

Information on the implementation of voluntary redundancies programme in the PKP CARGO Group

Current report No. 68/2014 dated 28 November 2014

General legal basis (selected in ESPI):

Art. 56(1)(1) of the Public Offering Act – confidential information

The Management Board of PKP CARGO S.A. (the “Company”), in connection with obtaining corporate approvals required for implementation of the employment optimization model within the PKP CARGO Capital Group ("PKP CARGO CG") in the form of Voluntary Redundancies Program ("VRP"), hereby informs that the maximum total value of the obligations arising from VRP implementation in the Company and its subsidiary PKP CARGOTABOR Sp. z o.o. ("CARGOTABOR") is estimated at around PLN 87 million.

This amount of liabilities assumes, that the VRP will benefit approximately 1,000 employees of the Company and approximately 300 employees of the subsidiary CARGOTABOR. Registration for the VRP will begin on 29 December 2014 and end on 15 January 2015. The condition of using the VRP by the employee is to obtain the consent of the employer. Employees who sign up for the VRP will receive confirmation of such approval by 26 January 2015 and cease to be employees of the particular company of PKP CARGO CG from 1 February 2015.

The Management Board of the Company also informs that the provision for future liabilities arising from VRP, will be recognized in the books of the PKP CARGO CG upon receipt by the Company and CARGOTABOR information on the actual number of employees who decided to leave. This provision will be set in 4Q 2014 results.

Legal basis:

Art. 56(1)(1) Act of 29 July 2005 on public offering and terms of introducing financial instruments to organized trading, and on public companies (Journal of Laws of 2013, item 1382).