



TRAKCJA CAPITAL GROUP

CONSOLIDATED QUARTERLY REPORT FOR THE PERIOD OF 3 MONTHS ENDED ON 31 MARCH 2015

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

CONTENTS OF THE CONSOLIDATED QUARTERLY REPORT:

- I. Selected financial data of the Trakcja Capital Group
- II. Condensed quarterly financial statements of the Trakcja Capital Group
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- IV. Quarterly financial information of Trakcja PRKił S.A. Company
- V. Additional information and explanations to the condensed financial statements

APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

The Management Board of Trakcja PRKił S.A. has approved the condensed consolidated financial statement of Trakcja Capital Group for the 3-month period ended on March 31, 2015.

The condensed consolidated financial statement for the I quarter of 2015 was prepared according to the International Financial Reporting Standards (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, 2015 to March 31, 2015 showing net profit amounting to PLN **1 543** thousand.
- II. Consolidated statement of comprehensive income for the period from January 1, 2015 to March 31, 2015 showing negative total comprehensive income amounting to PLN **10 555** thousand.
- III. Consolidated balance sheet as of March 31, 2015 showing the assets and liabilities in the amount of PLN **1 241 620** thousand.
- IV. Consolidated cash flow statement for the period from January 1, 2015 to March 31, 2015 showing decrease in net cash balance by PLN **17 325** thousand.
- V. Consolidated statement of changes in equity for the period from January 1, 2015 to March 31, 2015 showing decrease of equity by PLN **10 352** thousand.
- VI. Additional information and explanations.

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

Jarosław Tomaszewski

Acting President of the Management Board

Marita Szustak

Vice – president of the Board

Nerijus Eidukevičius

Vice – president of the Board

Warsaw, May 11, 2015

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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
31.03.2015	4,1489	4,0886	4,3335	4,0890
31.12.2014	4,1893	4,0998	4,3138	4,2623
31.03.2014	4,1894	4,1450	4,2375	4,1713

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

Main consolidated balance sheet items converted into euro:

	31.03.2015		31.12.2014	
	TPLN	TEUR	TPLN	TEUR
Non-current assets	704 126	172 200	719 867	168 892
Current assets	537 494	131 449	725 949	170 319
Total assets	1 241 620	303 649	1 445 816	339 211
Equity	664 151	162 424	674 503	158 249
Long-term liabilities	137 617	33 655	151 338	35 506
Short-term liabilities	439 852	107 570	619 975	145 456
Total equity and liabilities	1 241 620	303 649	1 445 816	339 211

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

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

	For the period of 3 months ended 31.03.2015		For the period of 3 months ended 31.03.2014	
	TPLN	TEUR	TPLN	TEUR
Sales revenues	230 511	55 560	176 029	42 018
Cost of goods sold	(208 128)	(50 165)	(163 045)	(38 919)
Gross profit (loss) on sales	22 383	5 395	12 984	3 099
Operating profit (loss)	3 133	755	(1 179)	(281)
Gross profit (loss)	2 434	587	(5 225)	(1 247)
Net profit (loss) from continued operations	1 543	372	(4 653)	(1 111)
Net profit (loss) from discontinued operations	-	-	-	-
Net profit for the period	1 543	372	(4 653)	(1 111)

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

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

	For the period of 3 months ended 31.03.2015		For the period of 3 months ended 31.03.2014	
	TPLN	TEUR	TPLN	TEUR
Cash flows from operating activities	51 309	12 367	(3 654)	(872)
Cash flows from investment activities	(3 908)	(942)	13 972	3 335
Cash flows from financial activities	(64 726)	(15 601)	(37 449)	(8 939)
Total net cash flows	(17 325)	(4 176)	(27 131)	(6 476)

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.

	31.03.2015		31.03.2014	
	TPLN	TEUR	TPLN	TEUR
Cash at start of period	57 638	13 523	79 183	19 093
Cash at end of period	40 313	9 859	52 052	12 479

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 December 31, 2013, the FX rate was 4,1472 PLN/EUR.

II. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED PROFIT AND LOSS STATEMENT

	1.01.2015 - 31.03.2015	1.01.2014 - 31.03.2014
	<i>Unaudited</i>	<i>Unaudited, Modified*</i>
Continued operations		
Sales revenues	230 511	176 029
Cost of goods sold	(208 128)	(163 045)
Gross profit on sales	22 383	12 984
Cost of sales, marketing and distribution	(2 447)	(1 502)
General and administrative costs	(16 149)	(12 260)
Other operating revenues	835	376
Other operating costs	(1 113)	(540)
Share of profit of entities consolidated using equity method	(376)	(237)
Operating profit	3 133	(1 179)
Financial revenues	1 956	665
Financial costs	(2 655)	(4 711)
Gross profit	2 434	(5 225)
Income tax	(891)	572
Net profit (loss) from continued operation	1 543	(4 653)
Discontinued operations		
Net profit (loss) from discontinued operations	-	-
Net profit for the period	1 543	(4 653)
Attributable to:		
Shareholders of parent entity	1 483	(4 537)
Non-controlling interests	60	(116)
Profit per share attributable to shareholders in the period (PLN per share)		
– basic	0,03	(0,09)
– diluted	0,03	(0,09)

*) Details are presented in Note 13 to these condensed consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1.01.2015 - 31.03.2015	1.01.2014 - 31.03.2014
	<i>Unaudited</i>	<i>Unaudited, Modified*</i>
Net profit for the period	1 543	(4 653)
Other comprehensive income:		
Other comprehensive income that will not be reclassified into profit or loss under certain conditions:	(309)	242
Actuarial gains/(losses)	(309)	242
Other comprehensive income that will be reclassified into profit or loss under certain conditions:	(11 789)	16
Foreign exchange differences on translation of foreign operations	(10 736)	1 324
Cash flow hedging instruments	(1 053)	(1 308)
Total other comprehensive income	(12 098)	258
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(10 555)	(4 395)
Attributable to:		
Shareholders of Parent entity	(10 258)	(3 936)
Non-controlling interests	(297)	(459)

*) Details are presented in Note 13 to these condensed consolidated financial statements.

CONSOLIDATED BALANCE SHEET

ASSETS	31.03.2015	31.12.2014
	<i>Unaudited</i>	<i>Audited</i>
Non-current assets	704 126	719 867
Tangible non-current assets	185 372	185 657
Intangible assets	60 144	60 169
Goodwill from consolidation	335 521	342 265
Investment properties	22 946	22 960
Investments in entities accounted using equity method	11 053	11 430
Investments in other units	126	131
Other financial assets	45 836	56 013
Deferred tax assets	37 097	35 863
Construction contracts	3 811	3 972
Prepayments	2 220	1 407
Current assets	537 494	725 949
Inventory	63 827	59 977
Trade and other receivables	368 873	521 885
Other financial assets	16 813	10 412
Cash and cash equivalents	41 814	61 846
Prepayments	8 847	4 736
Construction contracts	37 320	67 093
Total assets	1 241 620	1 445 816
EQUITY AND LIABILITIES		
Equity attributable to shareholders of Parent entity	661 859	671 910
Share capital	41 120	41 120
Share premium	309 984	309 984
Revaluation reserve	6 196	6 790
Other capital reserves	298 511	249 258
Retained earnings	1 483	49 537
Foreign exchange differences on translation of foreign operations	4 565	15 221
Non-controlling interests	2 292	2 593
Total equity	664 151	674 503
Long-term liabilities	137 617	151 338
Interest-bearing loans and borrowings	89 463	101 231
Provisions	4 795	4 912
Liabilities due to employee benefits	11 513	11 961
Provision for deferred tax	25 125	27 132
Derivative financial instruments	6 721	6 102
Short-term liabilities	439 852	619 975
Interest-bearing loans and borrowings	15 891	30 082
Bonds	32 875	32 360
Trade and other liabilities	259 338	388 616
Provisions	22 801	21 895
Liabilities due to employee benefits	10 630	10 623
Income tax liabilities	2 195	6 002
Derivative financial instruments	712	386
Other financial liabilities	-	38 338
Accruals	218	370
Construction contracts	93 352	87 352
Advances received towards flats	1 840	3 951
Total equity and liabilities	1 241 620	1 445 816

CONSOLIDATED STATEMENT OF CASH FLOW

	1.01.2015 - 31.03.2015	1.01.2014 - 31.03.2014
	<i>Unaudited</i>	<i>Unaudited, Modified*</i>
<i>Cash flows from operating activities</i>		
Gross profit from continued operations	2 434	(5 225)
Gross profit (loss) from discontinued operations	-	-
Adjustments for:	48 875	1 571
Depreciation	6 096	5 895
FX differences	(652)	162
Net interest and dividends	2 144	2 975
Profit on investment activities	(1 265)	(31)
Share of profits of entities consolidated using equity method	376	237
Change in receivables	147 805	200 311
Change in inventory	(4 179)	(23 434)
Change in liabilities, excluding loans and borrowings	(124 670)	(136 118)
Change in prepayments and accruals	(4 960)	(3 837)
Change in provisions	537	1 487
Change in construction contracts	36 310	(38 335)
Change in financial derivatives	1 240	1 549
Income tax paid	(7 769)	(5 046)
Other	(1 490)	(4 447)
Foreign exchange differences on translation of foreign operations	(648)	203
Net cash flows from operating activities	51 309	(3 654)
<i>Cash flows from investment activities</i>		
Sale (purchase) of intangible assets and tangible non-current assets	(5 978)	755
- acquisition	(7 600)	(810)
- sale	1 622	1 565
Financial assets	(172)	12 986
- sale	2 828	15 874
- acquisition	(3 000)	(2 888)
Loans	1 948	25
- repaid	1 948	58
- granted	-	(33)
Interest received	294	206
Net cash flows from investment activities	(3 908)	13 972
<i>Cash flows from financial activities</i>		
Proceeds on account of taken borrowings and loans	65 475	36 859
Repayment of borrowings and loans	(88 777)	(36 462)
Interest paid	(1 672)	(1 871)
Outflows due to other financial liabilities	(38 338)	(34 461)
Payment of liabilities under financial lease agreements	(1 414)	(1 508)
Other	-	(6)
Net cash flows from financial activities	(64 726)	(37 449)
Total net cash flows	(17 325)	(27 131)
Net FX differences	-	-
Cash at start of period	57 638	79 183
Cash at end of period	40 313	52 052
- with limited access	930	989

*) Details are presented in Note 13 to these condensed consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to Parent company										
	Share capital	Share premium	Revaluation reserve	Other capital reserves		Foreign exchange differences on translation of foreign operations	Retained earnings	Total	Non-controlling interests	Total equity	
				Hedging instruments	Actuarial gains/ (losses)	Results from previous years					
Unaudited											
As at 1.01.2015	41 120	309 984	6 790	(3 994)	(4 744)	257 996	15 221	49 537	671 910	2 593 674 503	
Corrections of errors	-	-	-	-	-	-	-	-	-	-	
Changes of accounting standards	-	-	-	-	-	-	-	-	-	-	
As at 1.01.2015 after adjustments	41 120	309 984	6 790	(3 994)	(4 744)	257 996	15 221	49 537	671 910	2 593 674 503	
Net profit for the period	-	-	-	-	-	-	-	1 483	1 483	60 1 543	
Other comprehensive income	-	-	-	(776)	(309)	-	(10 656)	-	(11 741)	(357) (12 098)	
Profit distribution	-	-	-	-	-	49 537	-	(49 537)	-	-	
Transfer to other capital reserves	-	-	(594)	-	-	594	-	-	-	-	
Other changes	-	-	-	-	-	207	-	-	207	(4) 203	
As at 31.03.2015	41 120	309 984	6 196	(4 770)	(5 053)	308 334	4 565	1 483	661 859	2 292 664 151	

	Equity attributable to Parent company										
	Share capital	Share premium	Revaluation reserve	Other capital reserves		Foreign exchange differences on translation of foreign operations	Retained earnings	Total	Non-controlling interests	Total equity	
				Hedging instruments	Actuarial gains/ (losses)	Results from previous years					
Modified*											
As at 1.01.2014	41 120	310 102	8 158	(270)	(2 665)	229 922	8 349	37 706	632 422	2 407 634 829	
Corrections of errors	-	-	-	-	-	-	-	-	-	-	
Changes of accounting standards	-	-	(1 347)	-	-	(2 252)	87	(7 798)	(11 310)	(147) (11 457)	
As at 1.01.2014 after adjustments	41 120	310 102	6 811	(270)	(2 665)	227 670	8 436	29 908	621 112	2 260 623 372	
Net profit for the period	-	-	-	-	-	-	-	(4 537)	(4 537)	(116) (4 653)	
Other comprehensive income	-	-	-	(964)	244	-	1 321	-	601	(343) 258	
Profit distribution	-	-	-	-	-	29 908	-	(29 908)	-	-	
Other changes	-	-	-	-	-	64	-	-	64	- 64	
As at 31.03.2014	41 120	310 102	6 811	(1 234)	(2 421)	257 642	9 757	(4 537)	617 240	1 801 619 041	

*) Details are presented in Note 13 to these condensed consolidated financial statements.

