

WE LOGISTICALLY COMBINE

Corporate presentation
June 2018

PKP CARGO Group's 2017 & Q1 2018 results*



	✓	✓	✓
	MARKET SHARE	EBITDA	CAPEX
12M	51.6% measured by freight turnover (+0.1 p.p. yoy)	PLN 702 million profitability of 14.8%	PLN 562 million
Q1	48.5% measured by freight turnover (-3.7 p.p. yoy)	PLN 200 million profitability of 16.5%	PLN 133 million
	REVENUES	NET RESULT	OPEX
12M	PLN 4,739 million	PLN 82 million	PLN 4,437 million
Q1	PLN 1,216 million	PLN 36 million	PLN 1,153 million

* Adjusted in accordance with item 5.2 of the Management Board's Report on the Activity of the PKP CARGO Group for the financial year 2017

AGENDA

|| PKP CARGO at a glance

|| Market overview

|| Financial overview

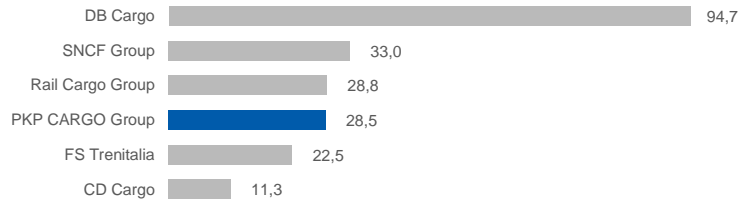
|| Key accomplishments



PKP CARGO – leading player in the EU, Poland and the Czech Republic

PKP CARGO is the fourth largest rail freight company in the EU...

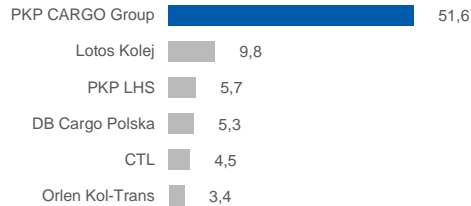
Main EU rail freight operators by freight turnover (2016)
Bn tkm



Source: UIC, companies' information, PKP CARGO – data including AWT

PKP CARGO is the leading rail freight operator in Poland

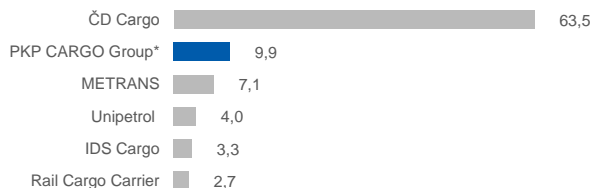
Main Polish rail freight operators by market share (2017)
% tkm



Source: Office of Rail Transportation (UTK)

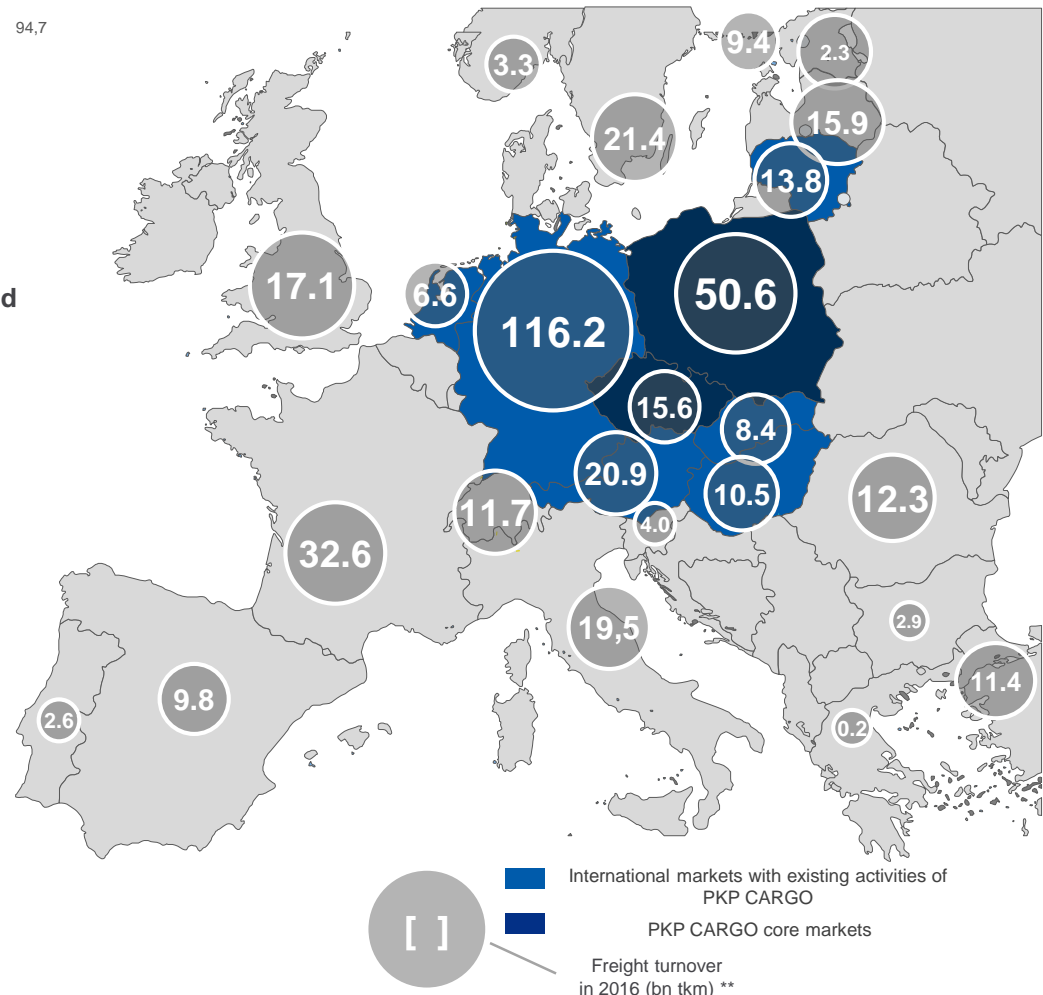
PKP CARGO is the second largest rail freight operator in the Czech Republic

Main Czech rail freight operators by market share (2017)
% gtkm



Source: SZDC

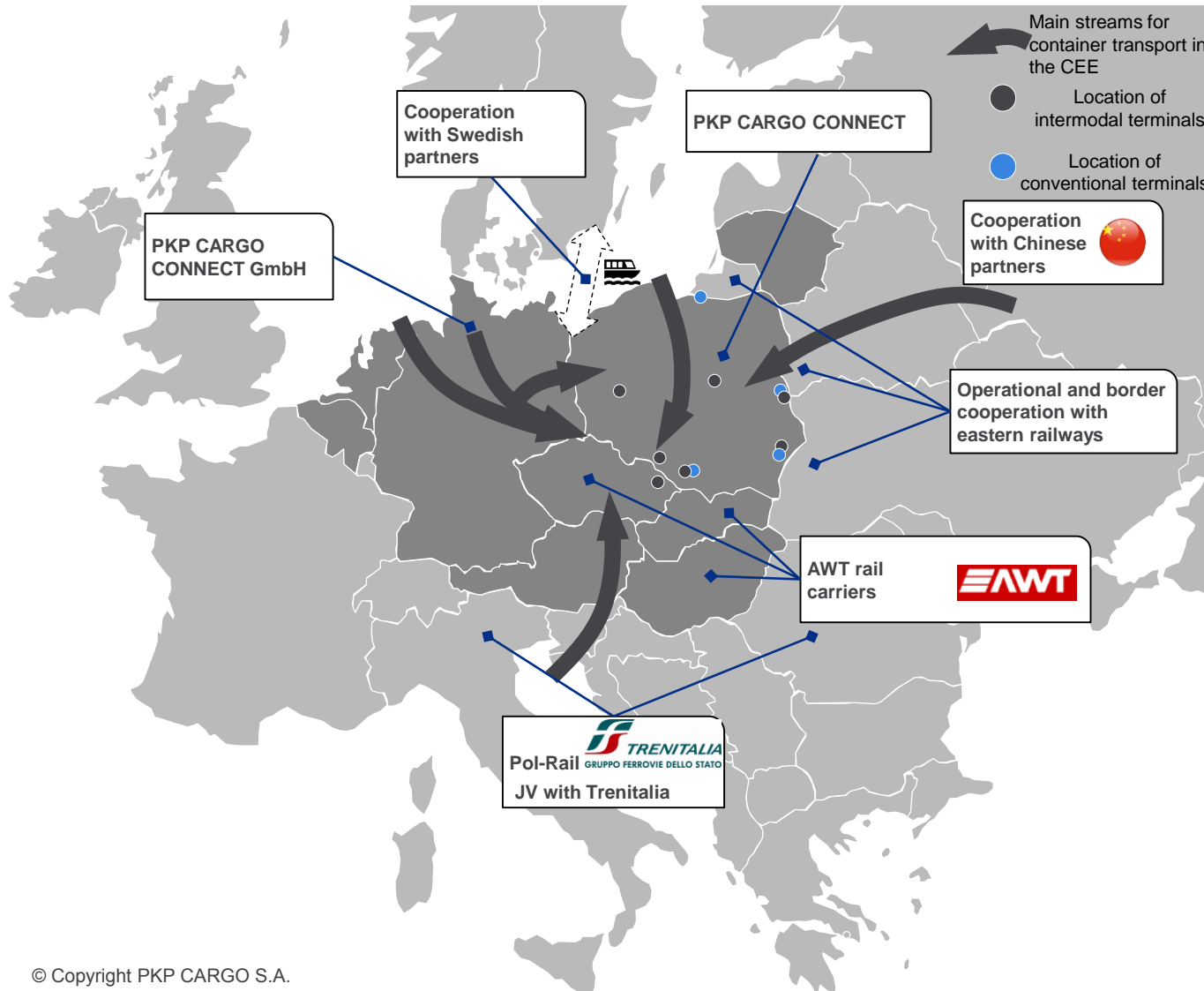
...Operating on the second largest rail freight market, located at the crossroads of European rail networks



Source: Eurostat, Poland – Office of Rail Transportation (UTK)

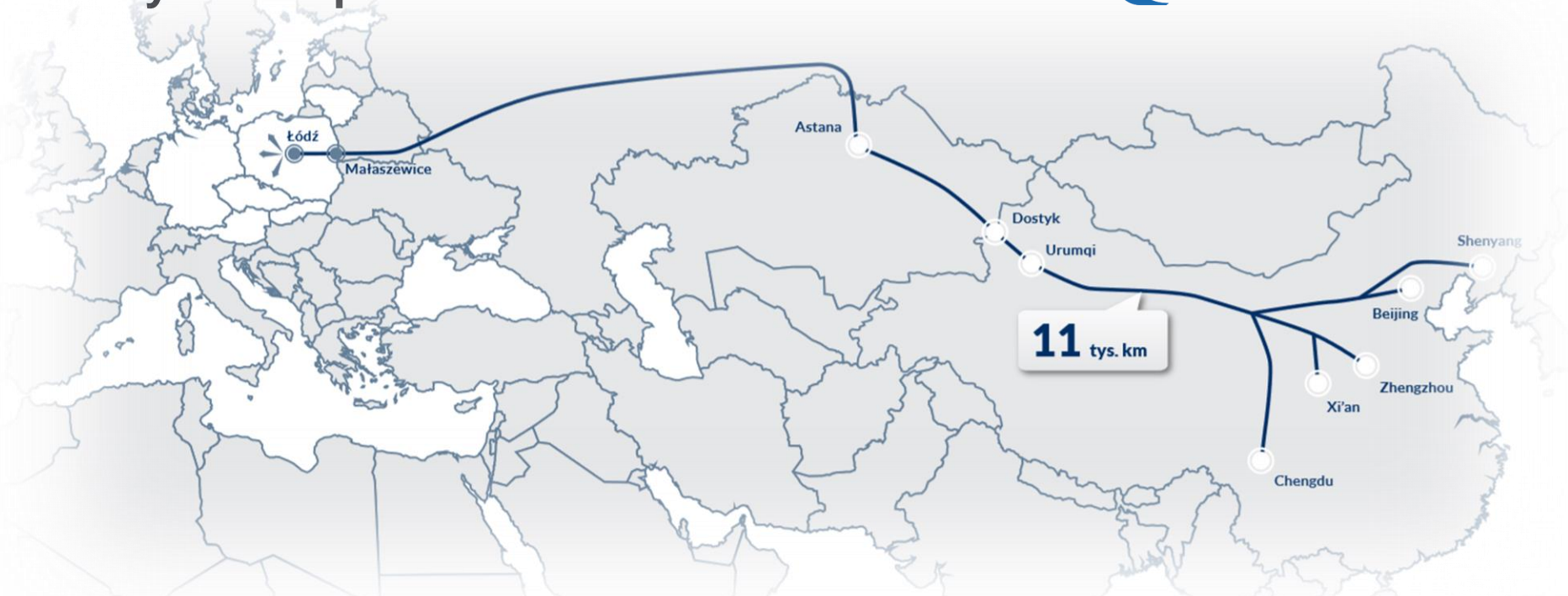
* PKP CARGO holds 100% stake in the second largest Czech rail freight operator AWT
** for Italy, Greece the value is calculated as the sum of 4 quarters in 2016

PKP CARGO Group's international potential in international transport services in the transport corridor network



- Leveraging the potential for modernizing the key transport corridors
- New Silk Road Partner
- The AWT Group offers rail transport in the Czech Republic, Slovakia and Hungary
- Transport offer on the Apennine peninsula
- Logistics services using ferries
- Rail transport provided by the PKP CARGO Group in 9 EU member states
- Network of intermodal and conventional terminals
- Shipper dedicated to international cooperation

Steady development of collaboration with China PKPCARGO



Fruitful development of collaboration with China

2016 data change yoy



+34% trains

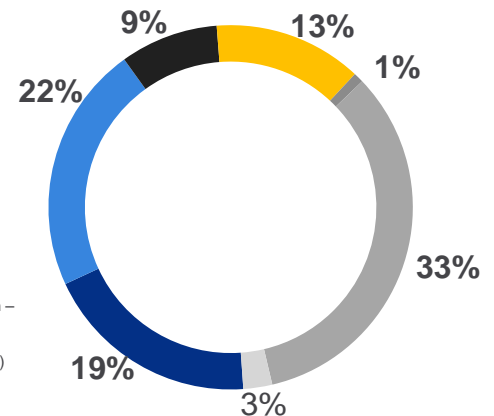


+132% UTI

Mix of launched connections

freight turnover data for 2016

- Suzhou – Warszawa Praga
- Chengdu – Łódź Olechów
- Zhengzhou – Hamburg Billwerder
- Zhengzhou/Erlian – Hamburg Waltershof
- Zhengzhou – Pardubice
- Zhengzhou/Chongqing/Tuanjiecun – Rheinhausen
- Tuanjiecun –Wanne Eickel (Herne)



