TRAKCJA
CAPITAL GROUP

CONSOLIDATED QUARTERLY REPORT
FOR THE PERIOD OF 9 MONTHS ENDED ON SEPTEMBER 30, 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 9-month period ended on September 30, 2013.

The condensed consolidated financial statement for the III 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 September 30, 2013 showing net profit amounting to PLN **22,159** thousand.

II. Consolidated statement of comprehensive income for the period from January 1, 2013 to September 30, 2013 showing total comprehensive income amounting to PLN **34,459** thousand.

III. Consolidated balance sheet as of September 30, 2013 showing the assets and liabilities in the amount of PLN **1,644,827** thousand.

IV. Consolidated cash flow statement for the period from January 1, 2013 to September 30, 2013 showing decrease in net cash balance by PLN **71,663** thousand.

V. Consolidated statement of changes in equity for the period from January 1, 2013 to September 30, 2013 showing increase of equity by PLN **130,946** thousand.

VI. Additional information and explanations.

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

Roman Przybył	Marita Szustak
President of the Board	Vice – president of the Board
Nerijus Eidukevičius	Tadeusz Kałdonek
Vice – president of the Board	Vice – president of the Board

Warsaw, November 4, 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
30.09.2013 r.	4,2231	4,0671	4,3432	4,2163
31.12.2012 r.	4,1736	4,0465	4,5135	4,0882
30.09.2012 r.	4,1948	4,0465	4,5135	4,1138

** 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:

	30.09.2013		31.12.2012	
	k PLN	k EUR	k PLN	k EUR
Non-current assets	718 176	170 333	700 255	171 287
Current assets	926 651	219 778	627 247	153 429
Total assets	**1 644 827**	**390 111**	**1 327 502**	**324 716**
Equity	625 257	148 295	494 311	120 912
Long-term liabilities	151 663	35 971	154 377	37 762
Short-term liabilities	867 907	205 846	678 814	166 042
Total equity and liabilities	**1 644 827**	**390 111**	**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 9 months ended 30.09.2013		For the period of 9 months ended 30.09.2012	
	k PLN	k EUR	k PLN	k EUR
Sales revenue	1 087 183	257 436	986 773	235 237
Cost of goods sold	(1 008 640)	(238 838)	(941 113)	(224 352)
Gross profit (loss) on sales	78 543	18 598	45 660	10 885
Operating profit (loss)	40 652	9 626	42 673	10 173
Gross profit (loss)	28 054	6 643	22 095	5 267
Net profit (loss) from continued operations	22 159	5 247	18 923	4 511
Net profit (loss) from discontinued operations	-	-	-	-
Net profit for the period	22 159	5 247	18 923	4 511

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 9 months ended 30.09.2013		For the period of 9 months ended 30.09.2012	
	k PLN	k EUR	k PLN	k EUR
Net cash flow from operating activities	(164 192)	(38 879)	(60 915)	(14 522)
Net cash flow from investing activities	(14 367)	(3 402)	(62 888)	(14 992)
Net cash flow from financing activities	106 896	25 312	(48 739)	(11 619)
Total net cash flow	(71 663)	(16 969)	(172 542)	(41 133)

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)

	30.09.2013		30.09.2012	
	k PLN	**k EUR**	**k PLN**	**k EUR**
Cash and cash equivalents at the beginning of the period	121 193	29 645	222 562	50 390
Cash and cash equivalents at the end of the period	53 475	12 683	50 020	12 159

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

	Note	1.01.2013 - 30.09.2013	1.07.2013 - 30.09.2013	1.01.2012 - 30.09.2012	1.07.2012 - 30.09.2012
		Unaudited	Unaudited	Modified* Unaudited	Modified* Unaudited
Continued operations					
Sales revenues	**14**	**1 087 183**	**531 335**	**986 773**	**404 013**
Cost of goods sold	**14**	**(1 008 640)**	**(487 644)**	**(941 113)**	**(384 548)**
Gross profit on sales		**78 543**	**43 691**	**45 660**	**19 465**
Cost of sales, marketing and distribution		(5 059)	(1 952)	(5 200)	(1 562)
General and administrative costs		(35 062)	(11 441)	(38 035)	(10 683)
Other operating revenues		12 093	853	3 149	1 464
Other operating costs		(9 863)	(3 634)	(7 193)	(2 816)
Profit on loss of control		-	-	44 291	-
Operating profit		**40 652**	**27 517**	**42 673**	**5 869**
Financial revenues		3 171	1 108	6 955	1 996
Financial costs		(15 769)	(4 445)	(27 532)	(5 482)
Gross profit		**28 054**	**24 180**	**22 095**	**2 382**
Income tax		(5 895)	(2 398)	(3 172)	(3 028)
Net profit from continued operation		**22 159**	**21 782**	**18 923**	**(646)**
Discontinued operations					
Net profit (loss) from discontinued operations		-	-	-	-
Net profit for the period		**22 159**	**21 782**	**18 923**	**(646)**
Attributable to:					
Shareholders of parent entity		21 731	21 296	19 317	(1 119)
Non-controlling interests		428	486	(394)	473
Net profit / (loss) per one share in PLN					
basic on profit from period		0,06	0,05	0,08	0,00
basic on profit from continued operations		0,06	0,05	0,08	0,00
diluted on profit from period		0,06	0,05	0,08	0,00
diluted on profit from continued operations		0,06	0,05	0,08	0,00

**) Change in presentation of costs - futher details in note 12 of the condensed consolidated financial statements*

(data in thousand PLN, unless stated otherwise)

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

	Note	1.01.2013 - 30.09.2013	1.07.2013 - 30.09.2013	1.01.2012 - 30.09.2012	1.07.2012 - 30.09.2012
		Unaudited	Unaudited	Modified* Unaudited	Modified* Unaudited
Net profit for the period		**22 159**	**21 782**	**18 923**	**(646)**
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	12	5 762	-	-	-
Other comprehensive income that will be reclassified to profit or loss:		**6 538**	**(5 825)**	**(9 882)**	**(7 423)**
Foreign exchange differences on translation of foreign operations		6 957	(6 068)	(9 882)	(7 423)
Cash flow hedging instruments		(419)	243	-	-
Total other comprehensive income		**12 300**	**(5 825)**	**(9 882)**	**(7 423)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**34 459**	**15 957**	**9 041**	**(8 069)**
Attributable to:					
Shareholders of parent entity		34 083	15 549	9 508	(8 660)
Non-controlling interests		376	408	(467)	591

**) Change in presentation of costs - futher details in note 12 of the condensed consolidated financial statements*

(data in thousand PLN, unless stated otherwise)

CONSOLIDATED BALANCE SHEET

ASSETS	Note	30.09.2013	31.12.2012	1.01.2012
		Unaudited	Modified*	Modified*
Non-current assets		**718 176**	**700 255**	**855 782**
Property, plant and equipment		185 523	192 849	316 512
Intangible assets		57 661	57 824	60 382
Goodwill from consolidation		379 958	374 969	382 404
Investment property		29 145	17 800	15 896
Investments accounted for using the equity method		-	-	2 052
Investments in other units		24	24	25
Other financial assets		30 792	26 742	31 228
Long-term receivables		-	-	-
Deferred tax assets	24	32 683	26 551	43 150
Prepayments and deferred costs		2 390	3 496	4 133
Current assets		**926 651**	**627 247**	**1 069 726**
Inventory	14	132 677	93 866	150 741
Trade and other receivables	14	546 070	245 759	542 569
Current corporate tax receivables		-	-	271
Other financial assets		35 338	26 422	28 767
Cash and cash equivalents		53 475	121 193	222 562
Prepayments and deferred costs		8 088	6 831	9 967
Construction contracts		151 003	133 176	110 214
Available-for-sale assets		-	-	4 635
T o t a l a s s e t s		**1 644 827**	**1 327 502**	**1 925 508**
EQUITY AND LIABILITIES				
Equity attributable to shareholders of the Parent Entity		**622 590**	**492 519**	**530 339**
Share capital		41 120	23 211	23 211
Basic conditional capital		-	18 545	-
Due payments for basic capital (negative value)		-	(18 545)	-
Share premium		310 102	231 813	231 591
Revaluation reserve		8 158	2 396	2 343
Other reserves		229 247	242 529	199 775
Net profit		21 731	(12 764)	56 831
Foreign exchange differences on translation of foreign operations		12 232	5 334	16 588
Non-controlling interest		**2 667**	**1 792**	**18 600**
Total equity	14	**625 257**	**494 311**	**548 939**
Long-term liabilities		**151 663**	**154 377**	**355 950**
Interest-bearing bank loans and borrowings	14	54 479	97 911	134 216
Bonds	14	49 867	12 913	160 040
Provisions	27	3 633	3 718	3 460
Employee benefits liabilities		10 502	9 552	17 008
Deferred tax liabilities	24	32 687	30 283	41 144
Derivatives		495	-	58
Other financial liabilities		-	-	24
Short-term liabilities		**867 907**	**678 814**	**1 020 619**
Interest-bearing bank loans and borrowings	14	218 263	38 373	230 517
Bonds	14	1 271	147 761	5 695
Trade and other payables	14	467 329	333 361	570 766
Provisions	27	7 743	9 838	21 842
Employee benefits liabilities		10 783	8 744	13 567
Current tax liabilities		8 919	2 657	-
Derivatives		51	59	95
Other financial liabilities		14 587	-	4 647
Accruals		472	94	1 496
Construction contracts		137 195	133 430	151 451
Advances received		1 294	4 497	20 543
T o t a l l i a b i l i t i e s		**1 644 827**	**1 327 502**	**1 925 508**

**) Change in accounting policy - futher details in note 12 to the condensed consolidated financial statements*

(data in thousand PLN, unless stated otherwise)