Equity attributable to Parent company											
	Share capital	Share premium	Revaluation reserve	Other capital reserves		Foreign exchange differences on translation of foreign operations	Retained earnings	Total	Non-controlling interests	Total equity	
				Hedging instruments	Actuarial gains/(losses)	from previous years					
<i>Audited</i>											
As at 1.01.2014	41 120	310 102	8 158	(270)	(2 665)	229 922	8 349	37 706	632 422	2 407	634 829
Corrections of errors	-	-	-	-	-	-	-	-	-	-	-
Changes of accounting standards	-	-	(1 347)	-	-	(2 252)	87	(7 798)	(11 310)	(147)	(11 457)
As at 1.01.2014 after adjustments	41 120	310 102	6 811	(270)	(2 665)	227 670	8 436	29 908	621 112	2 260	623 372
Net profit for the period	-	-	-	-	-	-	-	49 537	49 537	854	50 391
Other comprehensive income	-	-	-	(3 724)	(2 079)	-	6 785	-	982	(1 330)	(348)
Profit distribution	-	-	-	-	-	29 908	-	(29 908)	-	-	-
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(293)	(293)
Payment to capital of a subsidiary from holders of non-controlling interest	-	-	-	-	-	-	-	-	-	1 088	1 088
Other changes	-	(118)	(21)	-	-	418	-	-	279	14	293
As at 31.12.2014	41 120	309 984	6 790	(3 994)	(4 744)	257 996	15 221	49 537	671 910	2 593	674 503

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

1. General information

These condensed consolidated financial statements of the Group cover the 3-month period ended on March 31, 2015.

Trakcja Capital Group (the "Group") consists of the Parent company Trakcja PRKił S.A. ("Trakcja PRKił", the "Parent company", the "Company", the "Issuer"), its subsidiaries and a company classified according to IFRS 11 as joint venture (see note 2).

Trakcja PRKił 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 31 August 2009 in the accountancy books of the company, to which the property of the merged companies passed to, i.e. Trakcja Polska S.A. by means of shares bonding method. The actual merge of the companies, according to IFRS 3 took place at the moment of taking the control, i.e. 1 September 2007.

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

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

On December 19, 2013, the District Court for the Capital City Warsaw in Warsaw, XII Commercial Division of the National Court Register registered the merger Trakcja S.A. as the acquiring company with PRKił S.A. as the acquired company. The merger was accounted for and recognized at December 31, 2013 in the accounting books of the company to which the property of the merged companies passed to, i.e. Trakcja S.A. by means of shares bonding method.

On December 19, 2013, the District Court for the Capital City Warsaw in Warsaw, XIII Commercial Division of the National Court Register registered the change of name of the Company from Trakcja S.A. on Trakcja PRKił S.A. This change was registered under Resolution No. 6 of the Extraordinary General Meeting of November 27, 2013.

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

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

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

- work on foundations and networks;

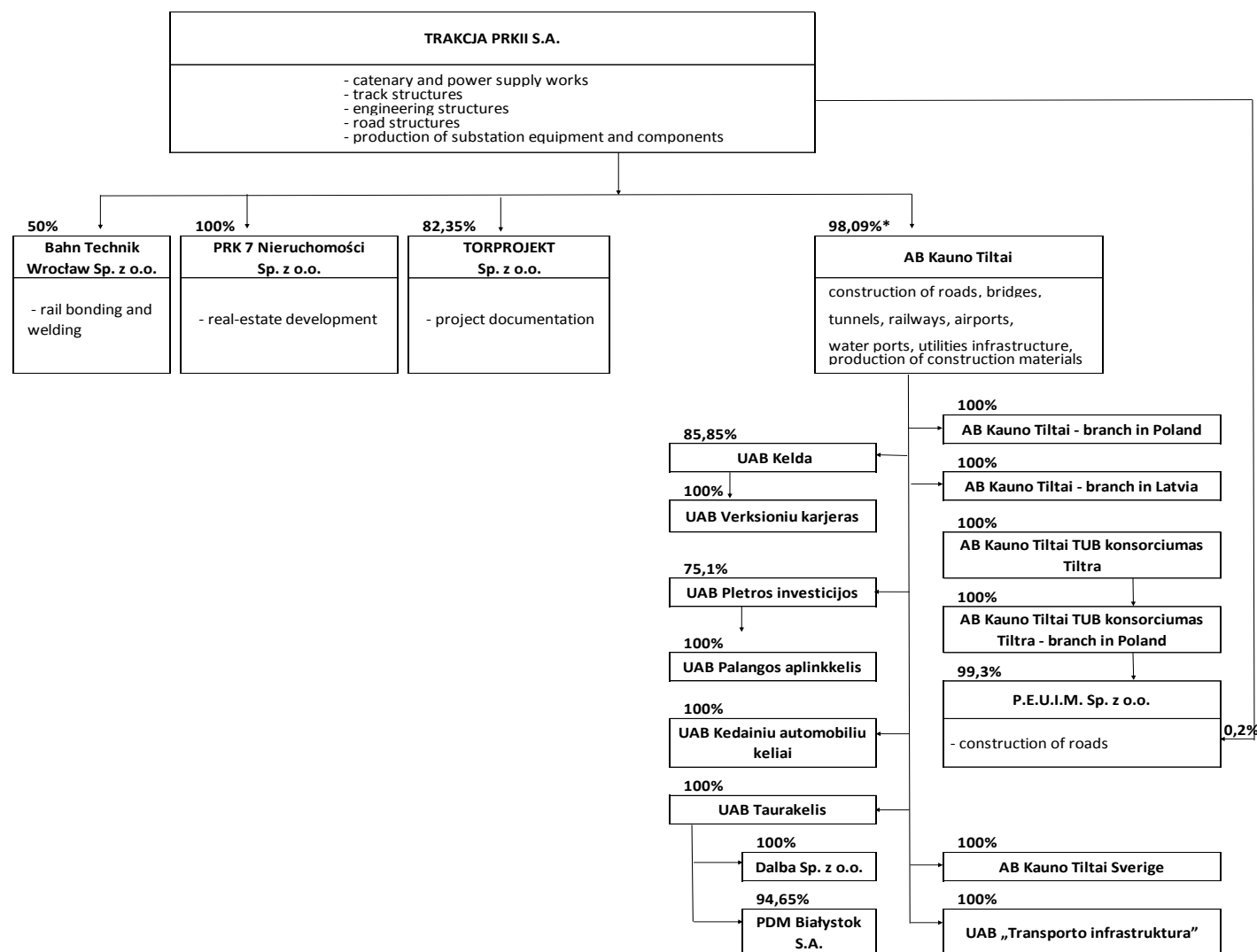
- installation of overhead contact substations and section cabins;
- installation of high and low voltage aerial and cable lines;
- installation of power supply and local control cables;
- production of high, medium and low voltage switching stations, overhead contact system accessories and local control devices;
- specialized equipment services (excavators, rail and car cranes, drill setters, piling rigs);
- construction of bridges, viaducts, overpasses, culverts, tunnels, subways, roads and associated infrastructure of rail and road.

2. Group structure

As of March 31, 2015, the Group consists of Parent company Trakcja PRKiI S.A., subsidiaries and Bahn Technik Wrocław Sp. z o.o. classified as joint venture according to IFRS 11.

The AB Kauno Group's subsidiaries and the following subsidiaries: PRK 7 Nieruchomości Sp. z o.o., Torprojekt Sp. z o.o. are consolidated using full consolidation method. The company Bahn Technik Wrocław Sp. z o.o. is consolidated using equity method.

The Group's structure is presented below:



*) Trakcja PRKil 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 I quarter 2015 there was no changes in the composition of the Trakcja Group.

4. Composition of the Parent Company's Management Board

The Company's Management Board on March 31, 2015 was composed of the following persons:

- Jarosław Tomaszewski - Acting President of the Management Board;
- Marita Szustak - Vice-President of the Management Board;
- Stefan Dziedziul - Vice-President of the Management Board;
- Nerijus Eidukevičius - Vice-President of the Management Board.

On December 31, 2014, Mr Stefan Dziedziul and Ms Marita Szustak submitted statements on resigning from their functions of a member of the Company's Management Board.

On February 19, 2015, Mr Roman Przybył resigned from the function of the President of the Management Board of Trakcja PRKiI for personal reasons. In connection with the resignation of Mr Roman Przybył, the Company's Supervisory Board entrusted the duties of the President of the Management Board with Mr Jarosław Tomaszewski, Finance Director and current Vice-President of the Management Board.

On February 19, 2015, the Supervisory Board of the Parent Company accepted the statement of Mrs Marita Szustak on withdrawing the resignation from fulfilling the function of a member of the Company's Management Board.

As at the date of the approval of the financial statements, i.e. May 11, 2015, the Management Board of the Parent Company consisted of the following persons:

- Jarosław Tomaszewski - Acting President of the Management Board;
- Marita Szustak - Vice-President of the Management Board;
- Nerijus Eidukevičius - Vice-President of the Management Board.

No other changes in the composition of the Management Board occurred after the balance sheet date except presented above resignation of Mr. Stefan Dziedziul.

5. Composition of the Company's Supervisory Board

As for March 31, 2015, the Supervisory Board of the Parent Company was composed of the following persons:

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

In the period from January 1, 2015 to March 31, 2015 and after the balance sheet date before the publication of these statements, no changes occurred in the composition of the Company's Supervisory Board.

6. Shareholding 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:

Shareholders	Number of shares	% in the share capital	Number of votes	% in votes at GSM
COMSA S.A.	14 802 280	28,80%	14 802 280	28,80%
ING OFE	7 605 842	14,80%	7 605 842	14,80%
OFE PZU	4 349 650	8,46%	4 349 650	8,46%
Other shareholders	24 641 776	47,94%	24 641 776	47,94%
Total	51 399 548	100,00%	51 399 548	100,00%

The shareholders held have not changed, directly or through subsidiaries, at least 5 per cent of the total number of votes at the General Meeting of Shareholders from the previous periodic report.

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

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

First name and surname	Function	Number of shares	Nominal value of shares held	% in the shareholding
Maciej Radziwiłł	Chairman of the Supervisory Board	35	28	0,000%
Marita Szustak	Vice-president of the Board	62 500	50 000	0,122%
Nerijus Eidukevičius	Vice-president of the Board	328 271	262 617	0,639%

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

These condensed consolidated financial statements have been approved by the Management Board of the Parent company for publication on May 11, 2015.

9. Significant values based on professional judgement and estimates

Within the process of application the accountancy principles (policy), the most important things are the book estimates, assumptions made and professional judgment of the management. The assumptions and estimates are based on historical experience and the factors that are considered to be reasonable. Their results constitute the basis of professional judgment relating to the carrying amounts of assets and liabilities. The estimates and underlying assumptions are reviewed at the balance sheet date. Although these estimates are based on the best knowledge of current conditions and activities undertaken by the Group, the actual results may differ from these estimates.

