from external customers	2 480	32 674	**35 154**
Total revenue	**2 480**	**32 674**	**35 154**
Operating expenses			
Cost of sales to external customers	(2 356)	(15 696)	**(18 052)**
Total cost of sales	**(2 356)**	**(15 696)**	**(18 052)**
Other income	429	908	**1 337**
Other expenses	(61)	(1 334)	**(1 395)**
Administrative expenses	(2 445)	(4 207)	**(6 652)**
Results from operating activities	**(1 953)**	**12 345**	**10 392**
Net finance income/(expense)	1 934	(10 902)	**(8 968)**
Share of profit of equity accounted investees (net of income tax)	(30)	-	**(30)**
Income tax	(17)	950	**933**
Profit for the period	**(66)**	**2 393**	**2 327**
Other comprehensive income for the period, net of income tax	(28)	(4 108)	**(4 136)**
Total comprehensive income for the period	**(94)**	**(1 715)**	**(1 809)**
Major non-cash items			
Depreciation and amortisation	(175)	(9 071)	**(9 246)**
Other provisions	-	(1 300)	**(1 300)**
Creation or reversal of allowances	22	260	**282**
Recognition of tax receivables	392	-	**392**

Notes to the condensed consolidated interim financial statements

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

For the three-month period ended 31 March 2009

	Management, advisory and rental services	Management and operation of motorways	Total (*)
Operating revenues			
Revenue from external customers	2 286	28 572	**30 858**
Total revenue	**2 286**	**28 572**	**30 858**
Operating expenses			
Cost of sales to external customers	(1 941)	(17 328)	**(19 269)**
Total cost of sales	**(1 941)**	**(17 328)**	**(19 269)**
Other income	421	876	**1 297**
Other expenses	(262)	(21)	**(283)**
Administrative expenses	(1 904)	(4 276)	**(6 180)**
Results from operating activities	**(1 400)**	**7 823**	**6 423**
Net finance income/(expense)	(137)	(9 135)	**(9 272)**
Share of profit of equity accounted investees (net of income tax)	-	(397)	**(397)**
Income tax	-	144	**144**
Profit for the period	**(1 537)**	**(1 565)**	**(3 102)**
Other comprehensive income for the period, net of income tax	35	10 494	**10 529**
Total comprehensive income for the period	**(1 502)**	**8 929**	**7 427**
Major non-cash items			
Depreciation and amortisation	(166)	(8 444)	**(8 610)**
Creation or reversal of allowances	444	-	**444**

(*) - restated in accordance with the changes of accounting policies, described in note V.4.v)

Financial position according to business segments as at

	31 March 2010	*31 December 2009 (*)*	*31 March 2009 (*)*
Management, advisory and rental services			
Assets of the segment	172 145	174 236	186 646
Liabilities of the segment	59 985	63 686	72 008
Management and operation of motorways			
Assets of the segment	910 179	903 649	944 553
Liabilities of the segment	854 194	841 344	897 238
Total assets	**1 082 324**	**1 077 885**	**1 131 199**
Total liabilities	**914 179**	**905 030**	**969 246**

(*) - restated in accordance with the changes of accounting policies, described in note V.4.v)

Notes to the condensed consolidated interim financial statements

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

Geographical segments

In presenting information for geographical segments, segments revenue is based on the geographical location of Group's customers.

The capital expenditures are not allocated into geographical segments as all non-current assets used by the Group are located in Poland.

Geographical segments results for the three-month period ended 31 March 2010

	Poland	Other countries	Total
Revenue	35 154	-	**35 154**

Geographical segments results for the three-month period ended 31 March 2009

	Poland	Other countries	Total
Revenue	30 852	6	**30 858**

6. Periodicity and seasonality of the business

Group's activity is not significantly influenced by periodicity and seasonality issues.

7. Expenses by kind

	1 Q 2010	*1 Q 2009 (*)*
Depreciation and amortisation	(9 246)	(8 610)
Energy and materials consumption	(2 853)	(2 368)
Accrual of provision for motorway resurfacing disclosed within cost of sales (external services)	(3 059)	(5 091)
Other external services	(3 845)	(3 853)
Taxes and charges	(305)	(262)
Personal expenses, including:	(5 372)	(5 143)
- wages and salaries	(4 419)	(4 139)
- compulsory social security contributions and other benefits	(953)	(1 004)
Other costs	(879)	(932)
Cost of goods and materials sold	(43)	-
Total expenses by kind	**(25 602)**	**(26 259)**
Change in inventories, deferred income and cost in relation to operating activity	898	810
Cost of sales and administrative expenses	**(24 704)**	**(25 449)**

(*) - restated in accordance with the changes of accounting policies, described in note V.4.v)

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

8. Other income

	1 Q 2010	*1 Q 2009 (*)*
Rental income from passenger service sites	548	537
Reversal of allowance for receivables	15	444
Reversal of tangible assets impairment	260	-
Compensations and contractual penalties received	-	189
Reimbursed costs of court proceedings	68	68
Interest from receivables	1	14
Recognition of tax receivables	392	-
Derecognition of overdue payables	3	-
Net gain on sale of property, plant and equipment and intangible assets	6	-
Other	44	45
	1 337	**1 297**

(*) - restated in accordance with the changes of accounting policies, described in note V.4.v)