CONSOLIDATED STATEMENT OF CASH FLOW

	Note	For the period of 9 months ended	
		30.09.2013	**30.09.2012**
		Unaudited	Unaudited
Cash flow from operating activities			
Gross profit from continued operations		**28 054**	**22 095**
Gross profit (loss) from discontinued operations		-	-
Adjustments for:		**(192 246)**	**(83 010)**
Depreciation		17 145	20 509
Foreign exchange losses/ (gains)		1 027	(2 063)
Net interest and dividends		15 862	13 121
(Profit)/Loss on investment activities		(9 863)	(44 766)
Change in receivables		(315 467)	67 810
Change in inventory		(38 325)	13 738
Change in liabilities, excluding loans and borrowings		155 792	(90 088)
Change in prepayments and accruals		(130)	(21 888)
Change in provisions		(325)	(565)
Change in construction contracts		(11 279)	(39 984)
Change in financial derivatives		(9)	110
Income tax paid		(5 064)	(4 425)
Other		(2 384)	9 108
Foreign exchange differences on translation of foreign operations		774	(3 627)
Net cash flow from operating activities		**(164 192)**	**(60 915)**
Cash flow from investing activities			
Sale (purchase) of intangible assets and property, plant and equipment		(3 020)	(16 672)
- purchase	28	(6 841)	(20 534)
- sale	28	3 821	3 862
Cash connected with the loss of control over subsidiaries		-	(48 183)
Financial assets		(13 975)	1 494
- sold or repaid		6 277	5 285
- granted or acquired		(20 252)	(3 791)
Loans		2 000	-
- repaid		2 000	-
- granted		-	-
Interest received		628	1 044
			-
Net cash flow from investing activities		**(14 367)**	**(62 888)**
Cash flow from financing activities			
Expenditure on redemption of bonds		(13 800)	-
Proceeds from borrowings and loans obtained		225 738	139 662
Repayment of borrowings and loans		(90 296)	(162 138)
Interest paid		(9 123)	(17 045)
Payment of liabilities under financial lease agreements		(5 581)	(8 887)
Other		(42)	(331)
Net cash flow from financing activities		**106 896**	**(48 739)**
Total net cash flow		**(71 663)**	**(172 542)**
Exchange (losses)/gains on cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the period		**121 193**	**222 562**
Cash and cash equivalents at the end of the period	**25**	**49 534**	**50 020**
- including restricted cash and cash equivalents		940	-

(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**	**Revaluation reserve**	**Other reserves**		**Foreign exchange differences on translation of foreign operations**	**Net profit**	**Total**	**Non-controlling interest**	**Total equity**
Unaudited, Modified*						**Hedging instruments**	**Results from previous years**					
As at 1.01.2013	**23 211**	**18 545**	**(18 545)**	**231 813**	**2 396**	**-**	**238 032**	**5 334**	**(14 306)**	**486 480**	**1 792**	**488 272**
Corrections of errors	-	-	-	-	-	-	-	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-	-	4 497	-	1 542	6 039	-	6 039
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	-	-	-	-	-	-	-	-	21 731	21 731	428	22 159
Other comprehensive income for the period	-	-	-	-	5 762	(308)	-	6 898	-	12 352	(52)	12 300
Profit distribution	-	-	-	-	-	-	(12 764)	-	12 764	-	-	-
Issue of shares	17 909	(18 545)	18 545	78 289	-	-	-	-	-	96 198	-	96 198
Changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	-	-	-	(297)	-	-	(297)	499	202
Other changes	-	-	-	-	-	-	87	-	-	87	-	87
As at 30.09.2013	**41 120**	**-**	**-**	**310 102**	**8 158**	**(308)**	**229 555**	**12 232**	**21 731**	**622 590**	**2 667**	**625 257**

**) Change in accounting policy - futher details in note 12 to the condensed consolidated financial statements*

(data in thousand PLN, unless stated otherwise)

	Equity attributable to shareholders of Parent entity											
	Share capital	**Basic conditional capital**	**Due payments for basic capital (negative value)**	**Share premium**	**Revaluation reserve**	**Other reserves**		**Foreign exchange differences on translation of foreign operations**	**Net profit**	**Total**	**Non-controlling interest**	**Total equity**
Unaudited, Modified*						**Hedging instruments**	**Results from previous years**					
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 in 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	-	-	-	-	-	-	-	-	19 317	19 317	(394)	18 923
Other comprehensive income for the period	-	-	-	-	-	-	-	(9 809)	-	(9 809)	(73)	(9 882)
Wypłata dywidendy	-	-	-	-	-	-	-	-	-	-	-	-
Profit distribution	-	-	-	-	-	-	56 831	-	(56 831)	-	-	-
Koszty emisji akcji	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	-	(531)	-	-	(531)	(650)	(1 181)
Loss of control over the subsidiary	-	-	-	-	-	-	(13 551)	-	-	(13 551)	(15 549)	(29 100)
Other changes	-	-	-	222	-	-	-	-	-	222	-	222
As at 30.09.2012	**23 211**	**-**	**-**	**231 813**	**2 343**	**-**	**242 524**	**6 779**	**19 317**	**525 987**	**1 934**	**527 921**

**) Change in accounting policy - futher details in note 12 to the condensed consolidated financial statements*

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

1. General information

This condensed consolidated financial statements of the Group cover the 9-month period ended on September 30, 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).

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.

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 September 1, 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 August 31, 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. September 1, 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 December 12, 2012.

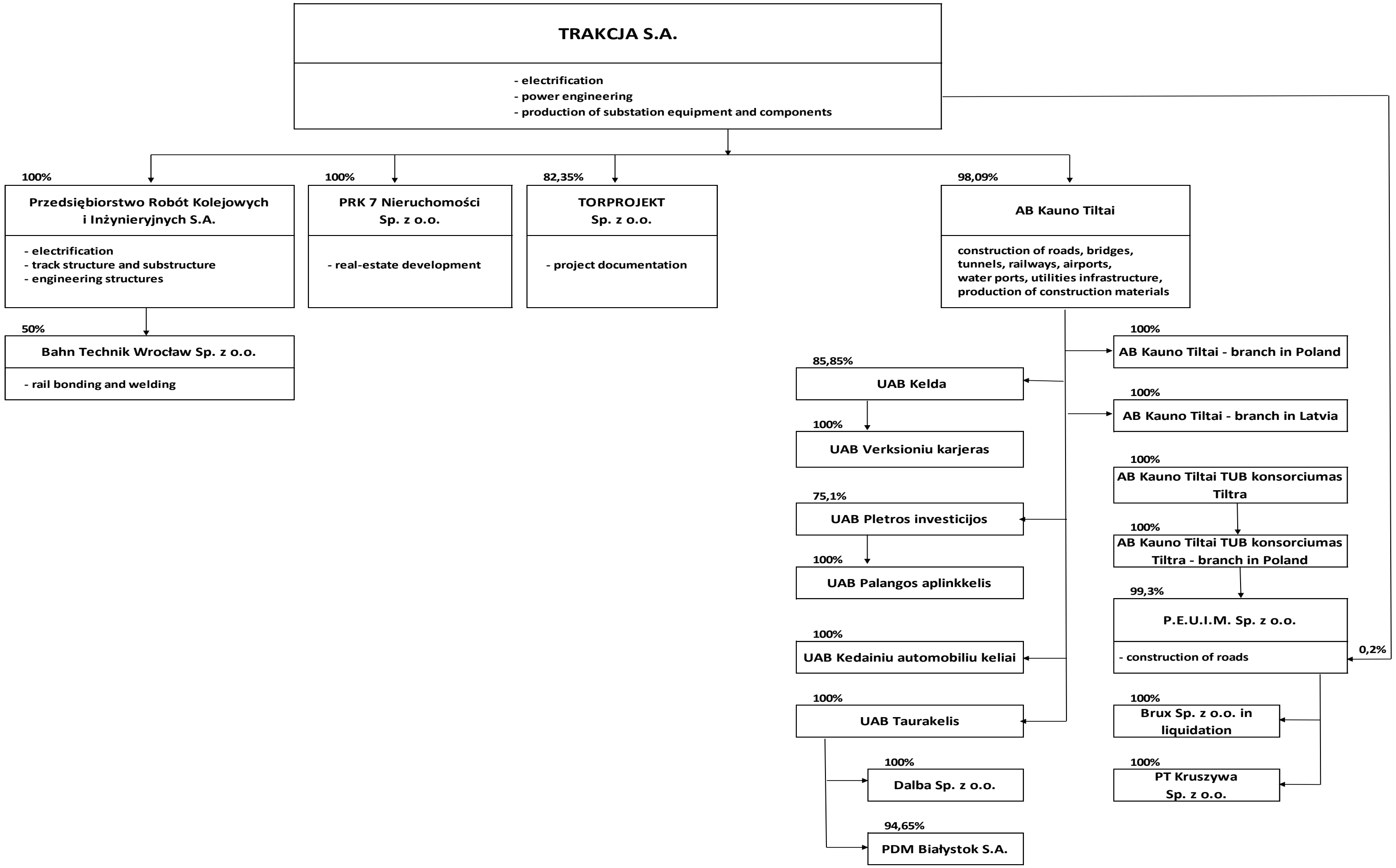
The Company's seat is located in Warsaw at 59 Złota Street, XVIII floor. The duration of the Parent company and the other entities comprising the Group is indefinite.

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 September 30, 2013, the Group consisted 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.*

3. Changes in Capital Group

In the period from January 1, 2013 to September 30, 2013 the Group did not change in the Group structure described below.

Due to the capital increase in PDM „Białystok” S.A. that had place in the III quater of 2013 , the company's parent UAB Taurakelis recognised an increase in the percentage of the share capital of PDM "Bialystok" S.A.