In case that a transaction is not regulated in any standard or interpretation, management uses its judgment in applying an accounting policy that will ensure that the financial statements will contain relevant and reliable information and:

- accurately, clearly and fairly present the financial position of the Group and the results of its operations and cash flows,
- reflect the economic substance of transactions,
- are objective,
- are drawn up in accordance with the principle of prudence and
- are complete in all material respects.

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 balance sheet assets and liabilities is related in the following fiscal year are presented below.

9.1. Professional judgement

Fair value of financial instruments

Fair values of the financial instruments for which active market does not exist, are estimated by means of appropriate estimation methods. When selecting the methods and assumptions, the Group follows the professional judgement. Applied assumptions are presented in note No. 48 Additional information and explanations in consolidated financial statement for the year 2014.

Classification of leasing agreements

The Group classifies leasing as operational or financial, based on an assessment of the scope in which risk and benefits due to possession of the object of leasing are assigned to the lessor or the lessee. This assessment is based on the economic content of each transaction. Additional information was presented in notes 9.3.4, 43 and 44 in consolidated financial statement for the year 2014.

Investment properties

The Group classifies real properties as material categories of tangible fixed assets or investment properties depending on their planned use by the Group.

Allocation of the goodwill as cash flow generating centers

Pursuant to IAS 36, goodwill is allocated to cash flow generating centers. The Group performs an assessment connected with allocation of goodwill to relevant centers that generate cash flow.

Recognition and loss of control over related entities

The Group is guided by professional judgement in evaluating the start and end of control over related entities, having regard to all circumstances affecting the control. Upon evaluation of the end of control, the Group is mainly guided by legal prerequisites i.e. resulting from the law (e.g. pursuant to the Code of Commercial Companies, court decision) and economic prerequisites concerning each company individually, its economic and financial situation as at the balance sheet date.

Classification of joint arrangements

The Group determines whether it has joint control and determine the type of joint contractual arrangement in which it is involved by assessing its rights and obligations arising from the joint arrangement, the structure and legal form of the joint arrangement and agreed upon by the parties' conditions of the agreement. Groups classified the investment in the company Bahn Technik Wrocław Sp. z o.o. as a joint venture in accordance with IFRS 11.

Control over subsidiaries

The Parent Company has control over its subsidiaries, if due to its involvement in this unit is exposed to variable returns, or when the Company has the right variable returns, and has the ability to influence these returns through the exercise of authority over the individual. Management of the Company determines that the control of the individual units based on the following elements:

Trakcja PRKiI owns 100% of the share capital of PRK 7 Nieruchomości Sp. z o.o. and has control over the subsidiary. Trakcja PRKiI became the owner of PRK 7 Nieruchomości Sp. z o.o. through a merger of Trakcja with PRK 7 SA, which owned PRK 7 Nieruchomości Sp. z o.o.

Trakcja PRKiI owns 82.35% of the share capital Torprojekt Sp. with o.o and has control over the subsidiary. Trakcja PRKiI became the owner of the company by purchasing shares of Torprojekt.

Trakcja PRKiI owns 98.09% of the share capital of AB Kauno Tiltai and has control over the subsidiary. PRKiI Trakcja became the owner of AB Kauno Tiltai through the purchase of shares of AB Kauno Tiltai, which is also the parent company of the Group AB Kauno Tiltai. Composition of the Group and the percentage of shares held is shown in Note 2 of the Notes concerning the composition and structure of the Group.

9.2. Uncertainty of estimates

Revenues recognition

To maintain relatively constant margin during all reporting periods, within which a contract is in force, the Group applies 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 margins for individual contracts. The amount of incomes on sale in case of contracts concluded in foreign currency depends on the directions of shaping the currency exchange rate.

Provisions for correcting works

The provisions for correcting works were estimated based on the knowledge of individual construction sites managers related to necessity or possibility of performing additional works in aid of the Ordering Party, to fulfill the guarantee obligations. Largest companies in Trakcja Group are required to provide a guarantee for their services. The amount of the reserve for correction works depends on the segment in which companies operate and is based on the Group's historical data. This value is subject to individual analysis and can be increased or decreased in justified circumstances. Any change in these estimations affects the value of provisions. Change in provision for correcting works has been presented in note 25.

Provisions for contractual penalties

The Group recognizes provisions for contractual penalties on executed contracts in a value, which is possible and probable to incur. Provisions are created based on documentation on the course of the contract and opinion of lawyers participating in conducted discussions, who estimate possible future liabilities of the Group based on the course of discussions.

Component of deferred tax assets

The Group recognizes a component of assets by virtue of deferred tax based on the assumption that tax profit shall be attained in the future allowing its utilization. Deterioration of the obtained tax results in the future could cause that such assumption would be unjustified. The Management Board of the Dominant Entity verifies adopted estimations concerning probability of recovering assets due to deferred income tax, based on changes of factors taken into account, new information, and past experiences. Probability of realizing the asset due to deferred income tax with future tax profits is based on the budgets of Group companies. Group companies recognized in the books the asset due to deferred income tax up to the amount, to which it is probable that they will generate taxable profit, which will allow offsetting negative temporary differences. Group companies which historically generated losses and financial projections of which do not foresee generating taxable profit, which would allow offsetting negative temporary differences, do not recognize in their books assets due to deferred income tax. Changes in deferred tax asset and deferred tax liability have been presented in note 23.

Depreciation rates

The amount of depreciation rates is set based on the expected period of economical usability of material components of fixed assets and intangible property. The Group every year performs verification of the adopted periods of economical usability based on current estimations. In the I quarter 2015 no significant changes were made in the depreciation rates applied by the Group.

Investment properties

Investment properties are valued at fair value. Valuations of investment properties are prepared by independent experts with current qualifications to perform such valuations. The selection of the approach and the method the Group is driven by principles defined in IFRS 13, the Act on real properties management and in the Regulation of the Council of Ministers on detailed rules of valuation of real properties and on the rules and mode of preparing appraisal reports. Valuation of the fair value of investment properties was subject to such valuation techniques that maximize the use of observable data. As at March 31, 2015 no circumstances occurred indicating the possibility of investment property value changes due to which the Group did not perform any valuation as at that day.

Goodwill impairment

Pursuant to IAS 36, the Management Board of the Parent Entity as at the balance sheet date performs annual impairment tests for cash generating units, to which the goodwill was assigned. The tests require the estimation of the value in use of cash-generating units ("CGU") based on the future cash flows generated by the CGU, which then using the discount rate are adjusted to present value. As at March 31, 2015, no prerequisites occurred which would indicate the possibility of the impairment of cash generating units. Due to the above fact the Group did not perform goodwill impairment test as at March 31, 2015. The change of goodwill impairment has been presented in note 24.

Impairment of inventory

The Management Board assesses whether there are prerequisites indicating a possibility of an impairment of inventory pursuant to note 9.12 in the consolidated financial statement for the year ended December 31, 2014. Stating an impairment requires estimation of the net values possible to obtain for inventory, which lost its utility attributes or usability. The change in inventory impairment has been presented in note 24.

Write-down of trade receivables and other receivables

The Management Board assesses whether there are prerequisites indicating a possibility of an impairment of trade receivables and other receivables. The value of receivables is revaluated in account of the level probability of their payment, through performing a write-down. The value of the write-down depends on the probability of payment of the receivable and on the detailed analysis of significant items comprising the receivable. Depending on the type of client and the source of receivable, assessment of the probability of recovery of the receivable is performed based on individual analysis of certain balances or based on statistical repayment indicators estimated for individual age groups of receivables. Repayment indicators are defined based on observed repayment history and client behavior, in account of other factors which in the Management's opinion can affect recoverability of current receivables. The change in the write-off of the trade receivables and other receivables has been presented in note 24.

Valuation of fair value and procedures related to such valuation

Some assets and liabilities of the Group are valued at fair value for purposes of the financial reporting. In valuation of fair value of assets or liabilities the Group uses the available scope of market observable data. The detailed information concerning the valued positions in fair value have been presented in notes 28 and 29. Information of valuation techniques and input data is presented in Notes 23, 41 and 48 in consolidated financial statement for the year 2014.

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 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 AB Kauno Group's subsidiaries and the following subsidiaries: PRK 7 Nieruchomości Sp. z o.o., Torprojekt Sp. z o.o. are consolidated using full consolidation method. The company Bahn Technik Wrocław Sp. z o.o. is consolidated using equity 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") 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 significant differences between IFRS standards and the IFRS standards approved by the European Union. The standards that did not come into force on March 31, 2014 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 measuring currency of the Parent Company and the majority of the companies within the Group and the reporting currency in these consolidated financial statements is Polish Zloty. In 2014 the measuring currency of the companies seated in Lithuania were Litas (LTL), whereas the company seated in Sweden is Sweden Crone (SEK). As at January 1, 2015 the Lithuania entered into euro zone and as a result the financial statements of the companies seated in Lithuania are prepared in euro (EUR). The exchange rate at which the financial statements where converted as at January 1, 2015 was 1 EUR=3.45280 LTL.

12. Significant accountancy principles

The accountancy principles (policy) applied to prepare this condensed consolidated financial statement for the period 3 months ended March 31, 2015 are coherent with those which were applied while preparing the annual consolidated financial statements for 2014, with the exclusion of the changes specified below. The same principles were applied in the current and comparable period, unless the standard or interpretation assumed only prospective application.

Standards and Interpretations issued by IASB and adopted by the EU but not yet effective

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.

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except from the following standards and amendments to the existing standards, which did not come into force as at May 11, 2015:

- *IFRS 9 Financial instruments*

The new standard was published on July 24, 2014 and applies to annual periods starting from January 01, 2018 or later. The purpose of the standard is to clarify the classification of financial assets and to introduce uniform rules on the approach to the assessment of impairment in regard to all financial instruments. The standard also introduces a new model of hedge accounting in order to unify the rules of including risk-management information in financial statements.

The Group will apply amended standards in the scope of executed changes, starting from January 1, 2018.

At the day of preparing this financial statement, it was not possible to reliably estimate the influence of new standard application.

- *IFRS 14 Regulatory deferral accounts*

The new standard was published on January 30, 2014 and applies to annual periods starting from January 1, 2016 or later. The new standard is temporary due to the pending works of the IASB on regulating the manner of settling operations in price regulation conditions. The standard introduces the rules for recognizing assets and liabilities arising in connection with price-regulated transactions if the given entity decides to shift to IFRS.

The Group will apply the new standard from January 1, 2016.

The application of the changed standards will not influence the Group's consolidated financial statements.

- *IFRS 15 Revenue from Contracts with Customers*

The new unified standard was published on May 28, 2014 and applies to annual periods starting from January 1, 2017 or later, whereas early application is allowed. The standard establishes uniform framework for recognition of revenues and provides for rules, which will replace most of the detailed guidelines in the scope of recognizing revenues currently provided for in the IFRS, in particular IAS 18 Revenue, IAS 11 Construction Contracts, and related interpretations.

At the day of preparing this financial statement, it was not possible to reliably estimate the influence of new standard application. The Group commenced the analysis of the effects of implementing the new standard.

- *Changes to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations*

The changes in IFRS 11 were published on May 06, 2014 and apply to annual periods starting from January 1, 2016 or later. The purpose of changes is to present detailed guidelines to explain the manner of recognizing the transaction of acquisition of interests in joint operations, which constitute an arrangement. Changes require application of rules identical to the rules applied for mergers.

The Group will apply the amended standard in the scope of executed changes, starting from January 1, 2016.

The application of the new standards will not materially influence the consolidated financial statements of the Group.

- *Changes to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation*

Changes in IFRS 16 Property, Plant and Equipment, and IAS 38 Intangible Assets were published on May 12, 2014 and apply to annual periods starting from January 1, 2016 or later. The change constitutes additional explanations in regard to admitted amortisation methods. The purpose of changes is to indicate that the method of calculating depreciation for tangible fixed assets and intangible assets, based on income, is not appropriate; however in case of intangible assets the method may be applied in certain circumstances.