PKP CARGO – multi-purpose logistic operator

– comprehensive product offer



CARGO GROUPS

RAIL FREIGHT

ANCILLIARY SERVICES

Coal



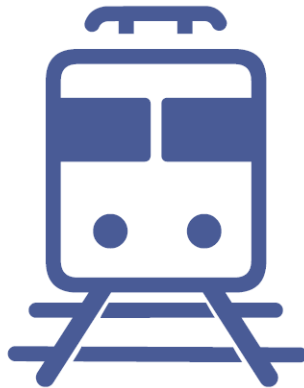
Aggregates



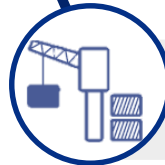
Metals



Intermodal



Forwarding – rail, road, water transport, storage, transshipment, customs duty



Terminals – conventional and intermodal



Rolling stock – maintenance, repair, rental

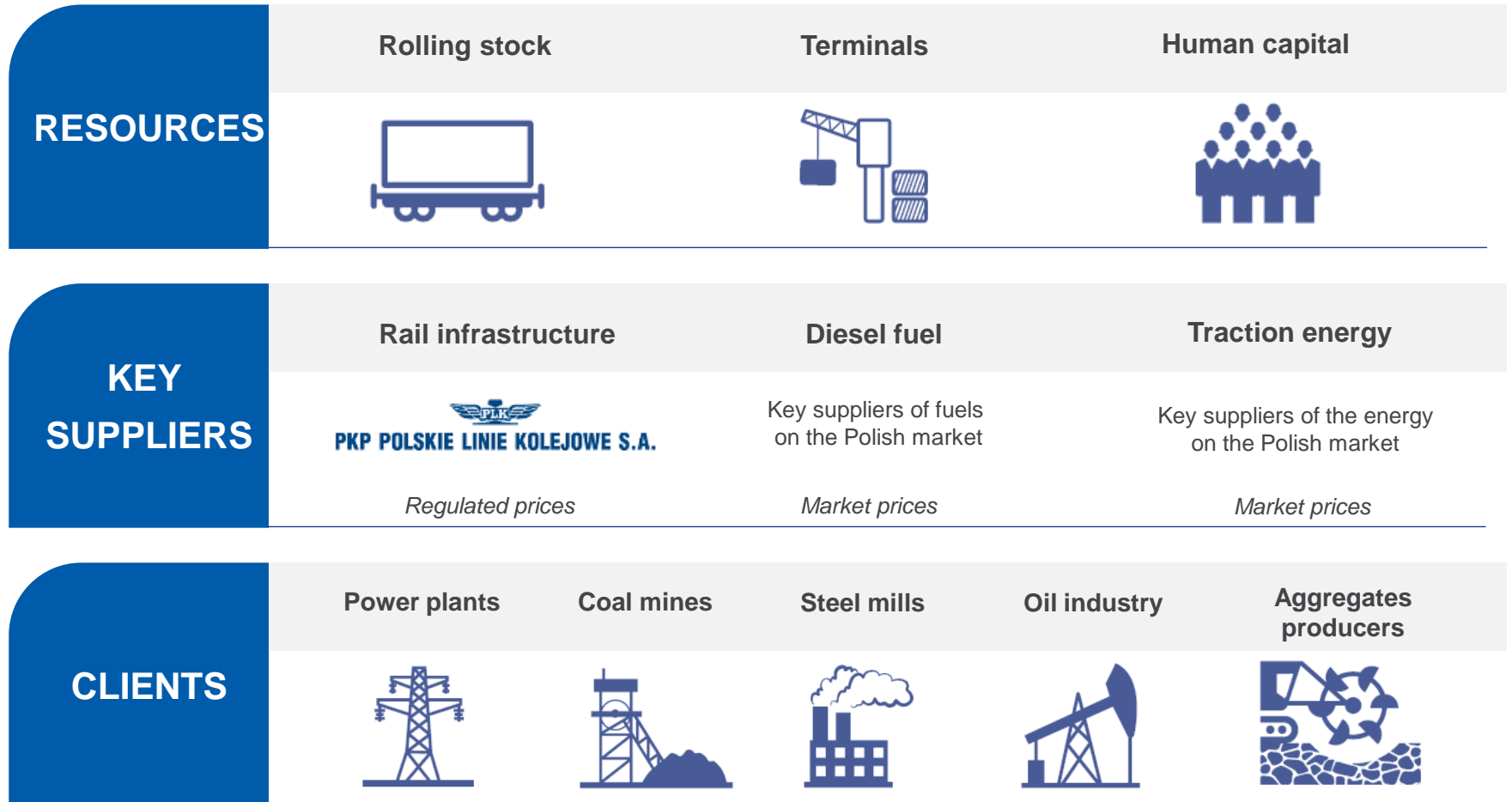


Sidings – formation of trains, rail traffic management on sidings



Land reclamation – revitalisation of post industrial premises

PKP CARGO's business model





AGENDA

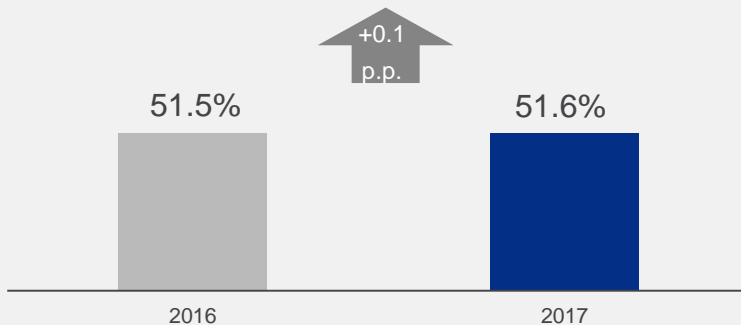
- || PKP CARGO at a glance
- || Market overview
- || Financial overview
- || Key accomplishments



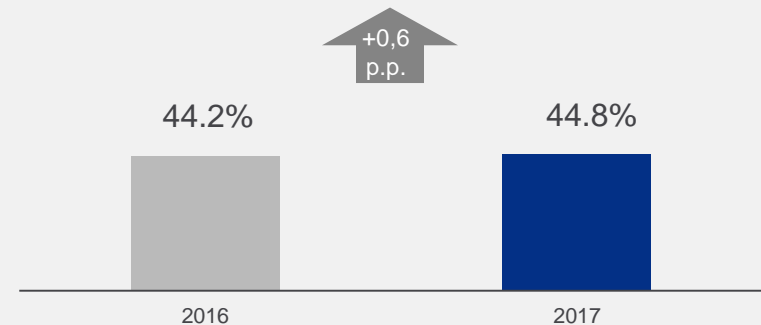
Position of the PKP CARGO Group

– strengthening our leading market position

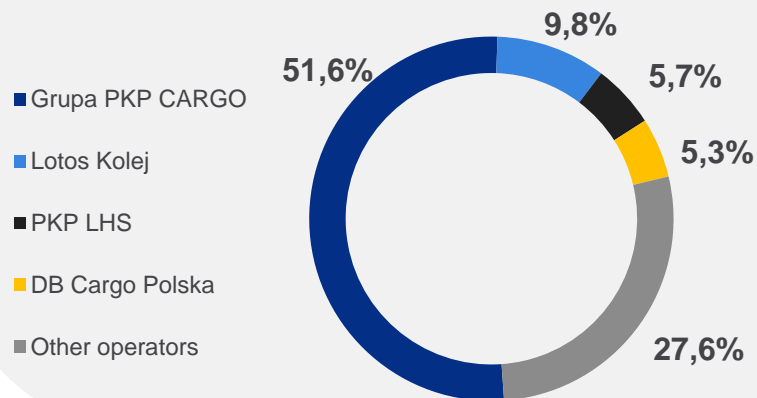
PKP CARGO Group's share of the Polish market
freight turnover data for 2017



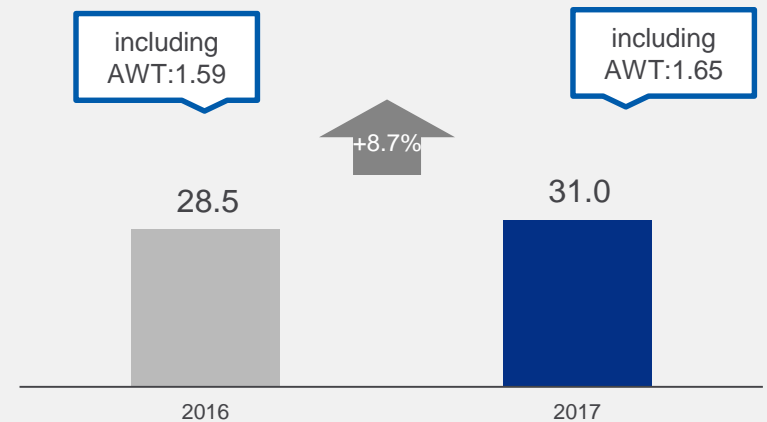
PKP CARGO Group's share of the Polish market
freight volume data for 2017



PKP CARGO Group's share of the Polish market
freight turnover data for 2017



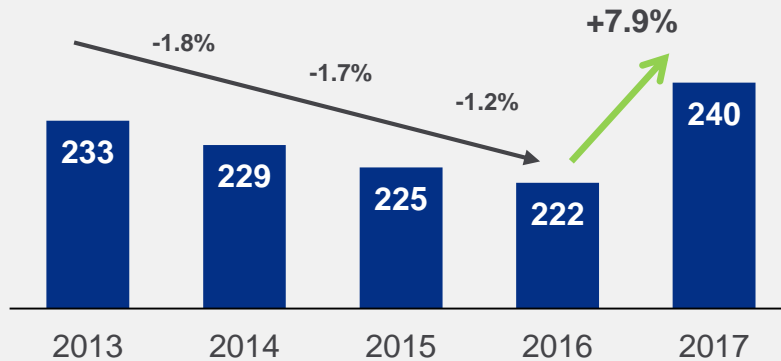
PKP CARGO Group's freight transport
by freight turnover, billion tkm



Rail transport market in Poland in 2013-2017

Rail transport market in Poland

by freight volume in million tons (Office of Rail Transport)

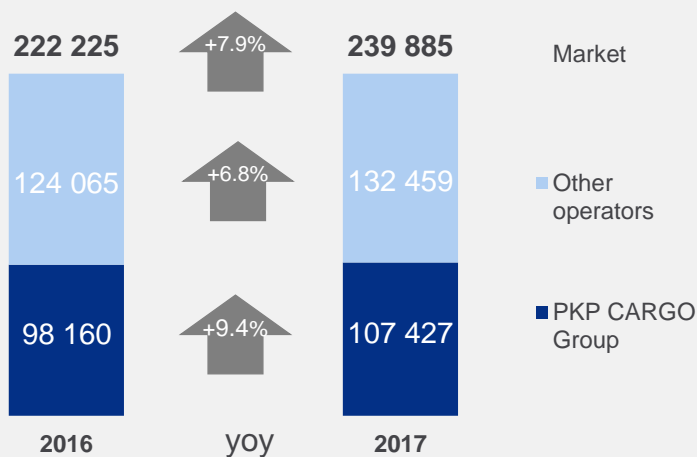


Principal reasons for the strong growth in rail transport in Poland in 2017:

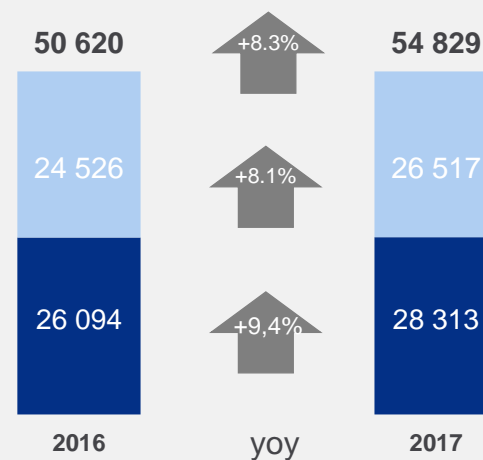
- ▶ Intensification of infrastructural investments, and consequently greater demand for transport of aggregates and construction materials
- ▶ Higher market demand for hard coal
- ▶ Growth in the visible demand for liquid fuels as a result of curtailing the illicit economy
- ▶ Best market conditions since 2011 in the industrial processing sector contributing to the transport of metals, ores and chemicals

Growth rate in the transport of commodities by rail in Poland in 2017 versus 2016

by freight volume in thousand tons (Office of Rail Transport)

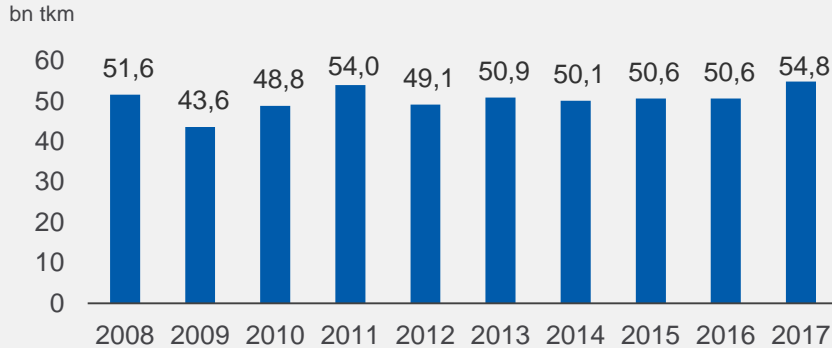


by freight turnover million tkm (Office of Rail Transport)



