TRAKCJA
CAPITAL GROUP

CONSOLIDATED QUARTERLY REPORT
FOR THE PERIOD OF 3 MONTHS ENDED ON 31 MARCH 2013

published pursuant to § 82 sec. 1 point 1 of the Regulation of the Minister of Finance dated February 19, 2009 on current and periodic information to be published by issuers of securities and conditions for recognizing as equivalent information required by the laws of a non-member state (Journal of Laws No 33 item 259, as amended)

This document is a translation.
The Polish original should be referred to in matters of interpretation.

CONTENTS OF THE CONSOLIDATED QUARTERLY REPORT:

APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

The Management Board of Trakcja S.A. has approved the condensed consolidated financial statement of Trakcja Capital Group for the 3-month period ended on March 31, 2013.

The condensed consolidated financial statement for the I quarter of 2013 was prepared according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB") and according to IFRS approved by the European Union applicable to interim reporting (MSR 34). Information included herein is presented in the following sequence:

I. Consolidated profit and loss statement for the period from January 1, 2013 to March 31, 2013 showing net loss amounting to PLN **21 669** thousand.

II. Consolidated statement of comprehensive income for the period from January 1, 2013 to March 31, 2013 showing total negative comprehensive income amounting to PLN **11 161** thousand.

III. Consolidated balance sheet as of March 31, 2013 showing the assets and liabilities in the amount of PLN **1 250 858** thousand.

IV. Consolidated cash flow statement for the period from January 1, 2013 to March 31, 2013 showing decrease in net cash balance by PLN **71 530** thousand.

V. Consolidated statement of changes in equity for the period from January 1, 2013 to March 31, 2013 showing increase of equity by PLN **84 990** thousand.

VI. Additional information and explanations.

The condensed consolidated financial statements are expressed in thousand Polish Zloty, unless expressly indicated otherwise.

Roman Przybył

President of the Board

Marita Szustak

Vice – president of the Board

Nerijus Eidukevičius

Vice – president of the Board

Tadeusz Kałdonek

Vice – president of the Board

Rodrigo Pomar López

Vice – president of the Board

Warsaw, May 15, 2013

CONTENTS

(data in PLN thousand, unless stated otherwise)

I. SELECTED FINANCIAL DATA OF THE TRAKCJA CAPITAL GROUP

The average PLN/EUR exchange rates in the period covered by the consolidated financial statements:

Financial year ended	Average exchange rate in the period*	Minimum exchange rate in the period	Maximum exchange rate in the period	Exchange rate as at the last day of the period
March 31, 2013	4,1738	4,0671	4,2028	4,1774
December 31,2012	4,1736	4,0465	4,5135	4,0882
March 31, 2012	4,1750	4,1062	4,5135	4,1616

** The average of the exchange rates binding as at the last day of each month in a given reporting period.*

Main consolidated balance sheet items converted into euro:

	31.03.2013		31.12.2012	
	k PLN	k EUR	k PLN	k EUR
Fixed assets	717 128	171 669	700 255	171 287
Current assets	533 730	127 766	627 247	153 429
Assets in total	**1 250 858**	**299 435**	**1 327 502**	**324 716**
Equity	579 301	138 675	494 311	120 912
Non-current liabilities	152 697	36 553	154 377	37 762
Current liabilities	518 860	124 206	678 814	166 042
Liabilities in total	**1 250 858**	**299 435**	**1 327 502**	**324 716**

The FX rate set by the National Bank of Poland on the last day of a given reporting period has been accepted for the purpose of converting data in the consolidated balance sheet.

Main items of the consolidated profit and loss statement converted into euro:

	For the period of 3 months ended 31.03.2013		For the period of months ended 31.03.2012	
	k PLN	k EUR	k PLN	k EUR
Revenue on sale	150 003	35 939	201 204	48 193
Cost of goods sold	(157 379)	(37 706)	(194 890)	(46 680)
Gross profit (loss) on sales	(7 376)	(1 767)	6 314	1 512
Operating profit (loss)	(17 141)	(4 107)	(6 333)	(1 517)
Gross profit (loss)	(22 416)	(5 371)	(8 256)	(1 977)
Net profit (loss) from continued operations	(21 669)	(5 192)	(8 089)	(1 937)
Net profit (loss) from discontinued operations	-	-	-	-
Net profit for the period	**(21 669)**	**(5 192)**	**(8 089)**	**(1 937)**

The consolidated profit and loss statement data were converted according to the average euro exchange rate calculated as the arithmetic mean of the exchange rates set by the National Bank of Poland as at the last day of each month in a given reporting period.

Main items of the consolidated cash flow statement converted into euro:

	For the period of 3 months ended 31.03.2013		For the period of 3 months ended 31.03.2012	
	k PLN	k EUR	k PLN	k EUR
Cash flows from operating activities	(129 067)	(30 923)	(27 552)	(6 599)
Cash flows from investment activities	(2 887)	(692)	(15 097)	(3 616)
Cash flows from financial	60 425	14 477	(45 138)	(10 811)
Total net cash flows	**(71 530)**	**(17 138)**	**(87 787)**	**(21 026)**

The consolidated cash flow statement data were converted according to the average euro exchange rate calculated as the arithmetic mean of the exchange rates set by the National Bank of Poland as at the last day of each month in a given reporting period.

(data in PLN thousand, unless stated otherwise)

	31.03.2013		**31.03.2012**	
	k PLN	**k EUR**	**k PLN**	**k EUR**
Cash at start of period	121 193	29 645	222 562	50 390
Cash at end of period	49 663	11 888	134 775	32 285

To convert the above consolidated cash flow statement data, the following was assumed:

- the FX rate set by the National Bank of Poland as at the last day of a given reporting period – for the line item "Cash at the end of the period",

- the FX rate set by the National Bank of Poland as at the last day of the reporting period preceding a given reporting period – for the line item "Cash at the beginning of the period".

As at the last day of the financial year ended 31 December 2011, the FX rate was 4,4168 PLN/EUR.

(data in thousand PLN, unless stated otherwise)

II. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED PROFIT AND LOSS STATEMENT

	01.01.2013 - 31.03.2013	**01.01.2012 - 31.03.2012**
	Unaudited	*Unaudited, Modified**
Continued operations		
Sales revenues	**150 003**	**201 204**
Cost of goods sold	**(157 379)**	**(194 890)**
Gross profit on sales	**(7 376)**	**6 314**
Cost of sales, marketing and distribution	(1 451)	(1 643)
General and administrative costs	(11 511)	(12 430)
Other operating revenues	5 699	2 404
Other operating costs	(2 502)	(978)
Operating profit	**(17 141)**	**(6 333)**
Financial revenues	676	4 572
Financial costs	(5 951)	(6 495)
Gross profit	**(22 416)**	**(8 256)**
Income tax	747	167
Net profit from continued operation	**(21 669)**	**(8 089)**
Discontinued operations		
Net profit (loss) from discontinued operations	-	-
Net profit for the period	**(21 669)**	**(8 089)**
Attributable to:		
Shareholders of parent entity	(21 316)	(7 828)
Non-controlling interests	(353)	(261)
Net profit / (loss) per one share in PLN		
basic on profit from period	(0,07)	(0,03)
basic on profit from continued operations	(0,07)	(0,03)
diluted on profit from period	(0,07)	(0,03)
diluted on profit from continued operations	(0,07)	(0,03)

**) Change in presentation of costs - futher details in note 11 of the condensed consolidated financial statements*

(data in thousand PLN, unless stated otherwise)

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

	01.01.2013 - 31.03.2013	01.01.2012 - 31.03.2012
	Unaudited	*Unaudited*
Net profit for the period	**(21 669)**	**(8 089)**
Other comprehensive income:		
Other comprehensive income that will not be reclassified into profit or loss under certain conditions:	**5 762**	**-**
Profit from revaluation referred into revaluation reserve	5 762	-
Other comprehensive income that will be reclassified to profit or loss:	**4 746**	**(7 566)**
Foreign exchange differences on translation of foreign operations	4 746	(7 566)
Total other comprehensive income	**10 508**	**(7 566)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(11 161)**	**(15 655)**
Attributable to:		
Shareholders of parent entity	(10 815)	(15 394)
Non-controlling interests	(346)	(261)

(data in thousand PLN, unless stated otherwise)

CONSOLIDATED BALANCE SHEET

ASSETS	31.03.2013	31.12.2012	01.01.2012
	Unaudited	*Modified**	*Modified*'***
Non-current assets	**717 128**	**700 255**	**855 782**
Tangible non-current assets	190 523	192 849	316 512
Intangible assets	57 744	57 824	60 382
Goodwill from consolidation	378 452	374 969	382 404
Investment properties	29 145	17 800	15 896
Investments in associates	-	-	2 052
Investments in other units	24	24	25
Other financial assets	32 623	26 742	31 228
Deferred tax assets	26 218	26 551	43 150
Prepayments	2 399	3 496	4 133
Current assets	**533 730**	**627 247**	**1 069 726**
Inventory	102 776	93 866	150 741
Trade and other receivables	235 722	245 759	542 569
Income tax receivables	780	-	271
Other financial assets	23 681	26 422	28 767
Cash and cash equivalents	49 663	121 193	222 562
Prepayments	8 736	6 831	9 967
Construction contracts	112 372	133 176	110 214
Available-for-sale assets	-	-	4 635
Total assets	**1 250 858**	**1 327 502**	**1 925 508**
EQUITY AND LIABILITIES			
Equity attributable to shareholders of Parent entity	577 855	492 519	530 339
Share capital	41 120	23 211	23 211
Basic conditional capital	636	18 545	-
Due payments for basic capital (negative value)	(636)	(18 545)	-
Share premium account	310 102	231 813	231 591
Revaluation reserve	8 158	2 396	2 343
Other capital reserves	229 718	242 529	199 775
Retained earnings	(21 316)	5 334	16 588
Foreign exchange differences on translation of foreign operations	10 073	(12 764)	56 831
Non-controlling interests	**1 446**	**1 792**	**18 600**
Total equity	**579 301**	**494 311**	**548 939**
Long-term liabilities	**152 697**	**154 377**	**355 950**
Interest-bearing bank loans and borrowings	59 313	97 911	134 216
Bonds	49 751	12 913	160 040
Provisions	3 382	3 718	3 460
Liabilities due to employee benefits	9 737	9 552	17 008
Deferred tax liabilities	30 514	30 283	41 144
Derivative financial instruments	-	-	58
Other financial liabilities	-	-	24
Short-term liabilities	**518 860**	**678 814**	**1 020 619**
Interest-bearing bank loans and borrowings	154 102	38 373	235 164
Bonds	902	147 761	5 695
Trade and other liabilities	206 737	333 361	570 766
Provisions	9 065	9 838	21 842
Liabilities due to employee benefits	8 702	8 744	13 567
Derivative financial instruments	-	2 657	-
Income tax liabilities	35	59	95
Accruals	86	94	1 496
Construction contracts	134 868	133 430	151 451
Advances received towards flats	4 363	4 497	20 543
Total equity and liabilities	**1 250 858**	**1 327 502**	**1 925 508**

**) Change in accounting policy - futher details in note 11 to the condensed consolidated financial statements*
***) The Group settled the transaction of acquiring stocks and shares in AB Kauno Tiltai and Lithold AB Group and established the company's value on the grounds of fair vales of assets and liabilities which had been taken over*

(data in thousand PLN, unless stated otherwise)

CONSOLIDATED STATEMENT OF CASH FLOW

	For the period of 3 months ended	
	31.03.2013	**31.03.2012**
	Unaudited	*Unaudited*
Cash flows from operating activities		
Gross profit from continued operations	**(22 416)**	**(8 256)**
Gross profit (loss) from discontinued operations	-	-
Adjustments for:	**(106 651)**	**(19 296)**
Depreciation	5 789	6 089
FX differences	797	(2 224)
Net interest and dividends	2 897	(7 651)
Profit on investment activities	(3 740)	(386)
Change in receivables	24 473	274 992
Change in inventory	(8 543)	21 184
Change in liabilities, excluding loans and borrowings	(143 252)	(264 394)
Change in prepayments and accruals	(541)	(19 629)
Change in provisions	(995)	533
Change in construction contracts	21 383	(22 100)
Change in financial derivatives	4	-
Income tax paid	(3 603)	(1 182)
Other	(2 423)	(1 944)
Foreign exchange differences on translation of foreign operations	1 102	(2 584)
Net cash flows from operating activities	**(129 067)**	**(27 552)**
Net cash flows from investing activities		
Sale (purchase) of intangible assets and tangible non-current assets	(1 969)	(1 776)
- acquisition	(2 672)	(2 263)
- sale	702	487
Financial assets	(3 221)	(13 321)
- repaid	3 609	(15 312)
- granted or acquired	(6 830)	1 991
Loans	2 001	-
- repaid	2 001	-
- granted	-	-
Interest received	302	-
Net cash flows from investing activities	**(2 887)**	**(15 097)**
Net cash flows from financial activities		
Expenditure on redemption of bonds	(13 800)	-
Proceeds from borrowings and loans obtained	111 539	14 602
Repayment of borrowings and loans	(34 242)	(61 082)
Interest paid	(1 105)	(8 307)
Payment of liabilities under financial lease agreements	(1 989)	(3 603)
Dividends paid to non-controlling interest	-	13 193
Other	22	59
Net cash flows from financing activities	**60 425**	**(45 138)**
Total net cash flows	**(71 530)**	**(87 787)**
Net FX differences	-	-
Cash and cash equivalents at the beginning of the period	**121 193**	**222 562**
Cash and cash equivalents at the end of the period	**49 663**	**134 775**
- with limited access	2 033	-

