

Information on the increase in the maximum total value of liabilities resulting from implementation of voluntary redundancies programme in the PKP CARGO Capital Group
Current report no. 2/2015 of 16 January 2015

*Legal basis (selected in ESPI):
Article 56 (5) of the Public Offering Act – information update*

With reference to current report no. 68/2014 of 28 November 2014, the Management Board of PKP CARGO S.A. (“Company”) informs that the value of the maximum liability resulting from implementation of the employment optimisation model in the form of Voluntary Redundancies Programme (“VRP”, “Programme”) in the companies of the PKP CARGO Capital Group (“PKP CARGO CG”) has increased.

During the enrolment period ended on 15 January 2015, a total of 3,300 employees of the PKP CARGO CG enrolled in the VRP.

The number of employee enrolments exceeded the initial estimates of the Company. Having analysed the economic legitimacy behind increasing the maximum amount of liabilities, the Management Board of PKP CARGO S.A. submitted a motion to the Supervisory Board of the Company for the consent to increase the amount of liabilities incurred in the VRP in PKP CARGO S.A. In the resolution of 16 January 2015, the Supervisory Board of the Company granted its consent to increase the total value of liabilities referred to in the current report no. 68/2014.

The maximum total value of liabilities resulting from implementation of the VRP in the PKP CARGO CG will total PLN 301m.

Enrolments to the VRP will have been verified and each employer will have granted consents to the employees to benefit from the VRP by 26 January 2015 at the latest. Immediately after that date, the final value of liabilities arising out of the Programme will be determined.

In the opinion of the Management Board, due to the need to maintain continuity of processes and due to economic conditions, approx. 300 employees concerned will not obtain permission to use the VRP, and hence the final amount of liabilities under the VRP will be lower than the maximum total value stated above.

Persons who will obtain a consent from employers will cease to be employees of the PKP CARGO CG from 1 February 2015.

A provision for future liabilities related to the VRP will be recognized in the PKP CARGO CG books when the Company and the subsidiary, PKP CARGO TABOR Sp. z o.o., obtain information on the final number of employees who obtained employers’ consent to benefit from the VRP. This provision will be posted to the result for Q4 2014.

Legal basis:

Article 56 (5) of the Act of 29 July 2005 on public offering and conditions for introduction of financial instruments into an organized trading system, and on public companies (Journal of Laws of 2013 item 1382).