



Warsaw, 5 July 2011

Current Report No. 52/2011

Information on the conclusion of a material agreement

The Management Board of Traction - Tiltra SA (The "Company" or "Contractor") hereby announces that on 4 July 2011, the Company concluded with Bombardier Transportation (ZWUS) Polska Sp. z o.o. with its registered office in Katowice (hereinafter referred to as: the "Subcontractor") a subcontracting agreement (hereinafter referred to as: the "Agreement") in connection with the performance by the Company of construction works regarding the agreement for construction works for the No. 9 line modernization on the section from km 236,920 to km 287,700 covered by the Local Control Center's, with its registered office in Malbork, area, within the Project: No. POliŚ (OPIE) 7.1-1.3 "Modernization of the railway line E 65/CE 65 on the section Warsaw – Gdynia – LCS Ilawa, LCS Malbork areas (hereinafter referred to as: the "Agreement") - Current Report No 35/2011 of 27 May 2011.

Value of the Agreement:

Total net value of the Agreement: **PLN 75.460.000,00** (in words: seventy five million four hundred sixty thousand zlotys);

Total gross value of the Agreement: **PLN 85.269.800,00** (in words: eighty five million two hundred sixty nine thousand eight hundred zlotys);

Subject Matter of the Agreement:

Under the Agreement, the Subcontractor shall perform a complex realization of professional works (railway automation equipment, existing and targets), related to No. 9 line modernization task, on the section from km 236.920 to km 287.700, covered by the Local Control Center, with its registered office in Malbork area, within the Project: No. POliŚ (OPIE) 7.1-1.3 "Modernization of the railway line E 65/CE 65 on the section Warsaw – Gdynia – LCS Ilawa, LCS Malbork along with the drafting final and as-built designs of the railway signaling equipment, except for design, supply and installation of gates for the signaling devices and supply and installation of devices for repelling animals.

Term of Guarantee

36 months.

Contractual penalties:

For the faulty exceeding by the Subcontractor of the period of performance of the agreement, the Contractor shall have the right to charge a penalty in the rate of 0.05% of a total net value of the Subcontractor's remuneration, for each commenced day of delay. Notwithstanding the foregoing, if the delay caused by the Subcontractor exceeds 30 (thirty) days, the Contractor shall have the right to withdraw from the Agreement by notifying the Subcontractor in writing after the prior appointment of extra time, but without incurring any financial and legal consequences for that reason.

2. For exceeding the time limits to remove defects/faults during the warranty period, the Contractor shall have the right of charging a penalty rate of 0.05% of the total net remuneration of the Subcontractors for each commenced day of delay in their removal.

3. The total amount of contractual penalties may not exceed 10% of the net value of the agreement.

4. The Subcontractor shall pay the Contractor a penalty of 10% of a total net remuneration of the Subcontractor to the Agreement for withdrawing from the Agreement by either Party, for reasons of proven fault of the Subcontractor.

5. The penalties described above shall be payable not later than 10 (ten) days of notice by the Contractor, into the bank account designated by the Contractor.

6. The Contractor shall pay to the Subcontractor a penalty for delay in the handover of the building site, in the amount of 0.05% of the total net remuneration of the Subcontractor for each commenced day of delay

7. The parties have a right to claim for compensation in excess of contractual penalties referred to in this paragraph if the damage suffered by them, exceeded the amount reserved in the Agreement for their penalties.

Terms and conditions of the agreement do not differ from those commonly used for this type of agreements.

The value of the abovementioned Agreement exceeds 10% of the equity capital of Traction - Tiltra SA

Legal basis: § 5 paragraph 1 point 3 of the Regulation of the Minister of Finance dated 19 February 2009 on the current and periodic disclosures to be made by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state.