

PKP CARGO's information on the position of its subsidiary AWT in connection with OKD's declaration of insolvency – update

Current Report No. 48/2016 of 12 August 2016

*Legal basis (selected in ESPI):
Article 17 of MAR*

With reference to Current Report No. 27/2016 of 5 May 2016, the Management Board of PKP CARGO S.A. (“Company”, “Issuer”) hereby reports that on 11 August 2016 the Regional Court in Ostrava held a session during which the creditors of OKD A.S (“OKD”, Czech law company, business partner of the Issuer’s subsidiary, AWT a.s. (“AWT”), which had been declared insolvent) made a decision to initiate a restructuring procedure in OKD under the Czech law.

In accordance with the register, the receivables from OKD reported in the process, including the receivables due to AWT in the amount of Kc 462.9 million (PLN 73.0 million), were accepted.

Today’s decision means that OKD will continue its operations under a restructuring plan involving, among other things, phasing out of unprofitable mines.

A decision on OKD’s bankruptcy might have had negative impact on the possibility of recovering the receivables.

The Company is taking appropriate steps to determine the rules of the restructuring procedure and its consequences for the collectability of the receivables under the Czech law.

Specific legal basis:

Article 17 Section 1 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council on Market Abuse.