(data in thousand PLN, unless stated otherwise)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to shareholders of Parent entity										
	Share capital	Basic conditional capital	Due payments for basic capital (negative value)	Share premium account	Revaluation reserve	Other reserve capitals	Foreign exchange differences on translation of foreign operations	Retained earnings	Total	Non-controlling interests	Total equity
Unaudited											
As at 1.01.2013 Modified*	**23 211**	**18 545**	**(18 545)**	**231 813**	**2 396**	**242 529**	**5 334**	**(14 306)**	**490 977**	**1 792**	**492 769**
Corrections of errors	-	-	-	-	-	-	-	-	-	-	-
Changes of accounting policy	-	-	-	-	-	-	-	1 542	1 542	-	1 542
As at 1.01.2013 after adjustments	**23 211**	**18 545**	**(18 545)**	**231 813**	**2 396**	**242 529**	**5 334**	**(12 764)**	**492 519**	**1 792**	**494 311**
Net profit for the period	-	-	-	-	-	-	-	(21 316)	(21 316)	(353)	(21 669)
Other comprehensive income for the period	-	-	-	-	5 762	-	4 739	-	10 501	7	10 508
Profit distribution	-	-	-	-	-	(12 764)	-	12 764		-	
Issue of shares	17 909	(17 909)	17 909	78 289	-	-	-	-	96 198	-	96 198
Other changes	-	-	-	-	-	(47)	-	-	(47)	-	(47)
As at 31.03.2013	**41 120**	**636**	**(636)**	**310 102**	**8 158**	**229 718**	**10 073**	**(21 316)**	**577 855**	**1 446**	**579 301**
Unaudited, Modified*'*											
As at 1.01.2012	**23 211**	**-**	**-**	**231 591**	**2 343**	**199 775**	**16 588**	**52 334**	**525 842**	**18 600**	**544 442**
Corrections of errors	-	-	-	-	-	-	-	-	-	-	-
Changes of accounting policy	-	-	-	-	-	-	-	4 497	4 497	-	4 497
As at 1.01.2012 after adjustments	**23 211**	**-**	**-**	**231 591**	**2 343**	**199 775**	**16 588**	**56 831**	**530 339**	**18 600**	**548 939**
Net profit for the period	-	-	-	-	-	-	-	(7 828)	(7 828)	(261)	(8 089)
Other comprehensive income for the period	-	-	-	-	-	-	(7 566)	-	(7 566)	-	(7 566)
Profit distribution	-	-	-	-	-	16 641	-	(16 641)	-	-	-
Other changes	-	-	-	219	34	(660)	-	-	(407)	54	(353)
As at 31.03.2012	**23 211**	**-**	**-**	**231 810**	**2 377**	**215 756**	**9 022**	**32 362**	**514 538**	**18 393**	**532 931**

**) Change in accounting policy - futher details in note 11 to the condensed consolidated financial statements*
***) The Group settled the transaction of acquiring stocks and shares in AB Kauno Tiltai and Lithold AB Group and established the company's value on the grounds of fair vales of assets and liabilities which had been taken over*

III. ADDITIONAL INFORMATION AND EXPLANATIONS TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General information

This condensed consolidated financial statements of the Group cover the 3-month period ended on March 31, 2013.

Trakcja Capital Group (the "Group"; "GK Trakcja"; "Capital Group") consists of the Parent company Trakcja S.A. ("Trakcja", "Trakcja S.A.", the "Parent company", the "Company") and its subsidiaries, company under common control (see note 2).

Trakcja S.A. in its present form was established on November 30, 2004 as a result of acquisition of the holding company Trakcja Polska S.A. by Przedsiębiorstwo Kolejowych Robót Elektryfikacyjnych S.A. (Railway Electrification Works Company, "PKRE S.A."). The Company's business name was then Trakcja Polska S.A. and was changed by Resolution no. 2 adopted by an Extraordinary Shareholder Meeting on November 22, 2007. The change was confirmed by the entry in the National Court Register made on December 10, 2007. The Company's previous business name was Trakcja Polska – PKRE S.A. The Parent company operates on the basis of the articles of association prepared in the form of a notary deed on January 26, 1995 (Rep. A No. 863/95), as amended. On 1 September 2009, the District Court for the capital city of Warsaw, 12th Economic Department of the National Court Register, has registered the merge of Trakcja Polska S.A. as a taking-over company with Przedsiębiorstwo Robót Komunikacyjnych-7 S.A. – as a company being taken-over. The merge of the companies has been settled and included on 31 August 2009 in the accountancy books of the company, to which the property of the merged companies passed to, i.e. Trakcja Polska S.A. by means of shares bonding method. The actual merge of the companies, according to IFRS 3 took place at the moment of taking the control, i.e. 1 September 2007.

On June 22, 2011, the Regional Court for the capital city of Warsaw in Warsaw, XIII Economic Division of the National Court Register, registered the change of the Company's business name from Trakcja Polska S.A. to Trakcja - Tiltra S.A. The above change was registered pursuant to Resolution no. 3 adopted by the Extraordinary Shareholder Meeting on June 15, 2011.

On 21 December 2012, the Regional Court for the capital city of Warsaw in Warsaw, 13th Economic Division of the National Court Register, registered the change of the Company's business name from Trakcja - Tiltra S.A. to Trakcja S.A. The above change was registered pursuant to Resolution no. 3 adopted by the Extraordinary Shareholder Meeting on 12 December 2012.

On January 29, 2002, the Company was entered in the National Court Register in the Regional Court in Warsaw at the XII Business Division under file number KRS 0000084266. The Trakcja Polska – PKRE S.A. S.A. was assigned the statistical number REGON 010952900, the taxpayer identification no. NIP 525-000-24-39 and code PKD 4212Z.

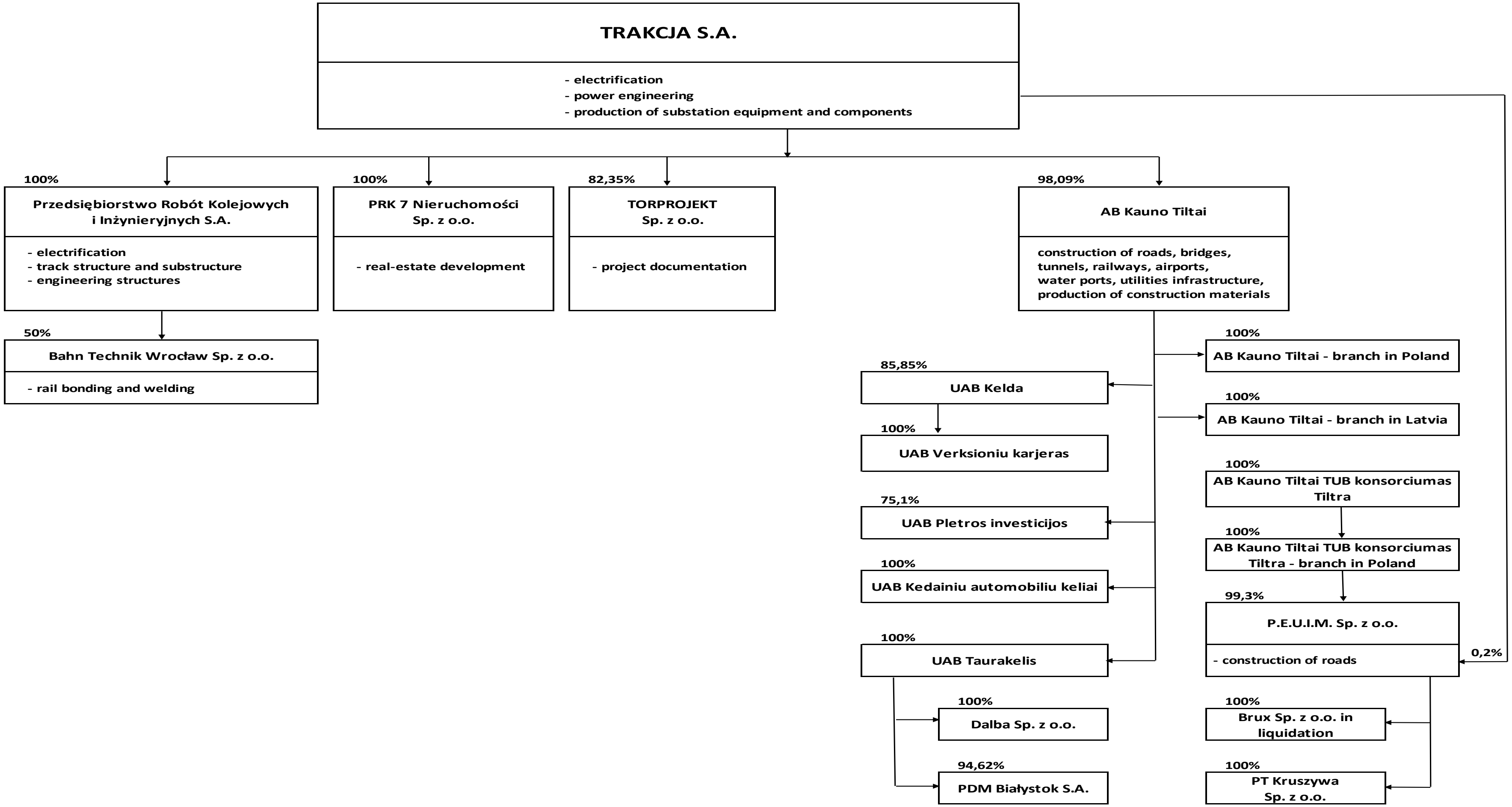
The Company's seat is located in Warsaw at 59 Złota Street, XVIII floor. The duration of the Parent company and the other entities comprising the Group is indefinite.

The Company's line of business as stated in its articles of association includes specialized construction and installation work for electrification of railway and tramway lines, i.e.:

- work on foundations and networks,
- installation of overhead contact substations and section cabins,
- installation of high and low voltage aerial and cable lines,
- installation of power supply and local control cables,
- production of high, medium and low voltage switching stations, overhead contact system accessories and local control devices,
- specialized equipment services (excavators, rail and car cranes, drill setters, piling rigs).

2. Group structure

As of March 31, 2013, the Group consists of Parent company Trakcja S.A. and subsidiaries:



***)** *Trakcja SA has a total of 98.09% (96.84% directly and indirectly 1.25%) of the share capital of the subsidiary AB Kauno Tiltai. The indirect share is a result of the acquisition of shares by a subsidiary.*

(data in thousand PLN, unless stated otherwise)

3. Changes in Capital Group

In the period from January 1, 2013 to March 31, 2013 the Group made adjustments in the Group structure described below.

On February 25, 2013, the subsidiary AB Kauno Tiltai established a branch of his company in Latvia.

After the balance sheet date, on April 5, 2013, the subsidiary UAB Pletros Investicijos set up a company UAB Palangos Aplinkkelis based in Vilnius, where it holds a 100% stake in its share capital.

4. Composition of the Parent Company's Management Board

The Company's Management Board on March 31, 2013 was composed of the following persons:

- Roman Przybył President of the Board;
- Marita Szustak Vice – president of the Board;
- Nerijus Eidukevičius Vice – president of the Board;
- Tadeusz Kałdonek Vice – president of the Board;
- Rodrigo Pomar López Vice – president of the Board.

Within the period from January 1, 2013 to March 31, 2013 in the composition of the Management Board did not change.

No changes in the composition of the Management Board occurred after the balance sheet date.

5. Shareholder Structure of the Parent company

According to knowledge of the Management Board of the Parent company, the following shareholders held, directly or through subsidiaries, at least 5 per cent of the total number of votes at the General Meeting of Shareholders of the publishing date of the statement:

Shareholder	Number of shares	% in the share capital	Number of votes	% in votes at GSM
COMSA S.A.	118 418 237	28,80%	118 418 237	28,80%
ING	81 321 651	19,78%	81 321 651	19,78%
Pioneer Pekao Investment Management S.A.	57 304 712	13,94%	57 304 712	13,94%
UAB "NDX energija"	30 409 825	7,40%	30 409 825	7,40%
Pozostali akcjonariusze	123 741 959	30,08%	123 741 959	30,08%
Total	**411 196 384**	**100,00%**	**411 196 384**	**100,00%**

The shareholders held have changed, directly or through subsidiaries, at least 5 per cent of the total number of votes at the General Meeting of Shareholders from the previous periodic report. Futher details ware presented in the note 29 of the condensed consolidated financial statement.

After the balance sheet date but before the publishing of the condensed consolidated financial statements there was no change in the shareholders held.

(data in thousand PLN, unless stated otherwise)

6. Number of shares in the Parent company held by persons managing and supervising the Company

From the previous periodic report there were no changes in the shares of the Parent company held by persons managing and supervising the Company.

As of the day of publishing this statement, the shares in Trakcja S.A. held by its managing and supervising persons were as follows:

First name and surname	Function	Number of shares	% in the shareholding structure
Maciej Radziwiłł	Chairman of the Supervisory Board	280	0,000%
Roman Przybył	President of the Management Board	10 000	0,002%
Marita Szustak	Vice President of the Management Board	500 000	0,122%
Nerijus Eidukevičius	Vice President of the Management Board	3 007 751	0,731%
Tadeusz Kałdonek	Vice President of the Management Board	2 550 960	0,620%

The members of the Management Board or the Supervisory Board do not hold shares in any entities within the Capital Group.

7. Approval of the financial statements

This condensed consolidated financial statements have been approved by the Management Board of the Parent company for publication on May 15, 2013.

8. Significant values based on professional judgement and estimates

8.1. Professional judgement

Within the process of application the accountancy principles (policy), the most important thing, except for the book estimates, is professional judgement of the management. The professional judgement is applied first and for most in assessment of risk related to payment of overdue receivables. Therefore, at each balance sheet date, the Group verifies write-downs of the above mentioned receivables considering potential risk of significant delay (more than 180 days) in payment.

In addition, the Management Board of the Parent company is guided by professional judgement when evaluating the time of starting the control over the related entities, considering all circumstances affecting the control.

8.2. Uncertainty of estimates

The basic assumptions related to the future and other key sources of uncertainties present at the balance sheet date, to which the risk of significant adjustment of balance sheet assets and liabilities is related in the following fiscal year are presented below.

Valuation of provisions

The reserves due to employee benefits were estimated based on actuarial methods.

Provisions for correcting works

The provisions for correcting works were estimated based on the knowledge of managers of individual construction contracts related to the necessity or possibility of performing additional works for the ordering party, to fulfil the guarantee obligations.

Deferred tax component of assets

The Group recognizes a component of assets due to deferred tax based on the assumption that tax profit will be attained in the future allowing its utilization. Deterioration of the obtained tax results in the future could cause that such assumption would become unjustified.

Fair value of financial instruments

Fair value of the financial instruments, for which active market does not exist, is estimated by means of appropriate estimation methods. When selecting the methods and assumptions, the Group follows the professional judgement.

Recognition of revenue

To maintain relatively constant margin during all reporting periods, within which a contract is in force, the Group applies the cost method for fixing the incomes (“cost-plus”). The revenue on performance of construction and installation services covered by an uncompleted contract is the actually borne costs increased by the assumed margin for the given contract. The Group performs regular analysis and if necessary, verification of the assumed margins for individual contracts. The amount of revenue on sale in case of contracts concluded in foreign currency depends on the directions of shaping the currency exchange rate.

Depreciation rates

The amount of depreciation rates is set based on the expected period of economical usability of material components of non-current assets and intangible assets. The Group every year performs verification of the adopted periods of economical usability based on current estimations.

