

Warsaw, 19 April 2011

Current report no. 23/2011

Information on execution of and amendment to a material agreement

The Management Board of Trakcja Polska S.A. (the "**Company**"), in reference to report no. 17/2011 of 1 April 2011 would like to inform you that on 19 April 2011 the Company, Tiltra Group AB, AB Kauno tiltai and the Tiltra Group Shareholders executed an agreement under which the parties agreed to restore the effectiveness of the agreement of 18 November 2010 (as amended), the execution of which the Company announced in current report no. 35/2010, no. 38/2010 and 45/2010 (the "**Agreement**"). Thus, the parties decided that they would perform the Agreement as if it had not expired. Concurrently, the parties agreed to amend the terms and conditions of the transaction provided for in the Agreement in the following way:

1. The Parties introduced a mechanism for reducing the Tiltra Price of PLN 777,536,000 in such a way that, if Tiltra Group AB and AB Kauno tiltai do not reach the planned aggregated net profit and EBIDTA for the financial year ended 31 March 2011 and for the financial year ending 31 March 2012 the Tiltra Price will be reduced in accordance with the formula set out in the Agreement. The need, if any, to reduce the Tiltra Price will be examined both on the basis of the audited statements of the Tiltra Group AB and AB Kauno tiltai for the financial year ended 31 March 2011 and for the financial year ending 31 March 2012. In relation to the above the parties agreed that in the period ending on the date on which the auditor provides (i) the opinion on the consolidated financial statement of Tiltra Group AB and AB Kauno tiltai and (ii) the calculation of the potential reduction of Tiltra Price, Tiltra Group AB, AB Kauno tiltai and their subsidiaries will be managed by the persons indicated by Tiltra Group Shareholders.
2. The performance of the Agreement will not be contingent upon the Warsaw Stock Exchange to resolve to introduce series G shares to stock exchange trading.
3. The Parties decided that the Company will issue bonds in two series A and B with the total nominal value of PLN 148,608,000 each. The series A bonds issue, of which the Company informed in the current report no. 10/2011, with a redemption date on 12 December 2013 will be accordingly reduced. The new series B bonds will have a redemption date on 12 December 2014 and will bear interest at a fixed interest rate of 7% p.a. All the series A and series B bonds will be taken up by the Tiltra Group Shareholders.
4. The Company will be entitled to demand from the Tiltra Group Shareholders and from Comsa S.A. extension of the prohibition on selling and encumbering the Company's shares. At the Company's demand, the prohibition on selling and encumbering the Company's shares held by the Tiltra Group Shareholders and Comsa S.A. will be extended automatically until the entry in the National Court Register of the conditional share capital increase referred to in item 5 below becomes final and non-appealable or until the date on which the statement of claim of shareholder Jacek Jurek, which the Company communicated in current reports no. 15/2011 and 22/2011 is dismissed in a final and non-appealable decision.
5. Within 90 days of the Transaction Closing, the Company will convene a general meeting with an agenda including a vote on resolutions to (i) conditionally increase the Company's share capita by PLN 32,021,096 through the issue of up to 320,210,960 shares, with the exclusion of the preemptive rights of the existing shareholders and the related change in the Company's articles of association, and (ii) issue 320,210,960 subscription warrants carrying the right to subscribe for shares in the conditionally increased share capital of the Company. The issue price of those shares will be calculated by dividing the amount which the Company would be obliged to return to the shareholders if the court repealed the Company's general meeting resolution to issue series G shares of the Company by the number of the new issue shares.

Subscription warrants will be issued free of charge. The Company's Management Board will be authorised to offer subscription warrants to the shareholders who, pursuant to article 56 of the Act on Trading in Financial Instruments, would be covered by the share reduction in connection with the repeal of the general meeting resolution to issue series G shares in a number proportional to their share in the total amount to be returned to the shareholders as a result of the reduction. The Company's majority shareholder Comsa S.A. and the Tiltra Group Shareholders are obliged to vote in favor of these general meeting resolutions and to subscribe for and perform all the subscription warrants offered to them by the Company's Management Board in accordance with the above rules.

6. The Company's claims against the Tiltra Group Shareholders in connection with the representations and warranties given have been additionally secured by a blockade on shares in the Company.
7. In connection with the statement of claim filed by Jacek Jurek for the transaction involving the acquisition by Silentio Investment Sp. z o.o., (the subsidiary of AB Tiltra Group) of shares in Poldim S.A. to be declared invalid, the parties decided that if a final and non-appealable judgment is issued in favor of Jacek Jurek against Silentio S.A. and the sellers of the Poldim S.A. shares, the Tiltra Price will be reduced accordingly. The parties agreed that, after the Transaction Closing, the court dispute with Jacek Jurek referred to in this item will be conducted by a legal advisor designated by the Tiltra Group Shareholders, at the Tiltra Group Shareholders' cost.

The amendments to the Agreement referred to in items 4 and 5 above have been introduced in connection with a court claim made by one of the Company's shareholders, Jacek Jurek, for the repeal of the resolutions adopted on 19 January 2011 by the Company's General Meeting, which the Company communicated in the current reports nos. 15/2011 and 22/2011, i.e.:

- the resolution no. 3 to conditionally increase the Company's share capital by PLN 7,200,000 through the issue of 72,000,000 of series G shares, with the exclusion of the preemptive right of the existing Shareholders of the Company;
- the resolution no. 4 to amend the Company's articles of association;
- the resolution no. 5 to issue 72,000,000 subscription warrants from the series, with the exclusion of the preemptive right of the existing shareholders of the Company; and
- the resolution no. 7 consenting to the establishment of a pledge on the shares in the Company's share capital owned by the Tiltra Group Shareholders.

In the Company's opinion, Jacek Jurek's claim should be dismissed. The risk that the Regional Court in Warsaw will, in line with Jacek Jurek's claim, repeal the resolutions of the Company's general meeting, cannot however be ruled out. According to article 56 of the Act on Trading in Financial Instruments of 29 July 2005, if the series G shares are covered by the same ISIN code as the other shares of the Company, then, if the resolution to issue the series G shares is repealed in a final and non-appealable judgment, the nominal value of all the shares bearing this code in the depository would be reduced. If a reduction in the share nominal value is not possible, the depository would carry out a general reduction of the number of shares bearing this code. In such circumstances, the Company would be obliged to return funds obtained from the series G share issue to the shareholders.

The Agreement is deemed significant if 10% of the Company's equity has been exceeded.

Legal basis of the report: paragraph 5 item 3 of the Minister of Finance Regulation of 19 February 2009 on Current and Interim Information to be Disclosed by Issuers of Securities and Conditions on which this Information is Recognized as Equivalent to Information Required by Laws of a Non-member State and article 56 item 1 point 1 of the Act on Public Offerings and the Terms and Conditions of Introducing Financial Instruments to an Organized Trading System and on Public Companies of 29 July 2005.