4. Composition of the Parent Company’s Management Board

The Company’s Management Board on September 30, 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.

Within the period from January 1 to September 30, 2013, the Management Board composition has changed. On the basis of Resolution No 2 of the Supervisory Board of June 12, 2013 Mr Rodrigo Pomar López, former Vice - President of the Management Board of the Company was cancelled from the Management Board.

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

The Management Board of Trakcja S.A. informed that as of October 17, 2013 Mr. Jarosław Tomaszewski took a post of the Financial Director of Trakcja S.A. On the upcoming meeting on November 28, 2013, the Supervisory Board of Trakcja S.A. shall adopt a resolution on the appointment of Mr. Jarosław Tomaszewski for the post of the Vice-President of the Management Board of Trakcja S.A. - Financial Director of the Company.

5. Composition of the Parent Company’s Supervisory Board

The Company’s Supervisory Board on September 30, 2013 was composed of the following persons:

- Maciej Radziwiłł - Supervisory Board Chairman;
- Andrzej Bartos - Supervisory Board member;
- Julijus Stalmokas - Supervisory Board member;
- Wojciech Napiórkowski - Supervisory Board member;
- Miquel Llevat Vallespinosa - Supervisory Board member;
- Jorge Miarnau Montserrat - Supervisory Board member;
- Fernando Perea Samarra - Supervisory Board member.

Within the period from January 1 to September 30, 2013, the Supervisory Board of the Parent company composition has changed. On the basis of the company statute on June 12, 2013 Mr Alvydas Banys, former Vice - President of the Supervisory Board was cancelled from the Supervisory Board. On the basis of the company statute on June 12, 2013 Mr Carles Sumarroca Claverol, former Vice - President of the Supervisory Board was cancelled from the Supervisory Board. On the basis of Resolution No. 26 of the Ordinary General Meeting of the Shareholders of the Company on June 12, 2013 Mr Andrzej Bartos was appointed as Member of the Supervisory Board of the Company. On the basis of the company statute on June 12, 2013 Mr Fernando Perea Samarra Bartos was appointed as Member of the Supervisory Board of the Company.

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

(data in thousand PLN, unless stated otherwise)

6. 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's name	Number of shares held	% 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 OFE	69 353 438	16,87%	69 353 438	16,87%
OFE PZU	34 797 195	8,46%	34 797 195	8,46%
Other shareholder's	188 627 514	45,87%	188 627 514	45,87%
Total	**411 196 384**	**100,00%**	**411 196 384**	**100,00%**

From the date of publication of the last interim report, there was a change in the structure of shareholders that held, directly or through subsidiaries, at least 5 per cent of the total number of votes at the General Meeting of Shareholders:

- On September 26, 2013, the Company received from Pioneer Pekao Investment Management S.A. ("PPIM") a notification concerning a decrease in the total participation to the level of 4.97% of the total number of votes at a General Meeting of Shareholders 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 the sale of shares which took place on September 18, 2013.

After the balance sheet date but before the publishing of the condensed consolidated financial statements following changes occurred in the shareholding structure:

- On October 9, 2013, the Company received a notice from UAB "NDX energija" informing that it does not hold any shares in Trakcja S.A. any longer, which entitled to exercise voting rights at the General Meeting of Shareholders of the Company. As a result of the transaction made on the regulated market on October 4, 2013, UAB "NDX energija" reduced its share in the Company to the level below 5% of the total votes at the General Meeting of Shareholders. After having completed the above-mentioned transaction - UAB "NDX energija" entered into another transaction, as a result of which it sold all the remaining shares and currently holds no shares in Trakcja S.A.
- On October 14, 2013 Powszechne Towarzystwo Emerytalne PZU S.A. acting on behalf of PZU Open Pension Fund PZU "Złota Jesień" informed the Company that due to the purchase of shares in the Company on October 4, 2013 on the Warsaw Stock Exchange, the number of shares currently held by the fund allows to exceed 5% of votes at the General Meeting of Shareholders of the Company. Currently, the fund holds 34,797,195 shares corresponding to 34,797,195 votes, which constitute 8.46% of the capital share of the Company and entitle to 8.46% of votes at the General Meeting of Shareholders of the Company. Prior to the transaction, the Fund held 20,097,195 shares corresponding to 20,097,195 votes, which constituted 4.89 % of the capital share of the Company and entitled to 4.89 % of votes at the General Meeting of Shareholders of the Company.
- On October 14, 2013, the Company received a notice from ING Powszechne Towarzystwo Emerytalne S.A. , acting on behalf of ING Open Pension Fund ("Fund") informing that due to the transactions on the Warsaw Stock Exchange recorded on October 8, 2013, the volume of shares held by the fund was reduced by at least 2% of votes at the General Meeting of Shareholders of the Company. As a result of the above-mentioned transaction, the Fund currently holds 69,353,438 shares in the Company, which constitutes 16.87 % of the share capital of the Company. The shares entitle to 69,353,438 votes at the General Meeting of Shareholders of the Company, which constitutes 16.87 % of the total number of votes.

7. 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.

(data in thousand PLN, unless stated otherwise)

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.

8. Approval of the financial statements

This condensed consolidated financial statements have been approved by the Management Board of the Parent company for publication on November 4, 2013.

9. Significant values based on professional judgement and estimates

9.1. 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.

9.2. 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.

10. 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.

11. 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 September 30, 2013 and were not approved by the European Union at the day of preparing this consolidated financial statement are presented in note No. 12.

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

September 30, 2013 is Polish Zloty. The currency of measure of companies with their registered office in Lithuania is Litas (LTL).

12. Significant accountancy principles

The accountancy principles (policy) applied to prepare this condensed consolidated financial statement for the III quater of 2013 are coherent with those which were applied while preparing the annual consolidated financial statements for the year 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 assets held 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 Golędzinowska Street, Skaryszewska Street 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 year's result.

Total fair value of lands and buildings subject to requalification (as a result of appropriation change) amounted to:

(data in thousand PLN, unless stated otherwise)

As of January 1, 2013: PLN 7,867 thousand.

The difference between the fair value and the balance sheet value of the reclassified assets as at January 1, 2013 amounted PLN 7,114 thousand and has been recognised in the revaluation reserve in the net 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 PLN 3,478 thousand, 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 revalued property according to the valuation 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 Groups equity by PLN 6,039 thousand).

	Data published in the report for the 2012 year	Data modified due to changes in accounting policy for the 2012 year
Retained earnings	(14 306)	(12 764)
Total equity	488 272	494 311

All investment property valuations as at March 31, 2013, as at January 1, 2013 (date of appropriation change of some land and buildings) and as at January 1, 2012 (date of the earliest presented period) were conducted by independent appraiser on the basis of market data.

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 presentation shall reflect the Group's financial situation more appropriately. Pursuant to IFRS requirements, comparable data were changed.

	Data published in the report for 9 months ended 30.09.2012	Data modified due to changes in presentation for the period of 9 months ended 30.09.2012
Cost of goods sold	(940 073)	(941 113)
General and administrative costs	(39 075)	(38 035)

Change in factoring presentation

The Group changed the presentation of the factoring liability, presented in the 2011 financial statements in the form of interest-bearing credits and loans included in other financial liabilities. In the opinion of the Group's Management Board, such presentation will more properly reflect the Group's financial situation. Pursuant to the IAS requirements, the presentation of comparable data was changed.

	Data published in the report for the year 2011	Data modified due to changes in presentation for the year 2011
Interest-bearing bank loans and borrowings (short-term)	235 164	230 517
Other financial liabilities (short-term)	-	4 647

Change in operational segments presentation

In connection with the reorganization in assets management, the Group introduced changes in monitoring the results generated in individual operational segments. In the opinion of the Group's Management Board, such presentation will more properly reflect the Group's financial situation. Detailed information was presented in note no. 29 to these financial statements.

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 January 1, 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 January 1, 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 January 1, 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 January 1, 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 January 1, 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.

- *Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets*

Amendments were published on May 29, 2013 and apply to annual periods commencing on January 1, 2014 or later. The changes result in a modification of the scope of disclosures concerning the impairment of non-financial assets; amongst others, amendments require a disclosure of the recoverable amount of the asset (the centre generating inflows) only for the periods, during which an impairment was recognized, or its reversal in reference to the given asset (or centre). In addition, the amended standard indicates that a wider and more precise scope of disclosures will be required in case of determining the recoverable amount as being the fair value less costs of sale, and in case of determining the fair value less costs of sale and application of a technique of determining the current value (discounted flows) it will be necessary to provide information on the applied discounting rate (in case of recognizing the impairment or its reversal).

The amendments also adjust the scope of disclosures concerning the recoverable amount, regardless of whether it has already been determined as usable value or fair value less costs of sale. The Group will apply the amendments as from 1 January 2014. As at the date of these consolidated financial statements, it is not possible to reliably estimate the influence of the application of introduced changes.

- *Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting*

Amendments were published on June 27, 2013 and apply to annual periods commencing on January 1, 2014 or later. Amendments allow continuation of hedge accounting (on certain conditions) if the given derivative, being a hedging instruments, is renewed as a result of legal regulations, and the amendment results in a change of the clearing institution. Amendments to IAS 39 are an effect of legal changes in numerous countries, the effect of which was obligatory settlement of existing OTC derivatives and their renewal through a contract with the central clearing institution. The Group will apply the amendments as from January 1, 2014. As at the date of these consolidated financial statements, it is not possible to reliably estimate the influence of the application of introduced changes.

