STALEXPORT AUTOSTRADY S.A.

UNCONSOLIDATED FINANCIAL STATEMENTS

as at the day and for the year ended
31 December 2008

Explanation
This document constitutes a translation of the financial statements of the entity named above. The original financial statements and the report of the independent auditor 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.

Contents

Unconsolidated profit and loss account

For the year ended

In thousands of PLN	*Note*	*31 December 2008*	*31 December 2007*	
			Continued operations	Discontinued operations
Revenue on sales		3 270	2 017	338 168
Cost of sales	7	(2 505)	(2 208)	(327 080)
Gross sale profit/(loss)		**765**	**(191)**	**11 088**
Other income	8	13 144	6 915	883
Distribution expenses	7	-	-	(7 921)
General administrative expenses	7	(8 171)	(13 288)	(13 915)
Other expenses	9	(698)	(612)	(2 183)
Profit/(loss) from operating activities		**5 040**	**(7 176)**	**(12 048)**
Loss on disposal of discontinued activity		**-**	**-**	**(19 839)**
Financial income		13 084	56 767	1 333
Financial expenses		(12 864)	(10 204)	(1 642)
Net financial income/expenses	10	**220**	**46 563**	**(309)**
Profit/(loss) before tax		**5 260**	**39 387**	**(32 196)**
Income tax	11	-	-	-
Profit/(loss) for the period		**5 260**	**39 387**	**(32 196)**
Earnings per share	22			
Basic earnings per share (PLN)		0,02	0,19	(0,15)
Diluted earnings per share (PLN)		0,02	0,19	(0,15)
Earnings per share (total continued and discontinued operations)				
Basic earnings per share (PLN)		0,02	0,04	
Diluted earnings per share (PLN)		0,02	0,04	

The unconsolidated profit and loss account should be analyzed together with the additional information, which constitutes integral part of the unconsolidated financial statements

Unconsolidated balance sheet

As at

In thousands of PLN	*Note*	*31 December 2008*	*31 December 2007*
ASSETS			
Non-current assets			
Property, plant and equipment	12	1 639	1 787
Intangible assets	13	183	5
Prepaid perpetual usufruct of land		116	116
Investment property	14	4 609	4 677
Investments in subsidiaries and associates	15	46 936	50 476
Long-term receivables	32	32 682	34 009
Total non-current assets		**86 165**	**91 070**
Current assets			
Inventories		-	50
Short-term investments	16	74 325	58 577
Trade and other receivables	19	20 116	151 066
Cash and cash equivalents	20	88 926	9 845
Total current assets		**183 367**	**219 538**
Total assets		**269 532**	**310 608**

Unconsolidated balance sheet

As at

In thousands of PLN	*Note*	*31 December 2008*	*31 December 2007*
EQUITY AND LIABILITIES			
Equity	21		
Issued share capital		494 524	494 524
Share capital revaluation adjustment		18 235	18 235
Treasury shares		(20)	(19)
Share premium reserve		20 916	20 916
Valuation of available-for-sale financial assets reserve	21b	(1 718)	-
Retained earnings and uncovered losses		(344 150)	(349 410)
Total equity		**187 787**	**184 246**
Liabilities			
Non-current liabilities			
Employee benefits liabilities	24	461	373
Other long-term liabilities	25	59 549	72 541
Long-term provisions	26	-	5
Total non-current liabilities		**60 010**	**72 919**
Current liabilities			
Loans and borrowings	23	6 225	10 608
Finance lease liabilities		-	126
Trade and other payables	27	15 429	42 641
Employee benefits liabilities	24	81	68
Total current liabilities		**21 735**	**53 443**
Total liabilities		**81 745**	**126 362**
Total equity and liabilities		**269 532**	**310 608**

Unconsolidated statement of cash flows

For the year ended

In thousands of PLN	*Note*	*31 December 2008*	*31 December 2007*
Cash flows from operating activities			
Profit / (Loss) before tax		**5 260**	**7 191**
Adjustments for:			
Depreciation	7	600	601
Profit/(loss) on investment activity		2 991	(2 833)
Profit/(loss) on sale of property, plant and equipment	8	(152)	109
Interest and dividends		(9 495)	(4 396)
Loss on disposal of discontinued activity		-	19 839
Change in receivables		(6 449)	42 746
Change in inventories		50	(14 585)
Change in trade and other payables		(40 147)	(85 394)
Change in provisions		(5)	(92 741)
Change in deferred income and government grants		-	(316)
Other adjustments		-	(70)
Net cash from operating activities		**(47 347)**	**(129 849)**

Unconsolidated statement of cash flows

For the year ended

In thousands of PLN	*Note*	*31 December 2008*	*31 December 2007*
Cash flows from investing activities			
Investment proceeds		**149 032**	**19 307**
Sale of intangible assets and property, plant and equipment		178	91
Sale of discontinued activity		138 700	11 182
Dividends received		4 408	3 613
Interest received		5 723	3 801
Disposal of financial assets		23	620
Investment expenditures		**(17 585)**	**(56 152)**
Acquisition of intangible assets and property, plant and equipment		(645)	(5 474)
Acquisition of financial assets		(15 000)	(50 678)
Other expenditure		(1 940)	-
Net cash from investing activities		**131 447**	**(36 845)**
Cash flows from financing activities			
Financial proceeds		**-**	**199 985**
Net proceeds from shares issue		-	199 985
Financial expenditures		**(5 020)**	**(47 711)**
Repayment of loans and borrowings		(4 240)	(43 490)
Interest paid		(780)	(4 221)
Net cash from financing activities		**(5 020)**	**152 274**
Net increase/decrease in cash and cash equivalents		**79 080**	**(14 420)**
Balance sheet change in cash		**79 080**	**(14 420)**
Cash and cash equivalents net of bank overdraft, at 1 January		**9 845**	**24 265**
Cash and cash equivalents net of bank overdraft, at 31 December, including:	20	**88 925**	**9 845**
Restricted cash and cash equivalents		51	31

The unconsolidated statement of cash flows should be analyzed together with the additional information, which constitutes integral part of the unconsolidated financial statements

Unconsolidated statement of changes in equity

In thousands of PLN

	Note	Issued share capital	Share capital revaluation adjustment	Treasury shares	Share premium reserve	Valuation of available-for-sale financial assets reserve	Other reserve capitals and supplementary capital	Retained earnings and uncovered losses	Total equity
As at 1 January 2007		**315 524**	**18 235**	**(21)**	**2 887**	**-**	**43**	**(359 531)**	**(22 863)**
Profit/loss for the period		-	-	-	-	-	-	7 191	**7 191**
Total profits/(losses) recognised in the period		-	-	-	-	-	-	***7 191***	***7 191***
Issue of share capital	21a	179 000	-	-	20 985	-	-	**-**	**199 985**
Loss coverage		-	-	-	(2 887)	-	(43)	2 930	**-**
Other		-	-	2	(69)	-	-	-	**(67)**
As at 31 December 2007		**494 524**	**18 235**	**(19)**	**20 916**	**-**	**-**	**(349 410)**	**184 246**

	Note	Issued share capital	Share capital revaluation adjustment	Treasury shares	Share premium reserve	Valuation of available-for-sale financial assets reserve	Other reserve capitals and supplementary capital	Retained earnings and uncovered losses	Total equity
As at 1 January 2008		**494 524**	**18 235**	**(19)**	**20 916**	**-**	**-**	**(349 410)**	**184 246**
Profit/loss for the period		-	-	-	-	-	-	5 260	**5 260**
Valuation of available-for-sale financial assets	21b	-	-	-	-	(1 718)	-	-	**(1 718)**
Total profits/(losses) recognised directly in equity		-	-	-	-	***(1 718)***	-	-	***(1 718)***
Total profits/(losses) recognised in the period		-	-	-	-	***(1 718)***	-	***5 260***	***3 542***
Other		-	-	(1)	-	-	-	-	**(1)**
As at 31 December 2008		**494 524**	**18 235**	**(20)**	**20 916**	**(1 718)**	**-**	**(344 150)**	**187 787**

Additional information to the unconsolidated financial statements
(all amounts in PLN thousand (TPLN), unless stated otherwise)

1. Company 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.

Till 30 August 2007 the Company's name was Stalexport S.A..

As at 31 December 2008 the Company's business activity includes management and business advisory and also rental of office space.

The Company is a parent entity of Stalexport Autostrady S.A. Capital Group and prepares consolidated financial statements.

The Company is a part of the Capital Group Atlantia S. p. A. (Italy) and it is included within the consolidated financial statements drawn up by the parent company of the highest level Atlantia S. p. A.

2. Basis of preparation of unconsolidated financial statements

Statement of compliance

The unconsolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (IFRS EU) and other regulations in force.

The Company prepares also the consolidated financial statements drawn up in accordance with IFRS EU.

The unconsolidated financial statements were approved by the Management Board of the Company on 12 March 2009.

IFRS EU contain all International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) as well as related Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) except for the below listed Standards and Interpretations which are awaiting approval of the European Union as well as those Standards and Interpretations which have been approved by the European Union but are not yet effective.

Basis of valuation

The unconsolidated 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.

Functional and presentation currency

The unconsolidated financial statements are presented in Polish zloty, being the functional currency and presentation currency of the Company, rounded to full thousands.

