

Warsaw, 19 April 2011

Current report no. 24/2011

Information on waiving of conditions precedent, acquisition of significant assets, on issue of bonds and on issue of subscription warrants and exercise thereof

The Management Board of Trakcja Polska S.A. (the “**Company**”) hereby announces that the following developments have occurred in performance of the conditional agreement which the Company announced in current reports no. 35/2010 of 18 November 2010, no. 38/2010 of 1 December 2010, no. 45/2010 of 22 December 2010, no. 7/2011 of 19 January 2011, no. 9/2011 of 31 January 2011, no. 10/2011 of 2 February 2011, no. 11/2001 of 3 February 2011, no. 13/2011 of 15 February 2011, no. 17/2011 of 1 April 2011, no. 23/2011 of 19 April 2011 (“**Agreement**”).

1. Information on waiving of conditions precedent of significant agreement

On 19 April 2011 parties of the Agreement waived the requirement for fulfilment of condition precedent to the Transaction Closing (as defined in current report no. 35 of 18 November 2010) pursuant to which if the resolutions no. 3, 5, 7 of the general meeting of the Company of 19 January 2011 were challenged, they would not have been declared invalid by final court decision. Considering the above all conditions precedent to the Transaction Closing pursuant to Agreement are met.

Legal basis of the report: paragraph 5 item 1 point 4 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 (the “**Regulation**”).

2. Execution of significant agreements and acquisition by the Company of assets of a significant value

In performance of the Agreement and under a share purchase agreement executed on 19 April 2011 between the Company as the buyer and AB Invalda, UAB Ndx Energija, Mr. Jonas Pilkauskas, Mr. Mindaugas Aniulis, Mr. Nerijus Eidukevičius, Mr. Romas Matiukas, Mr. Vaida Balčiūnienė, and Ms. Irena Angelė Černevičiūtė as the sellers (“**Sellers 1**”), and under a share purchase agreement executed on 19 April 2011 between the Company as the buyer and Mr. Jonas Pilkauskas, Mr. Romanas Aniulis, Mr. Vidmantas Drizga, Mr. Nerijus Eidukevičius, and Mr. Romas Matiukas as the sellers (“**Sellers 2**” and together with the Sellers 1 as the “**Sellers**”), the Company acquired:

- (i) 150.000 shares in Tiltra Group AB, with its registered office in Vilnius, of the nominal value LTL 1 each share, of the total nominal value of LTL 150.000, representing 100% of the share capital and carrying 100% of votes at the general meeting of this company (“**Tiltra Group AB Shares**”) and

- (ii) 148,981 shares in AB Kauno tiltai, with its registered office in Kaunas, of the nominal value LTL 130 each share, of the total nominal value LTL 19,367,530, representing 96.84% of the share capital and carrying 96.84% votes at the general meeting of this company (“**AB Kauno Tiltai Shares**” and jointly with the Tiltra Group AB Shares “**Tiltra Shares**”). 141 163 shares in AB Kauno Tiltai acquired by the Company are pledged on account of AB DnB NORD bankas and Nordea Bank Finland Plc; and
- (iii) acquired 22 shares in Silentio Investments Sp. z o.o., with its registered office in Warsaw, of a nominal value of PLN 50 each share, of the total nominal value of PLN 1,100, representing 22% of the share capital and carrying 22% of votes at the shareholders’ meeting of this company (the “**Silentio Shares**” and jointly with Tiltra Shares “**Assets Purchased**”). After execution of this transaction and transaction relating acquisition of Tiltra Shares the Company holds directly and through Tiltra Group AB and AB Kauno Tiltai 100 shares in Silentio Investments Sp. z o.o., of a nominal value 50 PLN each share, of the total nominal value PLN 1,100, representing 100% of the share capital and carrying 100% of votes at the shareholders’ meeting of this company.

Before execution of above transactions the Company had no shares of Tiltra Group AB, AB Kauno Tiltai or Silentio Investments Sp. z o.o. The Company is treating the investment in the Purchased Assets as a long-term equity investment. The value of the Purchased Assets in the Company’s accounting books is PLN 216,283,000.