- *IFRIC Interpretation 21 Levies*

The new interpretation was published on May 20, 2013 and applies to annual periods commencing on January 1, 2014 or later. The interpretation includes guidance as to in what periods the liabilities should be recognized in regard to the payment of certain regulatory charges (levies). The Group will apply the new interpretation as from January 1, 2014. As at the date of these consolidated financial statements, the new interpretation is not foreseen to influence the Group's financial statements.

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 further amended),*
- *Investment Entities (amendments to IFRS 10, IFRS 12, and IAS 27) published on October 31, 2012,*
- *Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets, published on May 29, 2013,*
- *Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting, published on June 27, 2013,*
- *IFRIC Interpretation 21 Levies, published on May 20, 2013.*

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

- **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 January 1, 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.

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

Within the period of III quarter 2013, Trakcja Group recorded PLN 531,335 thousand revenue on sale, which increased by 31.5 per cent when compared to the analogous period in 2012. The cost of goods sold increased by 26.8 per cent and amounted to PLN 487,644 thousand. Higher by 4.7 p.p. increase in sales compared to the increase in cost of sales was a result of higher gross profit margin on sales by 3.4 percentage points.

The gross loss on sales was PLN 43,691 thousand and the result increased by PLN 24,226 thousand, i.e. by 124.5 per cent when compared to the analogous period in the previous year. The margin of gross profit on sales was 8.2 per cent in the III quarter of 2013 and 4.8 per cent in the analogous period in 2012.

The overheads were PLN 11,441 thousand and increased by 7.1 per cent, i.e. by PLN 758 thousand when compared to the analogous period in 2012. The costs of sale, marketing and distribution amounted to PLN 1,952 thousand and increased by PLN 390 thousand. The balance of other operating activity was negative PLN 2,781 thousand and decreased by PLN 1,430 thousand, which is 105.7 per cent decrease when compared to the III quarter of 2012. The Group recorded a profit operating activities in the III quarter of 2013 amounting to PLN 27,517 thousand. The result on operating activities increased by PLN 21,648 thousand when compared to the result for the III quarter 2012, when the profit was PLN 5,869 thousand.

In the III quarter of 2013 the balance from financial activities reached negative with the value PLN 3,337 thousand which is an decrease of PLN 149 thousand when compared to the balance in the III quarter of the previous year.

In the period from July 1, 2013 to September 30, 2013, the Group recorded a gross profit of PLN 24,180 thousand. The gross result for the III quarter of 2013 increased by PLN 21,798 thousand when compared to the III quarter of 2012, when the profit was PLN 2,382 thousand. The income tax for the III quarter 2013 was PLN 2,398 thousand and decreased by PLN 630 thousand in comparison to the analogous period. The net result of the Group for the period from July 1, 2013 to September 30, 2013 was PLN 21,782 thousand and which is an increased by PLN 22,428 thousand when compared to the profit for the 3-month period in 2012.

The balance sheet total as at the end of the III quarter of 2013 was PLN 1,644,827 thousand and was higher by 23.9 per cent when compared to balance sheet total as for December 31, 2012.

The non-current assets increased by PLN 17,921 thousand (i.e. by 2.6 per cent when compared to the non-current assets as for December 31, 2012) and reached PLN 718,176 thousand whereas current assets increased by PLN 299,404 thousand (i.e. by 47.7 per cent when compared to the amounts as for December 31, 2012) and reached PLN 926,651 thousand when compared to the balance as for December 31, 2012.

The increase in current assets was mostly due to increase trade receivables and other receivables by PLN 300,311 thousand, i.e. 122.2 per cent when compared to balance as for December 31, 2012. The trade receivables and other receivables reached the value of PLN 546,070 thousand. Additionally, as for September 30, 2013 inventory increased by PLN 38,811 thousand, i.e. by 41.3 per cent, when compared to the balance as for December 31, 2012.

The equity of the Capital Group increased as for September 30, 2013 by PLN 130,946 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 September 30, 2013, the non-current liabilities reached the value of PLN 151,663 thousand and decreased by PLN 2,714 thousand, i.e. by 1,8 per cent in comparison to the balance as for December 31, 2012. Mostly the interest-bearing credits and long-term loans were decreased. The Group reported an increase the value of long-term bonds by PLN 36,954 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 867,907 thousand and increased by 27.9 per cent, i.e. by PLN 189,093 thousand in comparison to the balance as for December 31, 2012. Among the current liabilities, short-term interest-bearing loans and bank credits (with an increase of PLN 179,890 thousand) and trade payables and other liabilities (amounted to PLN 467,329 thousand and increased by PLN 133,968 thousand) recorded the largest increases. The bonds decreased by PLN 146,490 thousand and amounted to PLN 1,271 thousand as for September 30, 2013.

15. Cyclical and seasonal character of activity

In the period of the III quarter of 2013 the Company is not subject to seasonality nor cyclicality.

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

Within the period covered by this condensed consolidated financial statement, the Group did not issue and did not repay any debt and equity securities.

17. 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 formation concerning the Trakcja Group reorganization plans

In the III 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.

18. Information concerning the Trakcja Group reorganization plans

On July 25, 2013 the Company informed in the current report no. 63/2013 about the planned reorganization within the Trakcja Group. On October 18, 2013 the Management Board of the Company adopted a resolution concerning the intention to merge the Company with Przedsiębiorstwo Robót Kolejowych i Inżynieryjnych S.A. ("PRKiI"). The merger of the Company with PRKiI allows to achieve a better performance model of Trakcja Group in a more efficient manner as regards both finance and organisation. Other activities resulting in the merger of the Company with PRKiI shall take place on dates as provided for by the law. Any possible, further activities aimed at simplifying the organisational structure of the Trakcja Group may take place at a later date.

The decision on the merger and reorganisation was made in order to improve management of the Trakcja Group and to eliminate some part of the unnecessary processes, which will also allow to reduce operating costs and increase the management efficiency. The merger of the companies shall also bring some financial savings in the administration and organisation areas thanks to the reduction in the number of the management and supervisory bodies within the Trakcja Group. In the long run, the objective of the merger is to improve coordination of operating activities, unify business processes and increase transparency of the structure of the Trakcja Group.

The merger of the Company with the Acquired Company shall take place by way of transferring the entire property of the Acquired Company to the Company, i.e. merger through acquisition within the meaning of Article 492 § 1 point 1 of the Code of Commercial Companies and Partnerships. Due to the text of Article 515 § 1 and 516 § 6 of the Code of Commercial Companies and Partnerships, the merger shall be performed without increasing the share capital of the Acquiring Company, the Acquired Company and the Acquiring Company shall not prepare written management reports as mentioned in Article 501 § 1 of the Code of Commercial Companies and Partnerships and no written expert opinion as mentioned in 503 § 1 of the Code of Commercial Companies and Partnerships shall be made.

On October 26, 2013 the merger plan with respect to the merger of the Company with Przedsiębiorstwo Robót Kolejowych i Inżynieryjnych S.A.was signed and published in the form of the current report and on the Company's website in the Internet. On the same date the Company published a first notice about the intention of a merger of the Company with Przedsiębiorstwo Robót Kolejowych i Inżynieryjnych S.A.

The merger shall be performed upon prior obtaining of all the necessary corporate consents as well as consents of the bond holders and banks.

19. 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 December 19, 2008),

- 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.

20. 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.

21. 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.

(data in thousand PLN, unless stated otherwise)

22. Concise description of significant achievements or failures during the III quarter 2013

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

23. 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.

24. Deffered tax asstes and liabilities

	Consolidated Balance Sheet as at		**Consolidated statement of total comprehensive income for the period of 9 months ended**
	30.09.2013	**31.12.2012**	**30.09.2013**
	Unaudited	Modified	
Deffered tax asstes	32 683	26 551	6 132
Deferred tax liabilities	32 687	30 283	(2 404)
Change of deffered tax assets and liabilities			3 728
Including:			
- through profit or loss			5 096
- through equity			(1 293)
- variances due to currency translation			(75)

25. Additional information to the cash flow statement

	30.09.2013	**31.12.2012**	**01.01.2012**
	Unaudited	Modified	Modified
Total cash and cash equivalents	**53 475**	**121 193**	**222 562**
Cash and cash equivalents excluded from the cash flow statement	(3 941)	-	-
Cash and cash equivalents for the purposes of the cash flow statement	**49 534**	**121 193**	**222 562**
- Including restricted cash	940	-	-

Cash excluded from the cash flow statement as at September 30, 2013 concerns cash of restricted use for repayment of the liability in the amount of PLN 2,261 thousand and amounts garnered on escrow accounts of development projects in the amount of PLN 1,680 thousand. Restricted cash includes cash assigned for repayment of interest on bonds.

(data in thousand PLN, unless stated otherwise)

26. Change of the write downs of asstes

	Tangible asstes	Intangible assets	Inventory	Receivables	Total
As at 1.01.2013 Modified	**-**	**-**	**1 680**	**21 405**	**23 085**
Recognized	-	-	78	711	789
Variances due to currency translation	-	-	14	97	111
Used	-	-	(44)	(237)	(281)
Reversed	-	-	(219)	(488)	(707)
As at 30.09.2013 Unaudited	**-**	**-**	**1 509**	**21 488**	**22 997**

27. Provisions

	Provisions
As at 1.01.2013 Modified	**13 556**
Recognized	4 242
Variations due to currency translation	149
Used	(6 169)
Reversed	(402)
As at 30.09.2013 Unaudited	**11 376**
<u>including</u>	
- long-term	3 633
- short-term	7 743

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

In the period from January 1 to September 30, 2013, the Group acquired tangible non-current assets and intangible assets in the total amount of PLN 6,841 thousand (in the comparable period of the year 2012: PLN 20,534 thousand).