New standards and interpretations

The Company did not take the opportunity of earlier application of new Standards and Interpretations which have been published and approved by the European Union and which will come into effect after the balance sheet date. Moreover, at the balance sheet date the Company had not completed the process of assessing the impact of the new standards and interpretations, which will come into effect after the balance sheet date, on the unconsolidated financial statements of the Company for the period in which they will be applied for the first time.

Additional information to the unconsolidated financial statements
(all amounts in PLN thousand (TPLN), unless stated otherwise)

Standards and Interpretations approved or awaiting approval by the European Union	**Effective date**
Standards and Interpretations approved by the European Union	
Amendment to IFRS 2 *Share-based Payment* The amendments to the Standard clarify the definition of vesting conditions and introduce the concept of non-vesting conditions. Non-vesting conditions are to be reflected in grant-date fair value and failure to meet non-vesting conditions will generally result in treatment as a cancellation.	1 January 2009
IFRS 8 *Operating Segments* The Standard introduces the "management approach" to segment reporting and requires segment disclosure based on the components of the entity that management monitors in making decisions about operating matters. Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the Group's Chief Operating Decision Maker in deciding how to allocate resources and in assessing performance.	1 January 2009
Revised IAS 1 *Presentation of Financial Statements* The revised Standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. Items of income and expense and components of other comprehensive income may be presented either in a single statement of comprehensive income (effectively combining the income statement and all non-owner changes in equity in a single statement), or in two separate statements (a separate income statement followed by a statement of comprehensive income).	1 January 2009
Revised IAS 23 *Borrowing Costs* The revised Standard removes the option to expense borrowing costs and requires the capitalization of borrowing costs that relate to qualifying assets (those that take a substantial period of time to get ready for use or sale).	1 January 2009
Amendments to IAS 27 *Consolidated and Separate Financial Statements* The amendments remove the definition of "cost method" currently set out in IAS 27, and instead require all dividends from a subsidiary, jointly controlled entity or associate to be recognised as income in the separate financial statements of the investor when the right to receive the dividend is established. In addition, the amendments provide guidance when the receipt of dividend income is deemed to be an indicator of impairment.	1 January 2009
Amendments to IAS 32 *Financial Instruments: Presentation*, and IAS 1 *Presentation of Financial Statements* The amendments introduce an exemption to the principle otherwise applied in IAS 32 for the classification of instruments as equity; the amendments allow certain puttable instruments issued by an entity that would normally be classified as liabilities to be classified as equity if, and only if, they meet certain conditions.	1 January 2009
IFRIC 13 *Customer Loyalty Programmes* The Interpretation explains how entities that grant loyalty award credits to customers who buy goods or services should account for their obligations to provide free or discounted goods or services ('awards') to customers who redeem those award credits. Such entities are required to allocate some of the proceeds of the initial sale to the award credits and recognise these proceeds as revenue only when they have fulfilled their obligations.	1 July 2008

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

Improvements to IFRS 2008 Improvements to IFRS 2008 introduce 35 changes and are divided into two parts: - Part I introduces 24 changes of 15 standards that result in changes for presentation, recognition and measurements purposes; - Part II introduces 11 changes to 9 standards that are terminology and editorial changes.	1 January 2009 except changes to IFRS 5 *Non-current Assets Held for Sale* – where the effective date is 1 July 2009

Standards and Interpretations awaiting approval by the European Union	
Revised IFRS 1 *First Time Adoption of IFRS* The revised version restructures the format of the IFRS without changing the standard's technical content. The revised version moves the exemptions and exceptions contained in the main body of the standard to different appendices.	1 January 2009
Revised IFRS 3 *Business Combinations* The scope of the revised Standard has been amended and the definition of a business has been expanded. The revised Standard also includes a number of other potentially significant changes including: - All items of consideration transferred by the acquirer are recognised and measured at fair value as of the acquisition date, including contingent consideration. - Subsequent change in contingent consideration will be recognized in profit or loss. - Transaction costs, other than share and debt issuance costs, will be expensed as incurred. - The acquirer can elect to measure any non-controlling interest at fair value at the acquisition date (full goodwill), or at its proportionate interest in the fair value of the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.	1 July 2009
Revised IAS 27 *Consolidated and Separate Financial Statements* In the revised Standard the term minority interest has been replaced by non-controlling interest, and is defined as "the equity in a subsidiary not attributable, directly or indirectly, to a parent". The revised Standard also amends the accounting for non-controlling interest, the loss of control of a subsidiary, and the allocation of profit or loss and other comprehensive income between the controlling and non-controlling interest.	1 July 2009
Amendment to IAS 39 *Financial Instruments: Recognition and Measurement* The amended Standard clarifies the application of existing principles that determine whether specific risks or portions of cash flows are eligible for designation in a hedging relationship. In designating a hedging relationship the risks or portions must be separately identifiable and reliably measurable; however inflation cannot be designated, except in limited circumstances.	1 July 2009

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

Amendment to IAS 39 *Reclassification of Financial Assets: Effective Date and Transition* The amendment clarifies the effective date when reclassification of non-derivative financial assets out of the fair value through profit and loss or out of available-for-sale categories is permitted (applies to reclassifications in circumstances allowed by amendments to IAS 39 issued on 27 November 2008). The amendments described above are applicable on or after 1 July 2008 and no reclassification shall be applied retrospectively. Any reclassification made on or after 1 November 2008 shall take effect only from the date when the reclassification is made and hence may not be applied retrospectively.	1 July 2008
IFRIC 12 *Service Concession Arrangements* The Interpretation provides guidance to private sector entities on certain recognition and measurement with respect to accounting for public-to-private service concession arrangements.	1 January 2008*
IFRIC 15 *Agreements for the Construction of Real Estate* IFRIC 15 clarifies that revenue arising from agreements for the construction of real estate is recognised by reference to the stage of completion of the contract activity in the following cases: - the agreement meets the definition of a construction contract in accordance with IAS 11.3; - the agreement is only for the rendering of services in accordance with IAS 18 (e.g., the entity is not required to supply construction materials); and - the agreement is for the sale of goods but the revenue recognition criteria of IAS 18.14 are met continuously as construction progresses. In all other cases, revenue is recognised when all of the revenue recognition criteria of IAS 18.14 are satisfied (e.g., upon completion of construction or upon delivery).	1 January 2009
IFRIC 16 *Hedges of a Net Investment in a Foreign Operation* The Interpretation explains the type of exposure that may be hedged, where in the group the hedged item may be held, whether the method of consolidation affects hedge effectiveness, the form the hedged instrument may take and which amounts are reclassified from equity to profit or loss on disposal of the foreign operation.	1 October 2008
IFRIC 17 *Distributions of Non-cash Assets to Owners* The Interpretation applies to non-reciprocal distributions of non-cash assets to owners acting in their capacity as owners. In accordance with the Interpretation a liability to pay a dividend shall be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity and shall be measured at the fair value of the assets to be distributed. The carrying amount of the dividend payable shall be remeasured at each reporting date, with any changes in the carrying amount recognised in equity as adjustments to the amount of the distribution. When the dividend payable is settled the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the dividend payable shall be recognised in profit or loss.	1 July 2009

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

IFRIC 18 *Transfers of Assets from Customers* The Interpretation applies to agreements in which an entity receives an item of property, plant and equipment from a customer that the entity must use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods and services, or to do both. This Interpretation also applies to agreements in which the entity receives cash from customer when that amount of cash must be used only to construct or acquire an item of property. The entity that received a contribution within the scope of the interpretation recognises this item as an asset if it determines that the transferred item meets the definition of an asset. The corresponding amount will be recognised as revenue. The exact timing of the revenue recognition will depend on the facts and circumstances of each particular arrangement.	1 July 2009

*During the endorsement procedure the effective date might be subject to change.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS EU 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 Company. 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 ongoing basis. Revisions to 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 while applying IFRS EU, which had significant impact on unconsolidated financial statements, have been discussed in notes 15, 17, 18, 19, 24, 28 and 31.

3. Going concern

The unconsolidated financial statements have been prepared under the assumption that the Company will continue to operate as a going concern for the foreseeable future.

4. Description of significant accounting principles

The accounting principles set out below have been applied consistently to all periods presented in the unconsolidated financial statements.

4.1. *Foreign currency transactions*

Transactions in foreign currencies on the day of transaction are translated into Polish zloty at the National Bank of Poland average exchange rate for particular currency at the transaction date. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the average NBP rate at that date. Foreign exchange differences arising on settlement of foreign transactions or balance sheet translation are recognized in the profit and loss account. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated at the average NBP rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at the average NBP rate at the date the fair value was determined.

4.2. *Property, plant and equipment*

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see point 4.12).

The cost includes the purchase price of the assets and costs directly related to the purchase and completion of the asset, so that it can be available for use, including the transport, loading, unloading and storing costs. Rebates, discounts and other similar reductions decrease the cost. The construction cost of property, plant and equipment or assets under construction includes total cost incurred by the entity in the period of their construction, assembly, adjustment and modernization till the date of their transfer to use (or up to the balance sheet date, if the asset was not transferred to use before this date). The construction cost also includes preliminary estimates of the cost of dismantling and removing the components of tangible fixed assets and the restoration cost. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. Borrowing costs related to the purchase of the asset are recognised an expense in the period in which they are incurred.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Reclassification to investment property

Property that is being constructed for future use as investment property is accounted for as property, plant and equipment and stated at cost until construction or development is complete, at which time it is reclassified as investment property.