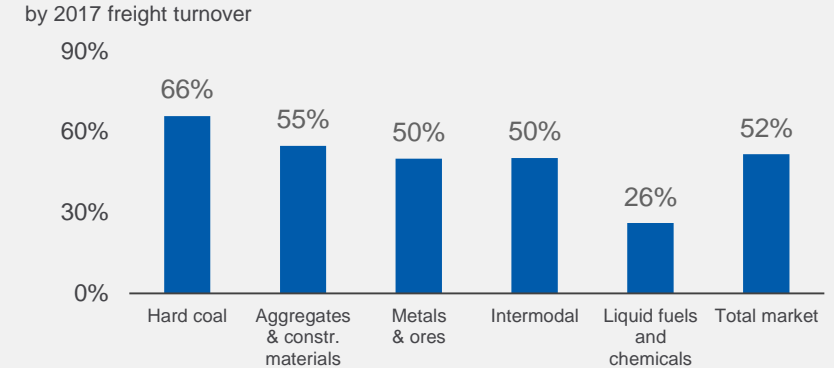
Poland – Stable market based on bulk commodities

Rail freight transport market by freight turnover



Source: UTK

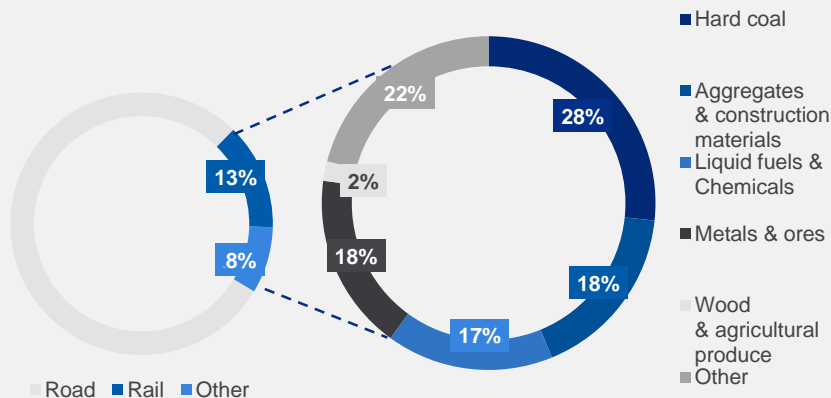
PKP CARGO market share by commodity segments



Source: UTK, PKP CARGO

Rail freight transport market structure by cargo group

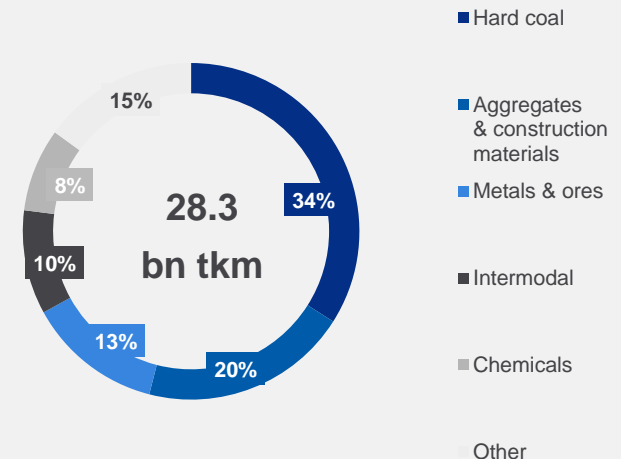
by 2016 freight turnover



Source: Poland's Central Statistical Office (GUS)

Types of goods transported by PKP CARGO

by 2017 freight turnover

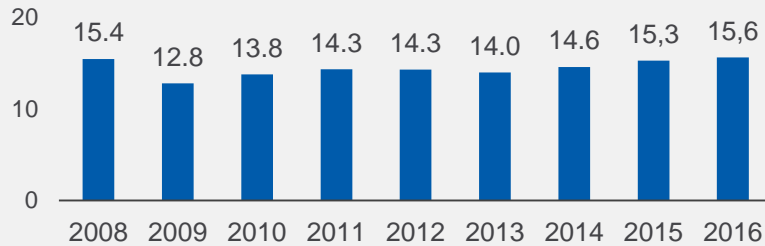


Source: PKP CARGO

Czech Rep. – Stable volume growth since 2009

Rail freight transport market by freight turnover

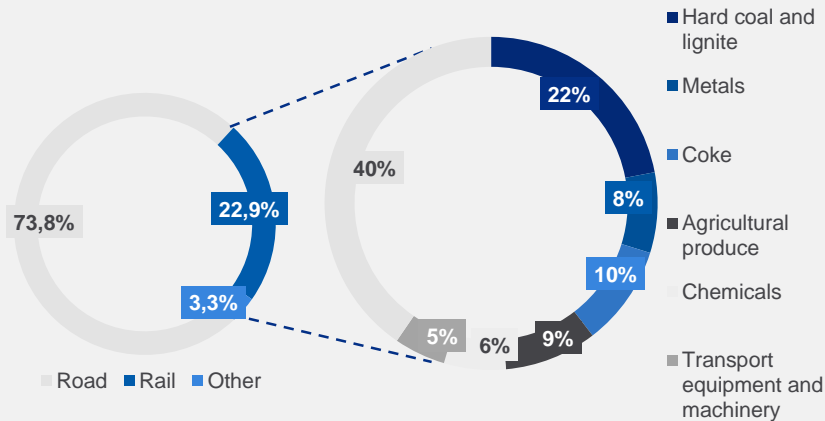
bn tkm



Source: Eurostat

Rail freight transport market structure by cargo group

by 2016 freight turnover

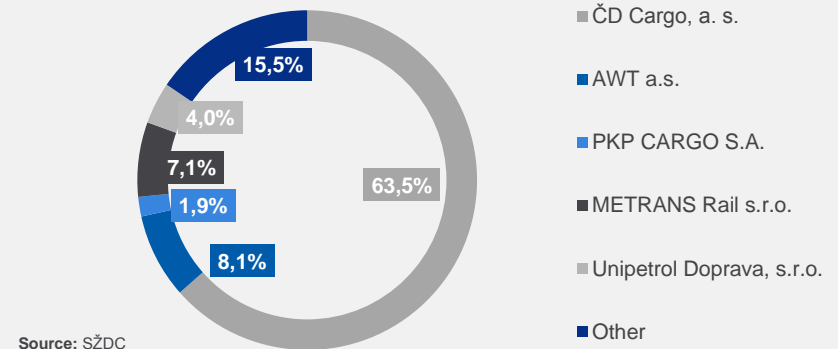


Source: Czech Statistical Office (ČSÚ), Eurostat

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AWT and PKP CARGO market shares

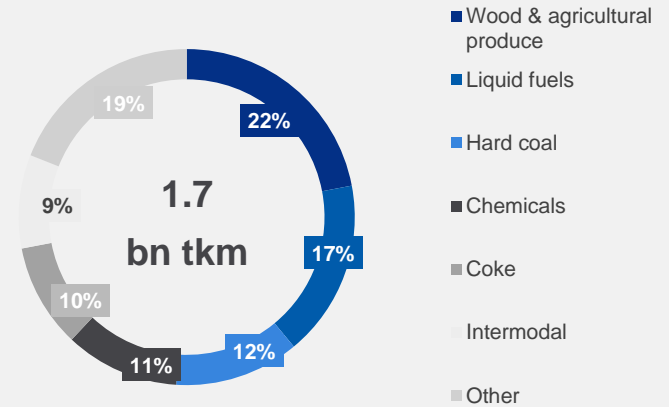
by 2017 freight turnover



Source: SŽDC

Types of goods transported by AWT

by 2017 freight turnover

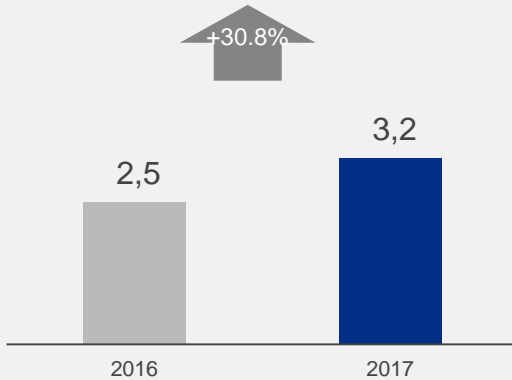


Source: AWT

Positive developments on major markets in 2017 – diversification of transport services

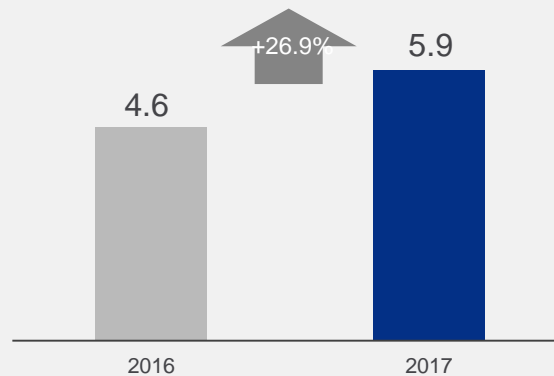
Intermodal

freight turnover, billion tkm



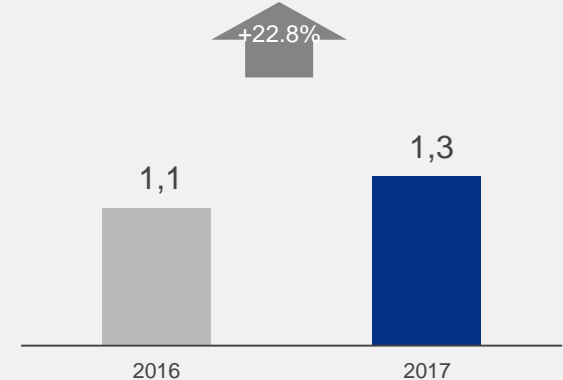
Aggregates and construction materials

freight turnover, billion tkm



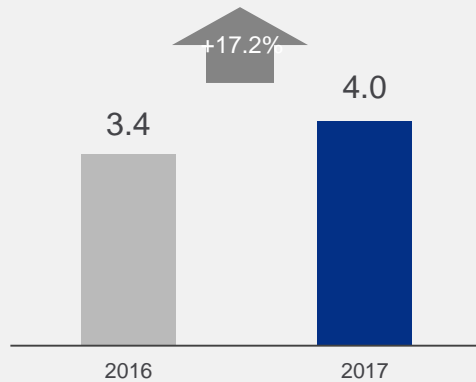
Liquid fuels

freight turnover, billion tkm



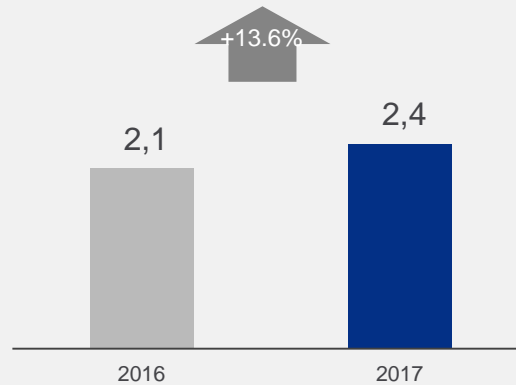
Metals and ores

freight turnover, billion tkm



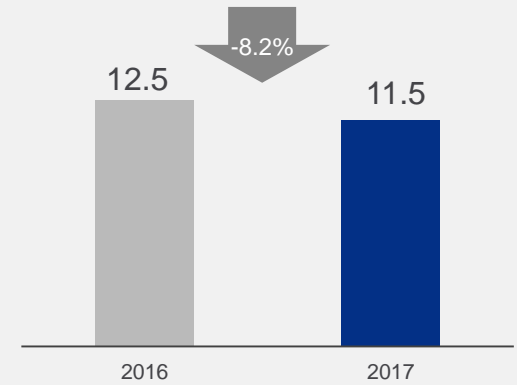
Chemicals

freight turnover, billion tkm



Solid fuels*

freight turnover, billion tkm

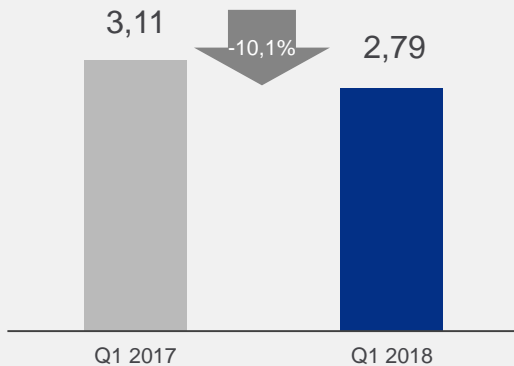


* hard coal, coke, lignite

Positive developments on major markets in Q1 2018 – diversification of transport services

Solid fuels*

freight turnover, billion tkm



Aggregates and construction materials

freight turnover, billion tkm



Metals and ores

freight turnover, billion tkm



Intermodal

freight turnover, billion tkm



Chemicals

freight turnover, billion tkm



Liquid fuels

freight turnover, billion tkm



*węgiel kamienny, koks, węgiel brunatny

Intermodal

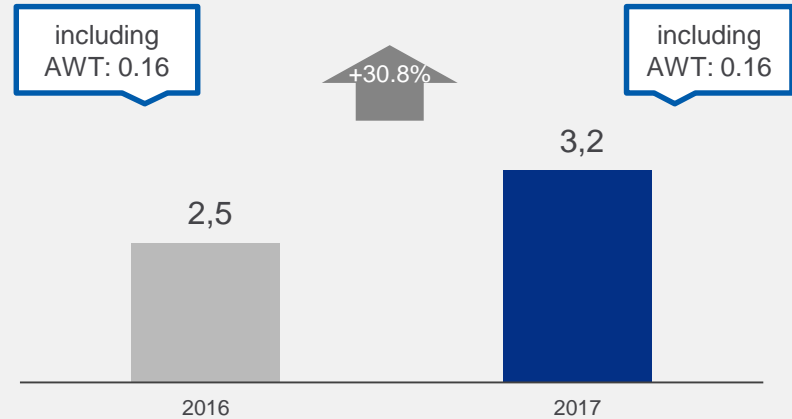
– rapid growth of a promising market

Key events in 2017

- ▶ Rising transport in Poland – **freight volume of containers climbed 21% yoy and freight turnover shot up 27% yoy**
- ▶ Rapid development of the New Silk Road. Higher land transport from/to China by 80% yoy measured by container volume
- ▶ The share of land transport from/to China accounts for 24% of total container shipments from/to China (16% in 2016)
- ▶ The volume of containers transported by PKP CARGO to/from Polish ports increased 10.0% yoy (coupled with an increase in container transshipments in the ports by 15.6% yoy) due to Chinese export recovery
- ▶ Rising transport outside Poland – freight volume of containers climbed 35% yoy and freight turnover shot up 55% yoy