In the period from January 1 to September 30, 2013, the Group sold its tangible non-current assets and intangible assets in the total book value of PLN 2,872 thousand (in the comparable period of the year 2012: PLN 3,852 thousand),

29. Information on operational and geographic segments

In connection with the asset management reorganization, the Group introduced changes in the monitoring of the results generated in individual operational segments.

An operational segment constitutes a component of the entity:

a) which engages in business activity, in connection with which the entity can obtain revenues and incur costs (including revenues and costs connected with transactions performed with other components of the same entity),

b) the business results of which are regularly reviewed by the main authority responsible for undertaking operational decisions, and which takes advantage of these results during undertaking decisions about allocation of resources to the segment, and during the assessment of the results of the segment's activity, as well as

c) for which there is separate financial information available.

Previous segments were as follows:

- Railway segment, which dealt with engineering works and construction-assembly works in the railway sector (Trakcja, PRKiI, Bahn Technik, Torprojekt)
- Road segment, which dealt with engineering works and construction-assembly works in the road sector (AB Kauno Tiltai Group)
- Other – residential segment, which dealt with the general development activity (PRK 7 Nieruchomości).

For management purposes, in 2013 the Group was divided into new segments based on the types of produced goods and provided services. Due to the quite uniform nature of the activity performed by companies within the Group, the below segments correspond to the individual entities of the Group. In effect, the following operational segments were identified:

- Civil construction segment, which deals with engineering works and construction-assembly works in the railway sector (Trakcja, PRKiI, Bahn Technik, Torprojekt, P.E.U.I.M., Dalba, PT Kruszywa and PDM Białystok);
- Road segment, which deals with engineering works and construction-assembly works in the road sector (AB Kauno Tiltai Group except for P.E.U.I.M., Dalba, PT Kruszywa and PDM Białystok);
- Others – residential segment, which deals with the general development activity (PRK 7 Nieruchomości).

The main change concerns the following companies: P.E.U.I.M, Dalba, PT Kruszywa and PDM Białystok, which were previously assigned to the road segment. After the change, they became assigned to the civil construction segment. The Group's Management Board decided to change the scope of activity of these companies and to take advantage of the potential of P.E.U.I.M, Dalba, PT Kruszywa and PDM Białystok upon the Group's performance of railway sector contracts. The resources of P.E.U.I.M, Dalba, PT Kruszywa and PDM Białystok will mainly be used for the performance of auxiliary bridge and road works connected with contracts for construction and repair of the railway traction.

In consequence, it was also decided to re-allocate a part of the goodwill in the amount of PLN 128.1 million (this amount can change slightly as a result of the final influence of reorganization on the assets management) from the previous road segment to the civil construction segment. Re-allocation was performed in line with the provisions of the International Accounting Standard no. 36 (Impairment of Assets) article 87, pursuant to the relative value approach.

The Management Board separately monitors operational results of segments for the purpose of undertaking decisions on resources allocation, and assessment of the effects of this allocation and the results of activity. The assessment of the results of activity is based on gross profit or loss. Income tax is monitored at the Group level and, therefore, it is not subject to allocation to segments.

Transactional prices applied in transactions between operational segments are determined on market principles, similarly as in case of transactions with unrelated parties.

Reorganization of the reporting structure of the Trakcja Group aims at securing correct execution of the Group's goals in respective business segments, and concentration on the highest possible effectiveness of performed contracts by way of best use of possessed resources.

(data in thousand PLN, unless stated otherwise)

Information concerning segments

Operational segments:

The below data are presented according to the way of monitoring the results of respective segments:

For the period from 1.01.2013 to 30.09.2013 Unaudited	**Continued operations**						
	Civil contruction segment	**Road segment**	**Other segments**	**Total**	**Discontinued operations**	**Exclusions**	**Total operations**
Revenues							
Sales to external customers	637 181	432 243	17 759	1 087 183	-	-	1 087 183
Sales between segments	116	28	-	144	-	(144)	-
Total segment revenues	**637 297**	**432 271**	**17 759**	**1 087 327**	**-**	**(144)**	**1 087 183**
Results:							
Depreciation	10 274	6 777	94	17 145	-	-	17 145
Segment gross profit (loss)	**2 174**	**30 134**	**2 346**	**34 654**	**-**	**(6 600)**	**28 054**

As at 30.09.2013 Unaudited	**Continued operations**						
	Civil contruction segment	**Road segment**	**Other segments**	**Total**	**Discontinued operations**	**Exclusions**	**Total operations**
Operating assets	692 976	701 036	49 668	1 443 680	-	(262 957)	1 180 723
Operating liabilities	414 441	545 322	11 755	971 518	-	(103 611)	867 907
Other disclosures:							
Capital expenditure	(2 276)	(4 591)	(8)	(6 875)	-	34	(6 841)

(data in thousand PLN, unless stated otherwise)

The below data are presented according to the way of monitoring the results of respective segments for the year 2012:

For the period from 1.01.2012 to 30.09.2012 Modified	**Continued operations**						
	Railway segment	**Road segment**	**Other segments**	**Total**	**Discontinued operations**	**Exclusions**	**Total operations**
Revenues							
Sales to external customers	573 888	375 904	36 981	986 773	-	-	986 773
Sales between segments	5 315	20	19	5 354	-	(5 354)	-
Total segment revenues	**579 203**	**375 924**	**37 000**	**992 127**	**-**	**(5 354)**	**986 773**
Results:							
Depreciation	9 787	10 612	110	20 509	-	-	20 509
Segment gross profit (loss)	**(17 900)**	**1 456**	**8 353**	**(8 091)**	**-**	**30 186**	**22 095**

As at 31.12.2012 Modified	**Continued operations**						
	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 1.01.2012 to 30.09.2012 Unaudited	**Continued operations**					
	At home	**Abroad**	**Total**	**Discontinued operations**	**Exclusions**	**Total operations**
Revenues						
Sales to external customers	678 133	409 050	1 087 183	-	-	1 087 183
Sales between segments	115	28	143	-	(143)	-
Sales between the country and foreign countries	1	-	1	-	(1)	-
Total segment revenues	678 249	409 078	1 087 327	-	(144)	1 087 183

For the period from 1.01.2012 to 30.09.2012 Modified	**Continued operations**					
	At home	**Abroad**	**Total**	**Discontinued operations**	**Exclusions**	**Total operations**
Revenues						
Sales to external customers	643 570	343 203	986 773	-	-	986 773
Sales between segments	5 321	-	5 321	-	(5 321)	-
Sales between the country and foreign countries	33	20	53	-	(53)	-
Total segment revenues	648 924	343 223	992 147	-	(5 374)	986 773

As at 30.09.2013 Unaudited	**Continued operations**					
	At home	**Abroad**	**Total**	**Discontinued operations**	**Exclusions**	**Total operations**
Operating assets	788 646	655 034	1 443 680	-	(262 957)	1 180 723
Operating liabilities	454 304	517 214	971 518	-	(103 611)	867 907

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)

30. Contingent receivables and liabilities

Contingent receivables and liabilities are presented in the below table:

	30.09.2013	31.12.2012	1.01.2012
	Unaudited	Modified	Modified
Contingent receivables			
From related entities due to:	**261 531**	**262 862**	**285 659**
Received guarantees and sureties	261 531	261 531	284 328
Bills of exchange received as collateral	-	1 331	1 331
From other entities due to:	**158 523**	**125 052**	**248 550**
Received guarantees and sureties	144 960	111 804	232 456
Bills of exchange received as collateral	13 563	13 248	16 094
Total contingent receivables	**420 054**	**387 914**	**534 209**
Contingent liabilities			
From related entities due to:	**261 531**	**262 862**	**285 659**
Provided guarantees and sureties	261 531	261 531	284 328
Promissory notes	-	1 331	1 331
From other entities due to:	**4 047 707**	**3 445 789**	**1 529 795**
Provided guarantees and sureties	595 049	542 542	778 088
Promissory notes	506 890	554 184	438 602
Mortgages	324 560	304 624	188 127
Assignment of receivables	2 385 950	1 810 490	239
Assignment of rights under insurance policy	72 694	74 643	68 233
Security deposits	52 509	49 132	3 769
Other liabilities	110 055	110 174	52 737
Total contingent liabilities	**4 309 238**	**3 708 651**	**1 815 454**

Due to employment contracts executed with the employees and Members of the Management Board, as for September 30, 2013 the Group had contingent receivables in the amount of PLN 1,660 thousand and contingent liabilities in the amount of PLN 7,731 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.

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 September 30, 2013 proper provisions were created for the recognized and measureable tax risk.

31. 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 S.A.	120 000	31-03-2015	subsidiary
PRKiI S.A.	Trakcja S.A.	30 000	31-03-2015	subsidiary

32. Material litigation and disputes

In the period of the III 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:

Case of shareholder vs. Trakcja S.A.

In the current report no. 1/2013 of January 3, 2013, the Company's Management Board notified about becoming informed about submission to the registry office of the Regional Court in Warsaw, on December 19, 2012, of a lawsuit by a shareholder of Trakcja S.A. – a natural person – against the Company, concerning determination of invalidity of resolutions undertaken on December 12, 2012 at the Extraordinary Shareholders Meeting i.e.: resolution no. 4 on the issuance of bonds exchangeable to H series shares, and (ii) resolution no. 5 on the conditional increase of the share capital, depriving existing shareholders of the subscription rights, and amendment of the Company's Statute (Resolution) based on Article 425 of the Commercial Companies Code, or revocation of the Resolutions based on Article 422 of the Commercial Companies Code. The Company submitted a reply to the suit delivered on February 15, 2013 concerning the above. In the Company's opinion, the charges raised in the suit are not justified.
Moreover, the Company Trakcja S.A. submitted a response to the plaintiff's reply delivered on August 8, 2013. The date of the sitting of the Court in the discussed case was set at February 4, 2014.