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property.

Subsequent expenditures

The Company recognizes in the carrying amount of an item of property, plant and equipment, the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Company and the cost can be measured reliably. All other expenditures are recognized in the income statement as an expense as incurred.

Depreciation

Items of property, plant and equipment, relatively their significant and separate components, are depreciated on a straight – line basis over their estimated useful lives, considering residual values. Land is not depreciated.

The estimated useful lives are as follows:

Buildings	40 years
Machinery and equipment	5-12 years
Vehicles	5-10 years
Other	1-5 years

The useful lives, depreciation methods and residual values (if significant) are reassessed annually.

4.3. *Intangible assets*

Intangible assets that are acquired by the Company are stated at cost less accumulated depreciation and impairment losses (see point 4.12).

Subsequent expenditures

Subsequent expenditures on capitalized intangible assets are capitalized only when they increase the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in the income statement as incurred.

Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. The estimated useful lives are as follows:

- intellectual property rights — up to 5 years
- computer software — up to 5 years
- licenses — from 2 to 5 years

4.4. *Investment property*

Investment property is property held either to earn rental income or for capital appreciation or for both. Investment property is measured at are stated at cost less accumulated depreciation and impairment losses (see point 4.12).

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of investment property, considering residual values. The Company assumed 40-year period of economic useful life for the part of the building classified as investment property.

4.5. *Leased assets*

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases.
Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. If it is not certain that at the conclusion of the lease agreement the ownership of the leased assets will be transferred to the Company, the assets are depreciated over the shorter of period of the lease and economic useful life of the assets.

Minimum lease payments made under finance leases are apportioned between reduction of the outstanding liability and the finance expense. The finance charge is allocated to each period during the lease term via effective interest rate method.

Other leases which are not classified as finance lease contracts are treated as operating lease.

4.6. *Perpetual usufruct of land*

The Company classifies perpetual usufruct of land as operating lease. The prepayments for perpetual usufruct of land are disclosed separately on the face of the balance sheet. The prepayments for perpetual usufruct are expensed to income statement during the period of lease.

4.7. *Investments in subsidiaries and associates*

Investments in subsidiaries and associates are measured at cost less impairment losses (see point 4.12).

4.8. *Long and short term receivables*

Long and short term receivables are non-derivative financial assets and financial assets not quoted in an active market with fixed or determinable payments. They are initially recognized at fair value and are subsequently measured at amortized cost less impairment losses (see point 4.12).

4.9. *Inventories*

Inventories are stated at the lower of cost and net realizable value. The cost of inventories is determined based on the first in, first out principle. The costs include expenditure incurred in acquiring the inventories and their adoption for use or sales. In the case of finished goods and work in progress, costs include an appropriate share of overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

4.10. *Non-current assets held for sale*

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Company’s accounting policies. Thereafter, as at the day of initial classification as held for sale, the assets (or disposal group) are measured at the lower of their carrying amount or fair value less cost to sell.

4.11. *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and short-term bank deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company’s cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

4.12. *Impairment*

Financial assets

Financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit and loss account. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit and loss account.
An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For available-for-sale financial assets that are equity securities, the reversal is not recognised directly in profit and loss account. If the fair value of available-for-sale financial assets that are debt securities increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, the reversal of previously recognised impairment loss is recognised in profit and loss account.

Non-financial assets

The carrying amounts of the Company’s non-financial assets, other than investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset’s recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit and loss account. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In case of assets, which do not generate independent cash flows, value in use is estimated for the smallest identifiable cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Non-current assets held for sale

An impairment loss in respect of disposal group is allocated to assets on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, which continue to be measured in accordance with the Company's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit and loss account. Gains are not recognised in excess of any cumulative impairment loss.

4.13. *Equity*

Since November 1993 until December 1996 the Company operated in a hyperinflationary economy. IAS 29 *Financial Reporting in Hyperinflationary Economies* requires restatement of each element of share capital (apart from undistributed profit and revaluation reserves) applying general price index. Retrospective application of IAS 29 influenced the increase of share capital revaluation in correspondence with the decrease in retained earnings.

Ordinary shares

Incremental costs directly attributable to issue of ordinary shares are recognised as a deduction from equity.

Repurchase of treasury shares

When treasury shares are bought, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity.

4.14. *Employee benefits*

Retirement awards

The Company in accordance with Labour Code and Company's remuneration rules is obliged to payment of retirement awards.
The Company's obligation resulting from retirement awards is measured by estimation of future salary of a given employee for the period in which an employee will reach retirement age and by estimation of future retirement award. Retirement awards are discounted using market Treasury bond return rate at the balance sheet date. The retirement award obligation is recognized proportionally to the projected length of service of a given employee. Disclosing liability due to retirement awards, the Company discloses total actuarial profits or losses as income or costs in profit and loss account, within the period in which they were indentified.

Jubilee bonuses

The Company offers its employees jubilee bonuses which depends on the current length of service of a given employee and an employee's salary at the vesting moment.

The Company's obligation resulting from jubilee bonuses is measured by estimation of future salary of a given employee for the period in which an employee will become entitled to a particular jubilee bonus and by estimation of future jubilee bonus. Jubilee bonuses are discounted using market Treasury bond return rate at the balance sheet date. Disclosing liability due to jubilee bonuses, the Company discloses total actuarial profits or losses as income or costs in profit and loss account, within the period in which they were indentified.
Staff rotation is estimated on the basis of historical data and forecasts on level of employment in the future.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

4.15. *Provisions*

A provision is recognized in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risk specific to the liability.

4.16. *Trade and other payables*

Trade and other payables are initially recognized at fair value and subsequently measured at amortized cost. Current liabilities are not discounted.

4.17. *Interest-bearing bank loans and borrowings*

Interest–bearing loans and borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost on an effective interest basis.

4.18. *Revenue*

Goods sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Revenue from the sale of goods is recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods, or continuing Company involvement with the goods.

Rental income

Rental income from investment property is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

4.19. *Lease payments*

Payments made under operating leases are recognised in profit and loss statement on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between reduction of the outstanding liability and the finance expense. The finance charge is allocated to each period during the lease term via effective interest rate method.

4.20. *Financial income and expenses*

Financial income comprises interest income on funds invested by the Company, dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit and loss account, foreign currency gains, and gains on hedging instruments that are recognised in profit and loss account. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Company's right to receive payment is established.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, foreign currency losses, changes in the fair value of financial assets at fair value through profit and loss account, impairment losses recognised on financial assets, and losses on hedging instruments that are recognised in profit and loss account. All borrowing costs are recognised in profit and loss account using the effective interest method.

4.21. *Income tax*

Income tax expense comprises current and deferred tax. Income tax is recognised in profit and loss account except to the extent that it relates to items recognised directly in equity. In the latter case it is recognised in equity.

Current tax is the expected tax payable on the taxable income of the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized. These reductions are reversed when it is probable that sufficient taxable profits will be available.

Considering the uncertainty of realization 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 December 2008 nor at 31 December 2007.

4.22. *Discontinued operations*

A discontinued operation is a component of the Company's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively for future resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is restated as if the operation had been discontinued from the start of the comparative period.

4.23. *Earnings per share (EPS)*

In preparation of unconsolidated financial statements basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding at the reporting date. There were no factors that would result in dilution of earnings per share.

4.24. *Financial instruments*

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value, except for investments valued at their fair value through profit and loss account, increased by any directly attributable transaction costs.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Held-to-maturity financial assets

Held-to-maturity financial assets include assets with fixed or determinable payments and fixed maturities that the Company has the positive intention and ability to hold to maturity. Held-to-maturity financial assets are valued at amortized cost calculated using the effective interest rate method.

Assets in this category are recognized as non-current assets, if the realization date exceeds 12 months from the balance sheet date.

Financial assets measured at their fair value through profit and loss account

Financial assets acquired for the purpose of generating a profit from short-term price fluctuations are classified as financial assets measured at fair value through profit and loss account. They are valued at fair value, without transaction costs, and with the consideration of the market value as at balance sheet date. Changes in fair value are recognized in the income statement.

Assets in this category are classified as current assets, if the management of the Company has the positive intention to realize them within 12 months of the balance sheet date.

Available-for-sale financial assets

All remaining financial assets, which have not been classified as loans and receivables are considered available-for-sale financial assets.

Available-for-sale financial assets are valued at fair value without transaction costs, considering the market value as at balance sheet date. If the financial assets are not listed on a stock exchange and if there are no alternative ways to verify their fair value, available-for-sale financial assets are valued at costs less any impairment loss.

Gains or losses, except for impairment losses, , if there is a market price established by the regulated market or for which the fair value may be established in a reliable way, are recognized directly in equity. A decline in the value of the available-for-sale financial assets resulting from impairment loss is recognized in profit and loss account as a financial cost

Loans and receivables

Subsequent to initial recognition, loans and receivables are valued at amortized cost.

Derivative financial instruments

Derivative financial instruments are recognized initially at fair value; attributable transaction costs are recognized in profit and loss account when incurred. Subsequent to initial recognition, derivatives are valued at fair value and changes therein are recognized immediately in income statement. The fair value of forward contracts, is defined on the basis of market quotations at the balance sheet date.

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

5. Segment reporting

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

Business segments

Company's business activity includes management and business advisory and also rental of office space.