9. Other expenses

	1 Q 2010	*1 Q 2009 (*)*
Penalties, compensation, payments	(70)	(21)
Other provisions and allowances (**)	(1 300)	-
Loss on disposal of property, plant and equipment and intangible assets	-	(79)
Interest from liabilities	-	(88)
Other	(25)	(95)
	(1 395)	**(283)**

(*) - restated in accordance with the changes of accounting policies, described in note V.4.v)
(**) - provision recognised as a result of subsequent event (see note 22 *Subsequent events*)

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

10. Net finance expense

	1 Q 2010	*1 Q 2009 (*)*
Recognised in profit or loss		
Dividends and share in related parties profits	2	-
Interest income, including:	1 564	1 855
- bank accounts and deposits	1 563	1 805
- other	1	50
Other financial income, including:	1 519	456
- net foreign exchange gain	-	204
- profit on investment in asset management funds (financial assets measured at fair value through profit or loss)	1 512	-
- reversal of allowances for accrued interest	7	-
- profit on derivatives	-	252
Financial income	**3 085**	**2 311**
Interest expense on liabilities valued at amortised cost, including:	(11 646)	(10 890)
- loans and borrowings	(2 128)	(1 423)
- discount	(8 428)	(8 119)
- other	(1 090)	(1 348)
Other financial costs including:	(407)	(693)
- net foreign exchange loss	(6)	-
- loss on investment in asset management funds (financial assets measured at fair value through profit or loss)	-	(611)
- loss on derivatives	(269)	-
- other financial costs	(132)	(82)
Financial expenses	**(12 053)**	**(11 583)**
Net finance expense recognised in profit or loss	**(8 968)**	**(9 272)**
Recognised in other comprehensive income		
Foreign currency translation differences for foreign operations	(28)	35
Effective portion of changes in fair value of cash flow hedges (**)	(5 071)	12 955
Net financial income/(expenses) recognised in other comprehensive income, net of tax	**(5 099)**	**12 990**

(*) - restated in accordance with the changes of accounting policies, described in note V.4.v)

(**) - The Group hedges cash flows resulting from payments of interest related to Project Loan Agreement between SAM S.A. and banks' consortium. For cash flow being hedged cash flow hedge accounting is applied. Derivatives are used as hedging instruments (interest rate swap). For further information see consolidated financial statements for the year 2009 - notes 33d and 34c.

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

11. Property, plant and equipment

	Buildings and constructions	Plant and equipment	Vehicles	Other	Under construction	Total
Cost as at 1 January 2009 (*)	**18 557**	**25 740**	**10 983**	**4 469**	**307**	**60 056**
Acquisitions	-	70	69	22	424	**585**
Transfer from property, plant and equipment under construction	-	418	-	2	(420)	**-**
Disposals	-	(70)	(702)	(9)	-	**(781)**
Cost as at 31 March 2009 (*)	**18 557**	**26 158**	**10 350**	**4 484**	**311**	**59 860**
Cost as at 1 January 2010 (*)	**19 096**	**26 014**	**10 720**	**4 536**	**338**	**60 704**
Acquisitions	-	103	57	4	676	**840**
Transfer from property, plant and equipment under construction	-	3	-	5	(8)	**-**
Disposals	-	(602)	-	(1 353)	-	**(1 955)**
Reclassifications	-	(70)	-	-	-	**(70)**
Cost as at 31 March 2010	**19 096**	**25 448**	**10 777**	**3 192**	**1 006**	**59 519**

(*) - restated in accordance with the changes of accounting policies, described in note V.4.v)

Notes to the condensed consolidated interim financial statements

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

	Buildings and constructions	Plant and equipment	Vehicles	Other	Under construction	Total
Depreciation and impairment losses as at 1 January 2009 (*)	**(7 030)**	**(24 075)**	**(7 673)**	**(4 095)**	**(257)**	**(43 130)**
Depreciation for the period	(205)	(166)	(258)	(105)	-	**(734)**
Disposals	-	70	545	9	-	**624**
Depreciation and impairment losses as at 31 March 2009 (*)	**(7 235)**	**(24 171)**	**(7 386)**	**(4 191)**	**(257)**	**(43 240)**
Depreciation and impairment losses as at 1 January 2010 (*)	**(7 919)**	**(24 193)**	**(8 097)**	**(4 403)**	**(257)**	**(44 869)**
Depreciation for the period	(132)	(281)	(176)	(19)	-	**(608)**
Disposals	-	602	-	1 353	-	**1 955**
Reversal of impairment loss	-	-	-	-	257	**257**
Depreciation and impairment losses as at 31 March 2010	**(8 051)**	**(23 872)**	**(8 273)**	**(3 069)**	**-**	**(43 265)**
Carrying amounts						
At 1 January 2009 (*)	11 527	1 665	3 310	374	50	16 926
At 31 March 2009 (*)	11 322	1 987	2 964	293	54	16 620
At 1 January 2010 (*)	11 177	1 821	2 623	133	81	15 835
At 31 March 2010	11 045	1 576	2 504	123	1 006	16 254

(*) - restated in accordance with the changes of accounting policies, described in note V.4.v)

Notes to the condensed consolidated interim financial statements

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

Impairment losses

As at 31 March 2010 the Group did not recognize impairment losses on property, plant and equipment. In presented comparative periods as at 31 December 2009 and 31 March 2009 impairment on property, plant and equipment under construction, related to investment projects put on hold, was recognized.