Information on default notice to PKP PLK S.A.

On October 24, 2013 the Company sent via Poczta Polska S.A. a final default notice to PKP PLK S.A. for the amount of: PLN 95,297,116.95 along with interest calculated from the maturity date. The Default Notice was sent to PKP PLK S.A. with respect to default payment of the liquidated damages due to the Company, as the Contracting Party failed to make the construction site available on time pursuant to the agreement for construction works for comprehensive modernisation of train station and routes in the area of LCS Działdowo under POIiŚ 7.1-41 project, which was concluded on May 31, 2010; "Modernisation of railway line E-65/C-E 65 on the section Warsaw - Gdynia - LCS Działdowo". The Company informed about the conclusion of the above-mentioned Agreement in current report no. 9/2010 of May 31, 2010.
The Management Board of Trakcja decided not to recognised the above event in the Company's books due to applying prudent approach, because it is not possible to estimate the probability of recovery of the receivables and the level of reimbursement from PKP PLK S.A. in this respect.

33. Information on dividends paid or declared

In the period from July 1, 2013 to September 30, 2013 Parent company did not declare and pay any dividend.

(data in thousand PLN, unless stated otherwise)

34. Information on related entities

In the period of the III 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 September 30, 2013 are presented below.

Related entities	Financial year	Sales to related entities	Purchases from related 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.	1.01.13-30.09.13	-	-	-	-	-	-
	1.01.12-30.09.12	10	760	-	-	-	-
Total	**1.01.13-30.09.13**	**-**	**-**	**-**	**-**	**-**	**-**
	1.01.12-30.09.12	**-**	**-**	**-**	**-**	**-**	**-**

The information concerning receivables and liabilities from / to affiliates for the period from January 1 to September 30, 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.	30.09.2013	-	-	-	-
	31.12.2012	-	1 262	-	-
Total	**30.09.2013**	**-**	**-**	**-**	**-**
	31.12.2012	**-**	**1 262**	**-**	**-**

35. Events occurring in the III quarter and after the end of the reporting period

Important events in the III quarter period

Construction works contracts:

- On July 25, 2013, the Company, operating as the leader of the consortium "Konsorcjum Trakcja Polska" concluded with PKP PLK S.A. an annex to the agreement concluded on May 31, 2010 by the consortium with the contracting authority for construction works in regard to complex modernization of the station and the routes within the area of LCS Działdowo (local steering centre), within the scope of the POIiŚ 7.1-41 project entitled: "Modernization of the E 65/C-E 65 railway line at the section Warsaw – Gdynia – LCS Działdowo area". Pursuant to the annex, material conditions of the agreement changed in such manner, so that the date of completion of the works was agreed as 40 months from the date of commencement of the works pursuant to the conditions of the agreement, and the date of preparation and submission of the as-built documentation and conducting the acceptance procedure was set at 41 months from the date of commencement of the works pursuant to the conditions of the agreement.
- On July 30, 2013 the Management Board of Trakcja S.A. informed that the Company and its subsidiaries have concluded, as from April 4, 2013, contracts with PKP PLK S.A. of the total value of PLN 63,419,694.05 net. On July 30, 2013, a material contract was concluded between PKP Polskie Linie Kolejowe S.A. and the Company's subsidiary i.e. Przedsiębiorstwo Robót Kolejowych i Inżynieryjnych S.A. for works connected with the reconstruction of the Strzałki station, executed within the task entitled "Modernization of the railway line no. 4 Main Railway Trunk Line". The total net value of the contract is PLN 59,760,708.61.
- On September 2, 2013 the Management Board of Trakcja S.A. informed that within the last 12 months the Company concluded with PKP Energetyka S.A. contracts of a total value of PLN 50,700,420 net. The highest value contract is the contract concluded on March 19, 2013 between the Company and the PKP Enegretyka S.A. in relation to the framework agreement for supply of 3kV DC switchgears concluded on February 13, 2013 between these entities. The total net value of the contract is PLN 33,351,000.

Other important events:

- On July 4, 2013, the Company's Management Board obtained information that on May 10, 2013 a material contract was concluded between AB SEB Bank seated in Vilnius, Lithuania, and the Company's subsidiary i.e. UAB Palangos aplinkkelis seated in Vilnius, Lithuania, the subject of which is granting a credit by the bank for the borrower in the amount equivalent to PLN 35,204,450.00 with a repayment date set at May 31, 2028.
- On July 25, 2013, the Company's Supervisory Board undertook resolutions concerning reorganization within the Company's group.
- On July 31, 2013, the Company received a notification from Pioneer Pekao Investment Management S.A. ("PPIM") about the reduction of the total interest to 11.00 % of the total number of votes at the Company's General Meeting of Shareolders in the scope of financial instruments included in the composition of portfolios managed within the scope of PPIM's provision of services in the area of managing the portfolio of financial instruments, as a result of the sale of shares conducted on July 24, 2013.
- On August 1, 2013, pursuant to a resolution, the Management Board made a decision on an earlier submission of estimate financial data for the first half of the year 2013 in connection with the need to disclose to the banks, with which the Company and Group companies have agreements concluded for bank products, and to the Company's bondholders, the Group's estimates of consolidated financial results and estimates of separate financial results of the company Trakcja S.A. for the first half of the year 2013, to accelerate obtaining relevant consents to conduct the restructuring.
- On August 8, 2013, the Company received a decision of the District Court for the Capital City of Warsaw in Warsaw, 12th Economic Division of the National Court Register, dated July 18, 2013, concerning, amongst others, registration of the change of the Issuer's status and removal of the nominal value of the conditional increase of the share capital.

- On August 9, 2013, the Company received a notification from PPIM about the reduction of the total interest to 8.52 % of the total number of votes at the Company's General Meeting of Shareholders in the scope of financial instruments included in portfolios managed within the scope of PPIM's provision of services in the area of managing the portfolio of financial instruments, as a result of the sale of shares conducted on August 2, 2013.
- On September 20, 2013 the Company's Management Board convened a Meeting of series A Bond Holders holding series A bonds issued by the Issuer, scheduled for October 1, 2013 at 10 a.m. in Warsaw, at the registered office of the Issuer – Trakcja S.A., ul. Złota 59, 18th floor. The object of the Meeting of series A Bond Holders shall be adopting resolutions expressing consent to implementing a number of reorganisation measures by the Issuer and its subsidiaries, described in more detail in the Issuer's current report no. 63/2013, published on July 25, 2013.
- On September 26, 2013, the Company received from Pioneer Pekao Investment Management S.A. ("PPIM") a notification concerning a decrease in the total participation to the level of 4.97% of the total number of votes at a General Meeting of Shareholders 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 the sale of shares which took place on September 18, 2013.

Important events after the balance sheet date

Construction works contracts:

- The Management Board of Trakcja S.A. informed on October 7, 2013 that the Company concluded:
  - Annex to the Agreement for construction works for the modernisation of line no. 9 in the section from 236,920 km to 287,700 km included in the Local Control Centre located in Malbork under the Project: No. POIiŚ 7.1-1.3 "Modernisation of railway line E 65/ C-E 65 on the Warsaw - Gdynia section, LCC Ilawa, LCC Malbork", about which the Company informed in current report no. 35/2011 dated May 27, 2011.;
  - Annex to agreement of July 4, 2011 concluded between the Company and Bombardier Transportation (ZWUS) Polska Sp. z o.o., about which the Company informed in the current report no. 52/2011 dated July 5, 2011.

  The subject of the above-mentioned annexes to the agreement shall be extension of deadline for the construction works as mentioned in the agreements by 9 months.
- The Management Board of Trakcja S.A. informed on October 9, 2013 that the Company signed with the subsidiary - Przedsiębiorstwo Robót Kolejowych i Inżynieryjnych (PRKiI): - annex no. 1 and annex no. 2 to agreement no. P-18/2012 dated January 30, 2013 for construction works for the modernisation of line no. 9 in the section from 236,920 km to 287,700 km included in the Local Control Centre located in Malbork. The subject of the above-mentioned annexes shall be a narrowing of the scope of works in Object A3 station Malbork. By virtue of annex 1, the value of the agreement shall be decreased to PLN 114,265,805.51, whereas by virtue of annex 2, the value of the agreement shall be decreased by PLN 334,410.00 to the amount of PLN 113,931,395.51.
- On October 16, 2013 the Management Board of Trakcja S.A. informed that as of July 22, 2013, the Company and its subsidiaries have entered with PKP PLK S.A. into agreements of total value PLN 55,490,881.40 net. The agreement of the highest value is the agreement concluded on July 31, 2013 between PKP PLK S.A. and the Company's subsidiary, i.e. Przedsiębiorstwo Robót Kolejowych i Inżynieryjnych S.A. ("PRKiI"). The total net value of the agreement is: PLN 24,220,000.00. On the basis of the agreement, PRKiI shall execute the works in compliance therewith, connected with revitalisation of railway line no. 144 on the section Fosowskie - Opole - re-electrification of line no. 144 on the section Fosowskie - Opole. The above-mentioned works constitute additional order.

Other important events:

- On October 1, 2013 was held a meeting of holders of series A bonds issued by the Company. The meeting of series A Bond Holders adopted all the resolutions included in the agenda with content consistent with appendix no. 1 to current report no. 71/2013 of September 20, 2013.

- On October 9, 2013, the Company received a notice from UAB "NDX energija" informing that it does not hold any shares in Trakcja S.A. any longer, which entitled to exercise voting rights at the General Meeting of Shareholders of the Company. As a result of the transaction made on the regulated market on October 4, 2013, UAB "NDX energija" reduced its share in the Company to the level below 5% of the total votes at the General Meeting of Shareholders. After having completed the above-mentioned transaction - UAB "NDX energija" entered into another transaction, as a result of which it sold all the remaining shares and currently holds no shares in Trakcja S.A.