The Group will apply amended standards in the scope of executed changes, starting from January 1, 2016.

The application of the new standards will not materially influence the consolidated financial statements of the Group.

- *Changes to IAS 16 and IAS 41 Agriculture: Living Plants*

The changes in IAS 16 and IAS 41 were published on June 30, 2014 and apply to annual periods starting from January 1, 2016 or later. This change indicates that living plants should be recognized in the same manner as tangible fixed assets in the scope of IAS 16. Therefore, living plants should be recognized pursuant to IAS 16 instead of IAS 41. Agricultural products made using living plants are still subject to IAS 41.

The Group will apply amended standards in the scope of executed changes, starting from January 1, 2016.

The application of the new standards will not materially influence the consolidated financial statements of the Group.

- *Changes in the various standards resulting from the annual review of the International Financial Reporting Standards (Annual Improvements 2012-2014)*

On September 25, 2014, other changes to four standards were published, related to the project of proposed changes to the International Financial Reporting Standards published in December 2013. They apply to annual periods starting on January 1, 2016 or later.

The Group will apply the changed standards within the scope of introduced changes from January 1, 2016, unless a different period for their entry into force is foreseen.

The application of the changed standards will not materially influence the consolidated financial statements of the Group.

- *Amendments to IAS 27: Equity method in separate financial statements*

Changes to IAS 27 were published on August, 12 2014 and apply to annual periods starting on January 1, 2016 or later. Changes reinstate in IFRS the option of recognizing in separate financial statements the investments in subsidiaries, joint arrangements, and associates, pursuant to the equity method. In case of choosing this method, it should be applied to each investment in the given category.

The Group will apply the amended standard in the scope of executed changes, starting from January 1, 2016.

The application of the changed standard will not materially influence the Group's consolidated financial statements.

- *Amendments to IFRS 10 and IAS 28 Sales or contributions of assets between an investor and its associate/joint venture*

Changes to IFRS 10 and IAS 28 were published on September 11, 2014 and apply to annual periods starting on January 1, 2016 or later. Changes further specify the accounting for transactions, where the parent company loses control over the subsidiary, which does not constitute a "business" pursuant to the definition in IFRS 3 "Business Combinations", by way of a sale of all or some of the interests in such subsidiary from the associate or a joint venture, recognized pursuant to the equity method.

The Group will apply amended standards in the scope of executed changes, starting from January 1, 2016.

At the day of preparing this financial statement, it was not possible to reliably estimate the influence of changed standards application.

- *Amendments to IAS 1: Disclosure Initiative*

On December 18, 2014, within the scope of a large initiative aiming at improving the recognition and disclosure, changes to IAS 1 were published. These changes are to serve for further encouragement of entities to apply professional judgement in determining information to be disclosed in financial statements. Changes further specify that the significance concerns all financial statements and that inclusion of insignificant information may reduce the usability of strict financial disclosures. Moreover, changes further specify that entities should apply professional judgement in defining the place and sequence of presenting information upon financial disclosures.

Published changes are accompanied by draft changes to IAS 7 Statement of Cash Flows, which increase the scope of requirements concerning disclosures on financial cash flows as well as cash and cash equivalents.

Changes may be applied immediately and obligatorily for annual periods commencing on January 1, 2016 or later. The Group commenced the analysis of the effects of implementing the changes. The Group will apply the changes at the latest as from January 1, 2016, and their effects may include a change of the scope and/or form of disclosures presented in consolidated financial statements.

- *Amendments to IFRS 10, IFRS 12, and IAS 28: Investment Entities: Applying the Consolidation Exception*

The changes to IFRS 10, IFRS 12 and IAS 28 were published on December 18, 2014 and apply to annual periods starting from January 1, 2016 or later. Their purpose is to further specify the requirements concerning accounting in investment entities.

The Group will apply amended standards in the scope of executed changes, starting from January 1, 2016.

In the Group's opinion, the application of changed standards will not materially influence the consolidated financial statements of the Group.

Standards and Interpretations issued by IASB and adopted by the EU but not yet effective

At the date of authorisation of these financial statements the following interpretation issued by IASB and adopted by the EU was in issue but not yet effective:

- *Changes in the various standards resulting from the annual review of the International Financial Reporting Standards (Annual Improvements 2010-2012)*

On December 12, 2013, other changes to seven standards were published, related to the project of proposed changes to the International Financial Reporting Standards published in May 2012. They apply to annual periods starting on February 1, 2015 or later.

The application of the changed standards do not materially influence the consolidated financial statements of the Group.

- *Changes in IAS 19 Employees benefits*

The change has been published on the November 21, 2013 and applies to the annual periods starting on February 1, 2015 or later. Changes clarify and in some cases, simplify, accounting principles for employee's contributions (or other third parties) payable to defined benefit plans.

The application of the changed standards do not materially influence the consolidated financial statements of the Group.

13. Effect of application of new accounting standards and changes of accounting policy

Changes in Standards and Interpretations effective from the current period

The following standards and amendments to the existing standards issued by the International Accounting Standards Board („IASB”) and adopted by the EU are effective for the current period:

- *Changes in the various standards resulting from the annual review of the International Financial Reporting Standards (Annual Improvements 2011-2013)*

On December 12, 2013, other changes to four standards were published, related to the project of proposed changes to the International Financial Reporting Standards published in November 2012. They apply mostly to annual periods starting on July 1, 2014 or later.

The application of the changed standards do not materially influence the consolidated financial statements of the Group.

Changes introduced independently by the Group

In the reporting period there were no changes in the accounting principles and the method of preparation of financial statements compared to those disclosed in the consolidated financial statements of the Group for the financial year 2014, published on March 16, 2015.

The comparative figures as at March 31, 2014 compared to those disclosed in the published condensed financial statements for the I quarter of 2014 in the profit and loss statement and in the statement of cash flows have been modified so as to reflect changes made by the Group as at December 31, 2014. Details of the changes have been presented in the consolidated financial statements for the year 2014.

During the I quarter of 2015, the Group change the presentation in the cash flow statement relating to the recognition of factoring liabilities. The change relates to reclassification of cash flows due to the above from operating activities to financing activities.

The impact of these changes on the consolidated profit and loss account for the period from January 1, 2014 to March 31, 2014 has been presented below:

	1.01.2014 - 31.03.2014	Depreciation of perpetual usefruct of land	Elimination of amounts attributable to consortium partners	1.01.2014 - 31.03.2014
	<i>Unaudited</i>			<i>Unaudited, Modified</i>
Continued operations				
Sales revenues	239 072	-	(63 043)	176 029
Cost of goods sold	(226 868)	-	63 823	(163 045)
Gross profit on sales	12 204	-	780	12 984
Cost of sales, marketing and distribution	(1 502)	-	-	(1 502)
General and administrative costs	(12 202)	(58)	-	(12 260)
The balance of other operating activities	(164)	-	-	(164)
Share of profit of entities consolidated using equity method	(237)	-	-	(237)
Operating profit	(1 902)	(58)	780	(1 179)
The balance of financial activities	(4 045)	-	-	(4 046)
Gross profit	(5 947)	(58)	780	(5 225)
Income tax	708	3	(139)	572
Net profit for the period	(5 239)	(55)	641	(4 653)
Attributable to:				
Shareholders of parent entity	(5 119)	(55)	637	(4 537)
Non-controlling interests	(120)	-	4	(116)
Profit per share attributable to shareholders in the period (PLN per share)				
– basic	(0,10)	(0,00)	0,01	(0,09)
– diluted	(0,10)	(0,00)	0,01	(0,09)

The impact of these changes on the total consolidated comprehensive income for the period from January 1, 2014 to March 31, 2014 has been presented below:

	1.01.2014 - 31.03.2014	Depreciation of perpetual usefruct of land	Elimination of amounts attributable to consortium partners	1.01.2014 - 31.03.2014
	<i>Unaudited</i>			<i>Unaudited, Modified</i>
Net profit for the period	(5 239)	(55)	641	(4 653)
Other comprehensive income:				
Total other comprehensive income	303	-	(45)	258
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(4 936)	(55)	596	(4 395)
Attributable to:				
Shareholders of Parent entity	(4 474)	(55)	593	(3 936)
Non-controlling interests	(462)	-	3	(459)

The impact of these changes on the stand alone statement of comprehensive income for the period from January 1, 2014 to March 31, 2014 has been presented below:

	1.01.2014 - 31.03.2014	Depreciation of perpetual usefruct of land	Elimination of amounts attributable to consortium partners	1.01.2014 - 31.03.2014
	<i>Unaudited</i>			<i>Unaudited, Modified</i>
Continued operations				
Sales revenues	174 877	-	(39 774)	135 104
Cost of goods sold	(164 025)	-	40 322	(123 704)
Gross profit (loss) on sales	10 852	-	548	11 400
Cost of sales, marketing and distribution	(178)	-	-	(178)
General and administrative costs	(7 062)	(44)	-	(7 106)
The balance of other operating activities	(242)	-	-	(242)
Operating profit (loss)	3 370	(44)	548	3 874
The balance of financial activities	(2 918)	-	-	(2 918)
Gross profit (loss)	452	(44)	548	956
Income tax	(148)	3	(104)	(249)
Net profit for financial year	304	(41)	444	707
Net profit/(loss) in PLN per one share				
– basic	0,01	(0,00)	0,01	0,01
– diluted	0,01	(0,00)	0,01	0,01

The impact of these changes on the stand alone statement of total comprehensive income for the period from January 1, 2014 to March 31, 2014 has been presented below:

	1.01.2014 - 31.03.2014	Depreciation of perpetual usefruct of land	Elimination of amounts attributable to consortium partners	1.01.2014 - 31.03.2014
	<i>Unaudited</i>			<i>Unaudited, Modified</i>
Net profit for the period	304	(41)	444	707
Total other comprehensive income	336	-	-	336
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	640	(41)	444	1 043

14. Description of factors and events having material impact on financial results of Trakcja Group for the I quarter of 2015

Within the period of I quarter 2015, Trakcja Group recorded PLN 230,511 thousand revenue on sale, which increased by 31.0 per cent when compared to the analogous period in 2014. The cost of goods sold increased by 27.7 per cent and amounted to PLN 208,128 thousand.

The gross profit on sales was PLN 22,383 thousand and the result increased by PLN 9,399 thousand when compared to the analogous period in the previous year. The gross profit margin on sales was 9.7 per cent in the I quarter of 2015 and 7.4 per cent in the analogous period in 2014.

The overheads were PLN 16,149 thousand and increased by 31.7 per cent, i.e. by PLN 3,889 thousand when compared to the analogous period in 2014. The costs of sale, marketing and distribution amounted to PLN 2,447 thousand and decreased by PLN 945 thousand. The balance of other operating activity was at negative level of PLN 278 thousand and decreased by PLN 114 thousand compared to analogous period in 2014. The Group recorded a profit on operating activities for a 3-month period in 2015 amounting to PLN 3,133 thousand. The loss on operating activities increased by PLN 3,312 thousand when compared to the result for the I quarter 2014, when the loss was PLN 1,179 thousand.

In the I quarter of 2015 the balance from financial activities reached negative value of PLN 699 thousand which presents an improvement of PLN 3,347 thousand when compared to the balance in the I quarter of the previous year.

In the period from January 1, 2015 to March 31, 2015, the Group recorded a gross profit of PLN 2,434 thousand. The result for the I quarter of 2015 increased by PLN 7,659 thousand when compared to the I quarter of 2014, when the loss was PLN 5,225 thousand. The income tax for the I quarter 2015 had a negative impact on the result in the amount of PLN 891 thousand. The net result of the Group for the period from January 1, 2015 to March 31, 2015 was positive with the value of PLN 1,543 thousand. The net profit increased when compared to the loss for the 3 month period in 2014 by PLN 6,196 thousand.

The Group's balance sheet total as at the end of the I quarter of 2015 was PLN 1,241,620 thousand and was lower by 14.1 per cent when compared to balance sheet total as for December 31, 2014.