Impairment of financial assets

At the assessment whether the financial assets have not lost their value, the available and commonly applied methods of valuation were used taking into account the Group prospect cash flows in respect of the possessed assets.

9. Basis for preparation of the condensed consolidated financial statements

The condensed consolidated financial statements have been prepared according to historical cost principle, except for the derivative financial instruments and financial assets available for sale, which are estimated according to fair value. The balance sheet value of the recognized collaterals of assets and liabilities is adjusted according to the changes in fair value, which may be attributed to risk, against which the assets and liabilities are secured.

The condensed consolidated financial statements are disclosed in Zloty ("PLN", "zł"), and all values, if not presented otherwise, are given in thousand Zloty.

Some financial data recognized in this financial statement have been rounded. Therefore, some tables presented in the statement show the sum of amounts in a given column or row that slightly differ from the total amount given for such column or row.

The following subsidiaries: Przedsiębiorstwo Robót Kolejowych I inżynieryjnych S.A., PRK 7 Nieruchomości Sp. z o.o., Torprojekt Sp. o.o. are consolidated using the full method and the company Bahn Technik Wrocław Sp. o.o. is consolidated using the proportional method. AB Kauno Tiltai Group is consolidated using the full method.

All of the balances and transactions between Group entities, including unrealized profits resulting from intra-Group transactions, have been eliminated in full. Unrealized losses are eliminated, unless they are a proof of impairment.

Non-controlling shares are that part of the financial result and net assets which does not belong to the Group. Non-controlling interests are presented as a separate line item in the consolidated profit and loss account, the consolidated statement of total income and equity of the consolidated balance sheet, separately from the equity assigned to shareholders of the Parent company. In the case of purchasing non-controlling interests, the difference between the purchase price and the balance sheet value of the non-controlling interests is captured in capitals.

10. Declaration of conformity

The condensed consolidated financial statement was prepared according to the International Financial Reporting Standard ("IFRS") issued by the International Accounting Standards Board (“IASB”) according to IFRS approved by the European Union. At the day of approving this financial statement, within the scope of accountancy principles applied by the Group, there are no differences between IFRS standards and the IFRS standards approved by the European Union. The standards that did not come into force on March 31, 2013 and were not approved by the European Union at the day of preparing this consolidated financial statement are presented in note No. 11.

The IFRS cover the standards and interpretations accepted by the International Accountancy Standard Board and the International Financial Reporting Interpretations Committee ("IFRIC").

Currency of measure and currency of financial statements

The currency of measure of the Parent company and the majority of the Group's companies as well as the presentation currency in this condensed consolidation financial statement for the period 3 months ended March 31, 2013 is Polish Zloty. The currency of measure of companies with their registered office in Lithuania is Litas (LTL).

11. Significant accountancy principles

The accountancy principles (policy) applied to prepare this condensed consolidated financial statement for the period 3 months ended March 31, 2013 are coherent with those which were applied while preparing the annual consolidated financial statements for 2012, with the exclusion of the changes specified below.

Investments property

In the reporting period, the Group changed accounting policy regarding the investment properties' valuation method. In the Group's opinion, application of changed policy shall result in including in Group's financial statements more reliable and useful information concerning the influence of held assets on the Group's financial situation.

Starting from the financial year beginning on January 1, 2013, these principles are as follows:

The Group's investment properties comprise of investments in buildings and land held in order to generate revenues on rental or on their expected value gain. Initially, investment properties acquired in a separate purchase transaction are measured at its purchase price, with a consideration of transaction costs. In remaining cases, e.g.: acquisition of business unit, the investment properties are initially recognised at fair value.

After initial recognition all investment properties are measured at fair value.

Determining a fair value can involve:

- an appraisal conducted by an independent appraiser having recognition and relevant professional qualifications as well as experience in appraising properties of a location and characteristics similar to the property appraised;
- an analysis of data coming from an active market of current market prices of similar investment properties that are similarly situated and are in a comparable condition.

Assets are transferred to and from investment properties only when there is an evident change in the intended method of their use.

Investment properties' fair value change appearing within a year is reported in the profit and loss account. In case of transferring the Group's asset from fixed assets to investment properties, the difference between the fair value and the balance sheet value of such an asset is recognised in the revaluation reserve and any following changes – in the profit and loss account.

If the unit is able to reliably determine fair value of investment property under construction, which has previously been measured at costs, then, it measures this property at fair value in its financial statements. When the unit completes the construction of its own investment property that shall be recognised at fair value, the difference between the property's fair value as of that day and its previous balance sheet value shall be reported in the profit and loss account.

The Group owns, among others, lands and buildings situated in Warsaw, at ul. Golędzinowska, Skaryszewska that are maintained in order to gain profits on them in a form of increasing their value and earning revenues on rental.

Change the appropriation of tangible non-current assets to investment property

In the reporting period, the Group decided to change the appropriation of some lands and buildings constituting fixed assets in the balance sheet as of December 31, 2012. As of January 1, 2013, selected lands and buildings have been qualified as investment properties measured at fair value as of the day of changing their appropriation and the difference between fair value and carrying amount as of the date of reclassification was recognized in revaluation reserve. The revaluation adjustment of these lands and buildings as of the balance sheet day March 31, 2013 has been recognised in the current year's result.

(data in thousand PLN, unless stated otherwise)

Total balance sheet value of lands and buildings subject to requalification (as a result of appropriation change) amounted to (the below amount corresponds with increasing the value of an item "Investment properties" and decreasing an item "Tangible non-current assets"):

As of 01.01.2013: PLN 754 thousand.

The difference between the fair value and the balance sheet value of the reclassified assets as at January 1, 2013 has been recognised in the revaluation reserve in the amount of PLN 5,762 thousand.

The results of changing accounting policy

Pursuant to the aforementioned accounting policy, starting from the financial year beginning on January 1, 2013, the Group measures its investment properties at fair value.

As a result of implemented accounting policy changes, the amount of 4.148 thousand zloty, which is the value of a surplus in fair value of an investment property stipulated as of the balance sheet day over its fair value as of January 1, 2013, has been recognised in other operating revenues, in current reporting period. The investment property component in Statement of financial position shows the corrected property value in the amount compliant with the value provided for by the independent appraiser.

Pursuant to IFRS 8 requirements, comparable data were corrected as of December 31, 2012 and as of the beginning of a reporting period that is presented the earliest – i.e.: as of January 1, 2012. The correction introduced had an impact on the net profit (an increase in 2012 net profit by PLN 1,542 thousand and an increase in 2011 net profit by PLN 4,497 thousand).

Costs' presentation change

The Group changed the presentation of selected departments' costs from general administrative cost, where they had been previously presented, to cost of goods sold due to the fact that services of these departments are provided within basic activity (under construction contracts). In the Group's Management Board's opinion, such a presentation shall reflect the Group's financial situation more appropriately. Pursuant to IFRS requirements, comparable data were changed.

	Data published in the report for the first quarter of 2012	**Data modified due to changes in presentation for the first quarter of 2012**
Cost of goods sold	(194 182)	(194 890)
General and administrative costs	(13 138)	(12 430)

The same principles were applied for the current and comparable period. A detailed description of the accounting policy adopted by the Trakcja Capital Group was presented in the annual consolidated financial statements for 2012, published on March 20, 2013.

Standards and interpretations that did not come into force at the balance sheet date

In this condensed consolidated financial statements, the Group did not take the decision on application of published standards and interpretations before the date of their entry into force.

The following standards and interpretations were issued by the International Accountancy Standard Board and the International Financial Reporting Interpretations Committee and did not come into force at the balance sheet date:

- *IFRS 9 Financial Instruments*

The new standard was published on November 12, 2009 and it constitutes IASB's first step to replace IAS 39 *Financial Instruments: Recognition and Measurement.* After publishing the new standard was subject to follow-up works and partly was changed. The new standard shall enter into force on January 1, 2015.

The Group shall apply the new standard from January 1, 2015.

As at the date of this condensed consolidated financial statement, it is impossible to assess the impact of the application of the amended standard in a reliable manner.

- *IFRS 10 Consolidated Financial Statements*

The new standard was published on May 12, 2011 and is to replace the interpretation *SIC 12 Consolidation – Special Purposes Entities* and a part of resolutions of *IAS 27 Consolidated and Separate Financial Statements.* The standard defines the notion of control as a factor determining whether the entity should be included in the consolidated financial statement and contains hints that help to determine whether the entity exercises control or not.

The Group will apply the new standard from 1 January 2014, the date of entry into force established by the European Commission.

As at the date of this condensed consolidated financial statement, it is impossible to assess the impact of the application of the amended standard in a reliable manner.

- *IFRS 11 Joint Arrangements*

The new standard was published on May 12, 2011 and is to replace the interpretation *SIC 13 Jointly Controlled Entities – Non-monetary Contributions by Venture s*and *IAS 31 Interests in Joint Ventures.* The standard underlines rights and obligations resulting from joint agreement irrespective of its legal form and eliminates inconsequence in reporting by specifying methods of settling interests in jointly controlled entities.

The Group will apply the new standard from 1 January 2014, the date of entry into force established by the European Commission.

As at the date of this condensed consolidated financial statement, it is impossible to assess the impact of the application of the amended standard in a reliable manner.

- *IFRS 12 Disclosure of Interests in Other Entities*

The new standard was published on May 12, 2011 and it contains requirements of information disclosures regarding relations between entities.

The Group will apply the new standard from 1 January 2014, the date of entry into force established by the European Commission.

As at the date of this condensed consolidated financial statement, it is impossible to assess the impact of the application of the amended standard in a reliable manner.

- *IAS 27 Separate Financial Statements*

The new standard was published on May 12, 2011 and it mainly results from transferring some provisions of hitherto prevailing IAS 27 to new IFRS 10 and IFRS 11. The standard contains requirements regarding presentation and disclosures in a separate financial statement of investments in associates, subsidiaries and joint ventures. The standard shall replace hitherto prevailing IAS 27 *Consolidated and Separate Financial Statements.*

The Group will apply the new standard from 1 January 2014, the date of entry into force established by the European Commission.

As at the date of this condensed consolidated financial statement, it is impossible to assess the impact of the application of the amended standard in a reliable manner.

- *IAS 28 Investments in Associates and Joint Ventures*

The new standard was published on May 12, 2011 and refers to settling investments in associates. Furthermore, it specifies the requirements regarding the application of the equity method in investments in associates and joint ventures. The standard shall replace hitherto prevailing IAS 28 *Investments in Associates.*

The Group will apply the new standard from 1 January 2014, the date of entry into force established by the European Commission.

As at the date of this condensed consolidated financial statement, it is impossible to assess the impact of the application of the amended standard in a reliable manner.

- *Amendments to IAS 32 Offsetting financial assets and liabilities*

The amendments to IAS 23 were published on December 16, 2011 and apply to annual periods commencing on January 1, 2014 or later. The amendments are response to inconsistencies in the application of the offsetting criteria presented in IAS 32.

The Group shall apply the amended IAS as of January 1, 2014.

As at the date of this condensed consolidated financial statement, it is impossible to assess the impact of the application of the amended standard in a reliable manner.

- *The guidelines related to the interim provisions (Amendments to IFRS 10, IFRS 11, and IFRS 12).*

The guidelines were published on June 28, 2012 and contain additional information on the application of IFRS 10, IFRS 11 and IFRS 12, including presentation of comparative data in case of the first-time adoption of the above-mentioned standards.

The Group shall apply the amended IAS as of January 1, 2014.

As at the date of this condensed consolidated financial statement, it is impossible to assess the impact of the application of the amended standard in a reliable manner.

- *Investment Units (Amendments to IFRS 10, IFRS 12 and IFRS 27)*

The guidelines were published on October 31, 2012 and include other principles regarding the application of IFRS 10 and IFRS 12 in case of investment trusts.

The Group shall apply the amended IAS as of January 1, 2014.

As at the date of this condensed consolidated financial statement, it is impossible to assess the impact of the application of the amended standard in a reliable manner.

Currently, IFRS in the form approved by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) with the exception of the following standards, interpretations and their amendments that as of the day of approving this financial statement for publication have not yet been adopted for application by the EU:

- *IFRS 9 Financial Instruments published on November 12, 2009 (as amended),*
- *Investment Units (Amendments to IFRS 10, IFRS 12 and IFRS 27)*

12. Effect of application of new accountancy standards and changes of accountaning policy

The accountancy principles (policy) applied to prepare this condensed consolidated financial statement for the period 3 months ended March 31, 2013 are coherent with those which were applied while preparing the consolidated financial statement for fiscal year ended on December 31, 2012 excluding the changes given below. The same principles were applied for the current and comparable period, unless the standard or interpretation assumed only the prospective application.

- **Changes resulting from IFRS changes**

The following new or changed standards and interpretations issued by the International Accountancy Standard Board and the International Financial Reporting Interpretations Committee are in force since January 1, 2013:

- *IFRS 13 Fair Value Measurement*
- *Amendments to IAS 19 Employee Benefits*
- *Amendments to IAS 1 Presentation of Items of Other Comprehensive Incomes*
- *Amendments to IFRS 7 Disclosures – Offsetting Financial Assets and Liabilities*
- *The amendments to different standards resulting from annual review of the International Financial Reporting Standards (Annual Improvements 2009-2011)*
- *Amendments to IFRS 1*

Their application did not influence the business results and financial standing of the Company and resulted only in changes of the applied accountancy principles or possible extension of the scope of necessary disclosures or amendments to the used terminology.

Main consequences of the application of new regulations:

- *IFRS 13 Fair Value Measurement*

The new standard was published on May 12, 2011 and is aimed at facilitating the application of fair value measurement by reducing the complexity of solutions and increasing consequence in applying principles of fair value measurement. The standard explicitly specifies the aim of such measurement and the definition of fair value.

The application of the standards shall not influence the abridged consolidated financial statement of the Group in a significant way.

- *Amendments to IAS 19 Employee Benefits*

Amendments to IAS 19 were published on June 16, 2011 and are applied to annual periods starting on January 1, 2013 or later. Amendments eliminate the possibility of delays in recognising profits and losses known as "the corridor method". Furthermore, they improve the presentation of balance sheet's amendments resulting from employee benefits' plans and necessary estimations presented in other comprehensive incomes as well as they extend the scope of required related disclosures.

The application of the standards shall not influence the abridged consolidated financial statement of the Group in a significant way.

- *Amendments to IAS 1 Presentation of Items of Other Comprehensive Incomes*

Amendments to IAS 1 were published on June 16, 2011 and are applied to annual periods starting on July 1, 2012 or later. Amendments refer to grouping items of other comprehensive incomes that can be transferred to the profit and loss statement. Moreover, amendments confirm the possibility to present items of other comprehensive incomes and items of the profit and loss statement as one or two separate statements.

