

Conclusion of contracts of significant value with bank BGK

Current report no 64/2015 from 16 November 2015

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. (the “Company”, the “Borrower”) hereby informs about a conclusion on 16 November 2015 by the Company and Bank Gospodarstwa Krajowego with its registered seat in Warsaw (the "Bank") of two credit agreements, pursuant to which the Company will be provided with investment credits up to a total maximum amount of EUR 100 million, exceeding the 10% of the Company’s equity.

The agreement of the highest value is the agreement concluded on 16 November 2015, under which the Bank will provide the Company with an investment credit up to a maximum amount of EUR 85 million (the "Credit") for financing and/or refinancing of the purchase of multi-system locomotives, investments resulting from an investment plans and/or financing and/or refinancing of other activities in the area of mergers and acquisitions (the "Agreement").

Pursuant to the Agreement, the Credit will be available until 31 December 2016. The Borrower is obligated to repay the Credit in quarterly installments on the conditions specified in the Agreement, not later than ten years from the end of the availability period, whereas the Credit repayment should be executed until 20 December 2026.

The interest rate applicable to each use of the Credit is equal to the variable EURIBOR rate applicable for 3 month deposits plus the Bank's margin.

The Agreement provides for the possibility of early repayment of the Credit without having to pay additional fees by the Borrower.

The Agreement is not collateralized by any specific assets of the Company.

Other conditions of the Agreement do not differ from those commonly used in similar credit transactions.

On the day preceding the publication of this current report, i.e. as of 15 November 2015 the total value of the liabilities of the Borrower and its subsidiaries towards the Bank amounted to ca. PLN 451 million.

Legal basis:

§ 5 sec. 1 item 3 of the Regulation of the Minister of Finance of 19 February 2009 on current and periodical information provided by issuers of securities and the conditions for recognition as equivalent information as required by the law of a non-Member State (Journal of Laws of 2014, item 133).