The non-current assets decreased by PLN 15,741 thousand (i.e. by 2.2 per cent when compared to the non-current assets as for December 31, 2014) and reached PLN 704,126 thousand whereas current assets decreased by PLN 188,455 thousand (i.e. by 26.0 per cent when compared to the amounts as for December 31, 2014) and reached PLN 537,494 thousand when compared to the balance as for December 31, 2014.

The decrease in current assets was mostly due to decrease in trade and other receivables by PLN 153,012 thousand, i.e. 29.3 per cent. As for March 31, 2015 trade and other receivables amounted to PLN 368,873 thousand. Additionally, the cash and cash equivalents presented in Group's consolidated balance sheet among current assets decreased by PLN 20,032 thousand, i.e. 32.4 per cent when compared to balance as for December 31, 2014.

The total equity of the Group decreased as for March 31, 2015 by PLN 10,352 thousand in comparison to the balance as for December 31, 2014. The decrease is mainly caused by the change in foreign exchange differences on translation of foreign operations during I quarter of 2015.

As for March 31, 2015, the non-current liabilities reached the value of PLN 137,617 thousand and decreased by PLN 13,721 thousand, i.e. by 9.1 per cent in comparison to the balance as for December 31, 2014. The greatest decrease was noticed in terms of interest-bearing credits and long-term loans.

The current liabilities reached the value of PLN 439,852 thousand and decreased by 29.1 per cent, i.e. by PLN 180,123 thousand in comparison to the balance as for December 31, 2014. Among the current liabilities trade payables and other liabilities (amounted to PLN 259,338 thousand, decreased by PLN 129,278 thousand) recorded the largest decreases i.e. by 33.3 per cent. The interest-bearing loans and bank credits decreased by PLN 14,181 thousand and amounted to PLN 15,891 thousand as for March 31, 2015.

15. Cyclical and seasonal character of activity

The Group's sales reaches the lowest value in the I quarter of the year due to unfavorable weather conditions. In the I quarter of 2015 the weather conditions were favorable and as a result the Group has reached a higher level of sales than in the comparable period of the I quarter of 2014.

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

In the I quarter of 2015 the Group did not issue, redeem or repay any debt or 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

In the I quarter of 2015, 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. Description of factors that will influence the results attained by the Group in the perspective of at least one subsequent quarter

Key factors, which in the opinion of the Management Board of the Parent Company have or will have in the nearest future impact on the Group's activities, are presented below. Information on significant proceedings and disputes against companies in the Group as well as penalties is presented in Section 33 hereof.

The most important external factors substantially affecting the Group's financial results include:

- The level of expenses on rail and road infrastructure in Poland and in Lithuania.
- Competition of other entities.
- Formation of prices of raw materials and construction materials.
- Formation of currency exchange rates, in particular the Euro rate.
- Influence of the Central Bank's monetary policy on the change of interest rate on credits.
- Timeliness in repayment of liabilities by recipients.
- Changes in law regulations establishing the scope of the Group's activity, including tax regulations as well as provisions on other public charges.

The most important external factors substantially affecting the Group's financial results include:

- 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.
- Ability to acquire new construction contracts.
- Ability to execute the development strategy of the Issuer's Group.

19. Risk factors

Within the scope of conducted activity, Trakcja Group is exposed to various types of risks, which may be divided into below groups:

- Industry risk;
- Contract execution risk;
- Financial risk.

Industry risk

In terms of this risk, the Group is exposed to a risk relating to intensifying competition. The market of railway construction in Poland and Baltic countries, where the Group conducts activity is attractive due to significant planned investment outlays. Although barriers of entry on the market of rail and road construction in Poland and Baltic States are high, the number of new entities is increasing. Moreover, a significant factor affecting the market position of Trakcja Group are the financial plans of Polish and Lithuanian governments concerning the modernization of infrastructure.

This industry risk may have substantial influence on the Group's development perspectives and its financial situation. A competitive advantage of Trakcja Group is over seventy years of market experience possessed by Group companies, which allowed developing high-quality systems of executing purchase orders of highly valued partners. The main attributes of the Group are:

- the possibility of comprehensive performance of investments using own potential in all sectors (rail works, engineering facilities, overhead contact lines),
- possessed contracts portfolio,
- having at our disposal qualified management and client-oriented team,
- significant experience in professional performance and coordination of works executed in a timely manner according to highest European standards,
- possessing a modern machine park.

The Group has substantial competitive advantage over other companies, and the Group's position on the market of services relating to the rail and road infrastructure in Poland and in Baltic States is grounded and stable. The aforementioned strengths of Trakcja Group minimize the risk relating to intensifying competition.

Contract execution risk

An inseparable risk relating to the operations of Trakcja Group is the contract execution risk. This risk may be affected mainly by the following factors: failure to obtain in due time the administrative decisions provided for, amongst others, in the provisions of the Building Law, the Administrative Procedure Code and the Environmental Protection Law; changes in prices of materials and raw materials; changes of prices for services provided by subcontractors; subcontractors' failure to complete, or delays in completion of works essential to commence project execution; underestimation of costs; potential penalties for infringing contracts; unfavorable weather conditions. The risk of underestimating contract costs may occur in case of works, which are difficult to identify at the stage of preparing the Group's bid and essential to perform the contract, and the price for the works. Within the scope of performing construction contracts, companies in Trakcja Group conclude agreements with subcontractors usually later than the agreement with the investor, which may cause a risk that the adopted price of the service provided for the Group by subcontractors will be higher than the price adopted at the stage of contract valuation and signing. Prices stated in contracts with investors are fixed and cannot be changed during the term of the contract. Trakcja Group incurs the risk of a failure to meet the deadlines for the performance of the subject of concluded construction contracts, as well as performance of guarantee works relating to removal of defects and faults, which, in consequence, is related with the right of the investor to take advantage of the aforementioned collateral or claiming contractual penalties. Also the Group cannot exclude a risk relating to possible disputes concerning improper or untimely performance of contracts. Occurrence of aforementioned factors may adversely affect the Issuer's financial results.

The Issuer's Management Board undertakes relevant actions aiming at minimizing these risks e.g. through implementation of a modern contract management system, which allows managing budgets and schedules of many large projects executed at the same time, based on detailed unit data registered in real time. In addition, the Group continuously monitors the prices of services provided by subcontractors and ensures that signed contracts have proper parameters concerning the term of the contract and the value of the contract adjusted to the market situation. Thanks to the initiative of implementing the system of central procurement for all realized projects and all organizational units of the infrastructure, the Group intends to achieve substantial and permanent cost savings and optimize procurement processes. Moreover, the long-term market practice allowed Trakcja Group to develop techniques for managing projects, which allow us to complete projects entrusted with the Group companies within the agreed schedules and simultaneously maintain the required quality and meet special requirements of the investors.

Financial risk

In terms of financial risk, the Group is exposed to a risk relating to financial contracts and a risk relating to liquidity. The risk relating to financial contracts results from the fact that both banks (in terms of credits and contract guarantees) as well as insurance companies (in terms of contract guarantees) may restrict the availability of sources of financing and other financial instruments, which may cause restrictions in contract performance. In 2014, Trakcja Group significantly expanded the possibilities of obtaining sources of financing, both in terms of credits and loans as well as guarantee products. The Group monitors the capital structure using the financing structure indexes. Indexes

analysed by the Group allow maintaining both good credit rating and confirm the capital structure support for the operating activities of Trakcja Group.

A significant factor in assessing the risk of insolvency is the generated level of operational cash flows, volume of cash, and the liquidity factor. The Group monitors the balance of available cash, and maintains a safe level of both external financing and financial liquidity. Any temporary cash surpluses were invested in short-term bank deposits. To avoid potential threats in the future and to minimize the risk relating to a loss of the Group's liquidity, long- and short-term analysis and forecasts are developed, which allow defining the Group's cash requirements. Thanks to these activities, inflows and expenses can be planned in advance and the optimum level of cash can be defined along with the manner of financing future expenditures.

Other factors, apart from the above-mentioned, which may cause fluctuations of prices of shares of Trakcja PRKiI include:

- change of the rating of the Group's creditworthiness;
- change in the balance of the Group's debt;
- sale or purchase of assets by the Group;
- significant changes in the Issuer's ownership structure;
- changes made by capital market analysts with respect to their forecasts and recommendations regarding Trakcja PRKiI, its contracting parties, partners and sectors of economy, in which the Group is involved.

Combating the materialization of all these risks constitute the basic goal of activity of the Issuer's Management Board, which conducts discussions with ordering parties, consortium partners and subcontractors, banks and insurers. Managing these risks is performed at the highest management level in the Group.

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

The Management Board of Trakcja PRKiI S.A. did not publish any financial forecasts for 2015.

21. Concise description of significant achievements or failures during the I quarter 2015

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

22. 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 for the I quarter 2015 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.

23. Deferred tax

	Balance sheet		Consolidated statement of total comprehensive income for the period of 3 months ended 31.03.2015
	31.03.2015	31.12.2014	
	Unaudited	Audited	Unaudited
Deferred tax asstes	37 097	35 863	1 234
Deferred tax liabilities	25 125	27 132	2 007
Change of deffered tax assets and liabilities			3 241
Including:			
- through profit or loss			3 160
- through equity			272
- variances due to currency translation			(191)

24. Change of the write downs and impairments

	Tangible asstes	Intangible assets	Goodwill from consolidation	Inventory	Receivables	Total
As at 1.01.2015	788	-	37 431	2 700	18 233	59 152
<i>Audited</i>						
Recognized	-	-	-	1 623	676	2 299
Used	-	-	-	-	(6)	(6)
Reversed	-	-	-	-	(2 080)	(2 080)
Variances due to currency translation	-	-	-	(19)	(97)	(116)
As at 31.03.2015	788	-	37 431	4 304	16 726	59 249
<i>Unaudited</i>						

25. Provisions

	Provisions
As at 1.01.2015	26 807
<i>Audited</i>	
Recognized	3 231
Used	(1 966)
Reversed	-
Variations due to currency translation	(476)
As at 31.03.2015	27 596
<i>Unaudited</i>	
including	
- long-term	22 801
- short-term	4 795

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

In the period from January 1 to March 31, 2015, the Group acquired tangible non-current assets and intangible assets in the total amount of PLN 11,014 thousand (in the comparable period of 2014: PLN 810 thousand).

In the period from January 1 to March 31, 2015, the Group sold its tangible non-current assets and intangible assets in the total book value of PLN 1,425 thousand (in the comparable period of 2014: PLN 1,548 thousand).

27. Joint arrangements

Joint ventures

The Group has a 50% share in the company Bahn Technik Wrocław Sp. z o. o., which scope of business includes track works: welding, regenerating turnouts and track assembly. The company's activity has been described in more detail in note 2 of the consolidated financial statement. BTW operates in Poland.

The investment in BTW has been qualified as joint venture and is valued using the equity method in accordance with IFRS 11.

The following are condensed financial data of BTW and reconciliation of the carrying amount of the investment in the joint venture.

	31.03.2015	31.12.2014
	<i>Unaudited</i>	<i>Audited</i>
Current assets	11 135	17 440
including: Cash and cash equivalents	4 419	1 438
Non-current assets	19 424	19 539
Short-term liabilities	7 456	13 250
including: Interest-bearing bank loans and borrowings	2 507	3 053
Long-term liabilities	997	871
including: Provision for deferred tax	925	799
Equity	22 106	22 859
Proportion of the Group's ownership	50%	50%
Carrying amount of the investment	11 053	11 430

	1.01.2015 - 31.03.2015	1.01.2014 - 31.03.2014
	<i>Unaudited</i>	<i>Unaudited, Modified</i>
Sales revenues	4 866	4 233
Cost of goods sold	5 960	4 586
including: Depreciation and amortisation	685	375
Financial income	285	4
including: Interest income	9	4
Financial costs	114	35
including: Interest cost	17	18
Income tax	(170)	(91)
Net profit (loss) from continued operation	(753)	(475)
Net profit (loss) from discontinued operations	-	-
Other comprehensive income	-	-
Total comprehensive income	(753)	(475)
Group's share of profit for the year from continued operations (50%)	(376)	(237)
Group's share of total comprehensive income for the year from continued operation	(376)	(237)

As at March 31, 2015, the company BTW had the following contingent liabilities:

- own promissory notes in the amount of PLN 2,500 thousand (31.12.2014: 2,500 thousand);
- cession of insurance policies in the total amount of PLN 3,297 thousand (31.12.2014: 3,297 thousand);
- granted guarantees amounting to PLN 66 thousand (31.12.2014: 736 thousand).