The Group shall apply amended IAS as of 1 January 2013.

The application of the standards shall not influence the abridged consolidated financial statement of the Group in a significant way.

- *Amendments to IFRS 7 Disclosures – Offsetting Financial Assets and Liabilities*

Amendments to IFRS 7 were published on December 16, 2011 and are applied to annual periods starting on January 1, 2013 or later. Not changing general principles in relation to offsetting financial assets and liabilities, a scope of disclosures was widened in relation to amounts offsetting with oneself. Furthermore, it specifies the requirement was implemented wider (more transparent) of disclosures connected with the credit risk management with using securities (of pledges) received or handed over.

The Group shall apply amended IFRS 7 as of January 1, 2013.

The application of the standards shall not influence the abridged consolidated financial statement of the Group in a significant way.

- *The amendments to different standards resulting from annual review of the International Financial Reporting Standards (Annual Improvements 2009-2011)*

On May 17, 2012, other amendments to seven standards were published, as resulting from the project of the proposed amendments to the International Financial Reporting Standards published in June 2011. They apply mostly to annual periods commencing on January 1, 2013 or later (depending on the standard).

The Group shall apply the amended standards within the scope of the introduced changes, as of January 1, 2013, unless a different period for their entry into force has been provided for.

The application of the standards shall not influence the abridged consolidated financial statement of the Group in a significant way.

- *Amendments to IFRS 1*

The amendments to IFRS 1 were published on March 13, 2012 and apply to annual periods commencing on January 1, 2013 or later. The amendments provide relief for first-time adopters from the retrospective application of IFRS when accounting for loans received from governments at a below-market rate of interest.

The amended IFRS 1 shall not influence the abridged consolidated financial statement of the Group.

The following new or changed standards and interpretations issued by the International Accountancy Standard Board or the International Financial Reporting Interpretations Committee became effective as of January 1, 2012, but they have not been approved for application by the EU, therefore, were not applied by the Group in this financial statement:

- *Amendments to IFRS 1* Severe hyperinflation and removal of fixed dates

The amendments to IFRS 1 were published on December 20, 2010 and apply to annual periods starting from July 1, 2011 or later. The amendments apply to the reference to the fixed date "1 January 2004" as the date of the first IFRS application and change it to "the day the IFRS was applied for the first time" in order to eliminate the necessity of transferring the transactions which occurred before the company implemented IFRS. Moreover, the standard includes guidelines related to another application of the IFRS within periods falling after the periods of hyperinflation, which precludes full conformity with the IFRS.

The amended IFRS 1 does not influence the financial statement of the Group.

- *Amendments to IAS 12 Deferred tax: Recovery of underlying assets*

The amendment to IAS 12 was published on December 20, 2010 and applies to annual periods starting from January 1, 2012 or later. The amendment specifies, among other things, the method of measurement of assets and deferred tax liabilities in case of investment properties valued according to the fair value model as specified in IAS 40 *Investment property.* The entry into force of the amended standard will also result in the withdrawal of the interpretation of SIC – 21 *Income tax – recovery of revalued non-depreciable assets*.

The amended IAS 12 does not influence the financial statement of the Group.

- **Changes introduced independently by the Group**

The Group made an adjustment to the financial statements in the I quarter of 2013. Detailed information is presented in note 11 of the condensed consolidated financial statements.

13. Description of factors and events having material impact on financial results of Trakcja Group for the I quarter of 2013

Within the period of I quarter 2013, Trakcja Group recorded PLN 150,003 thousand revenue on sale, which decreased by 25.4 per cent when compared to the analogous period in 2012. The cost of goods sold decreased by 19.2 per cent and amounted to PLN 157,379 thousand. Higher by 6.2 p.p. decrease in sales compared to the decrease in cost of sales was a result of lower gross profit margin on sales by 8.06 percentage points.

The gross loss on sales was PLN 7,376 thousand and the result decreased by PLN 13,690 thousand, i.e. by 216.8 per cent when compared to the analogous period in the previous year. The margin of gross profit on sales was -4.9 per cent in the I quarter of 2013 and 3.1 per cent in the analogous period in 2012.

The overheads were PLN 11,511 thousand and decreased by 7.4 per cent, i.e. by PLN 919 thousand when compared to the analogous period in 2012. The costs of sale, marketing and distribution amounted to PLN 1,451 thousand and decreased by PLN 192 thousand. The balance of other operating activity was PLN 3,197 thousand and increased by PLN 1,771 thousand, which is 124.2 per cent decrease when compared to the I quarter of 2012. The Group recorded a loss on operating activities for a 3-month period in 2013 amounting to PLN 17,141 thousand. The result on operating activities decreased by PLN 10,808 thousand when compared to the result for the I quarter 2012, when the loss was PLN 6,333 thousand.

In the I quarter of 2013 the balance from financial activities reached PLN -5,275 thousand which is an increase of PLN 3,352 thousand when compared to the balance in the I quarter of the previous year.

In the period from January 1, 2013 to March 31, 2013, the Group recorded a gross loss of PLN 22,416 thousand. The gross result for the I quarter of 2013 decreased by PLN 14,160 thousand when compared to the I quarter of 2012, when the loss was PLN 8,256 thousand. The income tax for the I quarter 2013 was PL 747 thousand and increased by PLN 580 thousand in comparison to the analogous period. The net result of the Group for the period from January 1, 2013 to March 31, 2013 was negative with the value of PLN 21,669 thousand. The net loss increased when compared to the loss for the 3-month period in 2012 by PLN 13,580 thousand.

The balance sheet total as at the end of the I quarter of 2013 was PLN 1,250,858 thousand and was lower by 5.8 per cent when compared to balance sheet total as for December 31, 2012.

The non-current assets increased by PLN 16,873 thousand (i.e. by 2.4 per cent when compared to the non-current assets as for December 31, 2012) and reached PLN 717,128 thousand whereas current assets decreased by PLN 93,517 thousand (i.e. by 14.9 per cent when compared to the amounts as for December 31, 2012) and reached PLN 533,730 thousand when compared to the balance as for December 31, 2012.

The decrease in current assets was mostly due to decrease in cash and cash equivalents by PLN 71,530 thousand, i.e. 59.0 per cent. As for March 31, 2013 cash and cash equivalents amounted to PLN 49,663 thousand. Additionally, the building contracts among current assets decreased by PLN 20,804 thousand, i.e. 15.6 per cent when compared to balance as for December 31, 2012.

The equity of the Capital Group increased as for March 31, 2013 by PLN 84,990 thousand in comparison to the balance as for December 31, 2012. The increase was caused mainly by the increase in the surplus from the sale of shares above their nominal value resulting from the conversion of bonds into shares and the share capital increase.

As for March 31, 2013, the non-current liabilities reached the value of PLN 152,697 thousand and decreased by PLN 1,680 thousand, i.e. by 1,1 per cent in comparison to the balance as for December 31, 2012. Mostly the interest-bearing credits and long-term loans were decreased due to credit repayment. The Group reported an increase the value of long-term bonds by PLN 36,838 thousand due to debt restructuring that replaced part of the Company's bonds with a maturity of December 2013.

The current liabilities reached the value of PLN 518,860 thousand and decreased by 23.6 per cent, i.e. by PLN 159,954 thousand in comparison to the balance as for December 31, 2012. Among the current liabilities, short-term bonds (with a decrease of PLN 146,859 thousand) and trade payables and other liabilities (amounted to PLN 206,737 thousand, decreased by PLN 126,624 thousand) recorded the largest decreases. The interest-bearing loans and bank credits increased by PLN 115,729 thousand and amounted to PLN 154,102 thousand as for March 31, 2013.

14. Cyclical and seasonal character of activity

Group sales reached the lowest value in the I quarter of 2013 due to adverse weather conditions. This year, adverse weather conditions had a significant impact on the sales volume of the Group.

15. Information concerning issue, redemption and repayment of debt and equity securities

Pursuant to resolution no. 5 of the Extraordinary General Meeting of shareholders of 12 December 2012, the share capital of Trakcja S.A. was contingently increased by an amount not exceeding PLN 18,545,436. The increase in the share capital will be achieved by issuing not more than 185,454,360 ordinary bearer shares of series H of the nominal value of PLN 0.10 each. Increasing the share capital through issuing series H shares will take place at the moment when the holders of bonds have exercised their right to take up series H shares (holders of registered bonds will be entitled to exchange them for ordinary bearer shares of series H). The right to take up series H shares will be exercised within the timeframe for the exchange, until 31 March 2013. On 21 December 2012, the District Court for the capital city of Warsaw in Warsaw, 13th Economic Division of the National Court Register (KRS) registered the change in the contingent increase of the share capital. Detailed information were included in current report no. 71/2012 of 13 December 2012.

Due to the conversion of all the remaining bonds, KDPW decided to close on March 19, 2013 the deposit accounts kept for series D bonds marked with code PLTRKPL00071. As a result of the exchange of bonds for shares, the share capital of the Company now amounts to PLN 41,119,638.40 and is divided into 411,196,384 shares which entitle their holders to exercise the same number of votes at a general meeting of the Company. The bonds were converted into a total of 179 090 904 shares.

16. Amounts with a significant impact on assets, liabilities, equity, net profit/loss or cash flows which are non-typical due to their nature, value, effect or frequency

In the I quarter of 2013, there were no events with a significant impact on assets, liabilities, equity, net profit/loss or cash flows that are not non-typical due to their nature, value, effect or frequency.

17. Description of factors that will influence the results attained by the Group in the perspective of at least one subsequent quarter

The most important factors which have an impact on financial results of the Capital Group include:

- The ability to win new construction contracts, which on account of the profile of the Group's activities is determined by the level of expenditures on rail and tram infrastructure in Poland.
- The accuracy of estimating the costs of implemented projects as it exerts direct impact on decisions regarding the strategy of participating in tenders, the valuation of contracts for tenders and as a result the margins generated on the contracts. The accuracy of estimating cost budgets for contracts is related, in turn, to the methodological and external factors, such as changes in prices of materials and services rendered by subcontractors.
- The consolidated financial results are subject to fluctuations of exchange rates, in particular the exchange rate against the euro. Group has a policy of exchange rate hedging through forward currency contracts. Group cannot however apply hedge accounting due to different timeline of contract works and customers payments. Therefore, fluctuations in the foreign exchange market combined with shifts in the payments made by customers in the euro may have either a negative or positive effect charged directly to profit or loss of the Group.
- The Group's financial results are exposed to the fluctuations of foreign currency exchange rates, and in particular to the fluctuations of the Polish zloty against the litas. Due to the conversion of the individual items from the profit and loss statement of Lithuanian companies on the basis of an average rate for the period covered by the consolidation, the consolidated financial results are subject to fluctuations in the exchange rates of the Polish zloty against the Lithuanian litas.
- The Central Bank's monetary policy reflected in the changes in interest rates. For the purpose of financing planned acquisitions, the Group may apply for bank loans and therefore it may incur financial expenses determined by the level of interest rates.
- The timeliness in repayment of liabilities by customers. A failure to do so by customers may lead to the deterioration in financial liquidity.
- Potential acquisition of business entities may have both positive effects on and threats to the financial profit or loss of the Capital Group.

Moreover, in the future, the financial performance of the Group may be affected by changes in the legal regulations designating the scope of the Group's activities, including tax regulations and any provisions related to other encumbrances of a public and legal nature, and also any regulations referring to the following:

- The procedure for awarding public procurements, in particular, the amendment to the Act on the Public Procurement Law,
- The public-private partnership, in particular, the Act on Public-Private Partnership (Journal of Laws of 6 September 2005),
- The financing of railway and road infrastructure,
- The environmental protection in the scope of implementation of individual projects, in particular, the Act on the Environmental Protection Law,
- The renewable energy, in particular, the Act on the Energy Law of 10 April 1997 (Journal of Laws of 2006, No. 89, item 625),
- The property development activities of PRK 7 Nieruchomości Sp. z o.o., the regulations governing buying and selling real properties, in particular the Civil Code, Act on the Real Estate Management of 21 August 1997 (Journal of Laws, 04.261.263), Act on the Acquisition of Real Estate by Foreigners of 24 March 1920 (Journal of Laws, 04.167.1758), Act on the Ownership of Premises of 24 June 1994 (Journal of Laws, 00.80.903), the Act of 16 September 2011 on the protection of the rights of the purchaser of a dwelling or a detached house and provisions related zoning and building.

18. Risk factors

The factors that may significantly deteriorate the financial standing of the Group include the following:

- Risk of growing competition,
- Risk of changes in the strategy of the Polish authorities with regard to the infrastructure modernisation over the next few years,
- Risk of being dependant on key customers,
- Risk of potential loss of subcontractors and potential rise in prices of services rendered by subcontractors,
- Risk associated with the lack of qualified employees,
- Currency risk,
- Risk associated with joint and several liability of members of construction consortia and with liability for subcontractors,
- Risk associated with the volatility of prices for materials,
- Risk related to any potential penalties for failure to complete contracts,
- Risk of underestimating the costs of projects,
- Risk related to performance of construction contracts,
- Risk associated with the conditions and procedures for awarding tenders,
- Risk of growing portfolio of overdue receivables,
- Risk related to financial agreements,
- Liquidity risk,
- Risk related to strategy implementation.

The remaining factors which may cause fluctuations in the price of shares of Trakcja S.A., other than those referred to above, are:

- Change in the evaluation of the credibility of Trakcja Group,
- Change in the debt of Trakcja Group,
- Sale or acquisition of assets by Trakcja Group,
- Material changes in the ownership structure of Trakcja Group,
- Changes introduced by the capital market analysts to their forecasts and recommendations regarding Trakcja Company, its competitors, partners and sectors of the economy in which the Group is active.

19. The position of the Management Board with regard to the published forecasts

The Management Board of Trakcja S.A. did not publish any financial forecasts for 2013.

20. Concise description of significant achievements or failures during the I quarter 2013

There were no other significant achievements and failures than those described in these condensed consolidated financial statements.

21. Information material for the assessment of the personnel assets, financial standing and the financial results of the Group and their changes and for the assessments of the Parent's ability to fulfill its obligations

Apart from the information contained in the following condensed consolidated financial statements there is no other material information of the assessment of the personnel, assets, financial standing and the financial results of the Group and their changes or for the assessments of the Group's ability to fulfill its obligations.