As the result of Company's reorganisation, starting from the fourth quarter of 2007, the Company is no longer active in the following segments: trade activity in steel goods branch, production of steel structures and other activities.

Business segments results

For the year ended 31 December 2008

	Management, advisory and rental services
I. Operating revenues	
Revenue from external customers	**3 270**
Total revenue	**3 270**
II. Operating expenses	
Cost of sales to external customers	**(2 505)**
Total cost of sales	**(2 505)**
Other income	**13 144**
Other expenses	**(698)**
General administrative expenses	**(8 171)**
III. Segment result	**5 040**
IV. Unallocated income/expense	
Net financial income/expenses	**220**
V. Profit/(loss) for the period	**5 260**
Major non-cash items:	
Depreciation	**(600)**
Revaluation of investment	**(3 540)**
Creation or reversal of allowances	**12 596**

Additional information to the unconsolidated financial statements

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

For the year ended 31 December 2007

	Continued operations	Discontinued operations			
	Management, advisory and rental services	Steel goods trade	Steel structures production	Other	Total
I. Operating revenues					
Revenue from external customers	2 017	288 020	48 929	1 219	340 185
Total revenue	**2 017**	**288 020**	**48 929**	**1 219**	**340 185**
II. Operating expenses					
Cost of sales to external customers	(2 208)	(278 145)	(48 935)	-	**(329 288)**
Total cost of sales	**(2 208)**	**(278 145)**	**(48 935)**	**-**	**(329 288)**
Other income	6 915	752	128	3	**7 798**
Other expenses	(612)	(1 860)	(316)	(8)	**(2 796)**
Distribution expenses	-	(6 746)	(1 146)	(29)	**(7 921)**
General administrative expenses for continued operations	(13 288)	-	-	-	**(13 288)**
Loss on disposal of discontinued activity	-	(16 896)	(2 870)	(73)	**(19 839)**
III. Segment result	**(7 176)**	**(14 874)**	**(4 210)**	**1 112**	**(25 148)**
IV. Unallocated income/expense					
General administrative expenses for discontinued operations					**(13 915)**
Net financial income/expenses					**46 254**
V. Profit/(loss) for the period					**7 191**
Major non-cash items:					
Depreciation	(601)	-	-	-	**(601)**
Loss on disposal of discontinued activity	-	(16 896)	(2 870)	(73)	**(19 839)**
Creation or reversal of allowances	4 603	(206)	-	-	**4 397**
Revaluation of investment	2 713	-	-	-	**2 713**
Reversal of provision for guarantees given	37 577	-	-	-	**37 577**

The loss on disposal of discontinued activity was allocated according to operating revenues structure within business segments of discontinued activity.

Financial situation according to business segments

At 31 December 2008

	Management, advisory and rental services
Assets of the segment	**269 532**
Unallocated assets	**-**
Total assets	**269 532**
Liabilities of the segment	**81 745**
Unallocated liabilities	**-**
Total liabilities	**81 745**

At 31 December 2007

	Management, advisory and rental services
Assets of the segment	**310 608**
Unallocated assets	**-**
Total assets	**310 608**
Liabilities of the segment	**126 362**
Unallocated liabilities	**-**
Total liabilities	**126 362**

Additional information to the unconsolidated 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 Company's customers.
The capital expenditures are not allocated into geographical segments as the same non-current assets are used for activities in all segments.

Geographical segments results for the year ended 31 December 2008

	Poland	Other countries	Total
Revenue from external customers	3 270	-	**3 270**

Geographical segments results for the year ended 31 December 2007

	Poland		Other countries					Total
	Continued operations	Discontinued operations	Discontinued operations					
			Argentina	Ukraine	Germany	USA	Other	
Revenue from external customers	2 017	154 526	74 558	38 998	30 952	16 053	23 081	**340 185**

6. Disposal group classified as held for sale and discontinued operations

Both as at 31 December 2008 and 31 December 2007 the Company wasn't in possession of any assets or liabilities classified as held for sale.

Additional information to the unconsolidated financial statements
(all amounts in PLN thousand (TPLN), unless stated otherwise)

7. Expenses by kind

	2008	*2007* Continued operations	Discontinued operations
Depreciation (notes 14, 15, 16)	(600)	(601)	-
Energy and materials consumption	(883)	(770)	(40 673)
External services	(3 485)	(2 493)	(13 992)
Taxes and charges	(334)	(426)	(1 238)
Staff expenses:	(4 930)	(10 460)	(11 714)
- wages and salaries	(4 037)	(9 282)	(9 533)
- compulsory social security contributions and other	(893)	(1 178)	(2 181)
Other	(444)	(575)	(1 040)
Cost of goods and materials sold	-	-	(271 116)
Total expenses by kind	**(10 676)**	**(15 324)**	**(339 773)**
Impairment of inventories	-	-	(7 368)
Change in inventories, deferred income and cost in relation to operating activity	-	(172)	(1 774)
Cost of sales, distribution expenses and general administrative expenses	**(10 676)**	**(15 496)**	**(348 915)**

8. Other income

	2008	*2007* Continued operations	Discontinued operations
Reversal of allowance for receivables	12 610	4 603	-
Compensations and contractual penalties received	44	200	146
Reimbursed costs of court proceedings	44	-	-
Interest from receivables	218	-	-
Release of other provisions	5	-	-
Forgiven liabilities	-	1 934	-
Net gain on sale of property, plant and equipment	152	-	-
Other	71	178	737
	13 144	**6 915**	**883**

9. Other expenses

	2008	*2007* Continued operations	Discontinued operations
Shortages of non-current and current assets	-	(52)	-
Penalties, compensation, charges	(44)	(378)	(886)
Other provisions and allowances	-	-	(60)
Loss from disposal of property, plant and equipment	-	(96)	(13)
Interest from liabilities	(200)	-	-
Unrecoverable input VAT	(307)	-	-
Other	(147)	(87)	(1 224)
	(698)	**(612)**	**(2 183)**

Additional information to the unconsolidated financial statements
(all amounts in PLN thousand (TPLN), unless stated otherwise)

10. Net financial income/expenses

	2008	*2007* Continued operations	Discontinued operations
Dividends and share in related parties profits	4 408	3 613	-
Interest income, including:	6 257	5 668	6
- bank accounts and deposits	6 014	4 826	-
- loans granted	-	31	-
- other	243	811	6
Profit on disposal of investments	23	120	-
Revaluation of investment	-	2 713	-
Reversal of the provision for guarantees given for WRJ	-	37 577	-
Sale of irrecoverable claims	247	1 900	-
Other financial income, including:	2 149	5 176	1 327
- excess of foreign exchange rate gains	89	-	-
- profit on investment in asset management funds	685	349	-
- bank loan interest cancelled	-	3 464	-
- tax interest cancelled	1 375	-	-
- profit on derivatives transactions	-	-	1 150
- other financial income, including:	-	1 363	177
- related parties	-	1 329	-
Financial income	**13 084**	**56 767**	**1 333**
Interest expense, including :	(9 040)	(9 304)	(1 306)
- loans and borrowings, including:	(632)	(1 771)	(1 116)
- to related entities	(632)	(631)	-
- discount on receivables	(1 327)	-	(70)
- to related entities	(1 327)	-	-
- other	(7 081)	(7 533)	(120)
- to related entities	(501)	(155)	-
Revaluation of investment	(3 540)	-	-
Other financial costs including:	(284)	(900)	(336)
- excess of foreign exchange rate losses	-	(59)	(15)
- allowance for interest liabilities	(19)	(613)	-
- other financial costs	(265)	(228)	(321)
Financial expenses	**(12 864)**	**(10 204)**	**(1 642)**
Net financial income/expenses	**220**	**46 563**	**(309)**

11. Income tax

The income tax rate which embraced the Company's activity was 19% in 2007-2008. It is assumed that the income tax rate shouldn't change in upcoming years.

Due to tax loss incurred both in 2008 and 2007, the Company was not subject to current income tax obligations.

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 December 2008 nor at 31 December 2007 (see also note 17).

Additional information to the unconsolidated financial statements
(all amounts in PLN thousand (TPLN), unless stated otherwise)

12. Property, plant and equipment

	Buildings	Plant and equipment	Vehicles	Other	Under construction	Total
Gross value at 1 January 2007	**7 018**	**13 880**	**302**	**784**	**162**	**22 146**
Acquisitions	-	-	-	-	537	**537**
Transfer from fixed assets under construction	167	85	-	71	(323)	**-**
Disposals	-	(423)	(4)	-	-	**(427)**
Reclassifications*	(4 635)	55	288	(75)	315	**(4 052)**
Gross value at 31 December 2007	**2 550**	**13 597**	**586**	**780**	**691**	**18 204**
Gross value at 1 January 2008	**2 550**	**13 597**	**586**	**780**	**691**	**18 204**
Acquisitions	-	-	-	-	376	**376**
Transfer from fixed assets under construction	38	113	126	51	(752)	**(424)**
Disposals	-	(56)	(302)	(14)	(315)	**(687)**
Reclassifications*	467	-	-	-	-	**467**
Gross value at 31 December 2008	**3 055**	**13 654**	**410**	**817**	**-**	**17 936**

*- mainly reclassification of the part of the office building to/from investment property (see also note 14)