Joint operations – contracts executed in consortiums

The Group performs certain long-term contracts based on consortium agreements, as the consortium leader. The Group treats shares in such contracts as shares in joint operations pursuant to IFRS 11. Therefore, the Group does not recognize in the profit and loss account any parts of revenues or costs due to such contracts, allocated to consortium members.

The table below presents revenues and costs allocated to consortium members, concerning contracts executed within the scope of the aforementioned consortiums, which were not recognized in the Group's profit and loss account.

	1.01.2015- 31.03.2015	1.01.2014 - 31.03.2014
	<i>Unaudited</i>	<i>Unaudited, Modified</i>
Sales revenues	60 060	63 043
Cost of goods sold	(62 396)	(63 823)
Gross profit on sales	(2 336)	(780)

In its balance sheet as at March 31, 2015, the Group did not recognize trade receivables allocated to consortium partners in the amount of PLN 101,330 thousand (31.12.2014: PLN 105,579 thousand) and trade liabilities allocated to consortium partners in the amount of PLN 116,582 thousand (31.12.2014: PLN 124,721 thousand).

28. Information about the change in the valuation of financial instruments measured at fair value

In the I quarter of 2015 the Group did not change the valuation of financial instruments measured at fair value.

The balance sheet value of financial assets and liabilities is close to their fair value.

29. Assets and liabilities measured in fair value

The Group measures the following assets and liabilities in fair value: investment properties, derivatives. During the 3 months ended March 31, 2015 there was no change in valuation technique of fair value of the above mentioned assets and liabilities. Details of the valuation techniques used and the unobservable inputs used in the valuation are described in the annual financial statements of the Group for the year 2014.

Items recognized in fair value	Level 1		Level 2		Level 3	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Derivatives (liability side)	-	-	7 433	6 488	-	-
Investment properties	-	-	-	-	22 946	22 960

During 3 months ended March 31, 2015 there were no transfers between levels 1, 2 and 3 during the year.

The change in investment property value in the I quarter 2015 concerns the exchange rate differences due to the calculation of foreign units.

30. Information relating to reclassification of financial assets due to changes in their purpose or use

In the I quarter of 2015 the Group did not change the classification of financial assets as a result of changes in their purpose or use.

31. Additional information to the cash flow statement

Balance of cash and equivalent shown in the consolidated cash flow statement consisted of the following items as per:

	31.03.2015	31.12.2014
	<i>Unaudited</i>	<i>Audited</i>
Cash in hand	91	103
Cash at bank	26 273	36 077
Other cash - deposits up to 3 months	15 450	25 666
Total cash and cash equivalents	41 814	61 846
Cash and cash equivalents excluded from cash flow statement	(1 501)	(4 208)
Cash and cash equivalents presented in cash flow statement	40 313	57 638
- including restricted cash	930	981

Cash and cash equivalents excluded from the cash flow statement as at March 31, 2015 relate to blocked funds in accounts of development projects in the amount of PLN 1,501 thousand, and restricted cash in the amount of PLN 930 thousand stands for cash used to pay off the interest on the bonds.

32. Information concerning segments

Description of the segments is presented in the annual consolidated financial statements for the year 2014.

Major customers

In the I quarter 2015 and in the comparable period revenues from transactions with external single customer accounted for 10% or more of total revenue. The following table presents the total amount of revenue from each such customer segments and indicate that these revenues relate to:

Total revenue obtained in 2014 by a single recipient (kPLN)	Segments presenting the revenues
133 641	Civic building - Poland
47 079	Construction, engineering and concession contracts - Baltic countries

The Management Board of the Parent Company withdrew from the presentation of revenues from external customers by product and service due to the excessive cost of obtaining this information, which is in accordance with IFRS 8.

Operational segments:**For the period from 1.01.2015 to 31.03.2015***Unaudited*

	Continued operations			Total	Discontinued operations	Exclusions	Total operations
	Civic building - Poland	Construction, engineering and concession contracts - Baltic countries	Other segments				
Revenues							
Sales to external customers	160 335	65 033	5 143	230 511	-	-	230 511
Sales between segments	2	-	-	2	-	(2)	-
Total segment revenues	160 337	65 033	5 143	230 513	-	(2)	230 511
Results							
Depreciation	3 921	2 153	22	6 096	-	-	6 096
Share of profits of entities consolidated using equity method	(376)	-	-	(376)	-	-	(376)
Financial revenues - interests	180	870	19	1 069	-	-	1 069
Financial expenses - interests	1 453	563	1	2 017	-	-	2 017
Gross profit	1 130	(530)	1 093	1 693	-	741	2 434

For the period from 1.01.2014 to 31.03.2014*Modified*

	Continued operations			Total	Discontinued operations	Exclusions	Total operations
	Civic building - Poland	Construction, engineering and concession contracts - Baltic countries	Other segments				
Revenues							
Sales to external customers	138 110	37 856	63	176 029	-	-	176 029
Sales between segments	2	10	-	12	-	(12)	-
Total segment revenues	138 112	37 866	63	176 041	-	(12)	176 029
Results							
Depreciation	3 586	2 286	23	5 895	-	-	5 895
Share of profits of entities consolidated using equity method	(237)	-	-	(237)	-	-	(237)
Financial revenues - interests	392	77	21	490	-	-	490
Financial expenses - interests	2 403	361	2	2 766	-	-	2 766
Gross profit	(1 525)	(4 078)	(376)	(5 979)	-	754	(5 225)

Additional information and explanations to the condensed consolidated financial statement

As at 31.03.2015*Unaudited*

	Continued operations			Total	Discontinued operations	Exclusions	Total operations
	Civic building - Poland	Construction, engineering and concession contracts - Baltic countries	Other segments				
Segment assets	538 466	386 115	41 077	965 658	-	(150 169)	815 489
Assets not allocated to segments							426 131
Total assests							1 241 620
Segment liabilities	287 006	200 440	8 239	495 685	-	(55 833)	439 852
Other disclosures:							
Capital expenditure	(3 406)	(4 194)	-	(7 600)	-	-	(7 600)
Impairment of non-financial assets	(1 623)	-	-	(1 623)	-	-	(1 623)
Investments in entities consolidated using equity method	11 053	-	-	11 053	-	-	11 053

As at 31.12.2014*Audited*

	Continued operations			Total	Discontinued operations	Exclusions	Total operations
	Civic building - Poland	Construction, engineering and concession contracts - Baltic countries	Other segments				
Segment assets	703 440	421 737	41 058	1 166 235	-	(152 059)	1 014 176
Assets not allocated to segments							431 640
Total assests							1 445 816
Segment liabilities	458 610	212 712	9 230	680 552	-	(60 577)	619 975
Other disclosures:							
Capital expenditure	(9 726)	(2 337)	-	(12 063)	-	-	(12 063)
Impairment of non-financial assets	(39 042)	-	-	(39 042)	-	-	(39 042)
Investments in entities consolidated using equity method	11 430	-	-	11 430	-	-	11 430

Geographic segments:**For the period from 1.01.2015 to 31.03.2015***Unaudited*

	Continued operations			Discontinued operations	Exclusions	Total operations
	Domestic	Abroad	Total			
Revenues						
Sales to external customers	165 478	65 033	230 511	-	-	230 511
Sales between segments	2	-	2	-	(2)	-
Sales domestic/ abroad	-	-	-	-	-	-
Total segment revenues	165 480	65 033	230 513	-	(2)	230 511

For the period from 1.01.2014 to 31.03.2014*Modified*

	Continued operations			Discontinued operations	Exclusions	Total operations
	Domestic	Abroad	Total			
Revenues						
Sales to external customers	139 946	36 083	176 029	-	-	176 029
Sales between segments	2	10	12	-	(12)	-
Sales domestic/ abroad	-	-	-	-	-	-
Total segment revenues	139 948	36 093	176 041	-	(12)	176 029

As at 31.03.2015*Unaudited*

	Continued operations			Discontinued operations	Exclusions	Total operations
	Domestic	Abroad	Total			
Operating assets	598 258	367 400	965 658	-	(150 169)	815 489
Operating liabilities	307 696	187 989	495 685	-	(55 833)	439 852

As at 31.12.2014*Audited*

	Continued operations			Discontinued operations	Exclusions	Total operations
	Domestic	Abroad	Total			
Operating assets	763 391	402 844	1 166 235	-	(152 059)	1 014 176
Operating liabilities	480 740	199 812	680 552	-	(60 577)	619 975

33. Contingent receivables and liabilities

Contingent receivables and liabilities are presented in the below table:

	31.03.2015	31.12.2014
	Unaudited	Audited
Contingent receivables		
From related entities due to:	6 942	7 237
Received guarantees and sureties	6 942	7 237
From related entities due to:	131 666	152 899
Received guarantees and sureties	124 181	143 433
Bills of exchange received as collateral	7 485	9 466
Total contingent receivables	138 608	160 136
From related entities due to:		
From related entities due to:	6 942	7 237
Provided guarantees and sureties	6 942	7 237
From other entities due to:	2 064 763	2 332 865
Provided guarantees and sureties	452 176	468 567
Promissory notes	384 199	403 850
Mortgages	278 033	307 284
Assignment of receivables	821 100	1 014 748
Assignment of rights under insurance policy	60 777	60 777
Security deposits	31 160	33 981
Other liabilities	37 318	43 658
Total contingent liabilities	2 071 705	2 340 102

Contingent liabilities due to granted guarantees and sureties for the benefit of other entities are mainly guarantees granted by the banks for the contracting parties of the Companies within the Group as collateral of their claims in relation to the Group due to realized building contracts (guarantee of good performance, removal of defects and damages, and reimbursement of advance payment). The banks are entitled to back claims against the companies of the Group. Promissory notes constitute another form of collateral of bank guarantees, as stipulated above.

Due to employment contracts executed with the employees and Members of the Management Board, as for March 31, 2015 the Group had contingent receivables in the amount of PLN 1,458 thousand and contingent liabilities in the amount of PLN 9,246 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 March 31, 2015 proper provisions were created for the recognized and measureable tax risk.

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

In the I quarter of 2015 years, the Issuer and its subsidiaries did not grant loan guarantees or other guarantee to a single entity or its subsidiaries in the total value of such securities and guarantees equal to at least 10% of the equity of the Issuer.

35. Material litigation and disputes

During the period covered by the financial statements, the Company and its subsidiaries were not parties to any pending court proceedings, arbitration proceedings or any proceedings before any public administration authorities, relating to the Company's liabilities, whose value, individually or in total, exceeded 10 percent of the equity of Trakcja PRKił S.A.

As at March 31, 2015, during the reporting period there were pending court proceedings concerning the Company's claims and the individual value of which exceeds 10% of the Company's equity amounting to PLN 55,664,100.89. In the Company's opinion, this claim is due.

Case concerning the claim due from Przedsiębiorstwo Napraw Infrastruktury Sp. z o.o. in composition bankruptcy in Warsaw.

Trakcja S.A. in Warsaw merged with Przedsiębiorstwo Robót Kolejowych i Inżynieryjnych S.A. in Wrocław. As a result of this merger, the legal successor of both companies is Trakcja PRKił S.A. in Warsaw. In connection with the announcement by the District Court for Warsaw – Praga Północ in Warsaw of the bankruptcy of Przedsiębiorstwo Napraw Infrastruktury Sp. z o.o. (hereinafter referred to as the: "PNI") with a possibility of composition, Przedsiębiorstwo Robót Komunikacyjnych i Inżynieryjnych S.A. in Wrocław submitted a statement of claims of November 20, 2012 to the bankruptcy court. The statement covered claims in the total amount of PLN 55,664,100.89, including the principal amount, interest due to the bankruptcy announcement date, and accrued contractual penalties.

