

# Rail transport

Rail transport of products from the Gdańsk refinery is a mainstay of the LOTOS Group's production security. LOTOS Kolej, a specialist rail freight operator, provides comprehensive rail logistics services to the entire Group. One of the elements of the company's strategy is to develop both domestic and international transport activities.

In 2015, LOTOS Kolej provided the following railway services:

- Rail freight transport in Poland,
- Freight transport services in Germany (from November),
- Trainload and non-trainload services,
- Maintenance of rolling stock,
- Eco-friendly cleaning of rail tank cars,
- International rail freight and forwarding services,
- Management of railway sidings for the LOTOS Group and maintenance of railway infrastructure.

LOTOS Kolej's transported volumes rose by 2m tonnes, from 10.6m tonnes in 2014 to 12.6m tonnes in 2015. The increase was mainly driven by larger volumes transported for clients from outside the LOTOS Group – up by 1.8m tonnes, from 5.6m to 7.4m. The transport volumes within the LOTOS Group also grew, from 5m to 5.2m tonnes.

over

**12.6**<sub>m</sub>

tonnes

amount of cargo  
transported by LOTOS  
Kolej in 2015

In 2015, LOTOS Kolej increased its share in the Polish rail freight market from 8.87% to 9.92%, thus maintaining the second position among rail cargo operators. The company also increased its share in the intermodal transport segment – from 19.17% to 23.17%.\*

\* In terms of tonne-kilometres, according to the Office of Rail Transport data for 2014 and 2015

In 2015, LOTOS Kolej obtained the safety certificate, part B, for Germany, and started transport services in that country. The German market is the largest transport market in the European Union, with high share of the railway transport (above 20%). This is also the one with the highest potential resulting from the economy size and its stability. Until recently, the Company transported within the former Federal Republic of Germany only in the border traffic, i.e. to the first German station where the train was handed over to the subcontractor. Since 2015, the Company has been allowed to provide own transport services in the territory of Germany, thus being able to compete with other carriers offering international rail transport, and to strengthen its relations with the existing customers looking for fast rail connections between Poland and Germany.

Year on year, LOTOS Kolej has been steadily increasing the number of services for external customers, from outside the LOTOS Group, with the number of transport for external customers exceeding the numbers recorded for LOTOS Group in 2015.