

## **Signing of a significant agreement**

Current report no 26/2013 from 27 November 2013

*Legal basis (selected in ESPI):*

*Art. 56 sec. 1 item 2 of the Act on Offering – Current and Periodic Information*

The Management Board of PKP CARGO S.A. hereby informs, that on 26 November 2013 PKP CARGO S.A. with its registered seat in Warsaw (“Recipient”, “Company”) entered into Purchase Agreement for Electricity and Distribution Services (“Agreement”) with PKP Energetyka S.A. with its registered seat in Warsaw („Supplier”).

The Agreement provides for the sale of electricity ("Traction Energy") and the provision of Traction Energy distribution services for the purpose of conducting transport activities using electric traction by trains belonging to the Recipient and trains operated by third parties using Recipient’s electric locomotives, who are not charged for the consumed energy on the basis of separate agreements. The Agreement sets forth the contractual level of electricity capacity in a settlement period and the forecast use of Traction Energy.

Pursuant to the Agreement, the Supplier undertakes to deliver Traction Energy, the Recipient undertakes to receive Traction Energy.

The Agreement was entered for a fixed term from 1 January 2014 to 31 December 2016, the contract may be renewed for further period by written expression of the will by the Recipient sent to Supplier until 20 June of the year preceding the year for which the contract is extended.

The estimated value of the contract during its term is a total of PLN 1 026,5 million net (PLN 1 262,6 million gross).

Selling price of electricity for the Recipient is determined in accordance with the model established for years 2014-2016. The Agreement defines situations in which the selling price of electricity may vary under the terms stipulated in the Agreement. The Supplier realizes purchase of parts of the expected traction and non-traction energy consumption within its existing purchase portfolio, under the terms of the Agreement. The aforementioned parts will amount to 65 % in 2014, 15% in 2015 and 0% in 2016, the remainder of the projected consumption will be purchased by the Supplier on the basis of orders placed by the Recipient on the Polish Power Exchange.

Legal basis:

§ 5 sec. 1 item 3 of the Regulation of the Minister of Finance of 19 February 2009 on current and periodical information provided by issuers of securities and the conditions for recognition as equivalent information as required by the law of a non-Member State (Journal of Laws from 2009 No 33 item 259 as amended).