12. Intangible assets

	Concession intangible assets	Other concessions, licences, software and other	Other intangible assets	Intangible assets not ready for use	Total
Cost as at 1 January 2009 (*)	**907 562**	**747**	**1 248**	**843**	**910 400**
Acquisitions	**-**	261	32	32	**325**
Transfer from intangible assets not ready for use	**-**	55	-	(55)	**-**
Disposals	**-**	-	-	(165)	**(165)**
Cost as at 31 March 2009 (*)	**907 562**	**1 063**	**1 280**	**655**	**910 560**
Cost as at 1 January 2010 (*)	**871 125**	**1 477**	**1 227**	**283**	**874 112**
Disposals	**-**	-	(15)	-	**(15)**
Cost as at 31 March 2010	**871 125**	**1 477**	**1 212**	**283**	**874 097**

	Concession intangible assets	Other concessions, licences, software and other	Other intangible assets	Intangible assets not ready for use	Total
Amortisation and impairment losses as at 1 January 2009 (*)	**(110 489)**	**(713)**	**(1 143)**	**-**	**(112 345)**
Amortisation for the period	(7 765)	(20)	(14)	-	**(7 799)**
Disposals	**-**	-	(20)	-	**(20)**
Amortisation and impairment losses as at 31 March 2009 (*)	**(118 254)**	**(733)**	**(1 177)**	**-**	**(120 164)**
Amortisation and impairment losses as at 1 January 2010 (*)	**(141 550)**	**(731)**	**(1 175)**	**-**	**(143 456)**
Amortisation for the period	(8 523)	(26)	(12)	-	**(8 561)**
Disposals	**-**	-	12	-	**12**
Impairment loss	**-**	3	-	-	**3**
Amortisation and impairment losses as at 31 March 2010	**(150 073)**	**(754)**	**(1 175)**	**-**	**(152 002)**
Carrying amounts					
At 1 January 2009 (*)	797 073	34	105	843	798 055
At 31 March 2009 (*)	789 308	330	103	655	790 396
At 1 January 2010 (*)	729 575	746	52	283	730 656
At 31 March 2010	721 052	723	37	283	722 095

(*) - restated in accordance with the changes of accounting policies, described in note V.4.v)

As at 31 March 2010, the Group recognized impairment related to intangible assets of TPLN 50 (31 December 2009: TPLN 53, 31 March 2009: none).

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

13. 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 their utilization.

	Assets			Liabilities			Net		
	31 March 2010	**31 December 2009 (*)**	**31 March 2009 (*)**	**31 March 2010**	**31 December 2009 (*)**	**31 March 2009 (*)**	**31 March 2010**	**31 December 2009 (*)**	**31 March 2009 (*)**
Deferred tax assets/liabilities	136 878	133 935	135 982	(49 910)	(49 587)	(52 241)	86 968	84 348	83 741
Set off of tax	(49 910)	(49 587)	(52 241)	49 910	49 587	52 241	-	-	-
Net deferred tax assets	86 968	84 348	83 741	-	-	-	86 968	84 348	83 741

(*) - restated in accordance with the changes of accounting policies, described in note V.4.v)

Changes of deferred tax assets and liabilities for the three-month period ended 31 March 2010 and 31 March 2009 were following:

	Change of deferred tax recognised in	
	profit or loss for the period	**other comprehensive income**
31 March 2010		
3 months	1 657	963
31 March 2009 (*)		
3 months	1 381	(2 461)

(*) - restated in accordance with the changes of accounting policies, described in note V.4.v)

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

14. Allowances for current receivables

Trade and other receivables are presented net of allowances for doubtful debts amounting to TPLN 114,511 (31 December 2009: TPLN 114,550, 31 March 2009: TPLN 135,950).

Change in allowances for bad debt was as follows:

	1 Q 2010	1 Q 2009
Allowances for bad debts as at 1 January	(114 550)	(136 393)
Created allowances	(14)	(10)
Reversed allowances	51	453
Utilised allowances	2	-
Allowances for bad debts as at 31 March	**(114 511)**	**(135 950)**

The allowances for doubtful debts within trade receivables were recognized due to expected difficulties with collection of amounts due from some customers. The allowances for other receivables concern mainly receivables arisen as a result of loans 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.

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

15. Provisions

Non-current provisions	Provisions for motorway resurfacing	Provisions for capital expenditures (Phase II)	Other provisions	Total
Balance at 1 January 2009 (*)	**4 646**	**489 149**	**-**	**493 795**
Additions, including:	466	5 119	-	**5 585**
- due to discounting	68	*5 119*	-	***5 187***
Reclassifications	-	(5 929)	-	**(5 929)**
Balance at 31 March 2009 (*)	**5 112**	**488 339**	**-**	**493 451**
Balance at 1 January 2010 (*)	**6 508**	**442 474**	**-**	**448 982**
Additions, including:	3 154	5 777	-	**8 931**
- due to discounting	95	*5 777*	-	***5 872***
Reclassifications	-	(10 279)	-	**(10 279)**
Balance at 31 March 2010	**9 662**	**437 972**	**-**	**447 634**