- On October 14, 2013 Powszechne Towarzystwo Emerytalne PZU S.A. acting on behalf of PZU Open Pension Fund PZU "Złota Jesień" informed the Company that due to the purchase of shares in the Company on October 4, 2013 on the Warsaw Stock Exchange, the number of shares currently held by the fund allows to exceed 5% of votes at the General Meeting of Shareholders of the Company. Currently, the fund holds 34,797,195 shares corresponding to 34,797,195 votes, which constitute 8.46% of the capital share of the Company and entitle to 8.46% of votes at the General Meeting of Shareholders of the Company.

- On October 14, 2013, the Company received a notice from ING Powszechne Towarzystwo Emerytalne S.A. , acting on behalf of ING Open Pension Fund ("Fund") informing that due to the transactions on the Warsaw Stock Exchange recorded on October 8, 2013, the volume of shares held by the fund was reduced by at least 2% of votes at the General Meeting of Shareholders of the Company. As a result of the above-mentioned transaction, the Fund currently holds 69,353,438 shares in the Company, which constitutes 16.87 % of the share capital of the Company. The shares entitle to 69,353,438 votes at the General Meeting of Shareholders of the Company, which constitutes 16.87 % of the total number of votes.

- As of October 17, 2013 Mr. Jarosław Tomaszewski took a post of the Financial Director of Trakcja S.A. On the upcoming meeting on November 28, 2013, the Supervisory Board of Trakcja S.A. shall adopt a resolution on the appointment of Mr. Jarosław Tomaszewski for the post of the Vice-President of the Management Board of Trakcja S.A. - Financial Director of the Company.

- On October 18, 2013 the Management Board of the Company adopted a resolution concerning the intention to merge the Company with Przedsiębiorstwo Robót Kolejowych i Inżynieryjnych S.A., with its registered office in Wrocław. Further details concerning the merger are presented in note no. 18 of the condensed consolidated financial statements.
- On October 18, the Company's Management Board convened a Meeting of series E Bond Holders holding series A bonds issued by the Issuer, scheduled for October 29, 2013 at 10 a.m. in Warsaw, at the registered office of the Issuer – Trakcja S.A., ul. Złota 59, 18th floor. The object of the Meeting of series E Bond Holders shall be adopting resolution expressing consent for the merger of the Issuer with Przedsiębiorstwo Robót Kolejowych i Inżynieryjnych S.A. with its registered office in Wrocław.
- On October 18, the Company's Management Board convened a Meeting of series C Bond Holders holding series A bonds issued by the Issuer, scheduled for October 29, 2013 at 12 a.m. in Warsaw, at the registered office of the Issuer – Trakcja S.A., ul. Złota 59, 18th floor. The object of the Meeting of series C Bond Holders shall be adopting resolution expressing consent for the merger of the Issuer with Przedsiębiorstwo Robót Kolejowych i Inżynieryjnych S.A. with its registered office in Wrocław.
- On October 26, 2013 the merger plan was signed and published with respect to the merger of the Company with Przedsiębiorstwo Robót Kolejowych i Inżynieryjnych S.A.

- On October 26, 2013 the Company published a first notice about the intention of a merger of the Company with Przedsiębiorstwo Robót Kolejowych i Inżynieryjnych S.A.

- On October 29, 2013 was held a meeting of holders of series E bonds issued by the Company. The meeting adopted resolution expressing consent for the merger of the Issuer with Przedsiębiorstwo Robót Kolejowych i Inżynieryjnych S.A.

- On October 29, 2013 was held a meeting of holders of series C bonds issued by the Company. The meeting adopted resolution expressing consent for the merger of the Issuer with Przedsiębiorstwo Robót Kolejowych i Inżynieryjnych S.A.

- On October 30, 2013 the Management Board of Trakcja S.A. announced a change of date on consolidated quarterly report for the period of 9 months ended on September 30, 2013. The statement shall be published on November 4, 2013. The original date of publication of the periodic report for the above period was scheduled for November 14, 2013, of which the Company informed in its current report No 6/2013 of January 25, 2013.

- On October 31, 2013 was held a meeting of holders of series A bonds issued by the Company. The meeting adopted resolution expressing consent for the merger of the Issuer with Przedsiębiorstwo Robót Kolejowych i Inżynieryjnych S.A.
- The Management Board of Trakcja S.A. convened Extraordinary General Meeting of Shareholders scheduled for November 27, 2013. Draft resolutions of the Extraordinary General Meeting were presented in the current report No 91/2013 of October 31, 2013.

(data in thousand PLN, unless stated otherwise)

IV. QUARTERLY FINANCIAL INFORMATION

PROFIT AND LOSS STATEMENT

	1.01.2013 - 30.09.2013	1.07.2013 - 30.09.2013	1.01.2012 - 30.09.2012	1.07.2012 - 30.09.2012
	Unaudited	Unaudited	Modified* Unaudited	Modified* Unaudited
Continued operations				
Sales revenues	**325 754**	**162 034**	**370 935**	**158 948**
Cost of goods sold	**(316 772)**	**(157 318)**	**(375 741)**	**(158 967)**
Gross profit on sales	**8 982**	**4 716**	**(4 806)**	**(19)**
Cost of sales, marketing and distribution	(739)	(302)	(948)	(271)
General and administrative costs	(15 991)	(5 537)	(16 351)	(4 592)
Other operating revenues	16 393	1 264	1 214	952
Other operating costs	(1 711)	(252)	(2 793)	(831)
Operating profit	**6 934**	**(111)**	**(23 684)**	**(4 761)**
Financial revenues	3 085	262	15 255	400
Financial costs	(8 724)	(2 660)	(11 558)	(3 443)
Gross profit	**1 295**	**(2 509)**	**(19 987)**	**(7 804)**
Income tax	398	2 307	273	(2 013)
Net profit from continued operation	**1 693**	**(202)**	**(19 714)**	**(9 817)**
Discontinued operations				
Net profit (loss) from discontinued operations	-	-	-	-
Net profit for the period	**1 693**	**(202)**	**(19 714)**	**(9 817)**

**) Change in presentation of costs - futher details in note 12 of the condensed consolidated financial statements*

(data in thousand PLN, unless stated otherwise)

STATEMENT OF TOTAL COMPREHENSIVE INCOME

	1.01.2013 - 30.09.2013	1.07.2013 - 30.09.2013	1.01.2012 - 30.09.2012	1.07.2012 - 30.09.2012
	Unaudited	Unaudited	Modified* Unaudited	Modified* Unaudited
Net profit for the period	**1 693**	**(202)**	**(19 714)**	**(9 817)**
Other comprehensive income:				
Other comprehensive income that will not be reclassified into profit or loss under certain conditions:	**7 041**	**-**	**-**	**-**
Profit from revaluation referred into revaluation reserve	7 041	-	-	-
Total other comprehensive income	**7 041**	**-**	**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**8 734**	**(202)**	**(19 714)**	**(9 817)**

**) Change in presentation of costs - futher details in note 12 of the condensed consolidated financial statements*

(data in thousand PLN, unless stated otherwise)

BALANCE SHEET

ASSETS	30.09.2013	31.12.2012	1.01.2012
	Unaudited	Modified*	Modified*
Non-current assets	**585 066**	**568 247**	**557 447**
Property, plant and equipment	28 378	33 055	36 786
Intangible assets	56 412	56 207	55 027
Investment property	25 699	11 122	9 218
Investments in subsidiaries	435 783	436 932	439 583
Other financial assets	23 742	19 339	69
Deferred tax assets	14 056	10 108	14 244
Prepayments and deferred costs	996	1 484	2 520
Current assets	**244 108**	**170 947**	**403 663**
Inventory	30 754	19 147	15 772
Trade and other receivables	157 437	74 929	246 566
Other financial assets	4 067	2 098	4 223
Cash and cash equivalents	4 937	37 581	89 999
Prepayments and deferred costs	2 201	2 450	2 441
Construction contracts	44 712	34 742	44 662
T o t a l a s s e t s	**829 174**	**739 194**	**961 110**
EQUITY AND LIABILITIES			
Equity	**500 803**	**397 317**	**430 609**
Share capital	41 120	23 211	23 211
Basic conditional capital	-	18 545	-
Due payments for basic capital (negative value)	-	(18 545)	-
Share premium	310 102	231 813	231 596
Revaluation reserve	15 099	9 504	11 705
Other reserves	132 789	164 097	106 666
Net profit	1 693	(31 308)	57 431
Long-term liabilities	**84 352**	**43 414**	**188 049**
Interest-bearing bank loans and borrowings	3 147	4 396	3 737
Bonds	49 867	12 913	160 040
Employee benefits liabilities	808	1 052	759
Employee benefits liabilities	7 890	7 276	7 335
Deferred tax liabilities	22 640	17 777	16 178
Short-term liabilities	**244 019**	**298 463**	**342 452**
Interest-bearing bank loans and borrowings	87 324	19 131	83 332
Bonds	1 271	147 761	5 695
Trade and other payables	137 017	116 209	203 939
Provisions	456	2 179	1 273
Employee benefits liabilities	2 889	3 069	3 496
Other financial liabilities	14 588	-	-
Accruals	34	-	-
Construction contracts	440	10 114	44 717
T o t a l l i a b i l i t i e s	**829 174**	**739 194**	**961 110**

**) Change in accounting policy - futher details in note 12 to the condensed consolidated financial statements*

(data in thousand PLN, unless stated otherwise)