According to the Company's knowledge, a list of claims towards PNI was prepared. Claims of Trakcja PRKił S.A. were accepted in the amount of PLN 10,569,163.16, including PLN 10,274,533.87 due to unpaid invoices and PLN 294,632.29 due to interest for delay in payment. It was refused to accept receivables due to contractual penalties and other claims in the total amount of PLN 44,956,834.35. The Company does not agree with the refusal to accept the aforementioned part of claims; therefore, an objection was submitted to the judge commissioner concerning the refusal in the aforementioned scope. The court rejected the objection, therefore the Company filed a complaint. The case is pending and is monitored by the Company.

The case for the payment to Trakcja PRKił by PKP PLK S.A. of a contractual penalty

The Company informs that the case for the payment to Trakcja PRKił by PKP PLK S.A. of a contractual penalty (case described in the previous reports) as a result of conducted negotiations ended with conclusion of a court settlement on February 4, 2015. Pursuant to this settlement, PKP PLK S.A. undertook to pay to the consortium the amount of PLN 15,740,228.58. As of the date of this report, the above amount was paid by PKP PLK S.A.

Statement of claims to Projekt-Bud sp. z o.o. with seat in Warsaw estate in bankruptcy

Company informs, that during the reporting period, on 10th of May 2015 District Court for Warsaw in Warsaw announced bankruptcy of Projekt-Bud sp. z o.o. with seat in Warsaw with a possibility of composition. Company submitted a statement of claims to the bankruptcy Court. The statement covered claims in the total amount of PLN 9 708 613,62 including claims due lease of locomotive with carriages, lease of machinery, sale contract, completed construction works and contractual penalties.

As of the day of approving this consolidated financial statement, according to the Issuer's Management Board the existing situation allows neither stating unequivocally that due to the agreement's possible entering into force, provisions for bad debts from Projekt-Bud sp. z o.o. crucial from the Company's point of view shall be necessary, nor assessing its amount since the bankruptcy proceedings are at a very early stage. The case is monitored by the Company.

36. Information on dividends paid or declared

In the period from January 1, 2015 to March 31, 2015 Parent company did not declare and pay dividend.

37. Information on related entities

In the period of the I quarter of 2015 the Group's companies did not contain any material transactions with related parties concluded on conditions other than market. Transactions concluded by the Parent company and its subsidiaries 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 related parties for the period from January 1, 2015 to March 31, 2015 are presented below :

Related entities	Financial year	Sale 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.	1.01.15-31.03.15	-	-	-	-	-	-
	1.01.14-31.03.14	-	-	-	-	-	-
Joint venture							
BTW Sp. z o.o.	1.01.15-31.03.15	179	965	-	-	-	-
	1.01.14-31.03.14	237	43	-	-	-	-
Total	1.01.15-31.03.15	179	965	-	-	-	-
	1.01.14-31.03.14	237	43	-	-	-	-

The information concerning receivables and liabilities from / to related parties as at March 31, 2015 is presented below :

Related entities	Reporting date	Receivables from related entities	Liabilities towards related entities	Loans granted	Borrowings received
Shareholders of parent company:					
COMSA S.A.	31.03.2015	-	-	-	-
	31.12.2014	-	1 050	-	-
Joint venture					
BTW Sp. z o.o.	31.03.2015	132	684	-	-
	31.12.2014	19	2 331	-	-
Total	31.03.2015	132	684	-	-
	31.12.2014	19	3 381	-	-

The Parent Company signed the following agreement with its shareholder COMSA S.A., relating to granting to Trakcja PRKił S.A. a license for the entire technical know-how and a trademark, as well as providing non-material goods in the form of competences, industry knowledge, expert knowledge in terms of organization, operations, sales and technology of COMSA S.A. The contract was concluded at arm's length.

38. Events occurring in the I quarter 2015 and after the end of the reporting period

The summary of significant events that took place in the Group in the I quarter of 2015 is presented below :

Significant events in I quarter 2015	CR
Significant agreements - construction contracts	
Signing by Trakcja PRKiL S.A. and PKP PLK S.A. the annexe to the material agreement for design and reconstruction of the railway station Łódź Widzew as well as part of the route Łódź Fabryczna – Łódź Widzew from 2,250 km to 7,200 km, including signalling and telecommunications equipment for the entire section Łódź Fabryczna – Łódź Widzew, and modernisation of roundabout line Łódź Widzew – Łódź Chojny – Łódź Kaliska, concluded on June 30, 2011. Appendix changes the date of the contract as at	CR 1/2015
Signing by Company and PKP PLK S.A. of the agreement for the "Performance of additional works such as designing and constructing the collision-free two-level crossing of the railway line no. 17 and Niciarniana street in Łódź, under the OPIE 7.1 – 24.2 "Improvement of the Łódź Railway Junction (TEN-t), stage 1, Łódź Widzew – Łódź Fabryczna section"". The net value of the contract PLN 56,045,000.00. The term of the full scope of this contract is divided into parts and the latest of them will be made until August 30, 2016.	CR 2/2015
Signing by Trakcja PRKiL S.A. the Representative of the Consortium and PKP PLK S.A. modifying the material agreement no. 90/104/121/00/17000031/10/I/I of November 30, 2010 with respect to the "Modernisation of E30 railway line, stage 2, Zabrze - Katowice - Cracow section Tender no. 1 - Modernisation of the following sections: Jaworzno Szczakowa – Trzebinia (15,810 - 29,110 km of line no. 133) Jaworzno Szczakowa – Sosnowiec Jęzor (0,000 – 6,847 km of line 134)". Under the agreement has been modified time limit for completion of the works until June 30, 2015 and the scope of work which will be the new net value PLN 55.860.846,48.	CR 3/2015
Making a settlement by Consortuim Trakcja Polska and PKP PLK S.A. the Agreement concluded on 31 May 2010 with respect to the performance of construction works of the comprehensive modernisation of rail station and route in the area LCS Działdowo under OPI&E 7.1-41: "Modernisation of railway line E-65/C-E 65 in the section Warsaw - Gdynia - LCS Działdowo". Making the pre-court Agreement with the Ordering Party, on the basis of which the Ordering Party is obliged to pay for the benefit of the Consortium the amount of PLN 15,740,228.58. Additionally, regardless of the Agreement, the Ordering Party undertakes to pay the Consortium the amount of PLN 7,259,771.42 to cover the costs of performing the Contract in the extended period of time and the Contract Engineer accepted the gross amount of PLN 17,997,919.06, which the Ordering Party undertook to pay for the benefit of the Consortium.	CR 6/2015
Changes in the composition of the Management Board	
On February 19, 2015 Mr Roman Przybył submitted his resignation from the position of the President of the Management Board. The reasons of the resignation are indicated as personal. In conjunction with the resignation tendered by Mr Roman Przybył the Supervisory Board today appointed Mr Jarosław Tomaszewski, Chief Financial Officer and the Vice-President of the Management Board, as the acting President of the Management Board. Moreover the Supervisory Board accepted withdrawal of Miss Marita Szustak's statement of resignation from being member of the Management Board.	CR 8/2015

Other

On January 12, 2015 the company gave dates of publication of periodic reports in 2015.	CR 4/2015
On January 22, 2015 the Management Board of Krajowy Depozyt Papierów Wartościowych S.A. adopted a resolution in which it stated that in relation to the Company's redemption of 17 914 series E bonds issued by the Company, marked with code PLTRKPL00089 with the nominal value of PLN 1000.	CR 5/2015
On February 11, 2015 based on the received initial reports on valuation of assets included in the investment real estate portfolios of the Issuer and companies in the Group of Companies as at 31.12.2014, the write-down on investment real estates was made in the amount of PLN 7,264,000.00. The amount of write-down on investment real estates solely owned by the Issuer was PLN 7,608,000.00. The write-downs were recognized in the result of the year 2014.	CR 7/2015
On February 20, 2015, due to the performance of impairment test of goodwill assigned to the cash generating unit, which consists of the following subsidiaries: PEUiM Sp. z o.o., Dalba Sp. z o.o. oraz PDM Białystok S.A., has decided to write-off the value of that asset in Trakcja Group's consolidated balance sheet in the amount of PLN 37 431 thousand that was recognized in the net result of the year 2014.	CR 9/2015
The Management Board has reported that the date of the annual report and consolidated annual report for 2014 years. These reports will be published on March 3, 2015.	CR 10/2015
On March 11, 2015 the Management Board of Trakcja PRKiI S.A. decided to recognize as at 31 December 2014 write-off of trade receivables from a non-related company in the amount of PLN 5.163 thousand. The write-down was recognized in the net result of the year 2014.	CR 11/2015

CR - current report

The summary of significant events that took place in the Group after the balance sheet date is presented below :

Significant events after reporting date	CR
Significant agreements	
Signing by Consortium Trakcja (consisting of: trakcja PRKiI S.A. and PNiUIK Sp. z o.o.) the annexe to Agreement no. 90/132/281/00/11000838/10/I/I of 2 November 2010 for the Design and performance of the construction works on the railway line Cracow – Medyka – the Polish border in the section Podłęże – Bochnia in km 16,000 – 39,000 under the Project "Modernisation of railway line E 30/C-E 30, section Cracow - Rzeszów, stage 3". The annexe changes the date of the contract as at November 1, 2015.	CR 12/2015
In the last 12 months Issuer has concluded with Grupa mBank agreements amounting to total PLN 72,400,000.00. The highest value agreement is the Revolving Credit Agreement for up to PLN 50,000,000.00 concluded between the Company and mBank Spółka Akcyjna on April 29, 2015.	CR 15/2015
Other	
The company has published a report on the valuation of shares of Ab Kauno Tiltai prepared by the auditor in connection with the terms of issue of bearer bonds series C.	CR 13/2015

CR - current report

IV. QUARTERLY FINANCIAL INFORMATION

PROFIT AND LOSS STATEMENT

	1.01.2015 - 31.03.2015	1.01.2014 - 31.03.2014
	<i>Unaudited</i>	<i>Unaudited, Modified*</i>
Continued operations		
Sales revenues	155 364	135 104
Cost of goods sold	(140 282)	(123 704)
Gross profit (loss) on sales	15 082	11 400
Cost of sales, marketing and distribution	(1 122)	(178)
General and administrative costs	(9 857)	(7 106)
Other operating revenues	535	144
Other operating costs	(338)	(386)
Operating profit (loss)	4 300	3 874
Financial revenues	764	548
Financial costs	(1 893)	(3 466)
Gross profit (loss)	3 171	956
Income tax	(664)	(249)
Net profit (loss) from continued operations	2 507	707
Discontinued operations		
Net profit (loss) from discontinued operations	-	-
Net profit for financial year	2 507	707
Net profit/(loss) in PLN per one share		
- basic	0,05	0,01
- diluted	0,05	0,01

*) Details are presented in Note 13 to these condensed consolidated financial statements.

STATEMENT OF COMPREHENSIVE INCOME

	1.01.2015 - 31.03.2015	1.01.2014 - 31.03.2014
	<i>Unaudited</i>	<i>Unaudited, Modified*</i>
Net profit (loss) for the period	2 507	707
Other total income for the period		
Other comprehensive income that will not be reclassified into profit or loss under certain conditions:	(314)	336
Actuarial gains/(losses)	(314)	336
Total other comprehensive income	(314)	336
TOTAL INCOME FOR THE PERIOD	2 193	1 043

*) Details are presented in Note 13 to these condensed consolidated financial statements.

