



PKP Linia Hutnicza Szerokotorowa sp. z o.o.



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PRESS INFORMATION

PKP LHS and PKP CARGO strengthen their cooperation in the New Silk Road

A common international bill of lading and an increase in reloading in the Euroterminal in Sławków are the main objectives of PKP LHS and PKP Cargo, which will allow better use of the potential of the New Silk Road. Representatives of the companies positively assessed their cooperation and took actions that will boost mutual benefits.

- The joining of PKP LHS to the TMTM Trans-Caspian corridor, which connects China with Europe, gives a chance to increase the container transport using LHS lines and the Euroterminal in Sławków. These containers must be transported further into Western Europe on standard gauge lines. It is a natural area for cooperation between the two companies - said Zbigniew Tracichleb, President of the Board of PKP LHS.

The wide-gauge railway PKP LHS operates six stations adjoining stations with standard-gauge tracks and a gauge switching point of carriages from the broad track to standard. PKP CARGO and PKP LHS will develop mechanisms to help customers fulfil cargo transport with the use of the potential of the adjoining stations and lines with different track gauges. The increase in rail transport on the route from Asia to Western Europe creates opportunities for cooperation between the two companies.

- We intend to strengthen cooperation in these areas that benefit both companies. In particular, the common commercial projects in export, import and transit, which will be implemented on the basis of a common international bill of lading, with some lines of standard gauge and partly with the broad gauge line LHS 65 - said Maciej Libiszewski, President of the Board of PKP CARGO.

Another area in which the Companies will work together closely is the Euroterminal in Sławków. Currently, PKP LHS and PKP CARGO are its minority shareholders. This creates a great potential for joint projects, using specific characteristics and strengths of both PKP Cargo and PKP LHS. The boards of both companies have agreed to cooperate closely in this regard.

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PKP LHS (PKP Linia Hutnicza Szerokotorowa Sp. z o.o.) manages the infrastructure of the broad-gauge line No. 65, and offers a traction service and additional logistics and freight forwarding services. Line No. 65 is the longest broad gauge railway in Poland (with a rail spacing of 1520 mm) designed for freight transport. It is also the westernmost broad-gauge line in Europe. It connects the railway border crossing at Hrubieszów / Izow with Silesia, where it ends its run in Sławków in Dąbrowa Górnicza (25 km from Katowice). Line No. 65 consists of nearly 400 km and enables the transport of goods without the need for reloading at the border, and enables the carrying of a heavy full train load. In 2016 PKP LHS transported 9 million 995 thousand tonnes of goods, which is a 3% increase compared with the previous year.

PKP Cargo is the biggest rail freight carrier in Poland and the third largest operator in the European Union. As such the Group offers its customers integrated logistics services, combining rail (the largest fleet of rolling stock in Poland), automotive and marine transport. It provides independent cargo for several thousand customers in Poland and the Czech Republic, Slovakia, Germany, Austria, the Netherlands, Hungary and Lithuania. In March 2015 the company signed an agreement on strategic cooperation with HZ Cargo, the Croatian railway company, and in May took 80 percent of the shares of Advanced World Transport, the second-largest rail freight operator in the Czech Republic, operating also in Slovakia, Hungary and Romania.

The PKP CARGO Group includes subsidiaries, responsible, among others, for intermodal transport, domestic and international freight forwarding by railway (PKP CARGO Connect), and service and maintenance of rolling stock (PKP CARGO TABOR).

In 2015, the PKP CARGO Group reached 4.56 billion PLN of revenue, transporting over 116 million tonnes of cargo.

On 30 October 2013, PKP CARGO debuted on the Warsaw Stock Exchange, becoming the first rail freight carrier in the EU listed on a stock exchange. The value of the public offering, in which PKP S.A. sold almost 50 percent of the shares of PKP CARGO, amounted to 1.42 billion PLN. The company is currently included in the indexes WIG30 and mWIG40. Its main shareholder is PKP S.A.

PKP CARGO Group is active in the field of CSR. It uses a standard employee responsibility policy, implementing a number of measures to protect the environment, and is also a patron of some monuments of railway technology, gathered, among others, in the Steam-Engine Shed in Wolsztyn (*Parowozownia Wolsztyn*) and the Museum of Rolling Stock in Chabówka (*Skansen Taboru Kolejowego w Chabówce*), which are unique on a European scale.