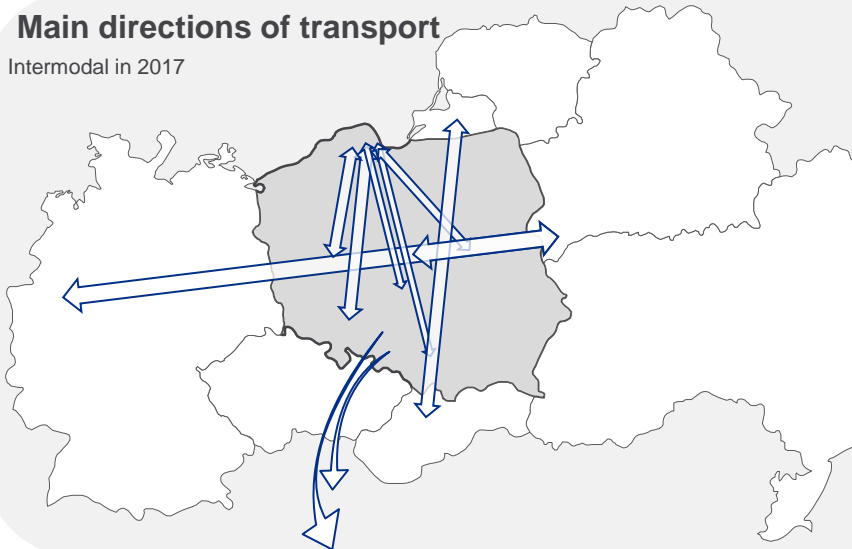
Intermodal

freight turnover, billion tkm



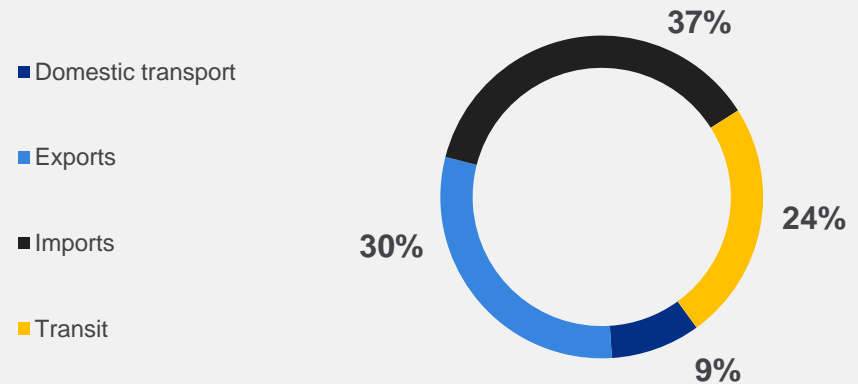
Main directions of transport

Intermodal in 2017



PKP CARGO Group's freight turnover mix in Poland

by types of transportation (freight turnover) in 2017

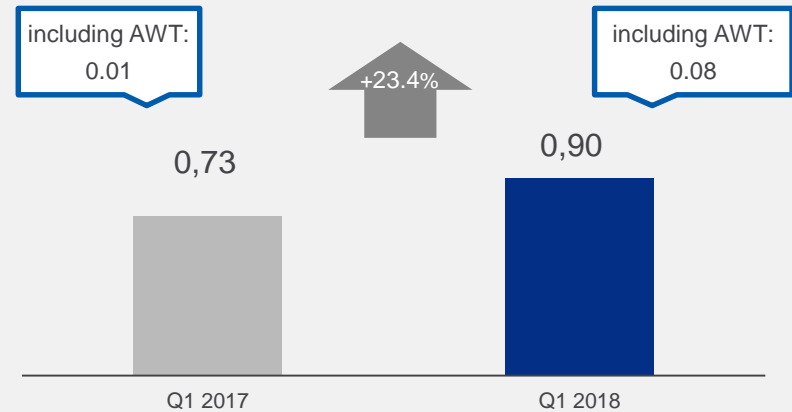


Key events in Q1 2018

- ▶ Rapid development of the New Silk Road. Growth in land transport from/to China by 57% yoy measured by container volume
- ▶ The volume of containers transported by PKP CARGO to and from Polish ports is up 16.0% yoy
- ▶ Rising transport in Poland – freight volume of containers climbed 10.4% yoy and freight turnover increased 11.0% yoy
- ▶ Development przewozów poza granicami Polish – growth freight volume kontenerów o 56.0% yoy i zrealizowanej freight turnover o 125.7% yoy
- ▶ More connections from marine ports to terminals in Poznań, Warsaw, Radomsko and Łódź

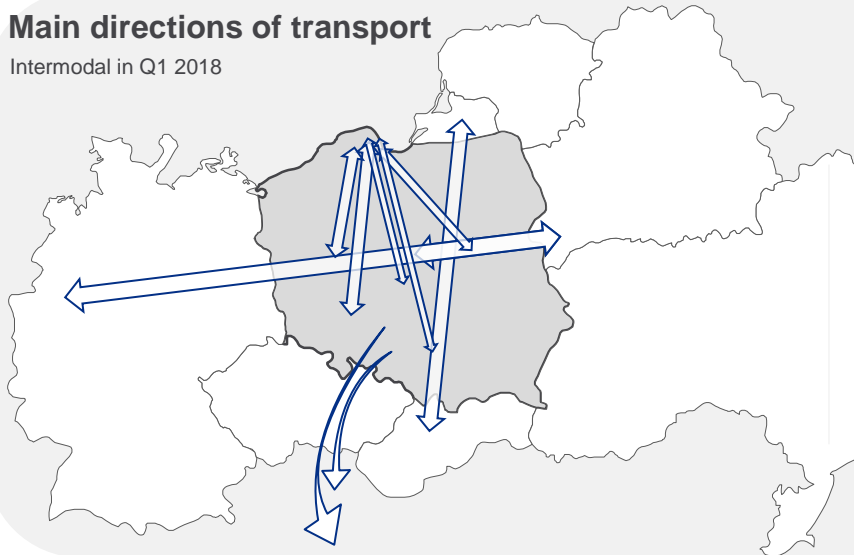
Intermodal

freight turnover, billion tkm



Main directions of transport

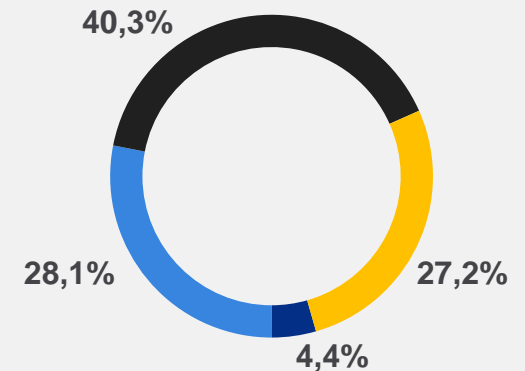
Intermodal in Q1 2018



PKP CARGO Group's freight turnover mix in Poland

by types of transportation (freight turnover) in Q1 2018

- Domestic transport
- Exports
- Imports
- Transit

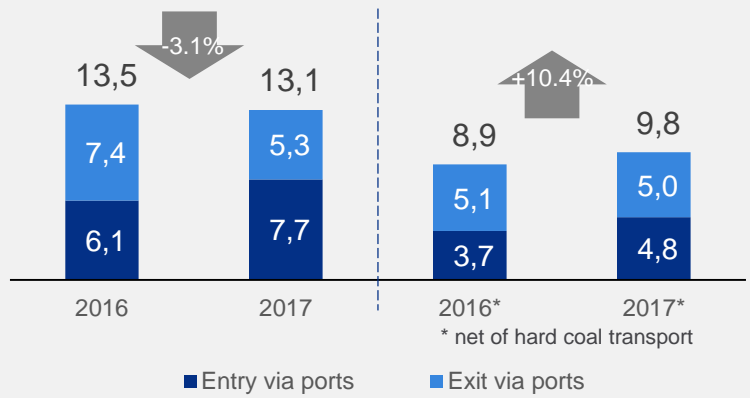


PKP CARGO Group's freight transport via Polish ports

– growing significance of intermodal transport

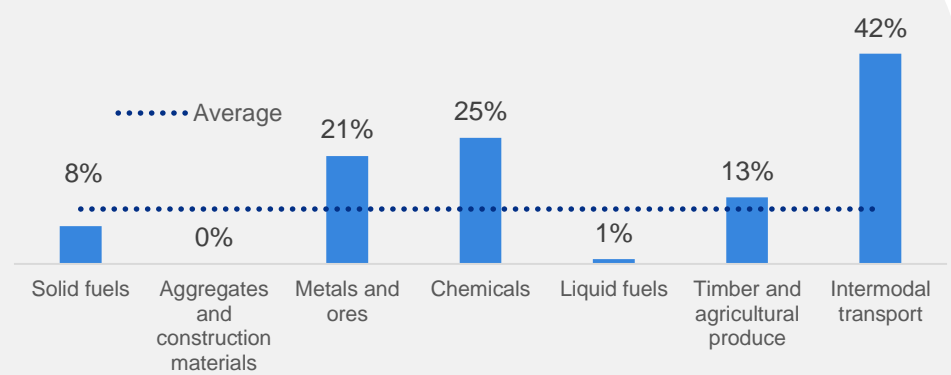
Freight transport via Polish ports

million tons



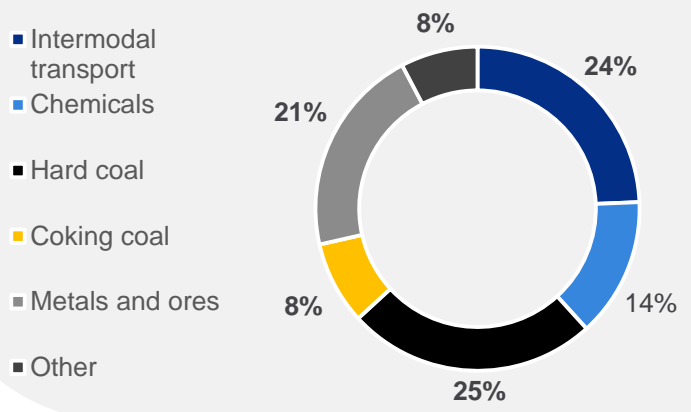
Share of freight transport via Polish ports

in the PKP CARGO Group's freight transport in 2017 by freight volume



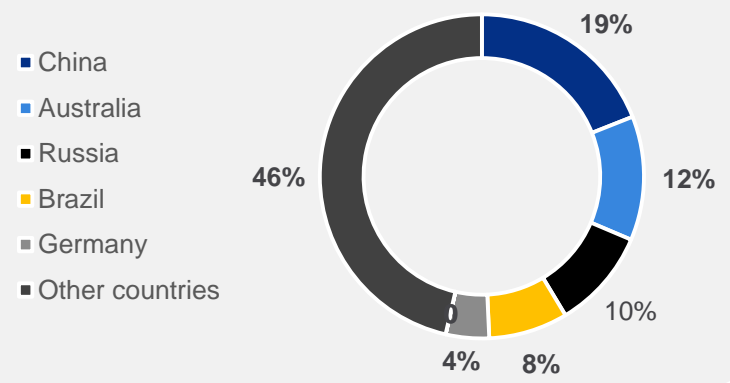
Structure of the PKP CARGO Group's freight transport via Polish ports by cargo category

data for 2017 by freight volume, entry and exit through the ports



Freight transport via Polish ports

In PKP CARGO Group in 2017 by freight volume



Aggregates and construction materials

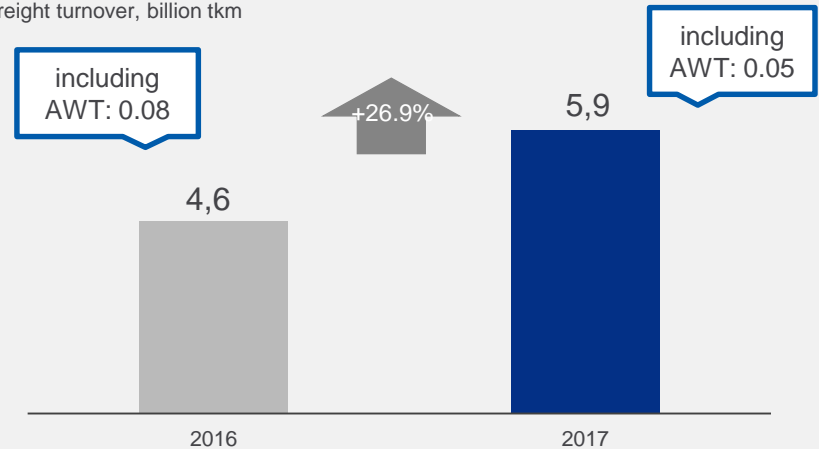
– significant growth in a competitive market

Key events in 2017

- ▶ The lift of the financial cap for the National Road Building Program in 2014-2020 from PLN 107 billion to PLN 135 billion (with an outlook to 2025) will enable the construction of new sections of the A2 motorway and the S17 and S19 highways (Via Carpathia)
- ▶ Construction and assembly output up 12.1% yoy (18.5% yoy in Q4 2017) and in companies specializing in building civil and marine engineering facilities up 16.7% yoy (24.1% in Q4 2017); output was higher in companies mainly building roads and railways (23.4% growth yoy)
- ▶ Nearly 450 km of new roads are slated to be commissioned for use in 2018, including sections of the following roads: S3 (Zielona Góra-Bolków), S7 (Koszwały-Kazimierzowo), S8 (Wyszków-Prosienica) and of the ring roads around Radom, Koszalin, Wąlcz, Olsztyn and Kłodzko.

