

Information about the further conduct of the anti-trust proceedings by the President of UOKiK

Current report no. 52/2014 from 23 August 2014

Legal basis (selected in ESPI):

Article 56 par. 1 item 1 of the Act on offers – confidential information

The Management Board of PKP CARGO S.A. ("Company", "PKP CARGO") in reference to the current reports no. 28/2013 of 4 December 2013 and no. 16/2014 of 17 March 2014, hereby informs that on 22 August 2014 the Company received a letter from the President of the Office of Competition and Consumer Protection ("UOKiK"), in which the President of UOKiK notifies about a further conduct of the anti-trust proceedings regarding abuse by PKP CARGO of the dominant position in the domestic rail freight market.

In accordance with the information contained in the Company's Prospectus, on 7 July 2009 the President of UOKiK, issued a decision recognizing the Company's refusal to render railway cargo transport services to its competitors on special terms as a practice limiting competition i.e. by way of concluding agreements stipulating discounts on the Company's cargo rates, and levied a fine on the Company in the amount of PLN 60,362,072.

As a result of a ruling of the Supreme Court of 3 October 2014, rulings of courts of 1st and 2nd instance were repealed. On 17 March 2014, the Court of Competition and Consumer Protection ("SOKiK") repealed the decision of the President of UOKiK, hence the President of UOKiK repaid the fine to PKP CARGO. On 4 August 2014 the Company's bank account was credited with the amount of PLN 12,555,311, which constitutes a refund of the interest on the said fine.

In connection with the validation of the aforementioned ruling of SOKiK, the President of UOKiK turned to the Company's Management Board with a letter informing about the further conduct of the anti-trust proceedings.

The anti-trust proceedings was initiated on 15 December 2006 under the orders of the President of UOKiK.

The Management Board of PKP CARGO sees no reason, why the said proceedings could end with the decision to re-impose a financial penalty on the Company.

Legal basis:

Art. 56 sec. 1 item 1 of the Act of 25 July 2005 on public offering and conditions for introduction of financial instruments into an organized trading system, and on public companies.