

Recommendation of the Management Board concerning distribution of the profit for 2014

Current report no. 12/2015 dated 12 March 2015

General 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", "Issuer") announces that on 12 March 2015 it resolved to apply to the Ordinary General Meeting of the Company ("OGM") with a request to allocate the net profit of PLN 58.610 thousand arising from the Separate Statement of Comprehensive Income for the period from 1 January 2014 to 31 December 2014 as follows:

- (i) the amount of PLN 4.689 thousand for supplementary capital,
- (ii) the amount of PLN 53.922 thousand for dividend payment.

The Management Board of the Company decided to ask the OGM to allocate to dividend payment additional PLN 56.078 thousand from retained earnings.

The overall level of the recommended dividend payment amounts to PLN 110 million and accounts for 40% of the consolidated net income adjusted for one-off event in the form of Voluntary Redundancy Program, the cost of which in the amount of PLN 265 million burdened PKP CARGO Group's 2014 financial result.

In the opinion of the Management Board the recommended level of the dividend payment is consistent with the Company's dividend policy.

The Company also informs that in accordance with Art. 382 § 3 of the Commercial Companies Code, this recommendation will be addressed to the Supervisory Board for appraisal. The final decision on profit distribution for the year 2014 will be taken by the Ordinary General Meeting of the Company.

Legal basis: § 38 sec. 1 item 2 of the Regulation issued by the Finance Minister on 19 February 2009 on the Current and Periodic Information Transmitted by Securities Issuers and the Conditions for Recognizing the Information Required by the Regulations of a Non-Member State as Equivalent.