(data in thousand PLN, unless stated otherwise)

22. Deffered tax asstes and liabilities

	Consolidated Balance Sheet as at		**Consolidated statement of total comprehensive income**
	31.03.2013	31.12.2012	For the period ended
	Unaudited	Audited	31.03.2013
Deffered tax asstes	26 218	26 551	**(333)**
Deferred tax liabilities	30 514	30 283	**232**
Change of deffered tax assets and liabilities			**(565)**
Including:			
- through profit or loss			836
- through equity			(1 347)
- variances due to currency translation			(54)

23. Change of the write downs of asstes

	Tangible asstes	**Intangible assets**	**Inventory**	**Receivables**	**Total**
As at 1.01.2013	**-**	**-**	**1 680**	**21 405**	**23 085**
Audited					
Recognized	-	-	10	454	464
Variances due to currency translation	-	-	10	68	78
Used	-	-	(17)	(43)	(60)
Reversed	-	-	-	(287)	(287)
As at 31.03.2013	**-**	**-**	**1 683**	**21 597**	**23 280**
Unaudited					

24. Provisions

	Provisions
As at 1.01.2013	**13 556**
Audited	
Recognized	795
Variances due to currency translation	105
Used	(1 806)
Reversed	(203)
As at 31.03.2013	**12 447**
Unaudited	
Ageing structure of provisions:	
- long-term	3 382
- short-term	9 065

25. Purchases and sales of property, plant and equipment and other intangible assets

In the period from January 1 to March 31, 2013, the Group acquired tangible non-current assets and intangible assets in the total amount of PLN 2,881 thousand.

In the period from January 1 to March 31, 2013, the Group sold its tangible non-current assets and intangible assets in the total book value of PLN 419 thousand.

(data in thousand PLN, unless stated otherwise)

26. Information concerning segments

Operational segments:

For the period from 1.01.2013 to 31.03.2013 Unaudited	Continued operations						
	Railway segment	**Road segment**	**Other segments**	**Total**	**Discontinued operations**	**Exclusions**	**Total operations**
Revenues							
Sales to external customers	125 518	17 446	7 039	150 003	-	-	150 003
Sales between segments	87	9	-	96	-	(96)	-
Total segment revenues	**125 605**	**17 455**	**7 039**	**150 099**	**-**	**(96)**	**150 003**
Results							
Depreciation	2 687	3 067	35	5 789	-	-	5 789
Segment gross profit (loss)	**(8 050)**	**(15 417)**	**1 051**	**(22 416)**	**-**	**-**	**(22 416)**

For the period from 1.01.2012 to 31.03.2012 Unaudited	Continued operations						
	Railway segment	**Road segment**	**Other segments**	**Total**	**Discontinued operations**	**Exclusions**	**Total operations**
Revenues							
Sales to external customers	135 168	39 619	26 417	201 204	-	-	201 204
Sales between segments	827	4	213	1 044	-	(1 044)	-
Total segment revenues	**135 995**	**39 623**	**26 630**	**202 248**	**-**	**(1 044)**	**201 204**
Results							
Depreciation	3 211	2 759	118	6 088	-	-	6 088
Segment gross profit (loss)	**6 934**	**(18 573)**	**6 495**	**(5 144)**	**-**	**(3 112)**	**(8 256)**

(data in thousand PLN, unless stated otherwise)

As at 31.03.2013	**Continued operations**						
Unaudited	**Railway segment**	**Road segment**	**Other segments**	**Total**	**Discontinued operations**	**Exclusions**	**Total operations**
Operating assets	499 249	538 345	39 305	1 076 899	-	(282 172)	794 727
Operating liabilities	263 492	318 639	7 400	589 531	-	(70 671)	518 860
Other disclosures:							
Capital expenditure	(712)	(1 994)	-	(2 706)	-	34	(2 672)

As at 31.12.2012	**Continued operations**						
Modified	**Railway segment**	**Road segment**	**Other segments**	**Total**	**Discontinued operations**	**Exclusions**	**Total operations**
Operating assets	514 824	550 524	42 667	1 108 015	-	(233 494)	874 521
Operating liabilities	407 856	337 857	13 890	759 603	-	(80 789)	678 814
Other disclosures:							
Capital expenditure	(18 977)	(3 952)	(16)	(22 945)	-	1 017	(21 928)

(data in thousand PLN, unless stated otherwise)

Geographic segments:

For the period from 1.01.2013 to 31.03.2013 Unaudited	**Continued operations**					
	At home	**Abroad**	**Total**	**Discontinued operations**	**Exclusions**	**Total operations**
Revenues						
Sales to external customers	134 724	15 279	150 003	-	-	150 003
Sales between segments	87	9	96	-	(96)	-
Sales between the country and foreign countries	1	-	1	-	(1)	-
Total segment revenues	**134 812**	**15 288**	**150 100**	**-**	**(97)**	**150 003**

For the period from 1.01.2012 to 31.03.2012 Unaudited, Modified	**Continued operations**					
	At home	**Abroad**	**Total**	**Discontinued operations**	**Exclusions**	**Total operations**
Revenues						
Sales to external customers	163 722	37 482	201 204	-	-	201 204
Sales between segments	7 302	-	7 302	-	(7 302)	-
Sales between the country and foreign countries	-	5	5	-	(5)	-
Total segment revenues	**171 024**	**37 487**	**208 511**	**-**	**(7 307)**	**201 204**

As at 31.03.2013 Unaudited	**Continued operations**					
	At home	**Abroad**	**Total**	**Discontinued operations**	**Exclusions**	**Total operations**
Operating assets	620 564	456 335	1 076 899	-	(282 172)	794 727
Operating liabilities	307 848	281 683	589 531	-	(70 671)	518 860

As at 31.12.2012 Modified	**Continued operations**					
	At home	**Abroad**	**Total**	**Discontinued operations**	**Exclusions**	**Total operations**
Operating assets	648 057	459 958	1 108 015	-	(233 494)	874 521
Operating liabilities	463 298	296 305	759 603	-	(80 789)	678 814

(data in thousand PLN, unless stated otherwise)

27. Contingent receivables and liabilities

Contingent receivables and liabilities are presented in the below table:

	31.03.2013	31.12.2012
	Unaudited	Audited
Contingent receivables		
From related entities due to:	**261 531**	**261 531**
Received guarantees and sureties	261 531	261 531
From other entities due to:	**160 015**	**125 052**
Received guarantees and sureties	146 372	111 804
Bills of exchange received as collateral	13 643	13 248
Total contingent receivables	**421 546**	**386 583**
Contingent liabilities		
From related entities due to:	**261 531**	**261 531**
Provided guarantees and sureties	261 531	261 531
From other entities due to:	**3 413 448**	**3 445 789**
Provided guarantees and sureties	586 358	542 542
Promissory notes	510 552	554 184
Mortgages	304 370	304 624
Assignment of receivables	1 774 373	1 810 490
Assignment of rights under insurance policy	74 643	74 643
Security deposits	53 098	49 132
Other liabilities	110 055	110 174
Total contingent liabilities	**3 674 979**	**3 707 320**

Tax settlements and other fields of business activities governed by regulations (e.g. customs and currencies), may be subject of administrative bodies control, which are entitled to impose high penalties and sanctions. Lack of reference to fixed legal regulations in Poland and Lithuania causes the occurrence of ambiguities and inconsistencies in the mandatory provisions of the law. Frequent differences in opinions as to legal interpretation of tax regulations both inside the national bodies and between the national bodies and companies, create the fields of conflicts and uncertainty. These phenomena cause that tax risk in Poland is significantly higher than usually present in countries with a more developed tax system. Tax settlements may be the subject to control for the period of five years, starting at the end of a year, in which the tax was paid. As a result of the performed controls, the current tax settlements of the Group may be increased by additional tax obligations. In the Group's opinion, as for March 31, 2013 proper provisions were created for the recognized and measureable tax risk.

Due to employment contracts executed with the employees and Members of the Management Board, as for March 31, 2013 the Group had contingent receivables in the amount of PLN 1, 734 thousand and contingent liabilities in the amount of PLN 9,516 thousand. Furthermore, in case of breach of duties of a Manager as stipulated in the agreement on non-competition, the Manager will pay the Company, without any undue delay or termination notice or demand by the Company, liquidated damages as a counter value of EUR 25 thousand in PLN for each case of breach, and counter value of EUR 1 thousand in PLN for each day of breach.

28. Information on credit and loan guarantees or guarantees granted by the Issuer or its subsidiary

Information on credit or loan guarantees granted by the Issuer or its subsidiary is presented in the following table.

Name of company granting credit or loan guarantee	Name of entity to whom the guarantees are granted	Total amount of credits which is covered by guarantees in whole or in part (in thousand PLN)	Period for which the guarantee was granted	Nature of relationships between Trakcja S.A. and the entity taking out credit or loan
Trakcja S.A.	PRKiI S.A.	40 000	31-03-2015	Parent company
Trakcja S.A.	PRKiI S.A.	27 000	31-03-2020	Parent company
Trakcja S.A.	PRKiI S.A.	12 000	31-03-2016	Parent company
PRKiI S.A.	Trakcja	120 000	31-03-2015	subsidiary
PRKiI S.A.	Trakcja	30 000	31-03-2015	subsidiary

29. Material litigation and disputes

In the period of the I quarter of 2013, the Parent company and its subsidiaries are not a party to pending litigation, arbitration or before a public authority, the value of which individually or collectively exceed 10% of the equity Trakcja S.A. except for the following proceedings:

A shareholder v. Trakcja S.A.

With current report no. 1/2013 of 3 January 2013, the Management Board of the Company informed that it had become aware that a claim form had been filed with the Regional Court in Warsaw, registry office of the Court, on 19 December 2012, by the Company's shareholder – a natural person – against the Company for a declaration of invalidity of resolutions passed on 12 December 2012 at an Extraordinary General Meeting of the Company, i.e.: (i) resolution no. 4 on issuing bonds convertible into series H shares and (ii) resolution no. 5 on a contingent increase of the share capital, depriving hitherto shareholders of a pre-emptive right and on amendments to the Company's Statute ("Resolution") under art. 425 of the Polish Commercial Companies Code, or for annulling these resolutions pursuant to Art. 422 of the Polish Commercial Companies Code. The Company filed an answer to the claim form served on 15 February 2013 in the case referred to above. In the view of the Company, the arguments included in the claim form are not justified.

Reporting claims by Przedsiębiorstwo Robót Kolejowych i Inżynieryjnych S.A. in relation with insolvency proceedings against Przedsiębiorstwo Napraw Infrastruktury Sp. z o.o.

In relation with the insolvency with a possibility to make an arrangement announced by PNI sp. z o.o. PRKiI S.A., PRKiI S.A. prepared a claims report against PNI in a total amount of PLN 55,664,100.89. The claim covers the principal amount, interest accrued until the day of announcing insolvency as well as liquidated damages. The claim was entered into the list of claims of the insolvency court. The payment of the debt and its amount will depend on whether an arrangement is entered into and whether PNI announces insolvency by liquidation. On 14 February 2013, PRKiI S.A. filed a motion for changing the insolvency proceedings of PNI into insolvency by liquidation. ON 22 April 2013, in relation with the arrangement entered into with PNI, PRKiI S.A. served PNI with a statement signed by the management board of PRKiI S.A. on withdrawing the petition for changing the insolvency proceedings into insolvency by liquidation. PRKiI does not have any evidence of filing this statement with the court. As of the day of the publication of the report no court decision has been issued in this case.

30. Information on dividends paid or declared

In the period from January 1, 2013 to March 31, 2013 Parent company did not declare and pay dividend.

(data in thousand PLN, unless stated otherwise)

31. Information on related entities

In the period of the I quarter of 2013 the Group's companies did not contain any material transactions with related parties for conditions other than market. Transactions concluded by the Parent company and its subsidiaries (affiliates) are transactions concluded according to market terms and conditions and their nature results from the current activity conducted by the Parent company and its subsidiaries.

Total amounts of transactions concluded with affiliates for the period from January 1 to March 31, 2013 are presented below.

Related entities	Financial year	Sales to related entities	Purchases from relatd entities	Interest revenue	Interest costs	Financial revenue from Fx differences and other	Financial costs from FX differences and other
Shareholders of Parent company:							
COMSA S.A.	1.01.13-31.03.13	-	-	-	-	-	-
	1.01.12-31.03.12	-	278	-	-	-	-
Total	**1.01.13-31.03.13**	**-**	**-**	**-**	**-**	**-**	**-**
	1.01.12-31.03.12	**-**	**278**	**-**	**-**	**-**	**-**

The information concerning receivables and liabilities from / to affiliates for the period from January 1 to March 31, 2013 is presented below.

Related entities	Balance sheet date	Receivables from related entities	Liabilities towards related entities	Loans granted	Borrowings received
Shareholders of Parent company:					
COMSA S.A.	31.03.13	-	-	-	-
	31.12.12	-	1 262	-	-
Total	**31.03.13**	**-**	**-**	**-**	**-**
	31.12.12	**-**	**1 262**	**-**	**-**

32. Events occurring in the I quarter and after the end of the reporting period

Important events in the quarter period

Construction works contracts:

- On 23 January 2013, the Management Board of Trakcja S.A. informed that it was informed that on 22 January 2013 the Company's subsidiary, AB Kauno tiltai with its registered office in Kaunas, Lithuania, concluded a material contract with the Lithuanian Road Administration at the Ministry of Communication with its office in Vilnius, Lithuania. The total net value of the agreement, LTL/PLN rate, amounted to: PLN 112,535,273.30. On the basis of this contract AB Kauno tiltai was to perform construction works related to the reconstruction of road E85 (Vilnius-Kaunas-Klaipėda) of the trans-European network covering reconstruction of the road and improving the safety of traffic.
- On 30 January 2013 the Company concluded a material contract with its subsidiary, Przedsiębiorstwo Robót Kolejowych i Inżynieryjnych S.A.. The works covered by the contract are related to the performance of an agreement concluded on 27 May 2011 between a consortium of companies with participation of the Company acting as the representative of the consortium an PKP PLK S.A., of which the Company informed in current report no. 35/2011. What is more, the conclusion of the contract is related to the withdrawal from the final contract concluded by the Company on 22 September 2011 with Przedsiębiorstwo Napraw Infrastruktury Sp. z o.o. with its registered office in Warsaw, of which the Company informed in current reports no. 49/2012 and 58/2012. The provisional total net value of the contract being the remuneration of PRKiI is: PLN 118,365,805.51.
- On 6 February 2013, Trakcja concluded with Łódzka Kolej Aglomeracyjna Sp. z o.o. with its registered office in Łódź a material contract for the design and construction of technical facilities in relation with the project performed by the ordering party under the name of: "Construction of a system of Łódź Agglomeration Railway". The total net value of the contract is: PLN 55,245,333.
- The Management Board of Trakcja S.A. informed that on 26 March 2013 it was notified that on 25 March 2013 a subsidiary of the Company, AB Kauno tiltai with its registered office in Kaunas, Lithuania concluded a material contract with the city of Vilnius, Lithuania. The total net value of the Contract as expressed in PLN is: 52,753,889.07. On the basis of the Contract, AB Kauno tiltai will perform construction works in the IXB transport corridor (Žirnių street in Vilnius, Lithuania) and works related to the construction of a connection for the international airport of Vilnius.