Current	Provisions for motorway resurfacing	Provisions for capital expenditures (Phase II)	Other provisions	Total
Balance at 1 January 2009 (*)	**37 388**	**91 830**	**23 622**	**152 840**
Additions, including:	5 496	195	952	**6 643**
- due to discounting	*802*	*195*	-	***997***
Utilisation	(503)	(10 905)	(24 574)	**(35 982)**
Reclassifications	-	5 929	-	**5 929**
Balance at 31 March 2009 (*)	**42 381**	**87 049**	**-**	**129 430**
Balance at 1 January 2010 (*)	**3 129**	**57 264**	**1 433**	**61 826**
Additions, including:	-	798	1 331	**2 129**
- due to discounting	-	*798*	-	***798***
Utilisation	(125)	(837)	(54)	**(1 016)**
Reclassifications	-	10 279	-	**10 279**
Balance at 31 March 2010	**3 004**	**67 504**	**2 710**	**73 218**

(*) - restated in accordance with the changes of accounting policies, described in note V.4.v)

Provisions for capital expenditures is recognized in the present value of the amount of the future construction costs on the section Katowice-Kraków of A4 motroway (Phase II), due to obligations undertaken by Concession Holder under the Concession Agreement (see point V.1).

Other provisions at 31 March 2010 comprise mainly (i) provision recognised based on the sentense of Competition and Consumer Protection Court in Warsaw in the amount of TPLN 1,300 (see note 22 *Subsequent events*), (ii) provision recognized based on the sentence of the District Court in Katowice dated 18 December 2009 responding to claim lodged by CTL Maczki Bór Sp. z o.o. for compensation for the use of certain lots of land in the motorway lane without valid agreement. The court awarded to CTL Maczki Bór Sp.

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

z o.o. the amount of TPLN 40 plus interest from Stalexport Autostrady S.A. and TPLN 996 plus interest from Stalexport Autostrada Małopolska S.A. Abovementioned interest were also subject to provision. On 25 January 2010 both Stalexport Autostrady S.A. and Stalexport Autostrada Małopolska S.A. appealed against the sentence of the District Court in Katowice to the Appeal Court in Katowice. The date of next hearing was set by the Court for 26 May 2010.

16. Contingent liabilities

Contingent liabilities relate to guarantees granted to related entities amounting to TPLN 15,207 (31 December 2009: TPLN 14,552, 31 March 2009: TPLN 14,741). In comparative period the Group also recognized contingent liabilities relating to guarantees granted to third parties in the amount of TPLN 2,032 as at 31 March 2009.

17. Transactions with related parties

Intragroup receivables and liabilities

31 March 2010	**Receivables**	**Payables**
Pavimental S.p.A. S.A. Oddział w Polsce	7	6 984
Pavimental Polska Sp. z o.o.	10	-
Atlantia S.p.A.	-	15
Autostrada Mazowsze S.A.	4	-
TOTAL	**21**	**6 999**

31 December 2009	**Receivables**	**Payables**
Pavimental S.p.A. S.A. Oddział w Polsce	7	29 055
Pavimental Polska Sp. z o.o.	11	-
Atlantia S.p.A.	-	16
Autostrada Mazowsze S.A.	-	2
TOTAL	**18**	**29 073**

31 March 2009	**Receivables**	**Payables**
Pavimental S.p.A. S.A. Oddział w Polsce	37	6 442
Pavimental Polska Sp. z o.o.	18	-
Atlantia S.p.A.	-	19
Autostrada Mazowsze S.A.	1 003	-
TOTAL	**1 058**	**6 461**

Notes to the condensed consolidated interim financial statements

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

Transactions with related parties

1 Q 2010	Revenue	Other income	Value of capital expenditures and resurfacing works
Pavimental Polska Sp. z o.o.	18	1	-
Pavimental S.p.A. S.A. Oddział w Polsce	-	6	-
Autostrada Mazowsze S.A.	17	-	-
TOTAL	**35**	**7**	**-**

1 Q 2009	Revenue	Other income	Value of capital expenditures and resurfacing works
Pavimental Polska Sp. z o.o.	15	-	-
Pavimental S.p.A. S.A. Oddział w Polsce	2	4	2 039
Autostrada Mazowsze S.A.	133	-	-
TOTAL	**150**	**4**	**2 039**

All transactions concluded by Stalexport Autostrady S.A. or by its subsidiaries with related entities were on market terms.

18. Financial results of the Capital Group and its Parent Entity for the I Q 2010

Financial results of the parent entity Stalexport Autostrady S.A.

In 1Q 2010 the Company generated revenue amounting to TPLN 737, remaining nearly at the level of revenue generated in comparable quarterly period of 2009 (decrease by 1.6%). The recognition of tax receivables in the amount of TPLN 392 was the most significant item of other income in 1Q 2010, whereas the release of allowance for bad debt amounting to TPLN 444 mostly influenced 1Q 2009 other income.

The entity suffered a loss from operating activities for 1Q 2010 of TPLN 1,883 – for similar period of 2009 a loss amounting to TPLN 1,281 was incurred. The abovementioned negative difference is the consequence of higher staff and energy costs in 2010.