Additional information to the unconsolidated financial statements

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

	Buildings	Plant and equipment	Vehicles	Other	Under construction	Total
Depreciation and impairment at 1 January 2007	**(4 068)**	**(13 833)**	**(302)**	**(730)**	**-**	**(18 933)**
Depreciation for the period	(191)	(86)	(40)	(22)	-	**(339)**
Disposals	-	359	2	-	-	**361**
Reclassifications*	2 798	13	(75)	73	(315)	**2 494**
Depreciation and impairment at 31 December 2007	**(1 461)**	**(13 547)**	**(415)**	**(679)**	**(315)**	**(16 417)**
Depreciation and impairment at 1 January 2008	**(1 461)**	**(13 547)**	**(415)**	**(679)**	**(315)**	**(16 417)**
Depreciation for the period	(86)	(51)	(63)	(82)	-	**(282)**
Disposals	-	56	302	14	-	**372**
Reclassifications*	(285)	-	-	-	-	**(285)**
Utilization of impairment loss	-	-	-	-	315	**315**
Depreciation and impairment at 31 December 2008	**(1 832)**	**(13 542)**	**(176)**	**(747)**	**-**	**(16 297)**
Carrying amounts						
At 1 January 2007	2 950	47	-	54	162	3 213
At 31 December 2007	1 089	50	171	101	376	1 787
At 1 January 2008	1 089	50	171	101	376	1 787
At 31 December 2008	1 223	112	234	70	-	1 639

* - mainly reclassification of the part of the office building to/from investment property (see also note 14)

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

In order to secure the payment of other liabilities, Company's property plant and equipment were subject to mortgage for the total amount of TPLN 1,155 (31 December 2007: TPLN 898). The mortgage will be cancelled as soon as the arrangement with creditors is formally settled (see note 27).

13. Intangible assets

	Concessions, licences, software and other	Other intangible assets	Prepayments for intangible assets	Total
Gross value at 1 January 2007	**30**	**859**	**-**	**889**
Acquisitions	16	-	-	**16**
Disposals	(150)	-	-	**(150)**
Reclassifications*	181	111	-	**292**
Gross value at 31 December 2007	**77**	**970**	**-**	**1 047**
Gross value at 1 January 2008	**77**	**970**	**-**	**1 047**
Acquisitions	21	-	165	**186**
Disposals	-	-	-	**-**
Gross value at 31 December 2008	**98**	**970**	**165**	**1 233**

Depreciation of intangible assets and impairment

	Concessions, licences, software and other	Other intangible assets	Prepayments for intangible assets	Total
Depreciation and impairment at 1 January 2007	**(24)**	**(859)**	**-**	**(883)**
Depreciation for the period	(40)	(1)	-	**(41)**
Reclassifications*	(138)	(110)	-	**(248)**
Disposals	130	-	-	**130**
Depreciation and impairment at 31 December 2007	**(72)**	**(970)**	**-**	**(1 042)**
Depreciation and impairment at 1 January 2008	**(72)**	**(970)**	**-**	**(1 042)**
Depreciation for the period	(8)	-	-	**(8)**
Depreciation and impairment at 31 December 2008	**(80)**	**(970)**	**-**	**(1 050)**
Carrying amounts				
At 1 January 2007	6	-	-	6
At 31 December 2007	5	-	-	5
At 1 January 2008	5	-	-	5
At 31 December 2008	18	-	165	183

*- mainly transfer to/from group of assets held for sale

The depreciation and impairment charge on intangible assets is recognized in administrative expenses.

During the years ended 31 December 2008 and 31 December 2007 no impairment losses were recognized.

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

14. Investment property

	31 December 2008	31 December 2007
Gross value at the beginning of the period	**12 276**	**7 641**
Sales	-	-
Transfer from fixed assets under construction	424	-
Reclassifications (see note 14)	(467)	4 635
Gross value at the end of the period	**12 233**	**12 276**
Depreciation and impairment at the beginning of the period	**(7 599)**	**(4 581)**
Depreciation for the period	(310)	(220)
Reclassifications (see note 14)	285	(2 798)
Depreciation and impairment at the end of the period	**(7 624)**	**(7 599)**
Carrying amounts at the beginning of the period	**4 677**	**3 060**
Carrying amounts at the end of the period	**4 609**	**4 677**

Investment property comprises a part of office building designated for the rental.

Based on property expert's valuation conducted in August 2006, the fair value of the building, part of which was classified as investment property, was estimated at PLN 14.5 million. The Company classifies 88.6% of this building to the investment property (this indicator is subject to revision on semi-annual basis).

Rental income in 2008 amounted to TPLN 3,081 (in 2007: TPLN 2,017) and it was presented in the profit or loss account under "Revenue on sales" .

The investment property is subject to mortgage for the amount of TPLN 8,978 (31 December 2007: TPLN 10,442) to secure Company's liabilities. The mortgage will be cancelled as soon as the arrangement with creditors is formally settled (see note 27).

15. Investments in subsidiaries and associates

Long term investments in subsidiaries, associates and joint-ventures include following entities:

	Purchase price	Impairment	Carrying amount	% of shares owned
31 December 2008				
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	

Additional information to the unconsolidated financial statements
(all amounts in PLN thousand (TPLN), unless stated otherwise)

	Purchase price	Impairment	Carrying amount	% of shares owned
31 December 2007				
Stalexport Autostrada Dolnośląska S.A.	28 075	(7 548)	20 528	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	(21 347)	50 476	

Following the valuation of investment at balance sheet date, an additional impairment loss of TPLN 3,540 was recognized in relation to Stalexport Autostrada Dolnośląska S.A. shares.

Financial data on above entities, which shares were not subject to 100% impairment was as follows:

	% of shares owned	Assets	Liabilities	Equity	Revenues	Profit / (loss) for the period
31 December 2008						
Stalexport Autostrada Dolnośląska S.A. Group	100,00%	15 805	925	14 880	1 711	(3 322)
Stalexport Autoroute S.a r.l	100,00%	200 778	32	200 746	-	3 821
Biuro Centrum Sp. z o.o.	74,38%	1 703	890	813	9 605	385
Total		**218 286**	**1 847**	**216 439**	**11 316**	**884**
31 December 20007						
Stalexport Autostrada Dolnośląska S.A. Group	100,00%	17 270	1 541	15 729	-	(2 742)
Stalexport Autoroute S.a r.l	100,00%	172 418	13	172 405	-	3 573
Biuro Centrum Sp. z o.o.	74,38%	1 721	1 211	511	8 231	58
Total		**191 409**	**2 765**	**188 645**	**8 231**	**889**

There is a pledge established on shares of company Stalexport Autoroute S.a.r.l and shares of companies Stalexport Autostrada Małopolska S.A. and Stalexport-Transroute Autostrada S.A. owned by Stalexport Autoroute S.a.r.l, as a security of bank loan granted to subsidiary Stalexport Autostrada Małopolska S.A..

16. Short-term investments

	31 December 2008	31 December 2007
Available-for-sale financial assets	6 688	8 405
Investments in asset management funds	65 697	50 172
Other	1 940	-
Total short-term investments	**74 325**	**58 577**

Financial instruments available-for-sale comprise share of Centrozap S.A. and Beskidzki Dom Maklerski S.A.

As at 31 December 2008 the shares of these companies were subject to an impairment amounting to TPLN 6,331 (as at 31 December 2007: TPLN 6,331) and TPLN 1,468 (as at 31 December 2007: TPLN 1,468) respectively. Due to the fact, that since the fourth quarter of 2008 Centrozap S.A. is listed on Warsaw Stock Exchange, market quotations of its shares have become the base for the definition of their fair value. The effect of this valuation, apart from impairment recognition, is recognized directly through equity (see also note 21b).

Other short-term investment comprise interest-bearing recognizance, paid as a collateral for performance guarantees issued.

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

17. Deferred tax

a. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following assets and liabilities:

	Assets		Liabilities		Net	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**	**31 December 2008**	**31 December 2007**
Plant, property and equipment	63	44	-	-	63	44
Investment property	479	508	-	-	479	508
Investments in subsidiaries and associates	2 166	1 497	-	-	2 166	1 497
Trade and other receivables	1 241	5 028	(475)	-	766	5 028
Short-term investments	1 808	1 482	-	-	1 808	1 482
Cash and cash equivalents	-	-	(55)		(55)	-
Employee benefits liabilities	103	84	-	-	103	84
Loans and borrowings	4	31	-	-	4	31
Trade and other payables	244	1 386	-	-	244	1 386
Deferred tax assets/liabilities on temporary differences	6 108	10 060	(530)	-	5 578	10 060
Tax value of loss carry-forwards recognised	22 095	38 230	-	-	22 095	38 230
Compensation of tax assets/liabilities	(530)	-	530		-	-
Valuation adjustment	(27 673)	(48 290)	-	-	(27 673)	(48 290)
Net deferred tax assets	-	-	-	-	-	-

Considering the uncertainty of utilization of negative temporary differences and outstanding tax losses carried forward in the foreseeable future, the Company both as at 31 December 2008 and 31 December 2007 recorded a valuation adjustment as a result of which net deferred assets were not recognized.

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

b. Tax losses

According to the tax law regulations, tax loss incurred in a given tax year can reduce taxable income over the next five consecutive tax years, however the decrease in whichever of those years cannot exceed 50% of the loss for a given year. As at 31 December 2008 the amount of tax losses remaining to be utilized amounted to TPLN 116,292 (31 December 2007: TPLN 201,209). As at 31 December 2008 and 31 December 2007 the Company has not recognized deferred tax assets on the tax losses carry forwards due to uncertainty of utilization of corresponding benefits.