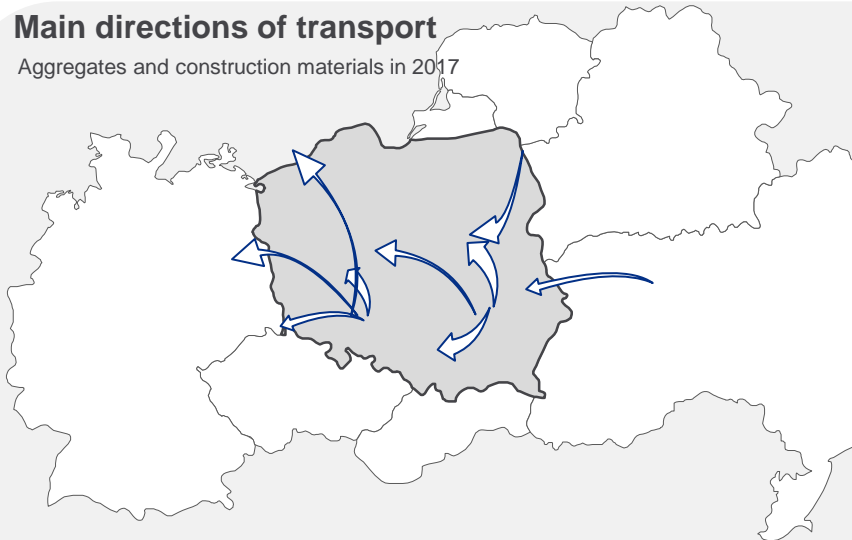
Aggregates and construction materials

freight turnover, billion tkm



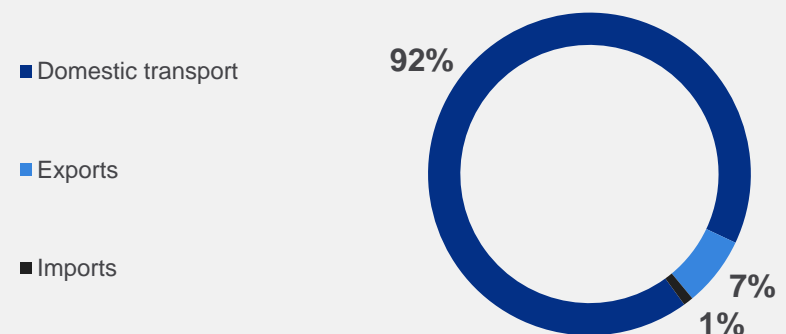
Main directions of transport

Aggregates and construction materials in 2017



PKP CARGO Group's freight turnover mix in Poland

by types of transportation (freight turnover) in 2017

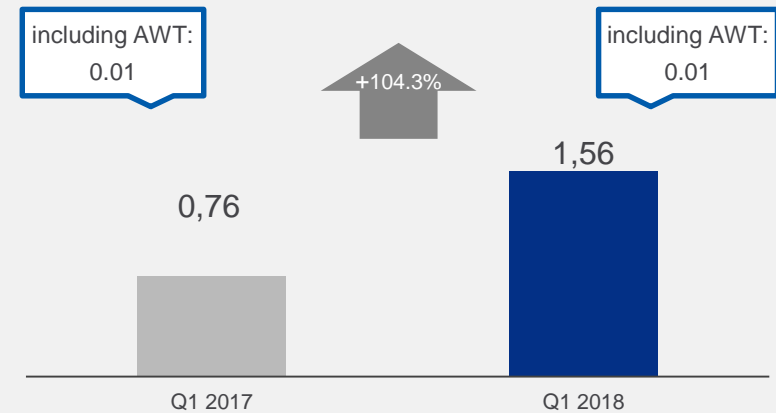


Key events in Q1 2018

- ▶ Execution of key infrastructural projects in 2018 under the present EU financial perspective
- ▶ Construction and assembly production up 26.1% yoy and in companies specializing in building civil and marine engineering facilities up 41.4% yoy; with production trending up in companies mainly building roads and railways (62.0% yoy)
- ▶ Close to 450 km of new roads to be commissioned in 2018, including sections of the S3, S5, S7, S8 and A1 highways and ring roads in the following cities: Koszalin, Kłodzko and Radom

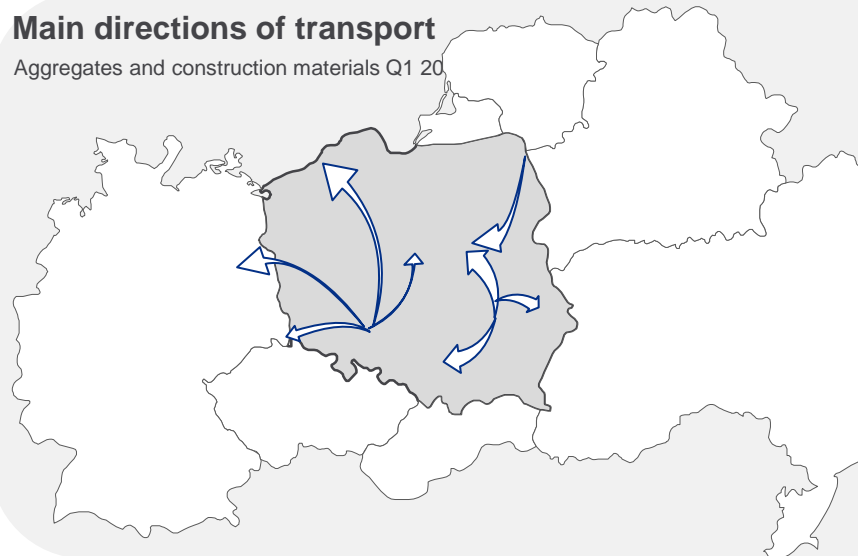
Aggregates and construction materials

freight turnover, billion tkm



Main directions of transport

Aggregates and construction materials Q1 2018



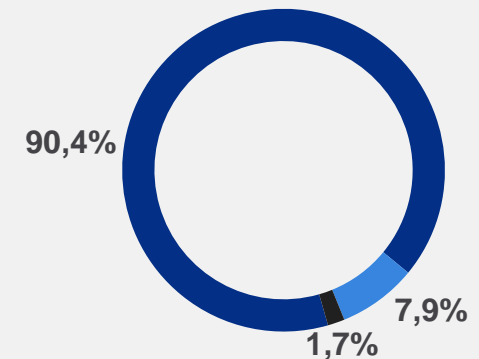
PKP CARGO Group's freight turnover mix in Poland

by types of transportation (freight turnover) in Q1 2018

■ Domestic transport

■ Exports

■ Imports



Metals and ores

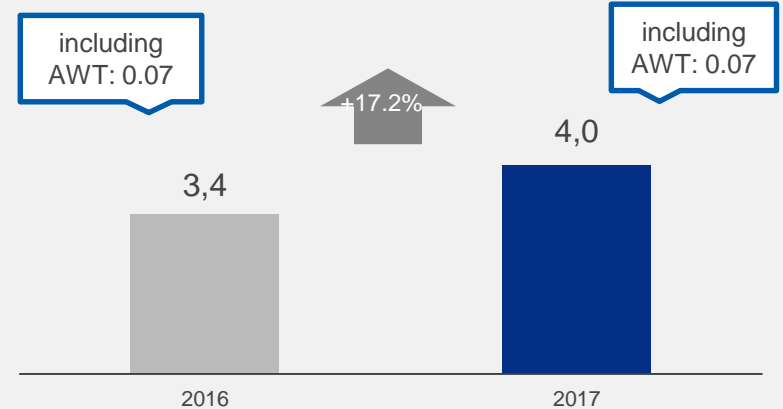
– favorable economic situation

Key events in 2017

- ▶ **Higher steel production: up 14.8% yoy (10.3 million tons) in Poland**, up 4.1% yoy (168.7 million tons) in the EU and up 5.3% (1,691 million tons) across the globe
- ▶ Global iron ore output up 1.1% yoy (1,175 million tons)
- ▶ The growth in the figure expressed in constant prices of industrial production sold in the category of metals (+11.5% yoy) and metal goods (+10.7% yoy)

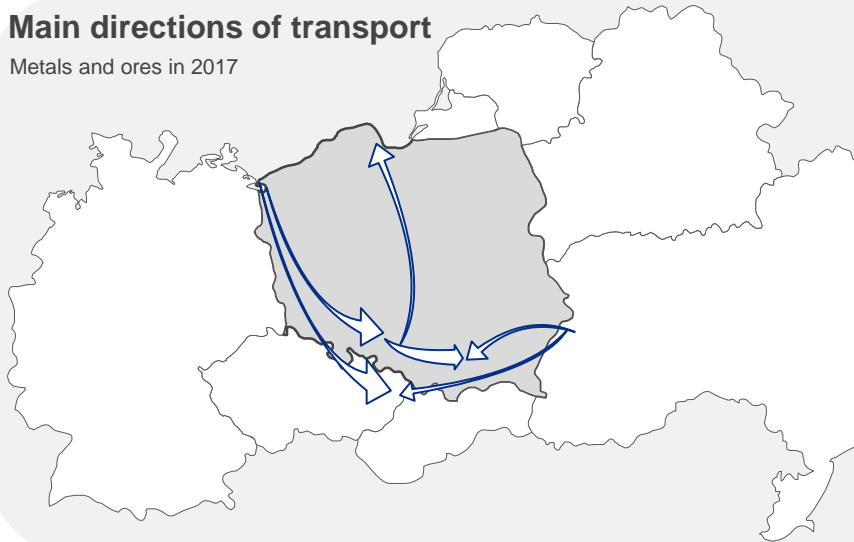
Metals and ores

freight turnover, billion tkm



Main directions of transport

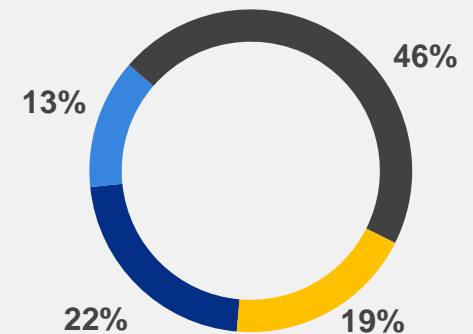
Metals and ores in 2017



PKP CARGO Group's freight turnover mix in Poland

by types of transportation (freight turnover) in 2017

- Domestic transport
- Exports
- Imports
- Transit

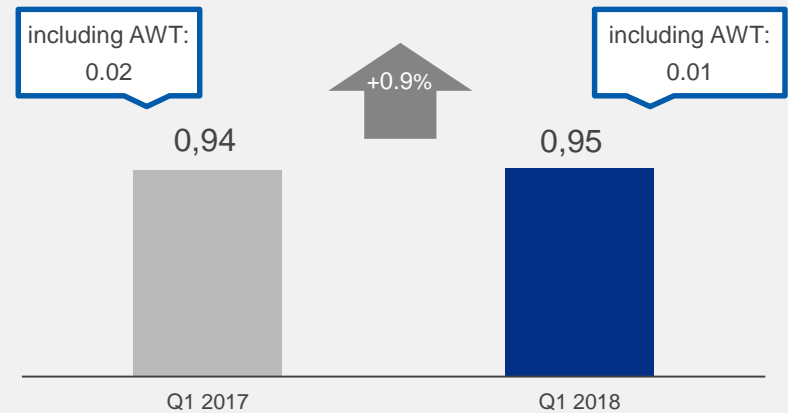


Key events in Q1 2018

- ▶ Higher steel production: up 5.8% yoy (2.65 million tons) in Poland, up 0.9% yoy (43.07 million tons) in the EU and up 4.1% (426.55 million tons) across the globe
- ▶ Global iron ore production up 0.1% (292.11 million tons)
- ▶ EU's introduction of duties on steel products imported from China
- ▶ US's introduction of duties on imported steel and aluminium
- ▶ Moderate steel price growth in the footsteps of rising demand
- ▶ Industrial sold production trended up in the production of metals (5.7% yoy) and in the production of metal goods (12.0% yoy)

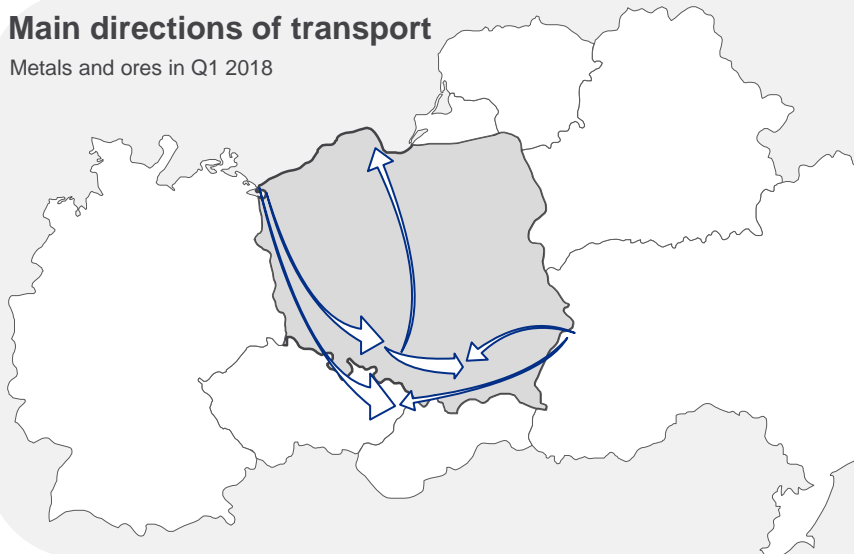
Metals and ores

freight turnover, billion tkm



Main directions of transport

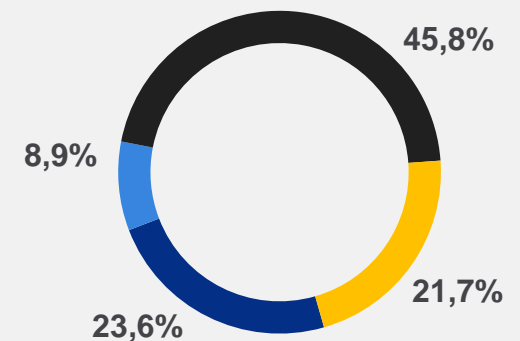
Metals and ores in Q1 2018



PKP CARGO Group's freight turnover mix in Poland

by types of transportation (freight turnover) in Q1 2018

- Domestic transport
- Exports
- Imports
- Transit



Hard coal

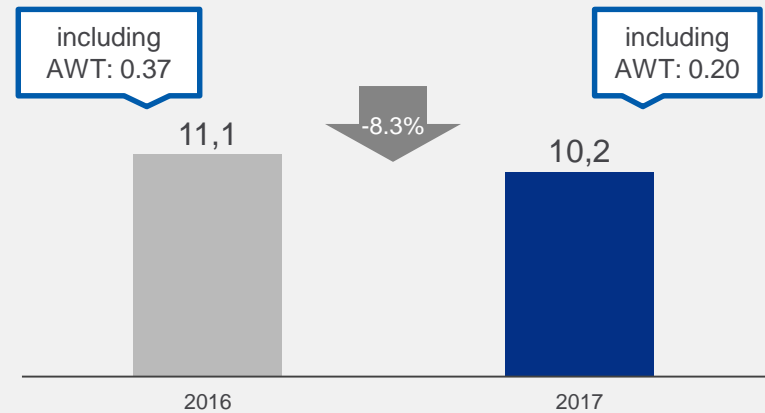
– lower output

Key events in 2017

- ▶ Transport in Poland measured by freight volume up 0.9% yoy
- ▶ Increase in import carriage to Poland by 42% yoy and decrease in export carriage from Poland by 23% yoy
- ▶ Hard coal output down 4.9 million tons (-6.9% yoy), hard coal sales down (-9.3% yoy) coupled with inventories down by 0.8 million tons (-32.8% yoy)
- ▶ Increase in ARA coal prices (up 5% yoy to USD 90.15 per ton at the end of 2017)
- ▶ Robust growth in the PSCMI1 (+11.1% yoy) and PSCMI2 (+25.3% yoy) domestic coal indices