Total price for the Purchased Assets was 777,536,000 PLN and was paid by the Company’s receivables from the Sellers being set off against the receivable related to (i) the issue price of the Company’s series G shares referred to in item 4 below and (ii) the issue price of the bonds referred to in item 3 below, and the surplus of 152,000,000 PLN was transferred in cash. The acquisition of the Purchased Assets was financed from the Company’s equity.

There are no relations between the Company and persons managing or supervising the Company, on the one part, and Sellers, on the other part.

The provisions of the Agreement which the Company communicated in current reports 35/2010 of 18 November 2010, no. 38/2010 of 1 December 2010, no. 45/2010 of 22 December 2010 and no. 23/2011 of 19 April 2010 relating to definitions, the Purchased Assets price, settlement of payment, completion and post completion obligations, warranties, liability, security, confidentiality, law, arbitration and miscellaneous, constitute an integral part of the agreements relating to the Purchased Assets.

The criterion by which Assets Purchased are deemed assets of significant value and by which the above agreements are deemed significant is that the value of each exceeds 10% of the Company’s equity. Legal basis of the report: paragraph 5 item 1 points 1 and 3 of the Regulation.

3. Issue of bonds by the Company

In reference to the Management Board resolution of 1 February 2011 which the Company communicated in current report no. 10/2011 of 2 February 2011 r., on 19 April 2011, the Company issued:

- 148,608 unsecured series A bearer bonds, dematerialized, of a nominal value of PLN 1,000 each, of a total nominal value of PLN 148,608,000 (the “**Series A Bonds**”).
- 148,608 unsecured series B bearer bonds, dematerialized, of a nominal value of PLN 1,000 each, of a total nominal value of PLN 148,608,000 (the “**Series B Bonds**” together with the Series A Bonds as the “**Bonds**”).

The issue price of one Series A Bond is equal to its nominal value. If the Series A Bonds are not redeemed earlier in accordance with the terms and conditions of the Series A Bond issue, the Company will, on 12 December 2013 (the "**Series A Bonds Maturity Date**"), redeem the Series A Bonds by paying the nominal amount of the Series A Bonds together with interest. The Series A Bonds bear interest at a fixed rate of 7% p.a., and the interest is payable on dates falling on 30 June and 31 December of each year from the issue date until the Series A Bonds Maturity Date and on the Series A Bonds Maturity Date.

The issue price of one Series B Bond is equal to its nominal value. If the Series B Bonds are not redeemed earlier in accordance with the terms and conditions of the Series B Bond issue, the Company will, on 12 December 2014 (the "**Series B Bonds Maturity Date**"), redeem the Series B Bonds by paying the nominal amount of the Series B Bonds together with interest. The Series B Bonds bear interest at a fixed rate of 7% p.a., and the interest is payable on dates falling on 30 June and 31 December of each year from the issue date until the Series B Bonds Maturity Date and on the Series B Bonds Maturity Date.

All the Bonds have been subscribed for by the Sellers.

The estimated value of the Company's liabilities contracted as at the last day of the quarter before the acquisition proposal was made available i.e. 31 March 2011 is PLN 58,091,331 . In the Company's opinion, the debt ratio and the debt service ratio are at levels which guarantee that liabilities arising from the Bonds issued will be serviced until full redemption of the Bonds. The Bonds do not carry any right to a non-monetary performance from the Company.

Legal basis of the report: paragraph 5 item 1 point 11 of the Regulation.

4. Issue and exercise of subscription warrants, and subscription for the Company's series G shares

Under resolution no. 5 of the Company's Extraordinary General Meeting of 19 January 2011, on 19 April 2011, the Company issued 72,000,000 series A subscription warrants (the "**Subscription Warrants**") each of which entitled its holder to subscribe for 1 series G bearer share in the Company. The Subscription Warrants were offered to the Sellers. On 19 April 2011, the Sellers subscribed for all the Subscription Warrants offered to them, and on 19 April 2011 they exercised the rights attached to those Warrants by subscribing in total for 72,000,000 series G shares in the Company's share capital increased pursuant to resolution no. 3 of the Company's Extraordinary General Meeting of 19 January 2011. The issue price of the series G shares was PLN 4.56 for each share.

Legal basis of the report: 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.