

Signing of annexes of the value of significant contract with companies from ArcelorMittal Group.

Current report no 28/2014 from 28 April 2014

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. ("Company", "PKP CARGO") hereby conveys the information about the signing on 28 April 2014 of annexes to the contracts for the supply of rail freight services concluded on 20 April 2011 between PKP CARGO and companies from ArcelorMittal Group: ArcelorMittal Poland S.A., ArcelorMittal Warsaw Sp.zo.o. and ArcelorMittal Ostrava a.s., in force during the period from 01.07.2011 to 30.06.2014.

Signed annexes extend validity of those agreements until 30.06.2017.

Estimated value of contracts in the period from 01.07.2014 till 30.06.2017 will reach PLN 1,007,295.90 thousand.

The agreement with ArcelorMittal Poland S.A. ("Agreement") has the highest value, estimated at PLN 850,940.98 thousand in the period from 01.07.2014 till 30.06.2017.

The subject of the Agreement is the provision of rail freight services by the Company to the client.

The Agreement envisions the following contractual penalties:

If in a given settlement period the completed transport volumes are lower than declared, the Company is entitled to charge additional fee of 30% of multiplication of mass not ordered by the client and an average Agreement price or to extend the contract for a defined period in order to facilitate the transport of remaining volumes. The Agreement provides for the possibility of incomplete accomplishment of the declared mass, in the event of objective conditions specified in the Agreement.

Payment of the penalties excludes the right to claim damages in excess of those penalties.

Terms of the Agreement do not differ from those commonly used for this type of contracts.

In the period from the time of admission of PKP CARGO shares to trading on the regulated market operated by the Warsaw Stock Exchange i.e. from 28 October 2013, the net turnover in respect of contracts entered into by the Company and its subsidiaries and the ArcelorMittal Group amounted to c.a. PLN 194 million.

The total value of annexed contracts with the companies from ArcelorMittal Group exceeds 10 % of the Company's equity, which constitutes the basis for publication of this current report.

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, 2014, item 133).