Amount of loss	*Expiry date*
89 554	2009
11 019	2010
3 154	2011
7 433	2012
5 133	2013
116 292	

18. Income tax receivables

As at 31 December 2008 the income tax receivables accounted to TPLN 1,369 (31 December 2007: TPLN 1,342). These receivables due from the tax authority will be settled with future income tax liabilities due to tax authorities. Due to uncertain recovery of these receivables as at 31 December 2008, an impairment loss of TPLN 1,369 was recognized (as at 31 December 2007: TPLN 1,342).

19. Trade and other receivables

	31 December 2008	31 December 2007
Trade receivables from related parties	97	36
Trade receivables from other parties	7 837	3 352
Receivables from taxes, duties, social and health insurances and other benefits	10 345	5 953
Other receivables from other parties	1 837	141 724
	20 116	**151 066**

Trade receivables are presented net of allowances for doubtful debts amounting to TPLN 136,366
(31 December 2007: TPLN 162,022).

The table below presents overdue trade and other receivables together with the amount of the allowances for doubtful debts. Additionally in 2008 the Company created an allowance amounting to TPLN 213 for receivables, which despite not being overdue were already considered doubtful.

	31 December 2008	31 December 2007
Gross overdue receivables		
up to 1 month	129	491
1-6 months	229	595
6 months-1 year	158	315
over 1 year	145 268	164 207
	145 784	**165 608**
allowances for overdue and doubtful debts	(136 153)	(161 730)
Net overdue receivables	**9 631**	**3 878**

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

Movement of allowance for doubtful debts was as follows:

	2008	2007
Allowances for bad debts as at 1 January	(162 022)	(289 743)
Created allowances	(424)	(1 989)
Reversed allowances	13 043	7 112
Utilised allowances	13 037	142 765
Reclassifications*	-	(20 167)
Allowances for bad debts as at 31 December	**(136 366)**	**(162 022)**

*reclassification to group of assets held for sale

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 are not able to settle their liabilities. According to the Company, the collection of receivables which have not been subject to allowances, is not doubtful.

Overdue net receivables in amount of TPLN 7,512 are secured on the customer's property, which value exceeds the value of these receivables. Fair value of collateral mentioned, based of expert's evaluation conducted in 2004, amounts to PLN 14.3 million.

In 2008, in line with received payments and based on analysis of probability of post balance sheet date retrieval, the Company reversed some allowances for overdue receivables concerning discontinued activity. Allowances amounting to TPLN 13,043 were reversed, of which TPLN 4,858 concerned Huta Kościuszko S.A., TPLN 3,661 Huta Ostrowiec S.A. w upadłości, TPLN 2,862, Prinż Holding S.A. , TPLN 1,073 Stalexport Wielkopolska Sp. z o.o. w upadłości and TPLN 589 other entities.

20. Cash and cash equivalents

	31 December 2008	31 December 2007
Bank balances and short term bank deposits	88 875	9 814
Restricted bank balances	51	31
Cash and cash equivalents in the balance sheet	**88 926**	**9 845**
Bank overdraft	(1)	-
Cash and cash equivalents in the statement of cash flows	**88 925**	**9 845**

Restricted bank balances refer to resources at the disposal of company social contribution fund.

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

21. Equity

a. Share capital

	31 December 2008	31 December 2007
Number of shares at the beginning of the period	247 262 023	157 762 023
G-series shares issue	-	89 500 000
Number of shares at the end of the period (fully paid)	247 262 023	247 262 023
Nominal value of shares (PLN)	2	2
Nominal value of A-series issue	16 682	16 682
Nominal value of B-series issue	986	986
Nominal value of D-series issue	8 000	8 000
Nominal value of E-series issue	189 856	189 856
Nominal value of F-series issue	100 000	100 000
Nominal value of G-series issue	179 000	179 000
	494 524	**494 524**

Since November 1993 until December 1996 the Company operated in hyperinflation. IAS 29 *Financial Reporting in Hyperinflationary Economies* requires restatement of each element of share capital (apart from undistributed profit and revaluation reserves) using general price indexation in hyperinflation. Such retrospective implementation would result in decrease of retained earnings in that period by TPLN 18,235 and in adjustment of retained earnings in that same amount.

On 25 June 2007 the share capital was increased by TPLN 179,000 as a result of 89,500 thousand G series shares issue with the nominal value of 2 PLN, which were taken by the current shareholder Atlantia S.p.A. (formerly Autostrade S.p.A.), and fully paid in cash. The issue price of one share was PLN 2.2458. The costs of G series share issue in the amount of TPLN 1,047 decreased the share premium reserve.

In 2008 the share capital wasn't subject to any changes.

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 General Meeting of the Company's shareholders.

The holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at shareholders meeting of the Company. All shares entitle the shareholders to Company's assets in the same extent in case of division.

b. Valuation of available-for-sale financial assets 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 vale based on regulatory market, or in any other reliable way, are attributed to this item of the equity.

c. Other reserve capitals and supplementary capital

Other reserve capitals may be created by the General Meeting from a part or total of approved profits of the Company. General Meeting may also define a particular aim to which such resources should be assigned.

22. Earnings per share

The calculation of basic earnings per share was performed based on the net profit attributable to the ordinary shareholders of the Company of TPLN 5,260 (2007: net profit of TPLN 39,387 for continued operations and net loss of TPLN 32,196 for discontinued operations, respectively) and a weighted average number of ordinary shares outstanding as at 31 December 2008 of 247,262 thousand (31 December 2007: 204,106 thousand). Those numbers were determined using the way shown below.

a. Net profit attributable to the Shareholders of the Company

	2008	2007	
		Continued operations	Discontinued operations
Profit/(loss) for the period	**5 260**	**39 387**	**(32 196)**

b. Weighted average number of ordinary shares

	2008	2007	
Number of ordinary shares at the beginning of the period	247 262 023	157 762 023	157 762 023
Effect of G-series shares issue (189 days)	-	46 343 836	46 343 836
Weighted average number of ordinary shares at the end of the period	**247 262 023**	**204 105 859**	**204 105 859**

c. Net profit/(loss) per ordinary share attributable to Shareholders of the Company

	2008	2007	
		Continued operations	Discontinued operations
Profit/(loss) attributable to Company's shareholders (in TPLN)	5 260	39 387	(32 196)
Weighted average number of ordinary shares at the end of the period (thousands of shares)	247 262	204 106	204 106
Profit/(loss) per ordinary share attributable to Company's shareholders (in PLN)	**0,02**	**0,19**	**(0,15)**

As at 31 December 2008 and 31 December 2007 no factors were determined that would result in dilution of profit/(loss) per one share.

23. Loans and borrowings

	31 December 2008	31 December 2007
Bank overdraft	1	-
Current portion of loans from related parties	6 224	10 608
Current loans and borrowings	**6 225**	**10 608**

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

a. Terms and conditions of loans and borrowings repayment

	Currency	Nominal rate	Repayment year	Liabilities at 31 December 2008	Liabilities at 31 December 2007
Bank loans					
Bank overdraft	PLN			1	-
Loans from related parties					
Stalexport Autostrada Dolnośląska S.A.	PLN	WIBOR 1M + 0,25% margin	2009	6 224	7 169
Stalexport Autostrada Śląska S.A.	PLN	WIBOR 6M + 1% margin	2008	-	3 439
Total loans and borrowings				**6 225**	**10 608**

b. Collateral on Company's property

Apart from securities established on property, plant and equipment and investment properties described in notes 12, 14 and 15 respectively, there are no other securities established on Company's assets.

24. Employee benefits liabilities

Non-current	31 December 2008	31 December 2007
Retirement pay liabilities	126	111
Annuity severance pay liabilities	11	11
Jubilee bonuses liabilities	324	251
Total	**461**	**373**
Current		
Retirement pay liabilities	46	21
Annuity severance pay liabilities	1	1
Jubilee bonuses liabilities	34	46
Total	**81**	**68**

Amounts of future employee benefits liabilities were calculated on the basis of actuarial appraisal model. Employee benefits liabilities were calculated according to following assumptions:

	31 December 2008	31 December 2007
Discount rate	5.5%	6,0%
Future remuneration increase	2.5%-4%	2.5%-3%

25. Other long-term liabilities

	31 December 2008	31 December 2007
Liabilities upon guarantees granted	59 549	72 541
	59 549	**72 541**

Liabilities upon guarantees granted relates to guarantee provided to the State Treasury in respect of loan guarantee given to Huta Ostrowiec for modernization of the production line. In August 2008 the Company begun the repayment of principal liability. Repayment schedule for these guarantee liabilities is presented in the chart below.