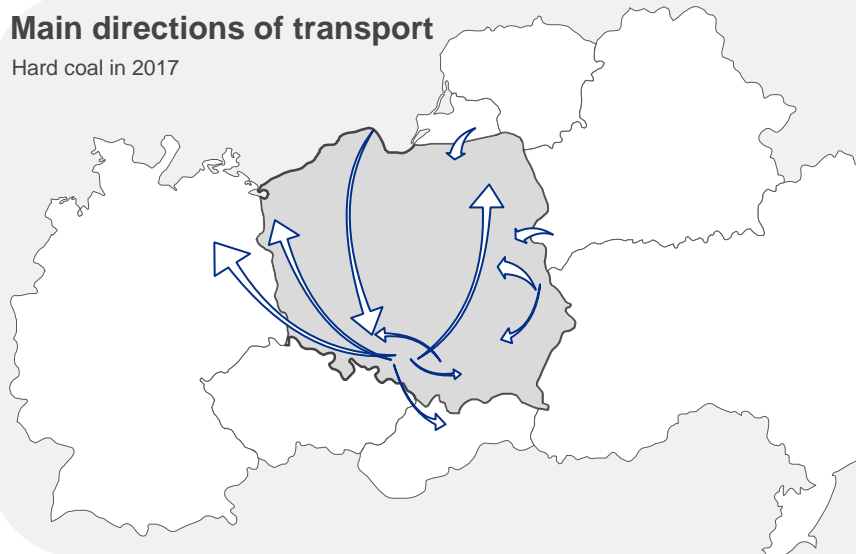
Hard coal

freight turnover, billion tkm



Main directions of transport

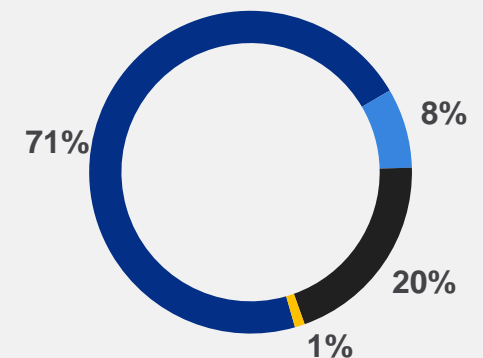
Hard coal in 2017



PKP CARGO Group's freight turnover mix in Poland

by types of transportation (freight turnover) in 2017

- Domestic transport
- Exports
- Imports
- Transit

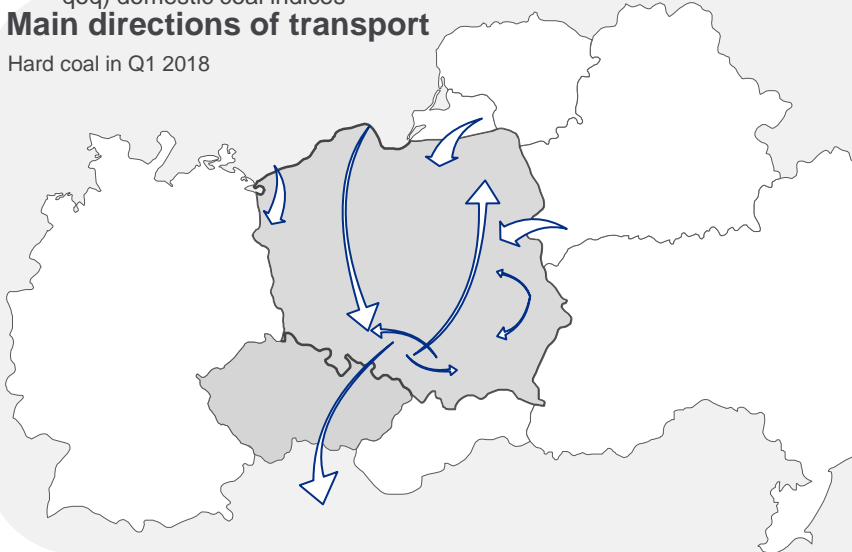


Key events in Q1 2018

- ▶ Hard coal production down 0.8 million tons (-5.0% yoy) accompanied by inventory shrinkage of 0.4 million tons (-21.3% yoy) and higher production in commercial power plants fired by hard coal by 1.0% yoy
- ▶ Group's transport in Poland measured by freight volume dipped 1.3% yoy
- ▶ Coal imports up 4.5 million tons (+120.7% yoy), mostly from Russia
- ▶ Restructuring developments in the mining industry, output hurdles encountered in LW Bogdanka and PGG's mines
- ▶ Coal exports to EU members states fell 45.1% yoy
- ▶ Ongoing robust growth in the PSCMI1 (+8.4% qoq) and PSCMI2 (+12.9% qoq) domestic coal indices

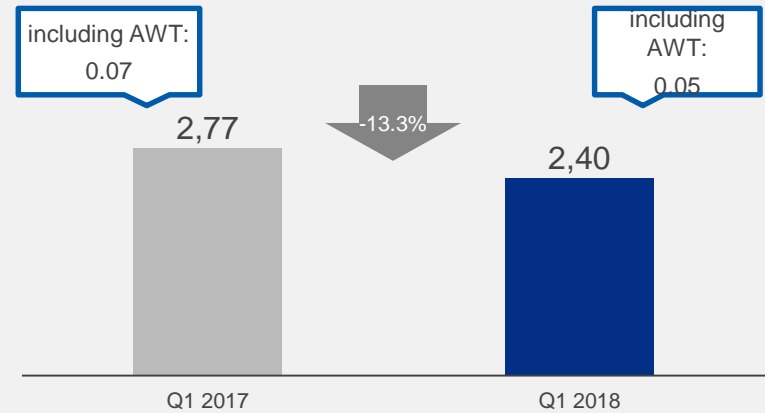
Main directions of transport

Hard coal in Q1 2018



Hard coal

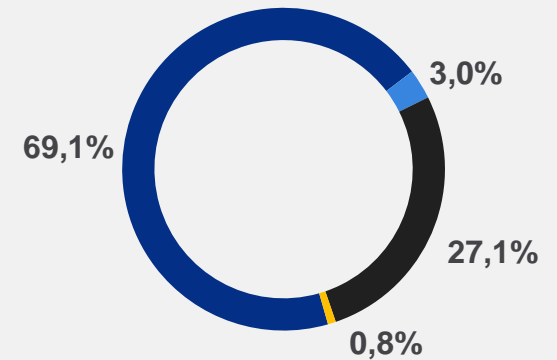
freight turnover, billion tkm



PKP CARGO Group's freight turnover mix in Poland

by types of transportation (freight turnover) in Q1 2018

- Domestic transport
- Exports
- Imports
- Transit



AGENDA

|| PKP CARGO at a glance

|| Market overview

|| Financial overview

|| Key accomplishments

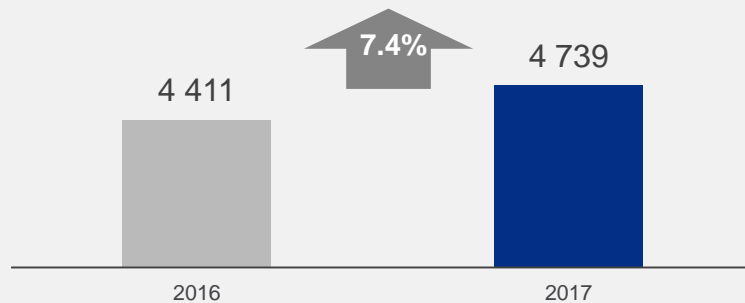


Building the Group's value*

– strong financial performance

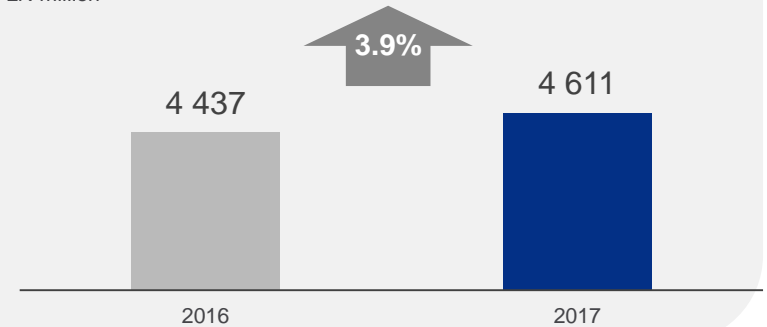
Operating revenue

PLN million



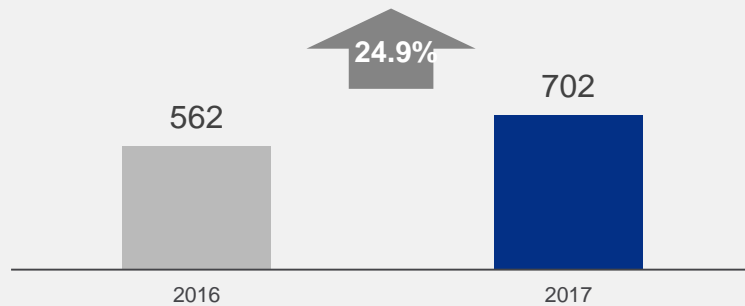
Operating expenses

PLN million



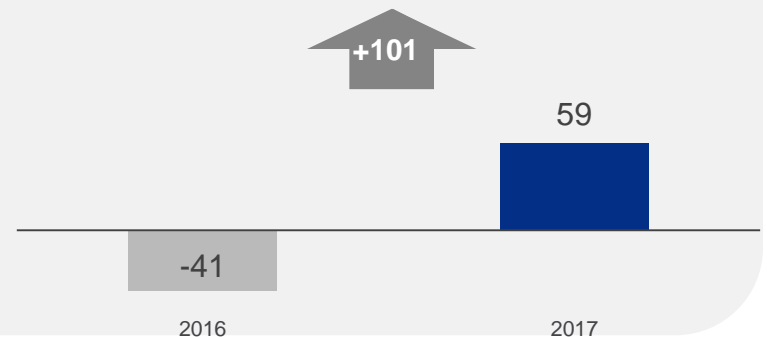
EBITDA

PLN million



Net result

PLN million



* Adjusted in accordance with item 5.2 of the Management Board's Report on the Activity of the PKP CARGO Group for the financial year 2017

Effects of strengthening our market position

Operating revenue

PLN million



Operating expenses

PLN million



EBITDA

PLN million



Net profit/loss

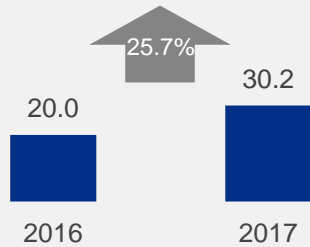
PLN million



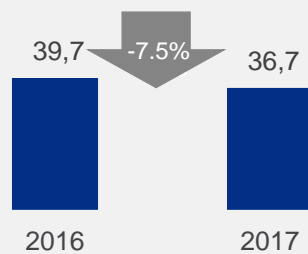
Rigorous cost discipline

– improved ratios

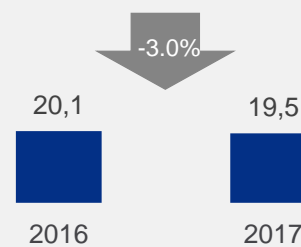
EBITDA per employee
(000s PLN/employee)



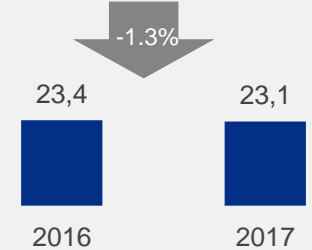
Remuneration
(000s PLN/employee)



Energy and fuel
(000s PLN/employee)

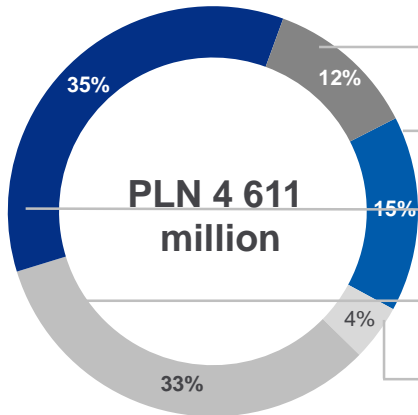


Access to infrastructure
(000s PLN/employee)



