

Completion of the public offering to sell series A shares of PKP CARGO S.A.

Current report no. 21/2013 of 8 November 2013

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”) hereby conveys information on the completion of the public offering of Company’s shares. Capitalized terms not otherwise defined in this current report, have the meanings ascribed to them in the prospectus of the Company's shares approved by the Securities and Exchange Commission on 4 October 2013.

1. Date of commencement and completion of sale:

Subscription period for Individual Investors: 9 October 2013 – 21 October 2013 (until 11:59 p.m.).

Subscription period for institutional investors: 23 October 2013 – 25 October 2013.

2. Date of allocation of securities:

The Offer Shares were allocated by the Selling Shareholder on 28 October 2013.

3. Number of securities sold:

The ultimate number of Offer Shares amounted to 20,926,171, including 3,600,000 Offer Shares offered to Individual Investors and 17,326,171 Offer Shares offered to Institutional Investors.

4. Reduction rate in each tranche when in any tranche the number of allotted securities was lower than the number of securities subscribed for:

Reduction rate in Individual Investors tranche, in the case of a subscription for a maximum number of Offer Shares i.e 500 Offer Shares in relation to the Maximum Allocation, amounted to 51.2%. No reduction of subscriptions was conducted in the subscriptions submitted by Institutional Investors.

5. Number of securities for which subscriptions were submitted in this sale:

Individual investors subscribed for 5,477,594 of Offer Shares.

Institutional investors subscribed for 17,326,171 of Offer Shares.

6. Number of securities allocated under the sale:

W Ofercie przydzielono 20,926,171 Akcji Oferowanych, w tym:

- a) 3,600,000 of Offer Shares were allocated to Individual Investors,
- b) 17,326,171 of Offer Shares were allocated to Institutional Investors.

7. Price at which the shares were acquired:

Sale Price of Offer Shares offered to Institutional Investors and the Sale Price of Offer Shares offered to Individual Investors amounted to PLN 68.00 per Offer Share.

8. Number of persons who submitted subscriptions for securities under the sale in each tranche:

In the Offering, subscriptions were submitted by 24,273 investors, of which:

- a) 24,089 persons were Individual Investors,
- b) 184 were Institutional Investors.

9. Number of persons to whom securities were allocated in the sale in each tranche:

In the Offering, the Offer Shares were allocated to 24,271 investors, of which:

- a) 24,087 persons were Individual Investors,
- b) 184 were Institutional Investors.

10. Names (business names) of the underwriters who subscribed for securities under the underwriting agreement stating the number of securities for which they subscribed and the actual price of one security unit (sale price after subtracting the fee for subscribing for a security unit, under the performance of the underwriting agreement as purchased by the underwriter):

Pursuant to the underwriting agreement concluded on 16 October 2013 the roles of underwriters were played by: Goldman Sachs International, Morgan Stanley & Co. International plc, Powszechna Kasa Oszczędności Bank Polski S.A. (also acting through its branch Powszechna Kasa Oszczędności Bank Polski S.A. Oddział – Dom Maklerski PKO Banku Polskiego with its registered seat in Warsaw), IPOPEMA Securities S.A., Raiffeisen Centrobank AG, UniCredit Bank Austria AG („Underwriters”).

The underwriters did not purchase any shares in the performance of the underwriting agreement.

11. Value of the sale understood as the product of the number of securities in the offering and the issue price or the sales price:

The value of the Offering was PLN 1,422,979,628 (20,926,171 of Offer Shares sold at the price of PLN 68.00 per Offer Share).

12. Total estimated specification of costs included in the issue costs while stating the amount of costs by type: a) preparation and execution of the offering, b) the underwriters' fees, for each separately, c) preparation of prospectus, including advisory fees, d) promotion of the offer – along with the methods of accounting for these costs in the accounts and the way they are recorded in the financial statement of the issuer:

Due to the fact that at the date of this current report, the Company has not yet received all the invoices from the companies involved in the Offering and from the capital market institutions, information on all costs incurred by the Company including their distribution will be made public in a form of a separate current report.

13. Average cost of conducting the sale per unit security under the sale:

Due to the fact that at the date of this current report, the Company has not yet received all the invoices from the companies involved in the Offering and from the capital market institutions, information on all costs incurred by the Company including their distribution will be made public in a form of a separate current report.

Legal basis: § 33 sec. 1 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 (Journal of Laws, 2009, no. 33, item 259).