Other important events:

- On 2 January 2013 the Management Board of Trakcja S.A. was informed that on 19 December 2012 a claim form was filed with the Regional Court in Warsaw by the Company's shareholder – a natural person – against the Company for a declaration of invalidity of resolutions passed on 12 December 2012 at an Extraordinary General Meeting of the Company, i.e.: (i) resolution no. 4 on issuing bonds convertible into series H shares and (ii) resolution no. 5 on a contingent increase of the share capital, depriving hitherto shareholders of a pre-emptive right and on amendments to the Company's Statute under art. 425 of the Polish Commercial Companies Code, or for annulling these resolutions pursuant to Art. 422 of the Polish Commercial Companies Code.
- The Management Board of Trakcja S.A. informed on 15 January 2013 that the Management Board and Supervisory Board of the Company adopted resolutions on the issuance of series C, D and E shares and the purchase for redemption of series A and B bonds issued by the Company. The Management Board also informed that according to the resolution of the Management Board and Supervisory Board a decision was taken on the Company's purchasing for redemption of series A and B bonds issued by the Company on 19 April 2011. Payment for the purchased series A and B bonds will take place through payment of cash and write-off of receivables to which some bonds holders are entitled from the Company and vice versa. The Management Board of the Company informed that the decision on the date of redemption of A and B Bonds had not been taken yet.
- On 24 January 2013, the Management Board of the Company informed that the Company had concluded a pledge agreement under which on 23 January 2013 a pledge was registered with the Lithuanian Mortgage

Registry on all the Company's shares in AB Kauno tiltai with its registered office in Ateities pl. 46, Kaunas, Lithuania, i.e. 148.981 shares of the nominal value of 130 Lithuanian litai each, constituting in total 96.837% of the share capital and of the total number of shares at a general meeting of AB Kauno tiltai. The shares constitute a long-term investment of the Company.

- On 31 January 2013, Trakcja issued: (i) 29,529 secured bearer series C bonds of the total nominal value of PLN 29,529,000, (ii) 197 convertible series D bonds of the total nominal value of PLN 98,500,000, and (iii) 20,921 unsecured bearer series E bonds of the total nominal value of PLN 20,921,000.
- On 31 January 2013, Trakcja purchased for redeeming: (i) 142,778 unsecured bearer series A bonds of the nominal value of PLN 1000 each and the total nominal value of PLN 142,778,000, (ii) 13,000 unsecured bearer series B bonds of the nominal value of PLN 1.000 each and the total nominal value of PLN 13,000,000.00 issued by the Company on 19 April 2011.
- On 4 February 2013, Trakcja received from holders of series D bonds issued on 31 January 2013 convertible to series H shares in the Company a demand for exchanging the bonds in the total number of 131 for shares in the total number of 119,090,904. The exchange price (issuance price) was set, pursuant to resolution no. 4 of the general meeting of the Company of 12 December 2012 and the conditions of issuance of bonds, at the level indicated for the first exchange period, at an amount of PLN 0.55 per share.
- On 11 February 2013, the Management Board of Trakcja-Tiltra S.A., in reference to current report no. 9/2013, was informed that on 8 December 2013 the management board of Krajowy Depozyt Papierów Wartościowych S.A. had adopted a resolution relating to the redemption by the Company, pursuant to Art. 25 par. 1 of the Act of 29 June 1995 on bonds, of the following:

  - 142,778 bearer series A bonds of the nominal value of PLN 1000 each and the total nominal value of PLN 142,778,000.00 dematerialised in KDPW;

  - 13,000 bearer series B bonds of the nominal value of PLN 1000 each and the total nominal value of PLN 13,000,000.00 dematerialised in KDPW.
- On 19 February 2013, Trakcja received a demand for exchanging the remaining 2013 series D bonds (issued by the Company on 31 January 2013 – Bonds) for series H shares in the Company (Shares) in a total number of 60,000,000. The exchange price (issuance price) was set, pursuant to resolution no. 4 of the general meeting of the Company of 12 December 2012 and the conditions of issuance of bonds, at the level indicated for the first exchange period, at an amount of PLN 0.55 per share. The exchange of the Bonds for Shares shall take place by registering the Shares at accounts kept by Krajowy Depozyt Papierów Wartościowych S.A. accompanied by unregistration of the Bonds from these accounts, and will be concluded at the moment when the Shares have been registered at appropriate securities accounts of the holders of Bonds which are to be exchanged for Shares.
- The Management Board of Trakcja S.A. informed on 26 February 2013 that pursuant to resolution no. 228/2013 of 26 February 2013 of the management board of Giełda Papierów Wartościowych w Warszawie S.A., 119,090,904 series H shares in the Company, being ordinary bearer shares of the nominal value of PLN 0.10 each, had been admitted to trading at the main market, the official stock exchange listing market, pursuant to Art. 16 par. 2 of the Act of 29 July 2005 on trading in financial instruments.
- On 28 February 2013, the Management Board of Trakcja S.A. informed that pursuant to resolution no. 126/13 of 18 February 2013 of Krajowy Depozyt Papierów Wartościowych S.A., 131 series D bonds issued on 31 January 2013 based on resolution no. 4 of the Extraordinary General Meeting of the Company of 12 December 2012 and resolution no. 2 of the Management Board of the Company of 12 January 2013, marked with code PLTRKPL00071 ("Bonds"), were exchanged for 119,090,904 series H shares in the Company, being ordinary bearer shares of the nominal value of PLN 0.10 each, marked with code PLTRKPL00014. The exchange of the Bonds for the Shares took place by registering on 28 February 2013 of the Shares at appropriate accounts kept by KDPW (and appropriate securities account of the Bonds holders); at the same time the Bonds were unregistered at these accounts.
- On 1 March 2013 the Management Board of Trakcja S.A. informed that it had received from Invalda AB, a company under Lithuanian law with with its registered office in Vilnius ("Invalda"), a notification stating that as a result of transactions performed by Invalda at the Warsaw Stock Exchange in Warsaw and as a result of exchanging 131 series D bonds issued by the Company for 119,090,904 series H shares in the Company and increasing the share capital of the Company, of which the Company informed in current

report no. 15/2013 of 28 February 2013 ("Conversion"), the number of shares held by Invalda in relation to the total number of shares at a general meeting of the Company fell below 5%.

- On 1 March 2013 the Management Board of Trakcja S.A. informed that it had received from Comsa S.A., a company under Spanish law with with its registered office in Barcelona ("Comsa"), a notification stating that as a result of the exchange performed on 28 February 2013 of 131 series D bonds issued by the Company (including 41 bonds held by Comsa) for 119,090,904 series H shares in the Company and increasing the share capital of the Company, of which the Company informed in current report no. 15/2013 of 28 February 2013 ("Conversion"), the number of shares held by Comsa and its capital group in relation to the total number of shares at a general meeting of the Company changed by more than 1%. Prior to the Conversion, Comsa and its subsidiary Comsa Emte Sp. z o.o. held 81,145,510 shares in the Company, constituting 34.96% of the share capital of the Company. These shares entitled to 81,145,510 votes at a General Meeting of the Company, which constituted 34.96 % of the total number of votes.
- On 1 March 2013, the Management Board of the Company informed that the Company had purchased for redemption 5346 unsecured bearer bonds of series A of the nominal value of PLN 1000 each and the total nominal value of PLN 5,346,000.00 marked with ISIN code: PLTRKPL00048 ("Series A Bonds"), issued by the Company on 19 April 2011. The bonds were acquired pursuant to: (i) Art. 25 of the Act on Bonds, (ii) the resolution of the Management Board of the Company of 12 January 2013, and (iii) the resolution of the Supervisory Board of the Company of 14 January 2013.
- On 5 March 2013, the Management Board of Trakcja S.A. informed that the Company received from UAB "NDX energija", a company under Lithuanian law with with its registered office in Vilnius ("NDX"), a notification stating that as a result of the exchange performed on 28 February 2013 of 131 series D bonds issued by the Company (including 22 bonds held by NDX) for 119,090,904 series H shares in the Company and increasing the share capital of the Company, of which the Company informed in current report no. 15/2013 of 28 February 2013 ("Conversion"), the number of shares held by NDX exceeded 5%.
  Prior to the Conversion, NDX held 10,409,825 shares in the Company, constituting 4.485% of the share capital of the Company (amounting in total to PLN 23,210,548.00). These shares entitled to 10,409,825 votes at a General Meeting of the Company, which constituted 4.485 % of the total number of votes.
- On 6 March 2013 the Management Board of Trakcja S.A. informed that the Company received from Pioneer Pekao Investment Management S.A. ("PPIM") a notification concerning an increase in its total participation to the level of 16.54% of the total number of votes at a General Meeting of the Company with regard to financial instruments included in the financial instruments portfolios managed by PPIM as part of its services, as a result of: (i) exchanging 131 series D bonds issued by the Company for 119,090,904 series H shares in the Company (including 58,181,815 shares taken up by all the customers of PPIM with regard to the portfolios managed by PPIM) and increasing the share capital of the Company, of which the Company informed in current report no. 15/2013 of 28 February 2013, and (ii) selling 100,000 series H shares in the Company at the regulated market, both taking place on 28 February 2013.
- The Management Board of Trakcja S.A., in reference to current report no. 18/2013 of 18 March 2013, was informed that on 11 March 2013 the management board of Krajowy Depozyt Papierów Wartościowych S.A. ("KDPW") adopted a resolution in which it stated that in relation to the redemption, pursuant to Art. 25 par. 1 of the Act of 29 June 1995 on bonds, of 5346 series A bonds issued by the Company marked with code PLTRKPL00048 (of the nominal value of PLN 1.000 each and the total nominal value of PLN 5,346,000), these bonds had been withdrawn from the deposit kept by KDPW and as a result as of the day of the resolution there were 240 series A bonds marked with PLTRKPL00048.
- The Management Board of Trakcja S.A. informed that on 15 March 2013, pursuant to resolution no. 286/2013 of 15 March 2013 of the management board of Giełda Papierów Wartościowych w Warszawie S.A., 60,000,000 series H shares in the Company, being ordinary bearer shares of the nominal value of PLN 0.10, had been admitted to trading at the main market, the official stock exchange listing market, pursuant to Art. 16 par. 2 of the Act of 29 July 2005 on trading in financial instruments.
  The management board of GPW also decided to introduce the shares to trading at the main stock exchange market as of 19 March 2013, under the condition that the shares are on 19 March 2013 registered by Krajowy Depozyt Papierów Wartościowych S.A. and marked with code PLTRKPL00014.
- On 19 March 2013, pursuant to resolution no. 181/13 of 7 March 2013 of Krajowy Depozyt Papierów Wartościowych S.A., 66 series D bonds issued on 31 January 2013 pursuant to resolution no. 4 of the Extraordinary General Meeting of the Company of 12 December 2012 and resolution no. 2 of the

Management Board of the Company of 12 January 2013, marked with code PLTRKPL00071, were exchanged for 60,000,000 series H shares in the Company, being ordinary bearer shares of the nominal value of PLN 0.10 each, issued as part of the contingent increase of the share capital pursuant to resolution no. 5 of the Extraordinary General Meeting of the Company of 12 December 2012, marked with code PLTRKPL00014. Due to the conversion of all the remaining bonds, KDPW decided to close the deposit accounts kept for series D bonds marked with code PLTRKPL00071. As a result of the exchange of bonds for shares, the share capital of the Company now amounts to PLN 41,119,638.40 and is divided into 411,196,384 shares which entitle their holders to exercise the same number of votes at a general meeting of the Company.

- On 20 March 2013, the Management Board of Trakcja S.A. informed that the Company and a subsidiary of the Company: Przedsiębiorstwo Robót Kolejowych i Inżynieryjnych S.A. with its registered office in Wroclaw on 19 March 2013 concluded with Alior Bank Spółka Akcyjna with its registered office in Warsaw material agreements for a total value of PLN 95,000,000.00 (ninety-five million zlotys), out of which the highest value agreement is:

  Annex to the agreement on revolving credit in credit account concluded between the Company and the Bank (the Company announced the conclusion of the Agreement in current report no. 18/2011 of 1 April 2011 in relation to current report no. 9/2012 of 23 March 2012) on 19 March 2013. Under the Annex the Bank extended the term of the loan up to PLN 60,000,000.00 (sixty million zlotys), until 31 March 2014.
- The Management Board of Trakcja S.A. informed that on 19 March 2013 the Issuer's subsidiary, Przedsiębiorstwo Robót Kolejowych i Inżynieryjnych S.A., granted a joint and several guarantee for the liabilities of the Issuer in relation to the credit agreement on renewable credit at credit account at the amount of PLN 60,000,000.00 (in words: sixty million zlotys) concluded between the Issuer and Alior Bank Spółka Akcyjna with its registered office in Warsaw. The guarantee was provided by PRKiI up to the amount of PLN 120,000,000.00 (in words: one hundred twenty million zlotys). The period for which the guaranty was granted: 24 months from the date of termination of the Agreement.
- The Management Board of Trakcja S.A. informed that on 19 March 2013 the Company granted a joint and several guarantee for the liabilities of the Issuer's subsidiary, Przedsiębiorstwo Robót Kolejowych i Inżynieryjnych S.A., in relation to the credit agreement on renewable credit at credit account at the amount of PLN 20,000,000.00 (in words: twenty million zlotys) concluded between the PRKiI and Alior Bank Spółka Akcyjna with its registered office in Warsaw. The guarantee was provided by the Issuer up to the amount of PLN 40,000,000.00 (in words: one hundred forty million zlotys). The period for which the guaranty was granted: 24 months from the date of termination of the Agreement.
- The Management Board of Trakcja S.A. informed that on 21 March 2013 the Company received from Comsa S.A., a company under Spanish law with with its registered office in Barcelona, a notification stating that as a result of exchanging 66 series D bonds issued by the Company for 60,00,000 series H shares in the Company and increasing the share capital of the Company taking place on 19 March 2013, of which the Company informed in current report no. 23/2013 of 19 March 2013 Conversion, the participation of Comsa and its capital group in the total number of votes decreased by 4.92%. In relation with the increase in the share capital of the Company as a result of the Conversion, the participation of Comsa and its subsidiary, Comsa Emte sp. z o.o., in the share capital of the Company and in the total number of votes at a general meeting of the Company decreased accordingly, and at present the 118,418,237 shares in the Company held by Comsa and its subsidiary, Comsa Emte sp. z o.o., constitute 28.80%.
- The Management Board of Trakcja S.A. informed, that on March 22, 2013 about the fulfilment of the conditions under which Nordea Bank Finland Plc, operating within the territory of Lithuania through Nordea Bank Finland Plc Branch in Lithuania and AB DNB Bank agreed to set pledge on the shares owned by AB Kauno tiltai in order to secure the C series bonds C marked with code PLTRKPL00063 issued by the Company. With the above in mind, the Banks shall not be able on the basis thereof to request cancellation of Bond security.
- The Management Board of Trakcja S.A. informed that on March 22, 2013 the Company received a notice from Pioneer Pekao Investment Management S.A. regarding a decrease of the total exposure to 13.94% of the total number of votes at the General Meeting of the Company with respect to financial instruments being part of the portfolios managed by PPIM within its services related to the management of financial instrument portfolios due to the conversion of 66 D series bonds issued by the Company into 60,000,000 H series shares of the Company and increase of the Company's share capital on 19 March 2013, about which the Company informed in current report no. 23/2013 of 19 March 2013. Due to the above-mentioned

conversion and increase of the share capital of the Company, 57,304,712 of the Company's shares being part of the portfolios managed by PPIM within its services related to the management of financial instrument portfolios currently constitute 13.94% of the share capital of the Company. These shares entitle to 57,304,712 votes at the General Meeting of the Company, which constitutes 13.94% of the total number of votes.