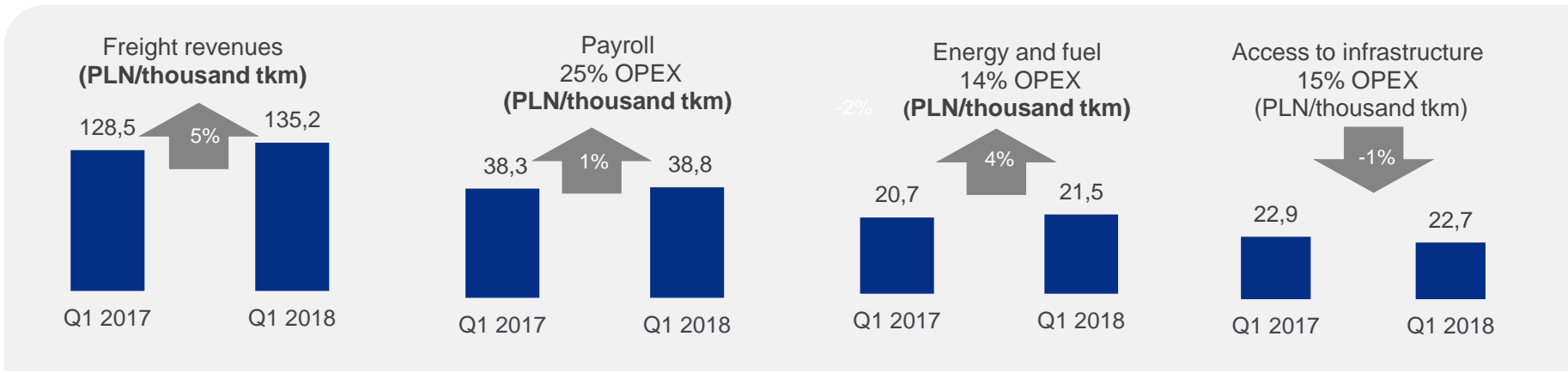
Operating expenses

PLN million

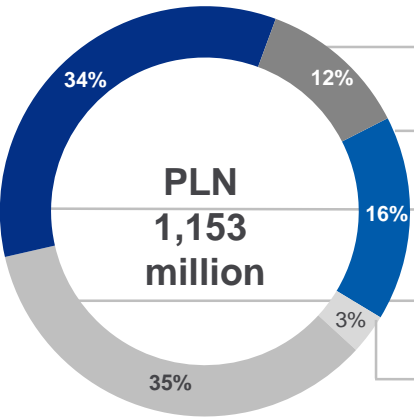


	2016	2017	Change	Percentage change
Amortization and depreciation	587	574	-13	-2.2%
Materials and energy	675	706	31	4.7%
External services	1 573	1 619	46	2.9%
Employee benefits	1 442	1 509	66	4.8%
Other	159	203	44	27.8%
Total	4 437	4 611	174	3.9%

Costs under control coupled with rising freight transport



Operating expenses
PLN million



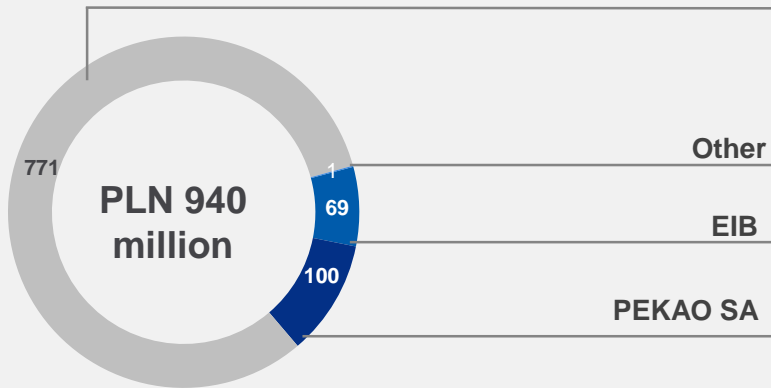
	Q1 2017	Q1 2018	Change	Percentage change
Amortization and depreciation	144	137	-7	-5%
Materials and energy	171	186	15	9%
External services	372	394	22	6%
Employee benefits	371	399	28	7%
Other	39	37	-3	-7%
Total	1,097	1,153	56	5%

Increasing cash flow on operating activity

– safe financing structure

Available funding sources

as at 31 December 2017, PLN million



Debt structure

PLN million

	31.12.2016	31.12.2017
Long-term	1,416	1,404
Short-term	376	298
Total debt	1,792	1,702

Financial ratios* *

Ratio	2016	2017
NET DEBT / EBITDA	1.8	1.3
ROA	-0.6%	0.9%
ROE	-1.3%	1.8%

Cash flow

PLN million

Cash flow	2016	2017	Change
Operational	380	601	+221
Investing	-569	-740	-171
Financing	664	-99	-763

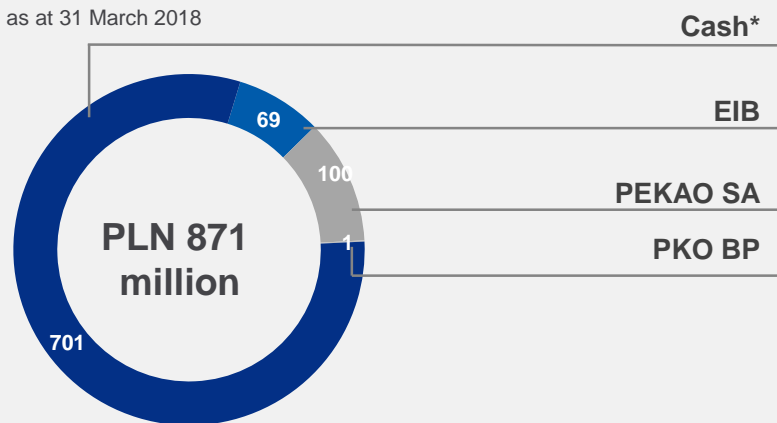
* Cash and cash equivalents, bank term deposits above 3 months

** Adjusted in accordance with item 5.2 of the Management Board's Report on the Activity of the PKP CARGO Group for the financial year 2017

Robust foundations for growth

Available funding sources

as at 31 March 2018



Debt structure

	31 March 2017	31 March 2018
Long-term	1,404	1,348
Short-term	298	288
Total debt	1,702	1,635
Total debt ratio	0.50	0.49

Financial ratios

Ratio	Q1 2017	Q1 2018
NET DEBT / EBITDA	1.9	1.2
ROA	-1.1%	1.8%
ROE	-2.1%	3.5%
EBIT margin	0.3%	5.2%

Cash flow

PLN million

Cash flow	Q1 2017	Q1 2018	change
Operational	93	198	+106
Investing	-359	-238	+121
Financing	-36	-81	-44

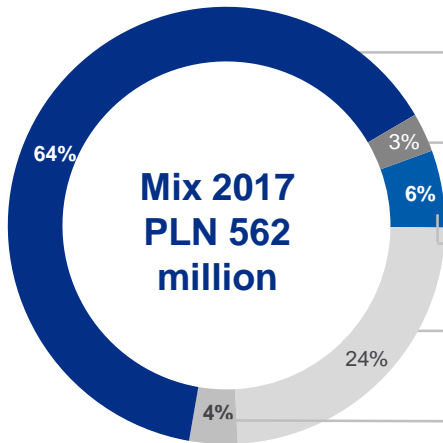
* Cash and cash equivalents, term deposits above 3 months

Capital expenditures in 2017

– in line with market needs

Capital expenditures

PLN million



Periodic repairs of rolling stock

ICT development

Investment construction activity

Purchase and modernization of locomotives and wagons

Other

Total

	Group PKP CARGO 2016	Group PKP CARGO 2017	Change yoy	Change % yoy
Periodic repairs of rolling stock	231	359	128	55.5%
ICT development	20	16	-4	-19.2%
Investment construction activity	19	32	13	68.3%
Purchase and modernization of locomotives and wagons	244	135	-109	-44.7%
Other	19	20	1	7.6%
Total	533	562	29	5.5%

Wagons



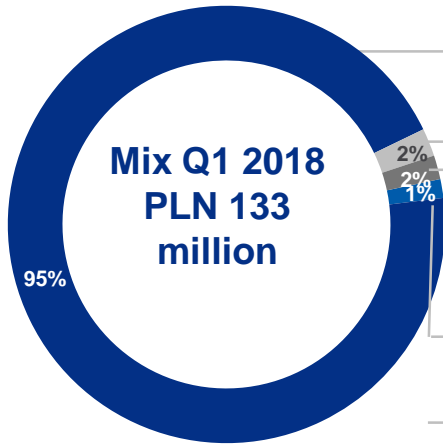
Locomotives



Rapid response to market demand

Capital expenditures

PLN million



	Group PKP CARGO Q1 2017	Group PKP CARGO Q1 2018	Change yoy	Change % yoy
Rolling stock	77	126	49	64%
ICT development	2	3	1	27%
Investment construction activity	5	2	-3	-54%
Other	3	2	-1	-26%
Total	86	133	46	53%

Locomotives



Wagons



A nighttime industrial scene, likely a port or warehouse, featuring a worker in a blue cap and high-visibility vest walking on a concrete surface. A large yellow truck is visible on the right, and a green container is being lifted by a crane in the background. The scene is illuminated by bright overhead lights.

AGENDA

- || PKP CARGO at a glance
- || Market overview
- || Financial overview
- || Key accomplishments



Key achievements in 2017

– harnessing the potential of an accelerating economy



Taking advantage of business conditions

- ▶ Greater transport of aggregates for investments
- ▶ Extension of key contracts for the transport of coal
- ▶ Utilizing the upside potential for transport through Polish ports



International development

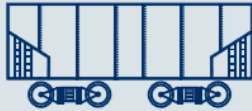
- ▶ Consistently ramping up the volumes transported along the New Silk Road
- ▶ Terminal expansion in Małaszewicze



Rolling stock situation stabilized

- ▶ Further optimization of transport logistics
- ▶ Launch of a modern technological line in Karsznice
- ▶ Resumption of operations by the Rolling Stock Maintenance Unit in Jasło

STRENGTHENING THE LEADING POSITION



DEVELOPING INTERNATIONAL COOPERATION



DYNAMIC DEVELOPMENT OF INTERMODAL TRANSPORT



CONSTANT BUILDING OF SHAREHOLDER VALUE

PKP CARGO - Transparent Company of the year 2016



OPTIMISATION OF TRANSPORT LOGISTICS



EXECUTION OF SPECIALISED TRANSPORT

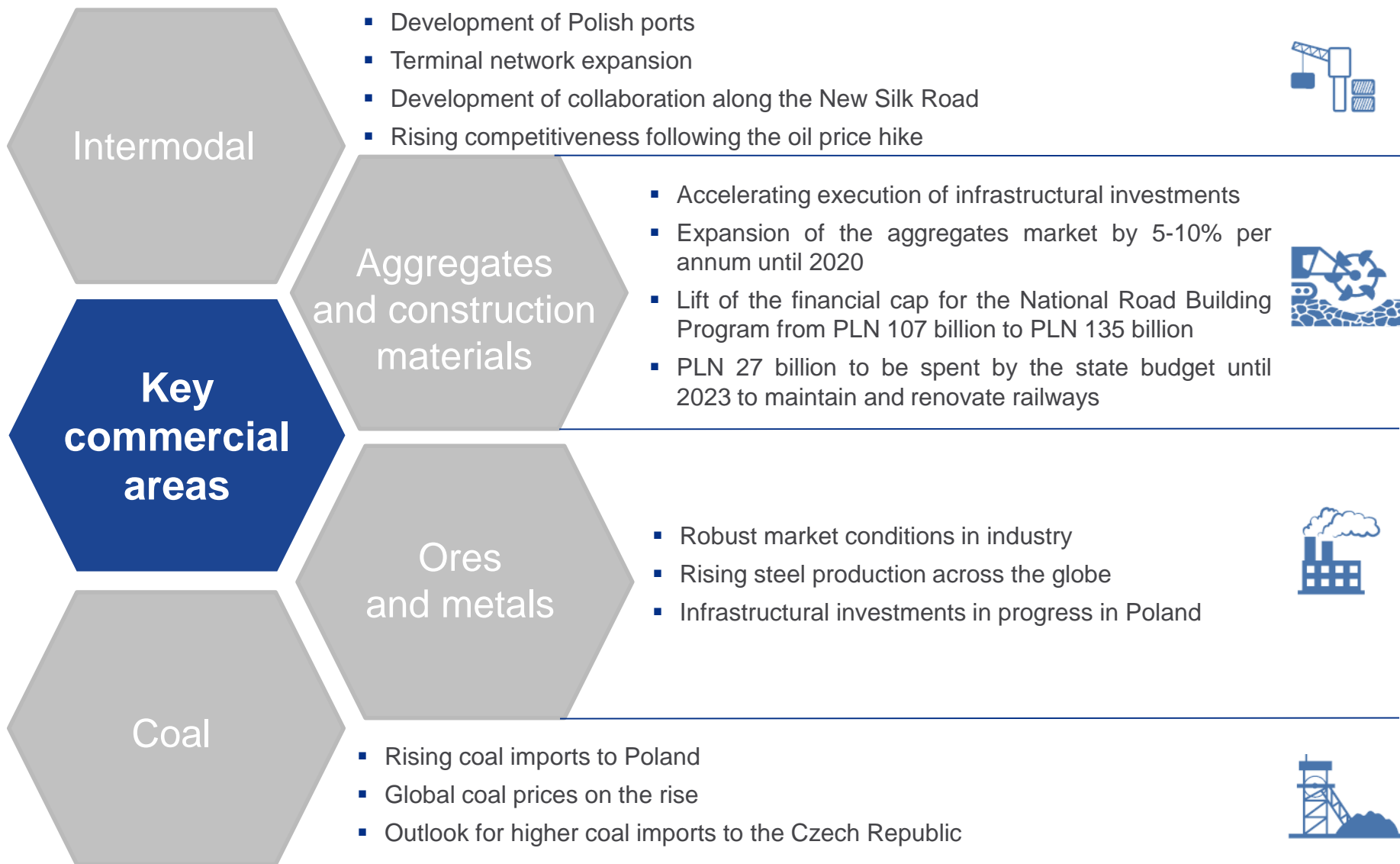


DEVELOPMENT OF THE AREA-BASED MANAGEMENT MODEL



Outlook: key commercial areas

– foundations of the transport summit





Integration of the PKP CARGO Group

- ▶ Tapping into the synergy potential in the PKP CARGO Group Companies – appointment of the Board of CEOs
- ▶ Building competitive advantages in the North-South and East-West corridors
- ▶ The PKP CARGO Group as a professional logistics operator



International development

- ▶ Focus on intermodal transport
- ▶ Intensification of transport on the New Silk Road and the Three Seas Initiative
- ▶ Utilizing the upstream strategy



Market share expansion

- ▶ Organic growth
- ▶ Process optimization
- ▶ Analysis of potential acquisitions on the domestic and international market
- ▶ Aligning the offering to client and market needs
- ▶ Expanding resources offering a better fit with market needs

APPENDIX



Freight results

Freight turnover (million tkm)						
	2017	2016	Change	% change	Share in 2017	Share in 2016
solid fuels	11,514	12,542	-1,027	-8%	37%	44%
including hard coal	10,154	11,070	-916	-8%	33%	39%
aggregates and construction materials	5,882	4,636	1,246	27%	19%	16%
metals and ores	3,986	3,401	585	17%	13%	12%
chemicals	2,353	2,072	281	14%	8%	7%
liquid fuels	1,340	1,091	249	23%	4%	4%
timber and agricultural produce	1,744	1,533	211	14%	6%	5%
intermodal transport	3,235	2,474	762	31%	10%	9%
other	956	774	183	24%	3%	3%
Total	31,010	28,521	2,490	9%	100%	100%

