

Execution of a significant credit facility agreement with the European Investment Bank
Current report no. 45/2016 of 19 July 2016

Legal basis (selected in ESPI):

Article 17 Sec. 1 of MAR - confidential information.

The Management Board of PKP CARGO S.A. ("Company", "Borrower") reports that a credit facility agreement has been executed on 19 July 2016 with the European Investment Bank with its registered office in Luxembourg ("Bank", "EBI") on whose basis an investment loan ("Loan") will be made available to the Company up to a maximum value of EUR 40 million, earmarked to finance and/or refinance the purchase of multi-system locomotives.

According to the Credit Facility Agreement, the Loan will be available for 48 months from its date of execution. The Loan may be originated in EUR or PLN as the Borrower elects. The Borrower is obligated to repay the Loan in installments according to the terms and conditions prescribed by the Credit Facility Agreement, where the full repayment of the Loan should take place by 19 July 2035.

The interest rate applicable to every utilization of the Loan is equal to the floating EURIBOR/WIBOR rate plus the Bank's margin.

The Credit Facility Agreement provides for the possibility of early Loan repayment without the Borrower having to remit any additional fees.

This Loan is not collateralized against the Company's assets.

The Credit Facility Agreement's other terms and conditions do not deviate from the terms and conditions generally applicable to similar credit transactions.

On 03 December 2013 the Company executed a credit facility agreement with the Bank, while on 18 March 2016 an annex to that agreement was signed. Under that agreement the Bank made the amount of PLN 240 million available, where the full repayment of that loan should take place by 03 December 2020. That loan is available until 03 December 2016. On the date of this report, the available loan amount is PLN 155 million.

The total amount of the agreements executed by and between PKP CARGO and EBI in the 12 months up to the date of execution of the agreement in question is approximately PLN 417 million, thereby exceeding 10% of the Company's equity, which forms the basis for the publication of this current report.

Legal basis: art. 17 sec. 1 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council on Market Abuse.