The financial activity of Stalexport Autostrady S.A. generated a profit of TPLN 2,505 for 1Q 2010. Interest on bank deposits (TPLN 1,129) and a net profit from asset management funds (TPLN 1,512) constituted the main items of financial income, while interest resulting from guarantees given for Huta Ostrowiec to State Treasury was the most significant item of financial expenses (TPLN 743).

As the consequence of all the above Stalexport Autostrady S.A. generated a net profit for the period of 1Q 2010 amounting to TPLN 622, comparing to TPLN 712 net loss for 1Q 2009.

Financial results of motorway business

As a result of reorganization carried out in 2007, the motorway activity, consisting mainly of exploitation, toll collecting and execution of motorway investments on section Katowice – Kraków of A4 motorway and also participation in tender proceedings, has the biggest impact on Group's financial results. The activity is performed mainly by four related entities: Stalexport Autostrada Małopolska S.A., Stalexport Transroute Autostrada S.A., Stalexport Autostrada Dolnośląska S.A. and Autostrada Mazowsze S.A. Stalexport Autostrada Małopolska S.A. (Concession Holder) organizes and supervises motorway investments: resurfacing and repairs. Stalexport Transroute Autostrada S.A is responsible for motorway operation and on behalf of SAM S.A. collects tolls for vehicle passage. Current activities of Stalexport Autostrada Dolnośląska S.A. and Autostrada Mazowsze S.A. concentrate on participation in tender proceedings.

Consolidated revenue on sales generated by motorway activity for 1Q 2010 amounted to TPLN 32,674, increasing over 14% in relation to revenue for 1Q 2009 (TPLN 28,572). This positive variation is mainly the consequence of increase of toll rate since 1 December 2009 as well as the increase of rate for the passage of toll-exempted vehicles effective since 1 July 2009. Due to the fact that in comparison to 2009, in 1Q 2010 the increase of revenue on sales was additionally accompanied by the decrease of cost of sales (mainly due to lower costs of provision for resurfacing recognised), gross sale profit increased by nearly 51%.

Consolidated profit on operating activity attributed to motorway segment amounted to TPLN 12,345 for 1Q 2010, comparing to TPLN 7,823 for 1Q 2009.

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

On 28 March 2008, SAM S.A. concluded a contract with Pavimental S.p.A. involving the repair of 10 bridge facilities situated along the motorway or above it, the repair of surface of traffic lanes and emergency lanes on a distance of approximately 26 km, repair of bituminous surface of two toll collection squares and repair of sidings of two motorway junctions. The value of the contract amounted to TPLN 142,188. In November 2009 works on the first heavy maintenance were principally completed. On 7 January 2010 Taking-over certificate for the second stage of works was issued.

In November 2009 SAM S.A. put Contract F2b-2-2009 "Modernization of motorway dehydration in Balice (km 398+700 – 401+100)" out to tender. In March 2010 the company decided to cancel the tender due to low competition (1 tender offer was submitted) and inadequate contract price offered. The company is going to invite for tenders again in IIQ 2010.

In December 2009 SAM S.A. selected a contractor in a tender for the completion of Contract F2b-1-2009 "Repairs of 22 bridges". The contract was signed with consortium of Pavimental S.p.A. and Pavimental Polska Sp. z o.o. for the total amount of TPLN 130,194. The works will start in 2010 and should be completed by the end of 2012. The contractor is currently in the mobilisation phase.

19. Important events within the Capital Group during the period from 1 January 2010 to 31 March 2010

- On 28 December 2005, a long-term loan agreement was signed by and between Stalexport Autostrada Małopolska S.A. and commercial banks. On 18 January 2010 the company made further drawing in the amount of PLN 20 million.

- As a consequence of Mr. Andrzej Kluba resignation from the position of the President of Autostrada Mazowsze S.A., on 1 February 2010 company's Supervisory Board appointed Wojciech Gębicki for the position of President and Zbigniew Czapla-Nowicki for the position of Vice-President of the Management Board.

- As a consequence of Mr. Andrzej Kluba resignation from the position of the President of Stalexport Autostrada Dolnośląska S.A., on 1 February 2010 company's Supervisory Board appointed Zbigniew Czapla-Nowicki for the position of President and Marek Długajczyk for the position of Vice-President of the Management Board.

- On 2 March 2010 the Supervisory Board of Stalexport Autostrady S.A. decided to appoint for the next three-year term the Management Board consisting of: Emil Wąsacz – President of the Board, Mieczysław Skołożyński – Vice-President of the Board and Wojciech Gębicki – Vice-President of the Board.

- On 5 March 2010 Autostrada Mazowsze S.A., in the consortium with Autostrade per l'Italia S.p.A., Asseco Polska S.A., Asseco Czech Republic A.S. and Fela Management AG, submitted the documents in prequalification stage of the tender proceedings conducted by the General Directorate for National Roads and Motorways ("GDDKiA") to appoint the contractor which will construct the National Electronic Toll Collection System, including activities relating to toll collection. On 26 April 2010 GDDKiA announced that consortium including Autostrada Mazowsze S.A. has been prequalified to tender proceedings. Because of protests lodged, the result of prequalification proceedings is not final.