Additional information to the unconsolidated financial statements
(all amounts in PLN thousand (TPLN), unless stated otherwise)

Repayment schedule for other long-term liabilities

As at 31 December 2008	Total	up to 1 year	1 year to 3 years	3 years to 5 years	over 5 years
Liabilities upon guarantees granted	72 541	12 992	25 985	25 985	7 579

As at 31 December 2007	Total	up to 1 year	1 year to 3 years	3 years to 5 years	over 5 years
Liabilities upon guarantees granted	77 955	5 414	25 985	25 985	20 571
Liabilities towards related parties upon arrangement with creditors	2 631	2 631	-	-	-
Liabilities towards other parties upon arrangement with creditors	23 685	23 685	-	-	-
TOTAL	**104 271**	**31 730**	**25 985**	**25 985**	**20 571**

26. Provisions

Long-term provisions	Provision for guarantee liability	Provision for other costs upon arrangement with creditors	Other provisions	Total
Balance at 1 January 2007	**85 577**	**6 503**	**5**	**92 085**
Additions	-	773	-	773
Utilisation	(48 000)	(3 812)	-	(51 812)
Reversal	(37 577)	(3 464)		(41 041)
Balance at 31 December 2007	**-**	**-**	**5**	**5**
Balance at 1 January 2008	**-**	**-**	**5**	**5**
Additions	-	-	-	-
Utilisation	-	-	-	-
Reversal	-	-	(5)	(5)
Balance at 31 December 2008	**-**	**-**	**-**	**-**

Short-term provisions	Provision for other costs upon arrangement with creditors	Other provisions	Total
Balance at 1 January 2007	**-**	**171**	**171**
Additions	-	-	-
Utilisation	-	(171)	(171)
Balance at 31 December 2007	**-**	**-**	**-**
Balance at 1 January 2008	**-**	**-**	**-**
Additions	-	360	360
Utilisation	-	-	-
Reversal	-	(360)	(360)
Balance at 31 December 2008	**-**	**-**	**-**

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

As the result of the arrangement concluded on 21 August 2007 between Stalexport Autostrady S.A. and Walcownia Rur Silesia S.A. ("WRS"), on 12 November 2007 the agreement between Stalexport Autostrady S.A. and WRS was concluded, which led to complete settlement of Stalexport Autostrady S.A. liabilities due to guarantee in form of bill of exchange issued on 7 November 1997 by Stalexport S.A. to State Treasury.

As the consequence of agreement mentioned above the Company paid PLN 48 million to WRS resulting in expiration of liabilities due to guarantee in form of bill of exchange issued by the Company to State Treasury for Walcownia Rur Jedność Sp. z o.o. ("WRJ"). The aforementioned bills of exchange constituted a collateral for guarantee given by State Treasury concerning bank loans raised by WRJ on 6 October 1997.

The excess of provision created for the abovementioned purpose amounting to TPLN 37,577 was disclosed under financial income in 2007.

27. Trade and other payables (short-term)

	31 December 2008	31 December 2007
Trade payables to related parties	44	18
Trade payables to other parties	139	2 107
Amounts due to taxes, duties, socialand health insurance and other benefits	139	573
Liabilities towards related parties upon arrangement with creditors due up to 1 year	-	2 631
Liabilities towards other parties upon arrangement with creditors due up to 1 year	-	23 685
Payroll liabilities	855	6 860
Liabilities upon guarantees granted	12 992	5 414
Other payables and accruals to related parties	-	87
Other payables and accruals to other parties	1 260	1 266
	15 429	**42 641**

According to the arrangement with creditors approved by the Regional Court in Katowice on 27 June 2002, the liabilities included in the arrangement proceedings will be written off after fulfillment of terms of the arrangement.

In the prior years, the Company wrote off the liabilities subject to the arrangement with creditors of TPLN 241,558. The Company made the final payment of liability upon arrangement with creditors in July 2008. At the moment, after submission of an appropriate application, the Company awaits formal settlement of arrangement with creditors by the Regional Court in Katowice.

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28. Financial instruments

a. Classification of financial instruments

31 December 2008

	Long term	Short term	Total
Financial assets measured at fair value through profit and loss account	-	65 697	65 697
Available-for-sale financial assets	-	6 688	6 688
Loans and receivables	32 682	100 637	133 319
Financial liabilities valued at amortized cost	(59 549)	(21 515)	(81 064)

31 December 2007

	Long term	Short term	Total
Financial assets measured at fair value through profit and loss account	-	50 172	50 172
Available-for-sale financial assets	-	8 405	8 405
Loans and receivables	34 009	154 958	188 967
Financial liabilities valued at amortized cost	(72 541)	(52 802)	(125 343)

Within financial assets measured at fair value through profit and loss account, the Company presents investments in assets management funds, which are recognised in short-term investments (note 16).

Available-for-sale financial assets include mainly shares of Centrozap S.A. and Beskidzki Dom Maklerski S.A..

Loans and receivables comprise trade and other receivables, cash and cash equivalents, and also other short-term investments (interest-bearing recognizance).

Financial liabilities recognized at amortized cost include trade payables, other payables, loans and borrowings, finance leasing liabilities and liabilities under the arrangement with creditors.

b. Effective interest rates and appraisal dates

The charts below contains effective interest rates on income-earning assets and interest-bearing liabilities, divided into the following groups:

31 December 2008

	Effective rate	Total	< 6 months
Cash and cash equivalents	5.45%	88 926	88 926
Investments in asset management funds - bonds and deposits	6.10%	63 898	63 898
Other short-term investments	4.60%	1 940	1 940
Loans received	7.81%	(6 225)	(6 225)
Liabilities upon guarantees granted	7.79%	(72 541)	(72 541)

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

31 December 2007

	Effective rate	Total	< 6 months
Cash and cash equivalents	5.05%	9 845	9 845
Other receivables - escrow account	4.7%	100 000	100 000
Investments in asset management funds - bonds and deposits	5.55%	45 218	45 218
Loans received	6.99%	(10 608)	(10 608)
Finance lease liabilities	13.4%	(126)	(126)
Liabilities upon guarantees granted	7.02%	(77 955)	(77 955)
Liabilities upon arrangement with creditors	7.18%	(26 316)	(26 316)

c. Fair value

Fair value of financial instruments

The details on fair value of the financial instruments for which it is practicable to estimate such value are presented below:

- Cash and cash equivalents, short-term bank deposits and short-term bank loans. The carrying amounts of instruments listed above approximate fair value because of quick maturity of these instruments.
- Trade receivables, other receivables, trade payables. The carrying amounts of instruments listed above approximate fair value because of short term nature of these instruments.
- Interest bearing loans and borrowings. The carrying amount of instruments listed above approximate fair value due to the variable nature of the related interest rates.
- Available-for-sale financial assets. Include shares disclosed at their fair value based on their market value at the balance sheet date (without consideration of transaction costs). 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.
- Investments in assets management funds. The carrying amount equals their fair value based on market quotations.

29. Financial risk management

a. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations, and it arises principally from the Company's receivables from customers and investment securities. The Company places its cash and cash equivalents in financial instruments with high credit ratings.

The following table shows the Company's maximum exposure to credit risk:

	31 December 2008	31 December 2007
Long term receivables	32 682	34 009
Short term investments	72 385	58 577
Trade and other receivables	9 771	145 113
Cash and cash equivalents	88 926	9 845
	203 764	**247 544**

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b. Stock exchange indexes fluctuations risk

Stock exchange indexes fluctuations risk relates to risk of possible financial losses due to fluctuations of stock exchange quotations. The risk concerns the shares of public listed companies within investments in asset management funds and shares of public listed companies disclosed as available-for-sale financial assets.

The following table shows the Company's maximum exposure to stock exchange indexes fluctuations risk:

	31 December 2008	31 December 2007
Investments in asset management funds - shares	1 799	4 954
Available-for-sale financial assets	5 517	-
	7 316	**4 954**

c. Market risk

Market risk is the risk that changes in market demand, supply and prices, as well as other factors will affect the Company's financial results and controlled assets value (such as foreign exchange rates, interest rates and cost of capital). The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest rate risk

The Company's exposure to the interest rate risk relates mainly to cash and cash equivalents, interest-bearing borrowings and other payables based on floating interest rate WIBOR + margin.
The table below presents susceptibility profile (the Company's maximum exposure) to the risk of interest rate fluctuations through financial instruments presentation according to the fixed and floating interest rate:

	Current value 31 December 2008	Current value 31 December 2007
Fixed interest rate instruments		
Financial assets	45 934	26 767
Financial liabilities	-	-
	45 934	**26 767**
Floating interest rate instruments		
Financial assets	106 890	128 296
Financial liabilities	(78 766)	(115 005)
	28 124	**13 291**

In managing interest rate risk, the Company aims to reduce the impact of interest rate fluctuations via current monitoring of financial market. Moreover, some investments are independent on WIBOR rate fluctuations.

The Company has conducted sensitivity analysis of floating and fixed interest rate financial instruments to fluctuations of market interest rates. The table below presents the impact of increase or decrease of interest rate by 100 basis points on the income statement and equity. The analysis assumes that all other variables such as foreign exchange rates remain constant. The analysis was performed for current year period and comparable previous year period.

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

	Profit & loss account		Equity	
	increase 100 pb	decrease 100 pb	increase 100 pb	decrease 100 pb
2008				
Floating interest rate instruments	281	(281)	281	(281)
Fixed interest rate instruments	(1 521)	1 435	(1 521)	1 435
2007				
Floating interest rate instruments	133	(133)	133	(133)
Fixed interest rate instruments	(712)	672	(712)	672

Foreign currency risk

At the end of 2008 foreign currency risk concerns mainly cash deposits.