- The Management Board of Trakcja S.A. informed on 22 March 2013 the Company received a notice from ING Open Pension Fund that due to a conversion of 66 D series bonds held by ING into 60,000,000 H series shares and increase of the Company's share capital, which took place on 19 March 2013 and about which the Company informed in current report no. 23/2013 of 19 March 2013, ING shall increase the percentage of total voting rights in the Company over 15%. As a result of the Conversion, ING acquired 60,000,000 shares in the Company, thus, as on the day of notice, ING held 81,321,651 shares entitling to 81,321,651 votes at the General Meeting of the Company, which constituted 19.78 % of the Company's share capital and total number of votes.
- The Management Board of Trakcja S.A. informed that on 25 March 2013 the Company received from Mr Jonas Pilkauskas, citizen of Lithuania, a notification stating that as a result of exchanging 66 series D bonds issued by the Company for 60,00,000 series H shares in the Company and increasing the share capital of the Company taking place on 19 March 2013, of which the Company informed in current report no. 23/2013 of 19 March 2013, the participation of Mr Jonas Pilkauskas in agreement with Ms Irena Angelė Èernevièiūtė and Ms Vaida Balèiūnienė within the meaning of Art. 87 par. 1 point 5 of the Act on Public Offering in the total number of votes in the Company fell below 5%. In relation with the increase in the share capital of the Company as a result of the Exchange, the participation of the Investors in the share capital of the Company and in the total number of votes at a general meeting of the Company decreased accordingly, and at present the 20,045,377 shares in the Company held by the Investors constitute 4.875%.
- The Management Board of the company Trakcja S.A. informed on March 28, 2013 that with regard to the consortium contract concluded on 22.11.2010 between: an entity related to the Issuer, i.e. Przedsiębiorstwo Robót Kolejowych i Inżynieryjnych S.A. (PRKiI), Przedsiębiorstwo Napraw Infrastruktury Sp. z o.o. (currently, Przedsiębiorstwo Napraw Infrastruktury Sp. z o.o. in arrangement bankruptcy) [“PNI”], PKP Energetyka S.A., Dolnośląskie Przedsiębiorstwo Napraw Infrastruktury Komunikacyjnej “DOLKOM” Sp. z o.o. (“Consortium Partners”, jointly “Consortium”), aimed at stipulating the terms and conditions of a cooperation between Consortium Partners with regard to the execution of the order titled “Basic line construction works within the section Wrocław- Grabiszyn- Skokowa and Żmigród- a border of Lower Silesian Voivodeship within the scope of a POIiŚ project 7.1.- 4 “Modernisation of a railway line E59 within the section Wrocław – Poznań, Phase II - section Wrocław- a border of Lower Silesian Voivodeship” commissioned by PKP Polskie Linie Kolejowe S.A., about which the Company informed in the current report no. 34/2011 on 25 May 2011 and considering the fact that PNI refused to conclude an executory agreement pursuant to the provisions of the Contract, on 27 March 2013, PRKiI acting on behalf of the Consortium issued, pursuant to the provisions of the Contract, a debit note as a contractual penalty imposed on PNI in the amount of PLN 40,425,951.34 with a note payment date on 28 March 2013.

Important events after the balance sheet date

Construction works contracts:

- The Management Board of Trakcja S.A. informed on April 3, 2013 that within the last 12 months the Company and its subsidiaries executed contracts with PKP Polskie Linie Kolejowe S.A. of total value around PLN 61,861,392.29 net. The final total value of contracts concluded by the Company and its subsidiaries with PKP Polskie Linie Kolejowe S.A. within the last 12 months shall be established after the executory agreement is signed, which shall define the final value of the order made between Przedsiębiorstwo Robót Kolejowych i Inżynieryjnych S.A. ("PRKiI") – the Company's subsidiary and Przedsiębiorstwo Budownictwa Kolejowego i Inżynieryjnego "INFRAKOL" s.c. Jan Paruch, Zenon Buca, Sławomir Paruch with its registered office in Jawor, regarding the Contract below. The contract with the highest value shall be the contract concluded on 2 April 2013 with PKP Polskie Linie Kolejowe S.A. by PRKiI, as the Representative of the consortium composed of: Przedsiębiorstwo Robót Kolejowych i Inżynieryjnych S.A.- the Representative of the consortium, Przedsiębiorstwo Budownictwa Kolejowego i Inżynieryjnego "INFRAKOL" s.c. Jan Paruch, Zenon Buca, Sławomir Paruch with its registered office in Jawor - the Partner of the consortium. The total net value of the Contract: PLN 88,858,500.00 Part of the net value of the Contract, which falls on PRKiI:

62.29%. The Contractor agrees to perform tasks under the Contract with respect to the development of design documentation and execution of construction activities for the project concerning comprehensive repair of railway infrastructure under the name: "Revival of 144 Fosowskie - Opole railway line.

- The Management Board of Trakcja S.A. informed that on 10 April 2013, the Company's subsidiaries, i.e. UAB "Palangos aplinkkelis", code of the legal entity: 303036257, with its registered office at ul. Lvovo 25, Vilnius, the Republic of Lithuania, and UAB "Plėtros investicijos", code of the legal entity: 302630602, with its registered office at ul. Lvovo 25, Vilnius, the Republic of Lithuania (together hereinafter referred to as the: "Private Entity" entered into material contract for public and legal partnership (hereinafter referred to as with the Lithuanian Roads Authority by the Ministry of Communication, code of the legal entity: 188710638, with its registered office at ul. J. Basanavièiaus 36-2, Vilnius, Lithuania. The total net value of the contract converted to PLN was: 121,532,320.00. Object of the Contract are: design and construction works of the building - an arterial road listed as Category 2 - the beltway of the city of Palanga (Lithuania) along with the buildings, traffic equipment and engineering networks, street lighting, traffic control and other buildings and equipment necessary for its operations. All services and maintenance works necessary for proper and safe exploitation of the facility.
- The Management Board of a company Trakcja S.A. informed that the subject dependent on the Company: Przedsiębiorstwo Robót Kolejowych i Inżynieryjnych S.A. with its registered office in Wrocław (“PRKiI”), on 22 April 2013 concluded with Przedsiębiorstwo Napraw Infrastruktury sp. z o.o. in arrangement bankruptcy with its registered office in Warsaw (hereinafter: “PNI”) significant contracts of a total value of PLN 173.486,847.05 net (one hundred seventy three million four hundred eighty six thousand eight hundred forty seven and 5 groszy) and a contract of a highest value is: the Executory Agreement (“the Agreement”) concluded on 22.04.2013 between PRKiI (“the Leader”) and PNI (“the Partner”) with regard to the conclusion by a consortium comprising of: PNI, PKP Energetyka Spółka Akcyjna with its registered office in Warsaw, PRKiI, Dolnośląskie Przedsiębiorstwo Napraw Infrastruktury Komunikacyjnej Spółka z o. o. with its registered office in Wrocław and PKP Polskie Linie Kolejowe S. A. with its registered office in Warsaw, at ul. Targowa 74 (“the Contracting Party”) a Contract No. 90/116/0006/11/Z/I (“the Main Contract”) for construction works regarding basic lines within the section Wrocław – Grabiszyn – Skokowa and Żmigród – a border of Lower Silesian Voivodeship, under the project POIiŚ 7.1. – 4 “Modernisation of a railway line E 59 within the section Wrocław – Poznań, Phase II – section Wrocław – a border of Lower Silesian Voivodeship”, conclusion of which the Company informed about in the current report no. 34/2011 of 25.05.2011 and an Annex no. 1 to the Main Contract concluded on 31.10.2012 pursuant to which PRKiI became a Leader of the aforementioned consortium. Contract’s net value: PLN 169,207,415.37

Other important events:

- The Management Board of Trakcja S.A. informed that on 15 April 2013, it was informed that on 15 April 2013 Mr. Alvydas Banys filed his resignation from the position of member of the Supervisory Board of the Company effective as of 1 May 2013 on personal grounds. Mr. Alvydas Banys is Vice-Chairman of the Supervisory Board of the Company.
- The Management Board of Trakcja S.A. informs that on 23.04.2013 it received a decision of the District Court for the capital city of Warsaw, in Warsaw, XII Commercial Division of the National Court Register of 12.04.2013, regarding the registration of a change in the amount of the Issuer's share capital to the amount of PLN 35,119,638.40 (“Registration 1”) and a decision of the Court of 15.04.2013, regarding the registration of a change in the amount of share capital to the amount of PLN 41,119,638.40 (“Registration 2”). General number of votes at the Issuer’s General Meeting resulting from all issued shares after Registration 1 amounted to: 351.196.384 votes. General number of votes at the Issuer’s General Meeting resulting from all issued shares after Registration 2 amounts to: 411.196,384 votes.
- With reference to the report concerning contractual penalty imposition no. 34/2013 of 28.03.2013, the Management Board of the company Trakcja S.A. informed that the subject dependent on the Company: Przedsiębiorstwo Robót Kolejowych i Inżynieryjnych S.A. with its registered office in Wrocław, on 22 April 2013 concluded with Przedsiębiorstwo Napraw Infrastruktury sp. z o.o. in arrangement bankruptcy with its registered office in Warsaw (hereinafter: “PNI”) an agreement pursuant to which the Parties terminated an executory agreement concluded between PRKiI (as the Partner) and PNI (as the Leader) of 25.10.2011, concluded with regard to the conclusion by a consortium comprising of: PNI, PKP Energetyka Spółka Akcyjna with its registered office in Warsaw, PRKiI, Dolnośląskie Przedsiębiorstwo Napraw Infrastruktury

Komunikacyjnej Spółka z o. o. with its registered office in Wrocław and PKP Polskie Linie Kolejowe S. A. with its registered office in Warsaw, at ul. Targowa 74 ("the Contracting Party") a Contract No. 90/116/0006/11/Z/I for construction works regarding basic lines within the section Wrocław – Grabiszyn – Skokowa and Żmigród – a border of Lower Silesian Voivodeship, under the project POIiŚ 7.1. – 4 "Modernisation of a railway line E 59 within the section Wrocław – Poznań, Phase II – section Wrocław – a border of Lower Silesian Voivodeship", conclusion of which the Company informed about in the current report no. 34/2011 of 25.05.2011. Pursuant to the aforementioned agreement, the Parties declared and confirmed that they have no claims against each other due to contractual penalties and interests thereon and in case such claims arise before the aforementioned agreement is concluded, they waive them unless the content of the agreement stipulates otherwise. The Parties declared that they deem hitherto prevailing mutually charged contractual penalties as non-existent with an exception of the ones included in PRKil's submission of claims in PNI's bankruptcy proceedings, with a proviso that PNI questions the existence of such contractual penalties. Waiver of claims, including contractual penalties, does not concern any PRKil's claims that arose before the day of announcing PNI's bankruptcy and that pursuant to law are included in an arrangement and indicated in PRKil's submission of claims.

- The Management Board of Trakcja S.A. hereby informed on May 10, 2013 that the Company and its subsidiary: Przedsiębiorstwo Robót Kolejowych i Inżynieryjnych S.A. with its registered office in Wroclaw, within the last 12 months, concluded with BRE Bank Spółka Akcyjna with its registered office in Warsaw contracts of the total value of PLN 92,000,000.00 (ninety-two million zlotys). The contract of the greatest value is:
  recourse factoring agreement concluded on 10 May 2013 between BRE Faktoring Spółka Akcyjna with its registered office in Warsaw (hereinafter: "Factor") and the Company. On the basis of the Agreement, the Factor provides factoring services consisting in the Factor's purchasing accounts receivable with recourse against the Company, financing accounts receivable, keeping settlement accounts and sending reminders to entrepreneurs who are debtors of the Company on account of sale of goods, supply of goods or provision of services or are obliged to pay the price on account of sale of goods, supply of goods or provision of services, who as a result of the Factor's purchasing of accounts receivable become debtors of the Factor.
- Pursuant to Article 399 § 1 in connection with Articles 4021 and 4022 of the Code of Commercial Companies, as well as Article 8 point 1 and Article 10 of the Company's Articles of Association, the Management Board of Trakcja Spółka Akcyjna informed on May 13, 2013 that, the Management Board is calling an Annual General Meeting of Trakcja S.A. for June 12, 2013 at 9.00 a.m. The Annual General Meeting will be held in the "Skylight" building, ul. Złota 59, Warsaw, conference room on the 21th floor.
- The Management Board of Trakcja Spółka Akcyjna informed on May 13, 2013 that, in conjunction with the current report no 42/2013 of 13 of May 2013, announces the draft resolutions that will be discussed at the Annual General Meeting convened as at 12 June 2013.
- The Management Board of Trakcja S.A. informed on May 13, 2013 that, in connection with the report no. 43/2013 dated 13 May 2013 and proposed amendments to the Company's Statute, hereby announces the current wording and proposed amendments to the Company's Statute.