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

- On 15 March 2010 Stalexport Autostrady S.A. received the amount of TPLN 3,492 as the repayment of tax receivable recognized as the result of the decision of the Provincial Administrative Court in Gliwice dated 24 April 2009, that overruled the decision of the Comptroller of the I Tax Office in Sosnowiec dated 28 March 2008, that determined the excess of input VAT over output VAT for the period of January 2003.

- On 19 March 2010 changes in the Management Board of Stalexport Transroute Autostrada S.A. were introduced. Henri Skiba was appointed for the position of President of the Board (representative of Egis Road Operation) and Mieczysław Skołożyński for the position of Vice-President of the Board (representative of the Group).

- On 29 March 2010 the General Meeting of Stalexport Autostrada Dolnośląska S.A. decided to decrease the share capital by TPLN 30,100.

- On 30 March 2010 the General Meeting of Stalexport Autostrady S.A. was held approving the standalone financial statements of the Company and consolidated financial statements of the Group for 2009.

- On 31 March 2010 Stalexport Transroute Autostrada S.A. paid the first instalment of 2009 dividend of TPLN 3,500, out of which TPLN 1,575 was paid to non-controlling shareholders.

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

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

Shareholder	Number of ordinary shares held	Share in share capital (%)	Number of votes at AGM	Share in total number of votes at AGM (%)
Autostrade per l'Italia S.p.A.	139,059,182	56.24 %	139,059,182	56.24 %
Bank Ochrony Środowiska S.A.	12,810,333	5.18%	12,810,333	5.18%
KIM S.p.A.	12,391,265	5.01 %	12,391,265	5.01 %

On 18 January 2008 Atlantia S.p.A submitted a non-cash contribution to its subsidiary Autostrade per l'Italia S.p.A. seated in Rome, in form of all shares of Stalexport Autostrady S.A. in its possession. As a result of shares acquisition, Autostrade per l'Italia S.p.A. has currently a block of 139,059,182 shares and the same number of votes at the AGM of the Company.

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

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

	Number of shares held at report's issue date	Change since previous report's issue date
Management Board	**78,000**	**-**
Emil Wąsacz	59,000	-
Wojciech Gębicki	19,000	-
Supervisory Board	**10**	**-**
Dario V. Cipriani	10	-

22. Subsequent events

In October 2007, the Office of Competition and Consumer Protection commenced antimonopoly proceedings against Stalexport Autostrada Małopolska S.A. in relation to the suspicion of abuse of dominant position on the market of paid passage of the section of the motorway A-4 Katowice – Kraków, through the imposition of unfair prices for the crossing through the paid section of the motorway in the magnitude as stated in the price list during the time of repairing of this section of the motorway, causing significant hindrance to vehicle traffic, which may constitute an infringement of the art. 9 sect. 2 pt. 1 of the act of law on competition and consumer protection. In response to the summons of the Office, the Group submitted relevant information required in relation to the proceedings in progress, and it issued the necessary explanations.

On 25 April 2008, the Office of Competition and Consumer Protection issued a decision, in which it has been recognized that the Stalexport Autostrada Małopolska S.A. breached the above-mentioned art. 9 sect. 2 pt. 1 of the act of law on competition and consumer protection, simultaneously instructing it to relinquish the practices being the subject matter of the antimonopoly proceedings. The Office of Competition and Consumer Protection imposed on the Group a financial penalty in the amount of TPLN 1,300 payable to the State Treasury. The Group launched an appeal to the Competition and Consumer Protection Court in Warsaw. On 10 May 2010 the abovementioned court issued a sentence upholding the decision of the Office of Competition and Consumer Protection. The Group, after analysis of reasons for the sentence, is going to make an appeal to the Appeal Competition and Consumer Protection Court in Warsaw.

Taking under consideration the abovementioned facts, the Group according to IAS 10 *Events after the reporting period,* recognized in this condensed consolidated interim financial statements a provision of TPLN 1,300 and deferred tax assets of TPLN 247.

STALEXPORT AUTOSTRADY S.A.

CONDENSED SEPARATE
INTERIM FINANCIAL STATEMENTS

for the three-month period ended
31 March 2010

Contents

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

In thousands of PLN, unless stated otherwise	*31 March 2010* 3 months (not audited)	*31 March 2009* 3 months (not audited)
Revenue	737	749
Cost of sales	(823)	(668)
Gross profit/(loss)	**(86)**	**81**
Other income	439	472
Administrative expenses	(2 176)	(1 521)
Other expenses	(60)	(313)
Results from operating activities	**(1 883)**	**(1 281)**
Finance income	3 309	2 436
Finance expenses	(804)	(1 867)
Net finance income/(expense)	**2 505**	**569**
Profit/(loss) before income tax	**622**	**(712)**
Income tax expense	-	-
Profit/(loss) for the period	**622**	**(712)**
Other comprehensive income for the period, net of income tax	**-**	**-**
Total comprehensive income for the period	**622**	**(712)**
Earnings per share		
Basic earnings per share (PLN)	0,00	(0,00)
Diluted earnings per share (PLN)	0,00	(0,00)