The table below shows profile of the Company's sensibility (maximum exposure) to exchange rate change through presentation of financial instruments by currencies in which they are denominated:

Assets/liabilities by currency after conversion into PLN (in TPLN)

31 December 2008	**EUR**	**USD**
Cash and cash equivalents	1	390
Trade and other payables	(17)	-
Foreign exchange rate balance sheet exposure	**(16)**	**390**

31 December 2007	**EUR**	**USD**
Cash and cash equivalents	1 505	321
Foreign exchange rate balance sheet exposure	**1 505**	**321**

The Company performed sensitivity analysis of financial instruments denominated in foreign currencies to rate fluctuations. The table below presents the impact of strengthening or weakening of Polish zloty by 5 percent in relation to all foreign currencies, on profit and loss account and on equity. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit & loss account		Equity	
	increase of exchange rates by 5%	decrease of exchange rates by 5%	increase of exchange rates by 5%	decrease of exchange rates by 5%
2008	19	(19)	19	(19)
2007	91	(91)	91	(91)

d. Risk of loss of financial liquidity

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's approach to managing liquidity is to ensure, possession of financial means, necessary to fulfill Company's financial and investment liabilities using the most attractive sources of financing.

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Liquidity management focuses on detailed analysis, planning and taking suitable actions related to working capital and net financial indebtedness.

The table below shows the maximum Company's exposure to liquidity risk:

31 December 2008

Financial liabilities excluding derivatives	Balance sheet value	Contracted cash flow value	up to 6 months	6-12 months	1-2 years	2-5 years	over 5 years
Long term liabilities upon guarantees granted	72 541	86 890	8 919	8 725	16 732	44 760	7 754
Loans received	6 225	6 225	6 225	-	-	-	-
Trade and other payables	2 298	2 298	2 298	-	-	-	-
	81 064	95 413	17 442	8 725	16 732	44 760	7 754

31 December 2007

Financial liabilities excluding derivatives	Balance sheet value	Contracted cash flow value	up to 6 months	6-12 months	1-2 years	2-5 years	over 5 years
Long term liabilities upon guarantees granted	77 955	97 795	2 751	8 100	17 662	47 515	21 767
Loans received	10 608	10 608	10 608	-	-	-	-
Finance lease liabilities	126	126	126	-	-	-	-
Trade and other payables	10 338	10 338	10 338	-	-	-	-
Liabilities upon arrangement with creditors	26 316	27 545	27 545	-	-	-	-
	125 343	146 412	51 368	8 100	17 662	47 515	21 767

e. Capital management

The Company's policy is to maintain strong capital base, which should be foundation for positive perception of the Company by investors, creditors and market and should lead to further business development. Company monitors the changes in ownership, return on equity and debt/equity ratios.

The Company's aim is to achieve return on equity ratio at the level considered satisfactory by the shareholders.

The Company is subject to the regulation resulting from art. 396 § 1 of the Polish Commercial Companies Code, which requires that at least 8% of profit for a given business year should be assigned for supplementary capital, until this capital reaches at least 1/3 of the share capital.

There were no changes in the capital management policy during the year.

30. Operating leases

Operating lease agreements, where the Company is as a lessee

The estimated payments resulting from operating lease agreements are shown below:

	31 December 2008	31 December 2007
up to 1 year	35	73
1 -5 years	-	35
	35	**108**

31. Contingencies, guarantees and other commitments

Contingent liabilities relate to guarantees granted to related entities amounting to TPLN 14,371 (31 December 2007: TPLN 14,405), and to other entities amounting to TPLN 1,699 (31 December 2007: TPLN 1,529).

On 9 January 2008, the Company received a suit from the District Court in Katowice filed by CTL Maczki Bór Sp. z o.o. against: (i) the State Treasury represented by GDDKiA, (ii) Stalexport Autostrady S.A., and (iii) Stalexport Autostrada Małopolska S.A., in relation to the use of certain lots of land in the motorway lane without signing any agreement in the period from 26 May 1998 to 2 June 2006. The claimant requested to be paid PLN

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4.3 million plus interest. The claimant requested that joint and several liability be determined to pay the above amount, including respectively: (i) from the State Treasury: the total amount of the claim, (ii) from Stalexport Autostrady S.A.: PLN 3.3 million, (iii) from Stalexport Autostrada Małopolska S.A.: PLN 1 million. In January 2008, the companies replied to the suit, asking that the claim be dismissed entirely due to the right granted by the Minister to hold land in good faith, according to the Concession, the Concession Agreement and accompanying agreements.

32. Transactions with related parties

a. Intergroup receivables and liabilities

31 December 2008	Receivables	Payables	Loans and borrowings
Atlantia SpA	-	17	-
Stalexport Autostrada Małopolska S.A.	32 682	-	-
Stalexport Transroute Autostrada S.A.	88	-	-
Stalexport Autostrada Dolnośląska S.A.	-	-	6 224
Biuro Centrum Spółka z o.o.	-	27	-
Stalexport Autostrada Śląska S.A.	9	-	-
TOTAL	**32 779**	**44**	**6 224**

31 December 2007	Receivables	Payables	Loans and borrowings
Stalexport Autostrada Małopolska S.A.	34 010	-	-
Stalexport Autostrada Dolnośląska S.A.	13	2 631	7 169
Biuro Centrum Spółka z o.o.	13	105	-
Stalexport Autostrada Śląska S.A.	9	-	3 439
TOTAL	**34 045**	**2 736**	**10 608**

Long-term receivables from Stalexport Autostrada Małopolska S.A. result from the agreement on transfer of the capital expenditure of Phase I, related to adoption of the motorway to toll motorway requirements.

b. Transactions with related parties

Continued operations

2008	Revenue on sales	Financial income	Cost of sales	Financial expenses
Atlantia SpA	-	-	(17)	-
Stalexport Autostrada Małopolska S.A.	-	-	-	(1 327)
Stalexport Transroute Autostrada S.A.	187	-	-	-
Stalexport Autostrada Dolnośląska S.A.	102	-	-	(900)
Stalexport Autoroute S.a.r.l	-	4 225	-	-
Biuro Centrum Spółka z o.o.	67	37	(2 775)	-
Stalexport Autostrada Śląska S.A.	14	-	-	(233)
Autostrada Mazowsze S.A.	34	-	-	-
TOTAL	**404**	**4 262**	**(2 792)**	**(2 460)**

2007	Revenue on sales	Financial income	Cost of sales	Financial expenses
Stalexport Autostrada Małopolska S.A.	-	1 329	-	-
Stalexport Transroute Autostrada S.A.	-	-	-	(40)
Stalexport Autostrada Dolnośląska S.A.	57	-	-	(560)
Stalexport Autoroute S.a.r.l	-	3 613	-	-
Stalexport Serwis Centrum S.A.	-	-	-	(26)
Biuro Centrum Spółka z o.o.	62	-	(2 800)	-
Stalexport Autostrada Śląska S.A.	13	-	(4)	(187)
TOTAL	**132**	**4 942**	**(2 804)**	**(813)**

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

Discontinued operations

2007	Revenue on sales	Financial income	Cost of sales
Stalexport Transroute Autostrada S.A.	798	-	-
Stalexport Metalzbyt Sp. z o.o.	81	-	(231)
Stalexport Serwis Centrum S.A.	4 533	-	(1 200)
Stalexport Centrostal S.A.	2 294	9	(691)
Stalexport Bełchatów S.A.	30	-	(24)
TOTAL	**7 736**	**9**	**(2 146)**

c. Transactions with key personnel

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

	2008	2007
Management Board	2 048	5 304
Key personnel	699	1 377
Supervisory Board	101	155
	2 848	**6 836**

Remuneration for 2008 includes provision for Management Board bonuses created as at 31 December 2008 in amount of TPLN 457.

In 2008 and 2007 the Company did not grant any loans to the Members of Management Board or Supervisory Board Members of the Company nor to their close relatives, who are the Members of the Company Supervisory Boards or who are significant shareholders of the Company. The Company did not grant to the above mentioned individuals any advance payments or guarantees.

33. Subsequent events

- On 23 February 2009 the General Directorate for National Roads and Motorways (GDDKiA) informed Company’s subsidiary Stalexport Autostrada Dolnośląska S.A. that the Consortium Stalexport Autostrada Dolnośląska S.A./Autostrade per l’Italia S.p.A has been prequalified to the tender concerning planning and adoption of section Wrocław-Sośnica of A4 Wrocław-Katowice Motorway to the standard of toll motorway and toll collection. Apart from abovementioned consortium, requirements for tender involvement were met by: Consortium Egis Projects S.A./Strabag Sp. z o.o. and Consortium Alcatel-Lucent Polska Sp. z o.o./Thales Transportation Systems S.A./Budimex-Dromex S.A. On 25 February 2009 GDDKiA provided prequalified consortia with detailed significant public order requirements (SIWZ), setting the deadline for offer submission to 7 April 2009.

- On 27 February 2009 the associated company Autostrada Mazowsze S.A. together with Public Negotiator (GDDKiA, Minister of Infrastructure) signed a protocol ending negotiations on tender for construction and operation of toll motorway A2 section Stryków-Konotopa and company’s involvement in this project. On the same day GDDKiA and Ministry of Infrastructure informed on their internet websites, that after analyzing offers submitted by companies involved in negotiations, and in accordance with GDDKiA recommendations, the Minister of Infrastructure decided that the section Łódź-Warszawa (Stryków – Konotopa) of A2 motorway (91 km) will be constructed within “Projektuj i Buduj” system (Design and Build). According to the statement, the decision was made after further negotiations with parties involved became impossible. Based on above, the tender should be considered terminated.