Additional information and explanations to the condensed consolidated financial statement

BALANCE SHEET

ASSETS	31.03.2015	31.12.2014
	<i>Unaudited</i>	<i>Audited</i>
Non-current assets	601 323	603 625
Tangible non-current assets	112 451	113 429
Intangible assets	59 207	59 205
Investment properties	17 602	17 602
Investments in entities accounted using equity method	381 742	382 090
Investments in affiliates	2 008	2 008
Other financial assets	7 106	9 482
Deferred tax assets	19 671	19 020
Prepayments	1 536	789
Current assets	302 168	468 928
Inventory	20 406	19 719
Trade and other receivables	215 910	380 808
Income tax receivables	21	-
Other financial assets	23 819	25 828
Cash and cash equivalents	24 726	14 113
Prepayments	6 621	2 897
Construction contracts	10 665	25 563
Total assets	903 491	1 072 553
EQUITY AND LIABILITIES		
Equity	583 156	581 244
Share capital	41 120	41 120
Share premium	309 984	309 984
Revaluation reserve	11 027	12 604
Other capital reserves	218 518	167 739
Retained earnings	2 507	49 797
Total equity	583 156	581 244
Long-term liabilities	60 237	59 984
Interest-bearing loans and borrowings	36 177	32 907
Provisions	1 558	1 638
Liabilities due to employee benefits	9 342	9 851
Provision for deferred tax	13 160	15 588
Short-term liabilities	260 098	431 325
Interest-bearing loans and borrowings	4 804	15 769
Bonds	32 875	32 360
Trade and other liabilities	153 827	286 185
Provisions	10 072	9 309
Liabilities due to employee benefits	7 383	6 944
Current tax liabilities	-	2 473
Other financial liabilities	-	38 338
Accruals	56	7
Construction contracts	51 081	39 940
Total equity and liabilities	903 491	1 072 553

CASH FLOW STATEMENT

	1.01.2015 - 31.03.2015	1.01.2014 - 31.03.2014
	<i>Unaudited</i>	<i>Unaudited, Modified*</i>
Cash flows from operating activities		
Gross profit from continued operations	3 171	956
Gross profit (loss) from discontinued operations	-	-
Adjustments for:	53 203	37 465
Depreciation	3 213	2 865
FX differences	50	72
Net interest and dividends	1 444	2 538
Profit on investment activities	(251)	(38)
Change in receivables	165 023	189 286
Change in inventory	(687)	(8 671)
Change in liabilities, excluding loans and borrowings	(131 458)	(136 922)
Change in prepayments and accruals	(4 422)	(3 172)
Change in provisions	682	(122)
Change in construction contracts	26 038	(5 715)
Income tax paid	(6 097)	-
Other	(331)	(2 656)
Net cash flows from operating activities	56 374	38 421
Cash flows from investment activities		
Sale (purchase) of intangible assets and tangible non-current assets	(2 049)	(134)
- acquisition	(3 385)	(174)
- sale	1 336	40
Financial assets	2 381	2 112
- sale	2 828	2 112
- acquisition	(447)	-
Loans	1 948	41
- repaid	1 948	41
Interest received	244	121
Net cash flows from investment activities	2 524	2 140
Cash flows from financial activities		
Repayment of borrowings and loans	(8 017)	(18 523)
Interest paid	(1 116)	(1 636)
Outflows due to other financial liabilities	(38 338)	(34 461)
Payment of liabilities under financial lease agreements	(814)	(1 030)
Net cash flows from financial activities	(48 285)	(55 650)
Total net cash flows	10 613	(15 089)
Net FX differences	-	-
Cash at start of period	14 113	29 318
Cash at end of period	24 726	14 229
- with limited access	930	989

*) Details are presented in Note 13 to these condensed consolidated financial statements.

STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Revaluation reserve	Other capital reserves	Retained earnings	Total equity	
				Actuarial gains/ (losses)	Results from previous years		
Unaudited							
As at 1.01.2015	41 120	309 984	12 604	(4 106)	171 845	49 797	581 244
Corrections of errors	-	-	-	-	-	-	-
Changes of accounting standards	-	-	-	-	-	-	-
As at 1.01.2015 after adjustments	41 120	309 984	12 604	(4 106)	171 845	49 797	581 244
Net profit for the period	-	-	-	-	-	2 507	2 507
Other comprehensive income	-	-	-	(314)	-	-	(314)
Profit distribution	-	-	-	-	49 797	(49 797)	-
Transfer to other capital reserves	-	-	(1 296)	1 296	-	-	-
Other changes	-	-	(281)	-	-	-	(281)
As at 01.03.2015	41 120	309 984	11 027	(3 124)	221 642	2 507	583 156

	Share capital	Share premium	Revaluation reserve	Other capital reserves	Retained earnings	Total equity
				Actuarial gains/ (losses)	Results from previous years	
Modified*						
As at 1.01.2014	41 120	310 102	14 945	(2 665)	147 881	26 220 537 603
Corrections of errors	-	-	-	-	-	-
Changes of accounting standards	-	-	(1 348)	-	(866)	(1 412) (3 626)
As at 1.01.2014 after adjustments	41 120	310 102	13 597	(2 665)	147 015	24 808 533 977
Net profit for the period	-	-	-	-	-	707
Other comprehensive income	-	-	-	336	-	- 336
Profit distribution	-	-	-	-	24 808	(24 808) -
As at 31.03.2014	41 120	310 102	13 597	(2 329)	171 823	707 535 020

*) Details are presented in Note 13 to these condensed consolidated financial statements

Additional information and explanations to the condensed consolidated financial statement

	Share capital	Share premium	Revaluation reserve	Other capitals reserve	Retained earnings	Total equity	
				Actuarial gains/ (losses)	Results from previous years		
Audited							
As at 1.01.2014	41 120	310 102	14 945	(2 665)	147 881	26 220	537 603
Corrections of errors	-	-	-	-	-	-	-
Changes of accounting standards	-	-	(1 348)	-	(866)	(1 412)	(3 626)
As at 1.01.2014 after adjustments	41 120	310 102	13 597	(2 665)	147 015	24 808	533 977
Net profit for the period	-	-	-	-	-	49 797	49 797
Other comprehensive income	-	-	-	(1 441)	-	-	(1 441)
Profit distribution	-	-	-	-	24 808	(24 808)	-
Other changes	-	(118)	(993)	-	22	-	(1 089)
As at 31.12.2014	41 120	309 984	12 604	(4 106)	171 845	49 797	581 244

V. ADDITIONAL INFORMATION AND EXPLANATIONS TO THE CONDENSED FINANCIAL STATEMENTS

1. Analysis of financial results of Trakcja PRKiL S.A. for the I quarter of 2015

In the period of I quarter of 2015, Trakcja PRKiL S.A. recognized revenue on sale of PLN 155,364 thousand, which is a 15.0 per cent increase when compared to the analogous period in 2014. The cost of goods sold in the I quarter of 2015 increased by PLN 16,578 thousand, i.e. by 13.4 per cent and amounted to PLN 140,282 thousand. The gross profit margin on sales for the I quarter of 2015 was 9.7 per cent and increased by 1.3 basis point when compared to the margin for the I quarter of 2014.

The overheads amounted to PLN 9,857 thousand and decreased by 38.7 per cent, i.e. by PLN 2,751 thousand when compared to the comparable period. The costs of sales, marketing and distribution amounted to PLN 1,122 thousand in the I quarter of 2015.

The balance of other operating activity was positive and amounted to PLN 197 thousand and increased by PLN 439 thousand when compared to the analogous period in 2014. In the third quarter of 2015 the Company incurred a gain on the operating activities in the amount of PLN 4,300 thousand. The results on operating activities increased by PLN 426 thousand when compared to the results for the I quarter of 2014, when the gain on operating activities amounted to PLN 3,874 thousand.

The Company's financial revenue amounted to PLN 764 thousand and increased by PLN 216 thousand when compared to the financial revenue for the I quarter of 2014. The financial costs decreased by PLN 1,573 thousand and amounted to PLN 1,893 thousand.

In the period from January 1, 2015 to March 31, 2015, the Company incurred a gross profit of PLN 3,171 thousand. The income tax for in the period I quarter of 2015 amounted to PLN 664 thousand and increased by PLN 415 thousand when compared to the analogous period in 2014. The Company's net profit for the period from January 1, 2015 to March 31, 2015 amounted to PLN 2,507 thousand and the result was higher by PLN 1,800 thousand when compared to the analogous period in the previous year.

The balance sheet total as for March 31, 2015 amounted to PLN 923,657 thousand and was lower by PLN 226,627 thousand than the balance sheet total at the end of 2014.

The value of non-current assets as for March 31, 2015 was PLN 601,323 thousand and increased slightly by PLN 2,302 thousand. Current assets decreased by PLN 166,760 thousand, i.e. by 35.6 per cent in comparison with the balance as for December 31, 2014 and amounted to PLN 302,168 thousand. The decrease was mainly due to lower trade and other receivables by PLN 164,898 thousand, i.e. by 43.3 per cent, which as for March 31, 2015 amounted to PLN 215,910 thousand. Furthermore, cash and cash equivalents also significantly increased by PLN 10,613 thousand, i.e. by 75.2 per cent and amounted to PLN 24,726 thousand as for March 31, 2015.

The Company's equity increased as for March 31, 2015 by PLN 1,912 thousand when compared to the balance as for December 31, 2014.

The non-current liabilities slightly increased as for March 31, 2015 and reached PLN 60,237 thousand and increased by PLN 253 thousand when compared to the balance as for December 31, 2014. The current liabilities amounted to PLN 260,098 thousand and decreased by 39.7 per cent, i.e. by PLN 171,227 thousand when compared to the balance as at the end of the previous year. Trade and other liabilities (amounting to PLN 153,827 thousand) recorded the largest decrease among the current liabilities i.e. by PLN 132,358 thousand, i.e. by 46.2 per cent. The short-term interest-bearing bank loans and credits decreased by PLN 10,965 thousand amounting to PLN 4,804 thousand.

2. Cyclical and seasonal character of activity

The Company's sales reaches the lowest value in the I quarter of the year due to unfavorable weather conditions. In the I quarter of 2015 the weather conditions were favorable and as a result Trakcja PRKił S.A. has reached a higher level of sales than in the comparable period of the I quarter of 2014.

3. Additional information to the cash flow statement

Balance of cash and equivalent shown in the consolidated cash flow statement consisted of the following items as per:

	31.03.2015	31.12.2014
	<i>Unaudited</i>	<i>Audited</i>
Cash in hand	48	66
Cash at bank	14 735	3 217
Other cash - deposits up to 3 months	9 943	10 830
Total cash and cash equivalents	24 726	14 113
Cash and cash equivalents excluded from cash flow statement	-	-
Cash and cash equivalents presented in cash flow statement	24 726	14 113
- including restricted cash	930	981

The restricted cash in the amount of PLN 930 thousand stands for cash used to pay off the interest on the bonds.

4. Contingent receivables and liabilities

Contingent receivables and liabilities are presented in the below table:

	31.03.2015	31.12.2014
	<i>Unaudited</i>	<i>Audited</i>
Contingent receivables		
From related entities due to:	107 777	123 039
Received guarantees and sureties	100 292	113 573
Bills of exchange received as collateral	7 485	9 466
Total contingent receivables	107 777	123 039
Contingent liabilities		
From other entities due to:	1 523 727	1 684 351
Provided guarantees and sureties	296 400	300 979
Promissory notes	384 199	403 850
Mortgages	229 500	229 500
Assignment of receivables	492 482	626 397
Assignment of rights under insurance policy	60 777	60 777
Security deposits	23 052	25 530
Other liabilities	37 318	37 318
Total contingent liabilities	1 523 727	1 684 351

Due to employment contracts executed with the employees and Members of the Management Board, as for March 31, 2015 the Company had contingent receivables in the amount of PLN 1,458 thousand and contingent liabilities in the amount of PLN 9,030 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.

Jarosław Tomaszewski
Acting President of the Management Board

Marita Szustak
Vice – president of the Board

Nerijus Eidukevičius
Vice – president of the Board

Person responsible for preparing the financial statement:

Sławomir Krysiński
Head of Financial Reporting Trakcja Group

Warsaw, May 11, 2015