II. Condensed separate interim statement of financial position
as at

In thousands of PLN	***31 March 2010*** (not audited)	***31 December 2009***	***31 March 2009*** (not audited)
ASSETS			
Non-current assets			
Property, plant and equipment	1 459	1 510	1 513
Intangible assets	243	260	257
Prepaid perpetual usufruct of land	116	116	116
Investment property	4 242	4 318	4 533
Investments in subsidiaries and associates	53 580	53 580	46 936
Other long-term investments	2 600	2 600	-
Non-current receivables	-	-	33 459
Total non-current assets	**62 240**	**62 384**	**86 814**
Current assets			
Short-term investments	56 148	54 649	84 345
Trade and other receivables	50 755	52 886	19 006
Cash and cash equivalents	88 829	91 299	74 655
Total current assets	**195 732**	**198 834**	**178 006**
Total assets	**257 972**	**261 218**	**264 820**

Condensed separate interim statement of financial position
as at

In thousands of PLN	***31 March 2010*** (not audited)	***31 December 2009***	***31 March 2009*** (not audited)
EQUITY AND LIABILITIES			
Equity			
Share capital	494 524	494 524	494 524
Share capital revaluation adjustment	18 235	18 235	18 235
Treasury shares	(20)	(20)	(20)
Share premium reserve	20 916	20 916	20 916
Fair value reserve	(2 893)	(2 893)	(1 718)
Uncovered losses	(338 106)	(338 728)	(344 862)
Total equity	**192 656**	**192 034**	**187 075**
Liabilities			
Non-current liabilities			
Employee benefits	390	390	461
Other non-current liabilities	43 308	46 556	56 301
Total non-current liabilities	**43 698**	**46 946**	**56 762**
Current liabilities			
Loans and borrowings	6 348	6 315	6 211
Trade and other payables	15 121	15 547	14 691
Employee benefits	96	269	81
Provisions	53	107	-
Total current liabilities	**21 618**	**22 238**	**20 983**
Total liabilities	**65 316**	**69 184**	**77 745**
Total equity and liabilities	**257 972**	**261 218**	**264 820**

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

In thousands of PLN	*31 March 2010* 3 months (not audited)	*31 March 2009* 3 months (not audited)
Cash flows from operating activities		
Profit/(loss) before income tax	**622**	**(712)**
Adjustments for		
Depreciation and amortisation	152	145
(Profit)/loss on foreign exchange differences	-	(78)
(Profit)/loss on investment activity	(1 499)	658
(Gain)/loss on sale of property, plant and equipment and intangible assets	-	131
Interest and dividends	(1 076)	(1 116)
Change in trade and other receivables	2 131	333
Change in trade and other payables	(3 847)	(3 918)
Change in provisions	(54)	-
Net cash from operating activities	**(3 571)**	**(4 557)**
Cash flows from investing activities		
Investment proceeds	**1 136**	**1 193**
Dividends received	2	-
Interest received	1 134	1 193
Investment expenditures	**(8)**	**(10 816)**
Acquisition of intangible assets and property, plant and equipment	(8)	(216)
Acquisition of financial assets	-	(10 000)
Other expenditures	-	(600)
Net cash from investing activities	**1 128**	**(9 623)**
Cash flows from financing activities		
Financial proceeds	**-**	**-**
Financial expenditures	**(27)**	**(90)**
Interest paid	(27)	(90)
Net cash from (used in) financing activities	**(27)**	**(90)**
Net increase in cash and cash equivalents	**(2 470)**	**(14 270)**
Change in cash as in statement of financial position	**(2 470)**	**(14 270)**
Cash and cash equivalents net of bank overdraft at the beginning of the period	**91 299**	**88 925**
Cash and cash equivalents net of bank overdraft at the end of the period	**88 829**	**74 655**
Restricted cash and cash equivalents	29	42

IV. Condensed separate interim statement of changes in equity

In thousands of PLN

(not audited)	Share capital	Share capital revaluation adjustment	Treasury shares	Share premium reserve	Fair value reserve	Uncovered losses	Total equity
As at 1 January 2009	**494 524**	**18 235**	**(20)**	**20 916**	**(1 718)**	**(344 150)**	**187 787**
Profit/(loss) for the period	-	-	-	-	-	*(712)*	*(712)*
Other comprehensive income for the period, net of income tax	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	*(712)*	*(712)*
As at 31 March 2009	**494 524**	**18 235**	**(20)**	**20 916**	**(1 718)**	**(344 862)**	**187 075**

	Share capital	Share capital revaluation adjustment	Treasury shares	Share premium reserve	Fair value reserve	Uncovered losses	Total equity
As at 1 January 2009	**494 524**	**18 235**	**(20)**	**20 916**	**(1 718)**	**(344 150)**	**187 787**
Profit/(loss) for the period	-	-	-	-	-	*5 422*	*5 422*
Other comprehensive income for the period, net of income tax	-	-	-	-	*(1 175)*	-	*(1 175)*
Net change in fair value of available-for-sale financial assets	-	-	-	-	(1 175)	-	**(1 175)**
Total comprehensive income for the period	-	-	-	-	*(1 175)*	*5 422*	*4 247*
As at 31 December 2009	**494 524**	**18 235**	**(20)**	**20 916**	**(2 893)**	**(338 728)**	**192 034**