CASH FLOW STATEMENT

	Note	For the period of 9 months ended 30.09.2013	30.09.2012
		Unaudited	Unaudited
Cash flow from operating activities			
Gross profit from continued operations		**1 295**	**(19 987)**
Gross profit (loss) from discontinued operations		-	-
Adjustments for:		**(79 656)**	**13 625**
Depreciation		2 164	4 511
Foreign exchange losses/ (gains)		254	357
Net interest and dividends		5 753	(2 767)
(Profit)/Loss on investment activities		(9 812)	(61)
Change in receivables		(76 981)	126 281
Change in inventory		(11 607)	(725)
Change in liabilities, excluding loans and borrowings		33 175	(96 620)
Change in prepayments and accruals		772	594
Change in provisions		(1 967)	(764)
Change in construction contracts		(19 644)	(17 316)
Other		(1 763)	135
Net cash flow from operating activities		**(78 361)**	**(6 362)**
Cash flow from investing activities			
Sale (purchase) of intangible assets and property, plant and equipment		135	(1 638)
- purchase		(474)	(1 699)
- sale		609	61
Financial assets		(7 620)	(226)
- sold or repaid		29	90
- granted or acquired		(7 649)	(316)
Loans		1 900	(9 866)
- repaid		4 000	200
- granted		(2 100)	(10 066)
Dividends received		1 000	13 213
Interest received		134	181
Net cash flow from investing activities		**(4 451)**	**1 664**
Cash flow from financing activities			
Expenditure on redemption of bonds		(13 800)	-
Proceeds from borrowings and loans obtained		82 500	25 000
Repayment of borrowings and loans		(14 000)	(81 834)
Interest paid		(5 159)	(13 483)
Payment of liabilities under financial lease agreements		(1 634)	(1 757)
Net cash flow from financing activities		**47 907**	**(72 074)**
Total net cash flow		**(34 905)**	**(76 772)**
Exchange (losses)/gains on cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the period	**3**	**37 581**	**89 999**
Cash and cash equivalents at the end of the period		**2 676**	**13 227**
- including restricted cash and cash equivalents		940	-

(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	Revaluation reserve	Other reserves	Net profit	Total equity
Unaudited, Modified*								
As at 1.01.2013	**23 211**	**18 545**	**(18 545)**	**231 813**	**9 504**	**159 600**	**(32 850)**	**391 278**
Corrections of errors	-	-	-	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-	**4 497**	**1 542**	**6 039**
As at 1.01.2013 after adjustments	**23 211**	**18 545**	**(18 545)**	**231 813**	**9 504**	**164 097**	**(31 308)**	**397 317**
Net profit for the period	-	-	-	-	-	-	1 693	1 693
Other comprehensive income for the period	-	-	-	-	7 041	-	-	7 041
Issue of shares	17 909	(18 545)	18 545	78 289	-	-	-	96 198
Profit distribution	-	-	-	-	-	(31 308)	31 308	-
Other changes	-	-	-	-	(1 446)	-	-	(1 446)
As at 30.09.2013	**41 120**	**-**	**-**	**310 102**	**15 099**	**132 789**	**1 693**	**500 803**
Unaudited, Modified*								
As at 1.01.2012	**23 211**	**-**	**-**	**231 596**	**11 705**	**106 666**	**52 934**	**426 112**
Corrections of errors	-	-	-	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-	-	4 497	4 497
As at 1.01.2012 after adjustments	**23 211**	**-**	**-**	**231 596**	**11 705**	**106 666**	**57 431**	**430 609**
Net profit for the period	-	-	-	-	-	-	(19 714)	(19 714)
Profit distribution	-	-	-	-	-	57 431	(57 431)	-
Other changes	-	-	-	217	(2 110)	-	-	(1 893)
As at 30.09.2012	**23 211**	**-**	**-**	**231 813**	**9 595**	**164 097**	**(19 714)**	**409 002**

**) Change in accounting policy - futher details in note 12 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 III quarter of 2013

In the period of III quarter of 2013, Trakcja S.A. recognized revenue on sale of PLN 162,034 thousand, which is a 1.9 per cent increase when compared to the analogous period in 2012. The cost of goods sold in the period III quarter of 2013 decreased by PLN 1,649 thousand, i.e. by 1.0 per cent and amounted to PLN 157,318 thousand. The gross profit margin on sales for the III quarter of 2013 was 2.9 per cent and increased by 2.9 basis point when compared to the margin for the III quarter of 2012.

The overheads amounted to PLN 5,537 thousand and increased by 20.6 per cent, i.e. by PLN 945 thousand when compared to the comparable period. The costs related to sales, marketing and distribution amounted to PLN 302 thousand.

The balance of other operating activity amounted to PLN 1,012 thousand and increased by PLN 891 thousand, i.e. by 736.4 per cent when compared to the analogous period in 2012. For the period from July 1, 2013 to September 30, 2013 the Company incurred a loss on the operating activities in the amount of PLN 111 thousand. The results on operating activities decreased by PLN 4,650 thousand when compared to the results for the III quarter of 2012, when the loss on operating activities amounted to PLN 4,761 thousand.

The Company's financial revenue amounted to PLN 262 thousand and decreased by PLN 138 thousand when compared to the financial revenue for the III quarter of 2012. The financial costs decreased by PLN 783 thousand and amounted to PLN 2,660 thousand. The decrease of financial costs was mainly due to the lower interests on bonds.

In the period from July 1, 2013 to September 30, 2013, the Company incurred a gross loss of PLN 2,509 thousand. The income tax for in the period III quarter of 2013 had positive result and amounted to PLN 2,307 thousand. The Company's net loss for the period from January 1, 2013 to September 30, 2013 amounted to PLN 202 thousand and the result was higher by PLN 9,615 thousand when compared to the analogous period in the previous year. The balance sheet total as for September 30, 2013 amounted to PLN 829,174 thousand and was higher by PLN 89,980 thousand than the balance sheet total at the end of 2012.

The value of non-current assets as for September 30, 2013 was PLN 585,066 thousand and increased by PLN 16,819 thousand. Current assets increased by PLN 73,161 thousand, i.e. by 42.8 per cent in comparison with the balance as for December 31, 2012 and amounted to PLN 244,108 thousand. The increase was mainly due to higher trade and other receivables by PLN 82,508 thousand, i.e. by 110.1 per cent, which as for September 30, 2013 amounted to PLN 157,437 thousand. The decreased cash and cash equivalents by PLN 32,644 thousand, i.e. by 86.9 per cent and amounted to PLN 4,937 thousand as for September 30, 2013.

The Company's equity increased as for September 30, 2013 by PLN 103,486 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 September 30, 2013 and reached PLN 84,352 thousand and increased by PLN 40,938 thousand when compared to the balance as for December 31, 2012. The Company reported an increase the value of long-term bonds by PLN 36,954 thousand due to debt restructuring that replaced part of the Company's bonds with a maturity of December 2013. The current liabilities amounted to PLN 244,019 thousand and decreased by 18.2 per cent, i.e. by PLN 54,444 thousand when compared to the balance as at the end of the previous year. Among the current liabilities the bonds (amounted to PLN 1,271 thousand) recorded the largest decreased among the current liabilities and decreased by PLN 146,490 thousand, i.e. by 99.1 per cent. The short-term interest-bearing bank loans and credits increased by PLN 68,193 thousand amounting to PLN 87,324 thousand.

(data in thousand PLN, unless stated otherwise)

2. Cyclical and seasonal character of activity

In the period of the III quarter of 2013 the Company is not subject to seasonality nor cyclicality.

3. Additional information to the cash flow statement

	30.09.2013	31.12.2012	01.01.2012
	Unaudited	Modified	Modified
Total cash and cash equivalents	**4 937**	**37 581**	**89 999**
Cash and cash equivalents excluded from the cash flow statement	(2 261)	-	-
Cash and cash equivalents for the purposes of the cash flow statement	**2 676**	**37 581**	**89 999**
- Including restricted cash	940	-	-

Cash excluded from the cash flow statement as at September 30, 2013 concerns cash of restricted use for repayment of the liability in the amount of PLN 2,261 thousand. Restricted cash includes cash assigned for repayment of interest on bonds.

4. Contingent receivables and liabilities

Contingent receivables and liabilities are presented in the below table:

	30.09.2013	31.12.2012	1.01.2012
	Unaudited	Modified	Modified
Contingent receivables			
From related entities due to:	**180 146**	**181 477**	**117 315**
Received guarantees and sureties	180 146	180 146	115 984
Bills of exchange received as collateral	-	1 331	1 331
From other entities due to:	**83 311**	**88 049**	**95 076**
Received guarantees and sureties	74 287	79 638	84 770
Bills of exchange received as collateral	9 024	8 411	10 306
Total contingent receivables	**263 457**	**269 526**	**212 391**
Contingent liabilities			
From related entities due to:	**81 385**	**81 385**	**46 856**
Provided guarantees and sureties	81 385	81 385	46 856
From other entities due to:	**1 707 641**	**1 091 945**	**610 758**
Provided guarantees and sureties	182 480	228 489	254 779
Promissory notes	207 850	205 345	205 420
Mortgages	112 500	112 500	112 500
Assignment of receivables	1 168 473	505 193	32 133
Assignment of rights under insurance policy	34 444	36 665	2 793
Security deposits	-	1 859	3 133
Other liabilities	1 894	1 894	-
Total contingent liabilities	**1 789 026**	**1 173 330**	**657 614**

Due to employment contracts executed with the employees and Members of the Management Board, as for September 30, 2013 the Company had contingent receivables in the amount of PLN 758 thousand and contingent liabilities in the amount of PLN 5,629 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

Chief Financial Officer

Jarosław Tomaszewski

Person responsible for preparing the financial statement:

Sławomir Krysiński

Head of Financial Reporting Trakcja Group

Warsaw, November 4, 2013