Freight volume (thousands of tons)						
	2017	2016	Change	% change	Share in 2017	Share in 2016
solid fuels	57,679	59,768	-2,089	-3%	48%	54%
including hard coal	51,755	53,690	-1,936	-4%	43%	48%
aggregates and construction materials	22,161	18,173	3,988	22%	19%	16%
metals and ores	12,981	11,266	1,715	15%	11%	10%
chemicals	6,974	6,295	679	11%	6%	6%
liquid fuels	4,534	3,042	1,492	49%	4%	3%
timber and agricultural produce	4,485	4,331	154	4%	4%	4%
intermodal transport	7,605	6,473	1,132	17%	6%	6%
other	2,728	2,147	581	27%	2%	2%
Total	119,147	111,495	7,652	7%	100%	100%

Consolidated Statement of Comprehensive Income

PLN million	2017	2016	% change
Revenue from sales of services	4,641	4,342	7%
Revenue from sales of goods and materials	52	30	72%
Other operating revenue	46	39	17%
Total operating revenue	4,739	4,411	7%
Depreciation and impairment losses	547	622	-12%
Consumption of materials and energy, including:	706	675	5%
<i>Fuel consumption</i>	192	162	19%
<i>Consumption of electricity, gas and water</i>	413	411	0%
External services, including:	1,619	1,573	3%
<i>Line access services from infrastructure managers</i>	718	669	7%
Taxes and charges	39	36	8%
Costs of employee benefits	1,509	1,442	5%
Other expenses by kind	58	55	4%
Cost of goods and materials sold	39	22	77%
Other operating expenses	67	118	-43%
Operating expenses	4,584	4,543	1%
EBITDA	702	490	43%
Profit on operating activities	155	-132	-
Financial revenue	20	39	-48%
Financial expenses	60	61	-3%
Share in the profit of entities measured by the equity method	1	3	-77%
Profit before tax	116	-151	-
Income tax	35	-17	-
Net profit	82	-134	-
Net profit (loss) attributable: to shareholders of the parent company	82	-134	-
Other comprehensive income			
Other comprehensive income subject to reclassification in the financial result:	22	25	-13%
Effective portion of profits and losses related to a hedging instrument to hedge cash flow	28	-4	-811%
Income tax referring to the other comprehensive income line item	-5	1	-811%
Exchange differences resulting from conversion of financial statements of foreign operations	-1	28	-102%
Other comprehensive income not subject to reclassification in the financial result:	-29	17	-
Actuarial profit/loss on defined-benefit employee plans after the employment period	-36	21	-
Income tax referring to the other comprehensive income line item	7	-4	-
TOTAL COMPREHENSIVE INCOME	75	-91	-

Consolidated Statement of Financial Position

ASSETS [PLN million]	As at 31 Dec 2017	As at 31 Dec 2016
Property, plant and equipment	4,688	4,701
Intangible assets	44	56
Investment property	1	1
Investments in entities accounted for under the equity method	54	58
Trade and other receivables	2	2
Other long-term financial assets	11	9
Other non-current non-financial assets	15	26
Deferred tax assets	134	108
Total non-current assets	4,947	4,960
Inventories	148	121
Trade and other receivables	730	640
Income tax receivables	0	3
Other current financial assets	264	1
Other short-term non-financial assets	36	27
Cash and cash equivalents	517	756
Total current assets	1,694	1,548
Total assets	6,642	6,508

Consolidated Statement of Financial Position

EQUITY AND LIABILITIES [PLN million]	As at 31 Dec 2017	As at 31 Dec 2016
Share capital	2,239	2,239
Supplementary capital	619	619
Other items of equity	5	11
Exchange differences resulting from conversion of financial statements of foreign operations	60	60
Retained earnings	411	330
Equity	3,335	3,260
Long-term bank loans and borrowings	1,313	1,274
Non-current finance lease liabilities and leases with a purchase option	91	141
Non-current trade and other payables	2	2
Long-term provisions for employee benefits	559	526
Other long-term provisions	22	26
Other non-current financial liabilities	0	1
Deferred tax liability	107	107
Non-current liabilities	2,094	2,076
Short-term bank loans and borrowings	250	198
Short-term finance lease liabilities and leases with a purchase option	48	60
Short-term trade and other payables	750	670
Short-term provisions for employee benefits	104	99
Other short-term provisions	60	25
Other current financial liabilities	0	119
Current tax liabilities	2	1
Current liabilities	1,213	1,172
Total liabilities	3,307	3,248
Total liabilities and equity	6,642	6,508

Consolidated Cash Flow Statement

Cash flow from operating activities [PLN million]	2017	2016
Gross result for the financial year	116	-151
Adjustments:		
Depreciation of property, plant and equipment and amortization of intangible assets	574	596
Impairment of non-current assets	-27	25
(Profit) / loss on the sale and liquidation of property, plant and equipment, intangible assets and non-current assets held for sale	-5	-2
(Profit) / loss on investing activities	0	-1
Foreign exchange (gains) / losses	-8	1
(Profits) / losses on interest, dividends	25	32
Share in the (profit) / loss of entities measured by the equity method	-1	-3
Received / (paid) interest	3	-1
Received / (paid) income tax	-55	-7
Other adjustments	-23	24
Change in working capital:		
(Increase) / decrease in trade and other receivables	-95	14
(Increase) / decrease in inventories	3	10
(Increase) / decrease in other assets	-19	-10
Increase / (decrease) in trade and other payables	49	-37
Increase / (decrease) in other financial liabilities	-6	-37
Increase / (decrease) in provisions	69	-75
Net cash on operating activities	601	380

Consolidated Cash Flow Statement

Cash flow from investing activities [PLN million]	2017	2016
Expenditures to acquire property, plant and equipment and intangible assets	-511	-588
Proceeds on the transfer of property, plant and equipment, intangible assets and non-current assets held for sale	9	14
Expenditures to acquire other financial assets	0	0
Proceeds on the sale of other financial assets	1	1
Proceeds from interest received	9	1
Proceeds from dividends received	5	3
Expenditures on extended loans	0	0
(Expenditures) / proceeds on bank term deposits longer than 3 months	-253	1
Net cash (used) / from investing activities	-740	-569
Expenditures on financial leases	-60	-67
Interest paid on leases	-6	-9
Proceeds from drawn down loans / credit facilities	366	1005
Repayment of loans/ credit facilities	-255	-258
Interest paid on loans / credit facilities	-28	-17
Subsidies received	0	14
Transactions with non-controlling interests	-115	0
Other expenditures concerning financing activities	-2	-4
Net cash (used) / generated in connection with financing activities	-99	664
Net increase / (decrease) in cash and cash equivalents	-239	475
Cash and cash equivalents at the beginning of the reporting period	756	276
Impact exerted by FX rate movements on the cash balance in foreign currencies	0	4
Cash and cash equivalents at the end of the reporting period	517	756

Minor differences in the presented data stem from rounding.

Freight results Q1 2018

Freight turnover (million tkm)

	Q1 2017	Q1 2018	Change	Change %	Share in Q1 2017	Share in Q1 2018
solid fuels	3 108	2 794	-314	-10,1%	44%	37%
including hard coal	2 774	2 405	-369	-13,3%	39%	32%
aggregates and construction materials	764	1 561	797	104,3%	11%	21%
metals and ores	944	952	9	0,9%	13%	13%
chemicals	590	562	-27	-4,6%	8%	7%
liquid fuels	299	239	-60	-20,0%	4%	3%
timber and agricultural produce	428	371	-57	-13,4%	6%	5%
intermodal transport	731	902	171	23,4%	10%	12%
other	211	180	-31	-14,6%	3%	2%
Total	7 074	7 563	488	6,9%	100%	100%

Freight volume (thousands of tons)

	Q1 2017	Q1 2018	Change	Change %	Share in Q1 2017	Share in Q1 2018
solid fuels	14 953	14 308	-645	-4,3%	55%	49%
including hard coal	13 525	12 795	-730	-5,4%	49%	43%
aggregates and construction materials	3 056	5 533	2 478	81,1%	11%	19%
metals and ores	3 120	3 198	78	2,5%	11%	11%
chemicals	1 749	1 828	79	4,5%	6%	6%
liquid fuels	994	812	-181	-18,3%	4%	3%
timber and agricultural produce	1 042	981	-61	-5,8%	4%	3%
intermodal transport	1 849	2 117	269	14,5%	7%	7%
other	634	648	14	2,3%	2%	2%
Total	27 396	29 427	2 031	7,4%	100%	100%

Consolidated Statement of Comprehensive Income

PLN million	Q1 2018	Q1 2017	zmiana %
Revenue from sales of services	1 193	1 077	11%
Revenue from sales of goods and materials	12	10	25%
Other operating revenue	11	13	-14%
Total operating revenue	1 216	1 100	11%
Depreciation and impairment losses	137	144	-5%
Consumption of materials and energy, including:	186	171	9%
<i>Fuel consumption</i>	<i>54</i>	<i>46</i>	<i>19%</i>
<i>Consumption of electricity, gas and water</i>	<i>108</i>	<i>101</i>	<i>7%</i>
External services, including:	394	372	6%
<i>Line access services from infrastructure managers</i>	<i>171</i>	<i>162</i>	<i>7%</i>
Taxes and charges	6	10	-43%
Costs of employee benefits	399	371	7%
Other expenses by kind	13	13	2%
Cost of goods and materials sold	8	7	5%
Other operating expenses	10	8	13%
Operating expenses	1 153	1 097	5%
EBITDA	200	147	36%
Profit on operating activities	63	3	1892%
Financial revenue	3	10	-73%
Financial expenses	13	15	-13%
Share in the profit of entities measured by the equity method	-3	2	-
Profit before tax	50	0	50638%
Income tax	14	2	821%
Net profit	36	-1	-
Net profit (loss) attributable: to shareholders of the parent company	36	-1	-
Other comprehensive income			
Other comprehensive income subject to reclassification in the financial result:	5	-17	-
Effective portion of profits and losses related to a hedging instrument to hedge cash flow	-8	19	-
Income tax referring to the other comprehensive income line item	1	-4	-
Exchange differences resulting from conversion of financial statements of foreign operations	12	-33	-
Other comprehensive income not subject to reclassification in the financial result:	41	-18	-

Consolidated Statement of Financial Position

ASSETS [PLN million]	As at 31/03/2018	As at 31/12/2017
Property, plant and equipment	4 697	4 688
Intangible assets	41	44
Investment property	1	1
Investments in entities accounted for under the equity method	51	54
Trade and other receivables	1	2
Other long-term financial assets	7	11
Other non-current non-financial assets	14	15
Deferred tax assets	143	134
Total non-current assets	4 957	4 947
Inventories	146	148
Trade and other receivables	709	730
Income tax receivables	0	0
Other current financial assets	311	264
Other short-term non-financial assets	51	36
Cash and cash equivalents	398	517
Total current assets	1 616	1 694
Total assets	6 572	6 642

Consolidated Statement of Financial Position

EQUITY AND LIABILITIES [PLN million]	As at 31/03/2018	As at 31/12/2017
Share capital	2 239	2 239
Supplementary capital	619	619
Other items of equity	-14	5
Exchange differences resulting from conversion of financial statements of foreign operations	71	60
Retained earnings	456	411
Equity	3 372	3 335
Long-term bank loans and borrowings	1 263	1 313
Non-current finance lease liabilities and leases with a purchase option	85	91
Non-current trade and other payables	2	2
Long-term provisions for employee benefits	0	559
Other long-term provisions	561	22
Other non-current financial liabilities	22	0
Deferred tax liability	107	107
Non-current liabilities	2 040	2 094
Short-term bank loans and borrowings	244	250
Short-term finance lease liabilities and leases with a purchase option	43	48
Short-term trade and other payables	693	750
Short-term provisions for employee benefits	118	104
Other short-term provisions	61	60
Other current financial liabilities	0	0
Current tax liabilities	2	2
Current liabilities	1 161	1 213
Total liabilities	3 201	3 307
Total liabilities and equity	6 572	6 642

Consolidated Cash Flow Statement

Cash flow from operating activities [PLN million]	Q1 2018	Q1 2017
Profit / (loss) before tax	50	0
Adjustments:		
Depreciation of property, plant and equipment and amortization of intangible assets	137	144
((Gains) / losses on the sale and liquidation of property, plant and equipment, intangible assets and non-current assets held for sale	-1	-5
Foreign exchange (gains) / losses	0	-3
(Gains) / losses on interest, dividends	6	7
Share in the (profit) / loss of entities measured by the equity method	3	-2
Received / (paid) interest	1	0
Received / (paid) income tax	-23	-2
Other adjustments	-3	10
Change in working capital:		
(Increase) / decrease in trade and other receivables	15	13
(Increase) / decrease in inventories	4	6
(Increase) / decrease in other assets	-12	-33
Increase / (decrease) in trade and other payables	4	-46
Increase / (decrease) in other financial liabilities	0	-6
Increase / (decrease) in provisions	17	10
Net cash from operating activities	198	93

Consolidated Cash Flow Statement

Cash flow from investing activities [PLN million]	Q1 2018	Q1 2017
Expenditures to acquire property, plant and equipment and intangible assets	-193	-118
Proceeds on the transfer of property, plant and equipment, intangible assets and non-current assets held for sale	1	8
Proceeds from interest received	2	1
Proceeds from dividends received	0	1
Outflows from loans granted	0	0
Proceeds from repayment of loans	0	0
(Outflows) / inflows from bank deposits over 3 months	-49	-250
Net cash from investing activities	-238	-359
Payments of financial leases liabilities	-12	-13
Payments of interest under finance leases	-1	-2
Proceeds from bank loans and borrowings	0	80
Repayments of bank loans and borrowings	-61	-94
Interest paid on bank loans and borrowings	-7	-7
Grants received	1	0
Other outflows from financing activities	0	0
Net cash from financing activities	-81	-36
Net increase / (decrease) in cash and cash equivalents	-121	-303
Cash and cash equivalents at the beginning of the reporting period	517	756
Impact of changes foreign exchange rates on the cash balance in foreign currencies	2	-6
Cash and cash equivalents at the end of the reporting period	398	448

Drobne różnice w prezentowanych danych wynikają z zaokrągleń.

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