(not audited)	Share capital	Share capital revaluation adjustment	Treasury shares	Share premium reserve	Fair value reserve	Uncovered losses	Total equity
As at 1 January 2010	**494 524**	**18 235**	**(20)**	**20 916**	**(2 893)**	**(338 728)**	**192 034**
Profit/(loss) for the period	-	-	-	-	-	*622*	*622*
Other comprehensive income for the period, net of income tax	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	*622*	*622*
As at 31 March 2010	**494 524**	**18 235**	**(20)**	**20 916**	**(2 893)**	**(338 106)**	**192 656**

Notes to the condensed separate interim financial statements

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

V. Notes to the condensed separate interim financial statements

1. Accounting principles

Except for changes described in the notes to condensed consolidated interim financial statements of Stalexport Autostrady S.A Capital Group, the Company applied accounting principles identical to the ones used for preparation of financial statements for the year ended 31 December 2009. The condensed separate interim financial statements should be analyzed together with condensed consolidated interim financial statements prepared for the three-month period ended 31 March 2010.

2. Investments in subsidiaries and associates

Investments in subsidiaries, associates and jointly controlled entities relate to the following companies:

	Cost	Impairment loss	Carrying amount	Ownership
31 March 2010				
Stalexport Autostrada Dolnośląska S.A.	40 102	(16 586)	23 516	100,00%
Petrostal S.A. w likwidacji	1 727	(1 727)	-	100,00%
Stalexport Wielkopolska Sp. z o.o. w upadłości	12 072	(12 072)	-	97,96%
Stalexport Autoroute S.a r.l	29 886	-	29 886	100,00%
Biuro Centrum Sp. z o.o.	62	-	62	74,38%
Autostrada Mazowsze S.A.	199	(83)	116	30,00%
Total	**84 048**	**(30 468)**	**53 580**	
31 December 2009				
Stalexport Autostrada Dolnośląska S.A.	40 102	(16 586)	23 516	100,00%
Petrostal S.A. w likwidacji	1 727	(1 727)	-	100,00%
Stalexport Wielkopolska Sp. z o.o. w upadłości	12 072	(12 072)	-	97,96%
Stalexport Autoroute S.a r.l	29 886	-	29 886	100,00%
Biuro Centrum Sp. z o.o.	62	-	62	74,38%
Autostrada Mazowsze S.A.	199	(83)	116	30,00%
Total	**84 048**	**(30 468)**	**53 580**	
31 March 2009				
Stalexport Autostrada Dolnośląska S.A.	28 075	(11 087)	16 988	100,00%
Petrostal S.A. w likwidacji	1 727	(1 727)	-	100,00%
Stalexport Wielkopolska Sp. z o.o. w upadłości	12 072	(12 072)	-	97,96%
Stalexport Autoroute S.a r.l	29 886	-	29 886	100,00%
Biuro Centrum Sp. z o.o.	62	-	62	74,38%
Total	**71 822**	**(24 886)**	**46 936**	

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
31 March 2010						
Grupa Kapitałowa Stalexport Autostrada Dolnośląska S.A.	100,00%	24 341	2	24 339	-	140
Stalexport Autoroute S.a r.l	100,00%	187 918	11	187 907	-	1 928
Biuro Centrum Sp. z o.o.	74,38%	1 591	1 015	576	2 672	53
Autostrada Mazowsze S.A.	30,00%	1 162	874	288	-	(98)
Total		**215 012**	**1 902**	**213 110**	**2 672**	**2 023**
31 December 2009						
Grupa Kapitałowa Stalexport Autostrada Dolnośląska S.A.	100,00%	24 237	38	24 199	801	(2 708)
Stalexport Autoroute S.a r.l	100,00%	197 909	30	197 879	-	4 521
Biuro Centrum Sp. z o.o.	74,38%	1 353	815	538	9 246	(83)
Autostrada Mazowsze S.A.	30,00%	1 212	826	386	-	(3 937)
Total		**224 711**	**1 709**	**223 002**	**10 047**	**(2 207)**
31 March 2009						
Grupa Kapitałowa Stalexport Autostrada Dolnośląska S.A.	100,00%	14 232	686	13 546	106	(1 334)
Stalexport Autoroute S.a r.l	100,00%	226 177	1	226 176	-	(76)
Biuro Centrum Sp. z o.o.	74,38%	2 058	1 441	617	2 306	(3)
Total		**242 467**	**2 128**	**240 339**	**2 412**	**(1 413)**

3. Deferred tax

Considering the uncertainty of utilization of negative temporary differences and outstanding tax losses carried forward in the foreseeable future, the Company has not identified net deferred assets neither as at 31 March 2010 nor at 31 December 2009 and 31 March 2009.

4. Allowances for current receivables

Trade and other receivables are presented net of allowances for doubtful debts amounting to TPLN 114,492 (31 December 2009: TPLN 114,531, 31 March 2009: TPLN 135,923).

Change in allowances for bad debt was as follows:

	I Q 2010	I Q 2009
Allowances for bad debts as at 1 January	(114 531)	(136 366)
Created allowances	(14)	(10)
Reversed allowances	51	453
Utilised allowances	2	-
Allowances for bad debts as at 31 March	**(114 492)**	**(135 923)**

The allowances for doubtful debts within trade receivables were recognized due to expected difficulties with collection of amounts due from some customers. The allowances for other receivables concern mainly receivables arisen as a result of loans guarantees granted to entities which were not able to settle their liabilities.

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