(data in thousand PLN, unless stated otherwise)

IV. QUARTERLY FINANCIAL INFORMATION

PROFIT AND LOSS STATEMENT

	1.01.2013 - 31.03.2013	1.01.2012 - 31.03.2012
	Unaudited	Unaudited, Modified
Continued operations		
Sales revenues	**65 122**	**82 254**
Cost of goods sold	**(65 868)**	**(82 749)**
Gross profit on sales	**(745)**	**(495)**
Cost of sales, marketing and distribution	(221)	(327)
General and administrative costs	(5 120)	(4 407)
Other operating revenues	4 746	824
Other operating costs	(474)	(137)
Operating profit	**(1 814)**	**(4 542)**
Financial revenues	555	14 456
Financial costs	(3 579)	(4 788)
Gross profit	**(4 838)**	**5 126**
Income tax	(1 359)	1 399
Net profit from continued operation	**(6 197)**	**6 525**
Discontinued operations		
Net profit (loss) from discontinued operations	-	-
Net profit for the period	**(6 197)**	**6 525**
Net profit / (loss) per one share in PLN		
basic on profit from period	(0,02)	0,03
basic on profit from continued operations	(0,02)	0,03
diluted on profit from period	(0,02)	0,03
diluted on profit from continued operations	(0,02)	0,03

**) Change in presentation of costs - futher details in note 11 of the condensed consolidated financial statements*

(data in thousand PLN, unless stated otherwise)

STATEMENT OF TOTAL COMPREHENSIVE INCOME

	1.01.2013 - 31.03.2013	1.01.2012 - 31.03.2012
	Unaudited	Unaudited
Net profit for the period	**(6 197)**	**6 525**
Other comprehensive income:	-	-
Other comprehensive income that will not be reclassified into profit or loss under certain conditions:	**6 692**	**-**
Profit from revaluation referred into revaluation reserve	6 692	-
Total other comprehensive income	**6 692**	**-**
TOTAL INCOMES FOR THE GIVEN PERIOD	**495**	**6 525**

(data in thousand PLN, unless stated otherwise)

BALANCE SHEET

ASSETS	**31.03.2013**	**31.12.2012**	**01.01.2012**
	Unaudited	Modified*	Modified*
Non-current assets	**580 879**	**568 247**	**557 447**
Tangible non-current assets	30 702	33 055	36 786
Investment properties	25 699	11 122	9 218
Intangible assets	56 162	56 207	55 027
Investments in subordinated entities	436 501	436 932	439 583
Financial assets	20 628	19 339	69
Deferred tax assets	9 752	10 108	14 244
Prepayments	1 435	1 484	2 520
Current assets	**143 238**	**170 947**	**403 663**
Inventory	25 879	19 147	15 772
Trade and other receivables	65 170	74 929	246 566
Financial asstes	1 677	2 098	4 223
Cash and cash equivalents	14 399	37 581	89 999
Prepayments	2 697	2 450	2 441
Construction contracts	33 417	34 742	44 662
TOTAL ASSETS	**724 117**	**739 194**	**961 110**
EQUITY AND LIABILITIES			
Equity	**494 010**	**397 317**	**430 609**
Share capital	41 120	23 211	23 211
Basic conditional capital	636	18 545	-
Due payments for basic capital (negative value)	(636)	(18 545)	-
Share premium account	310 102	231 813	231 596
Revaluation reserve	16 196	9 504	11 705
Other capital reserves	132 789	164 097	106 666
Retained earnings	(6 197)	(31 308)	57 431
Long-term liabilities	**81 803**	**43 414**	**188 049**
Interest-bearing bank loans and borrowings	3 883	4 396	3 737
Provisions	686	1 052	759
Liabilities due to employee benefits	7 133	7 276	7 335
Provision for deferred tax	20 350	17 777	16 178
Bonds	49 751	12 913	160 040
Short -term liabilities	**148 304**	**298 463**	**342 452**
Trade and other liabilities	79 905	116 209	203 939
Interest-bearing bank loans and borrowings	62 304	19 131	83 332
Provisions	1 391	2 179	1 273
Liabilities due to employee benefits	2 996	3 069	3 496
Bonds	902	147 761	5 695
Construction contracts	805	10 114	44 717
TOTAL EQUITY AND LIABILITIES	**724 117**	**739 194**	**961 110**

**) Change in accounting policy - futher details in note 11 to the condensed consolidated financial statements*

(data in thousand PLN, unless stated otherwise)

CASH FLOW STATEMENT

	For the period 3 months ended	
	31.03.2013	**31.03.2012**
	Unaudited	Unaudited
Cash flows from operating activities		
Gross profit from continued operations	**(4 838)**	**5 126**
Gross profit (loss) from discontinued operations		
Adjustments for:	**(45 816)**	**6 723**
Depreciation	729	1 489
FX differences	280	325
Net interest and dividends	2 274	(9 079)
Profit on investment activities	(4 150)	(28)
Change in receivables	9 479	144 528
Change in inventory	(6 732)	1 347
Change in liabilities, excluding loans and borrowings	(36 598)	(129 407)
Change in prepayments and accruals	(197)	(842)
Change in provisions	(1 154)	(630)
Change in construction contracts	(7 984)	(1 160)
Other	(1 762)	180
Net cash flows from operating activities	**(50 655)**	**11 849**
Net cash flows from investing activities		
Sale (purchase) of intangible assets and tangible non-current assets	(82)	(478)
- acquisition	(90)	(506)
- sale	8	28
Financial assets	(3 101)	(110)
- returned	29	(130)
- granted or acquired	(3 130)	20
Loans	2 400	(4 000)
- granted	3 300	(4 000)
- repaid	(900)	-
Interest received	121	-
Net cash flows from investing activities	**(662)**	**(4 588)**
Net cash flows from financing activities		
Expenditure on redemption of bonds	(13 800)	-
Proceeds from borrowings and loans obtained	56 000	-
Repayment of borrowings and loans	(13 000)	(20 834)
Interest paid	(533)	(7 029)
Payment of liabilities under financial lease agreements	(532)	(613)
Net cash flows from financing activities	**28 135**	**(28 476)**
Total net cash flows	**(23 182)**	**(21 215)**
Net FX differences	-	-
Cash and cash equivalents at the beginning of the period	**37 581**	89 999
Cash and cash equivalents at the end of the period	**14 399**	**68 784**
- with limited access	2 033	**-**

(data in thousand PLN, unless stated otherwise)

STATEMENT OF CHANGES IN EQUITY

	Share capital	Basic conditional capital	Due payments for basic capital (negative value)	Share premium account	Revaluation reserve	Other reserve capital	Retained earnings	Total equity
Unaudited								
As at 01.01.2013	**23 211**	**18 545**	**(18 545)**	**231 813**	**9 504**	**164 097**	**(32 850)**	**395 775**
Corrections of errors	-	-	-	-	-	-	-	-
Changes to accounting policy	-	-	-	-	-	-	1 542	1 542
As at 01.01.2013 after adjustments	**23 211**	**18 545**	**(18 545)**	**231 813**	**9 504**	**164 097**	**(31 308)**	**397 317**
Net profit for the period	-	-	-	-	-	-	(6 197)	(6 197)
Other comprehensive income for the period	-	-	-	-	6 692	-	-	6 692
Distribution of profit	17 909	(17 909)	17 909	78 289	-	-	-	96 198
Issue of shares	-	-	-	-	-	(31 308)	31 308	-
Other changes	-	-	-	-	-	-	-	-
As at 31.03.2013	**41 120**	**636**	**(636)**	**310 102**	**16 196**	**132 789**	**(6 197)**	**494 010**
Unaudited, Modified*								
As at 01.01.2012	**23 211**	**-**	**-**	**231 596**	**11 705**	**106 666**	**52 934**	**426 112**
Corrections of errors	-	-	-	-	-	-	-	-
Changes to accounting policy	-	-	-	-	-	-	4 497	4 497
As at 01.01.2012 after adjustments	**23 211**	**-**	**-**	**231 596**	**11 705**	**106 666**	**57 431**	**430 609**
Net profit for the period	-	-	-	-	-	-	6 525	6 525
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Other	-	-	-	214	(1 494)	-	-	(1 280)
As at 31.03.2012	**23 211**	**-**	**-**	**231 810**	**10 211**	**106 666**	**63 956**	**435 854**

**) Change in accounting policy - futher details in note 11 to the condensed consolidated financial statements*

V. ADDITIONAL INFORMATION AND EXPLANATIONS TO THE SUMMARY OF FINANCIAL STATEMENTS

1. Analysis of financial results of Trakcja S.A. for the I quarter of 2013

In the period of I quarter of 2013, Trakcja S.A. recognized revenue on sale of PLN 65,122 thousand, which is a 20.8 per cent decrease when compared to the analogous period in 2012. The cost of goods sold in the period I quarter of 2013 decreased by PLN 16,881 thousand, i.e. by 20.4 per cent and amounted to PLN 65,868 thousand. Higher by 0.4 basis points the decrease of the revenue on sale in comparison to the decrease of cost of goods sold was caused by the decrease of gross profit on sales by PLN 250 thousand. The gross profit margin on sales for the I quarter of 2013 was -1.1 per cent and decreased by 0.5 basis point when compared to the margin for the I quarter of 2012.

The overheads amounted to PLN 5,120 thousand and increased by 16.2 per cent, i.e. by PLN 713 thousand when compared to the comparable period. The costs related to sales, marketing and distribution amounted to PLN 221 thousand.

The balance of other operating activity amounted to PLN 4,272 thousand and increased by PLN 3,585 thousand, i.e. by 521.8 per cent when compared to the analogous period in 2012. For the period from January 1, 2013 to March 31, 2013 the Company incurred a loss on the operating activities in the amount of PLN 1,814 thousand. The results on operating activities decreased by PLN 2,728 thousand when compared to the results for the I quarter of 2012, when the loss on operating activities amounted to PLN 4,542 thousand.

The Company's financial revenue amounted to PLN 552 thousand and decreased by PLN 13,901 thousand when compared to the financial revenue for the I quarter of 2012. The decrease was caused by the dividend obtained from subsidiary in the I quarter of 2012. The financial costs decreased by PLN 1,209 thousand and amounted to PLN 3,579 thousand. The decrease of financial costs was mainly due to the lower interests on bonds.

In the period from January 1, 2013 to March 31, 2013, the Company incurred a gross loss of PLN 4,838 thousand, The income tax for in the period I quarter of 2013 amounted to PLN 1,359 thousand and increased by PLN 2,758 thousand when compared to the analogous period in 2012. The Company's net loss for the period from from January 1, 2013 to March 31, 2013 amounted to PLN 6,197 thousand and the result was lower by PLN 12,722 thousand when compared to the analogous period in the previous year. After elimination of dividend revenue from the comparable period financial results would achieve the comparable level.

The balance sheet total as for March 31, 2013 amounted to PLN 724,117 thousand and was lower by PLN 15,077 thousand than the balance sheet total at the end of 2012.

The value of non-current assets as for March 31, 2013 was PLN 580,879 thousand and decreased slightly by PLN 12,632 thousand. Current assets decreased by PLN 27,709 thousand, i.e. by 16.2 per cent in comparison with the balance as for December 31, 2012 and amounted to PLN 143,238 thousand. The decrease was mainly due to lower cash and cash equivalents by PLN 23,182 thousand, i.e. by 61.7 per cent, which as for March 31, 2013 amounted to PLN 14,399 thousand. Furthermore, trade and other receivables also significantly decreased by PLN 9,759 thousand, i.e. by 13.0 per cent and amounted to PLN 65,170 thousand as for March 31, 2013.

The Company's equity increased as for March 31, 2013 by PLN 96,693 thousand when compared to the balance as for December 31, 2012. The increase was generated by share premium of PLN 78,289 thousand arising from the conversion of bonds into shares and the share capital increase.

The non-current liabilities significantly increased as for March 31, 2013 and reached PLN 81,803 thousand and increased by PLN 38,389 thousand when compared to the balance as for December 31, 2012. The current liabilities amounted to PLN 148,304 thousand and decreased by 50.3 per cent, i.e. by PLN 150,159 thousand when compared to the balance as at the end of the previous year. The bonds (amounted to PLN 902 thousand) recorded the largest decreased among the current liabilities and decreased by PLN 146 859 thousand, i.e. by 99.4 per cent. The short-term interest-bearing bank loans and credits increased by PLN 43,173 thousand amounting to PLN 62,304 thousand.

(data in thousand PLN, unless stated otherwise)

2. Cyclical and seasonal character of activity

Sales of the Company attains the lowest values in the I quarter due to adverse weather conditions. In the current year, adverse weather conditions significantly influenced the volume of sales of Trakcja S.A.

3. Contingent receivables and liabilities

Contingent receivables and liabilities are presented in the below table:

	31.03.2013	31.12.2012
	Unaudited	Audited
Contingent receivables		
From related entities on account of:	**180 146**	**180 146**
Guarantees and sureties received	180 146	180 146
From other entities on account of:	**88 109**	**88 049**
Guarantees and sureties received	79 269	79 638
Bills of exchange received as collateral	8 840	8 411
Total contingent receivables	**268 255**	**268 195**
Contingent liabilities		
From related entities on account of:	**81 385**	**81 385**
Guarantees and sureties given	81 385	81 385
From other entities on account of:	**1 051 230**	**1 091 945**
Guarantees and sureties given	203 351	228 489
Own promissory notes	204 591	205 345
Mortgages	112 500	112 500
Assignments of receivables	487 248	505 193
Assignments of rights under insurance policies	36 665	36 665
Securities deposits	4 982	1 859
Other liabilities	1 893	1 894
Total contingent liabilities	**1 132 615**	**1 173 330**

Due to employment contracts executed with the employees and Members of the Management Board, as for March 31, 2013 the Company had contingent receivables in the amount of PLN 819 thousand and contingent liabilities in the amount of PLN 7,429 thousand. Furthermore, in case of breach of duties of a Manager as stipulated in the agreement on non-competition, the Manager will pay the Company, without any undue delay or termination notice or demand by the Company, liquidated damages as a counter value of EUR 25 thousand in PLN for each case of breach, and counter value of EUR 1 thousand in PLN for each day of breach.

Roman Przybył

President of the Board

Marita Szustak

Vice – president of the Board

Nerijus Eidukevičius

Vice – president of the Board

Tadeusz Kałdonek

Vice – president of the Board

Rodrigo Pomar López

Vice – president of the Board

Person responsible for preparing the financial statement:

Sławomir Krysiński

Head of Financial Reporting Trakcja Group

Warsaw, May 15, 2013