

20th march, 2013

Zespół Elektrowni „Pątnów-Adamów-Konin” S.A.

2012 Results



Key data 2012 (4Q 2012)



Financial

- Sales revenue = 2.723 m PLN (735 m PLN);
- EBITDA = 737 m PLN (195 m PLN)
- EBIT = 452 m PLN (98 m PLN)
- Net profit = 375 m PLN (59 m PLN)
- Cash and cash equivalents¹
= 417 m PLN

Operational

- Electricity net production = 10,21 TWh
- Electricity sales = 11,41 TWh
- Lignite consumption = 13,66 m tonnes

Important information

- Drop of average green certificate price from 286,07 PLN to 182,50
- Essential rise of employee benefit provisions due to drop of discount factor
- Essential drop of production in Adamów power plant (-17,3%)
- Changes in costs by type structure

¹ Including DSRA

OPERATIONAL INFORMATION

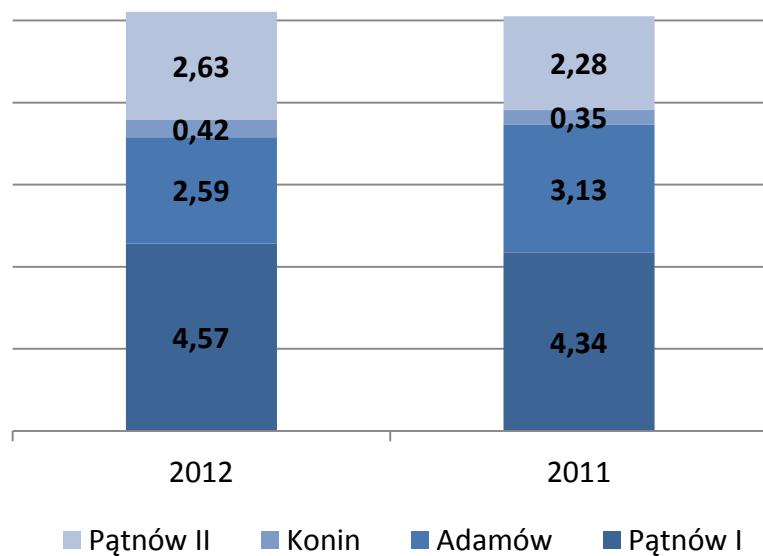


Net electricity production

[TWh]



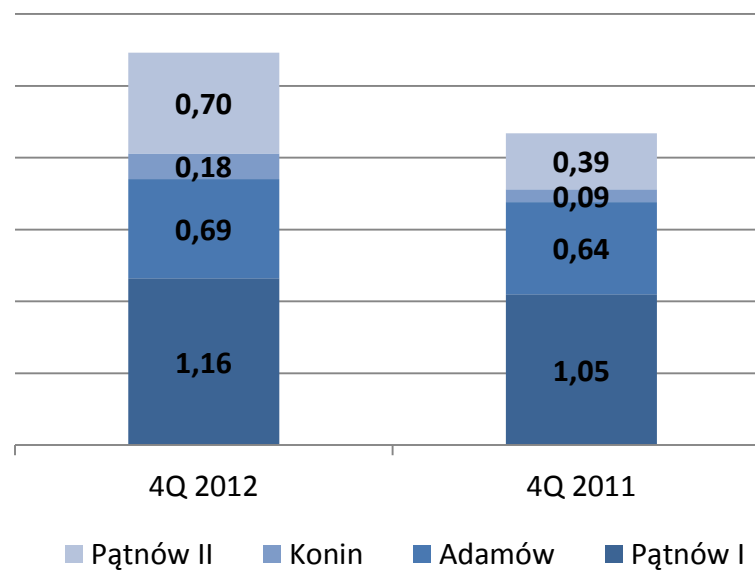
2012 / 2011



Total 2012 = 10,21 TWh

Total 2011 = 10,10 TWh

4Q 2012 / 4Q 2011



Total 4Q 2012 = 2,73 TWh

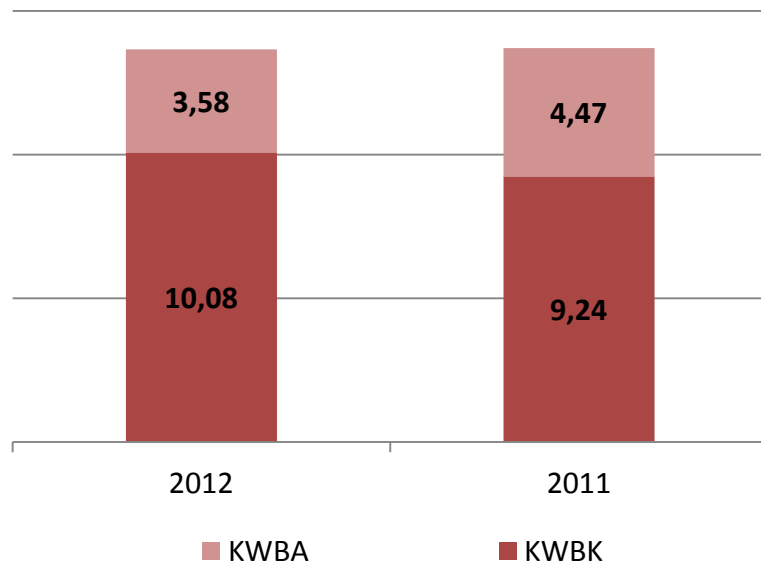
Total 4Q 2011 = 2,17 TWh

Lignite consumption

[million tonnes]



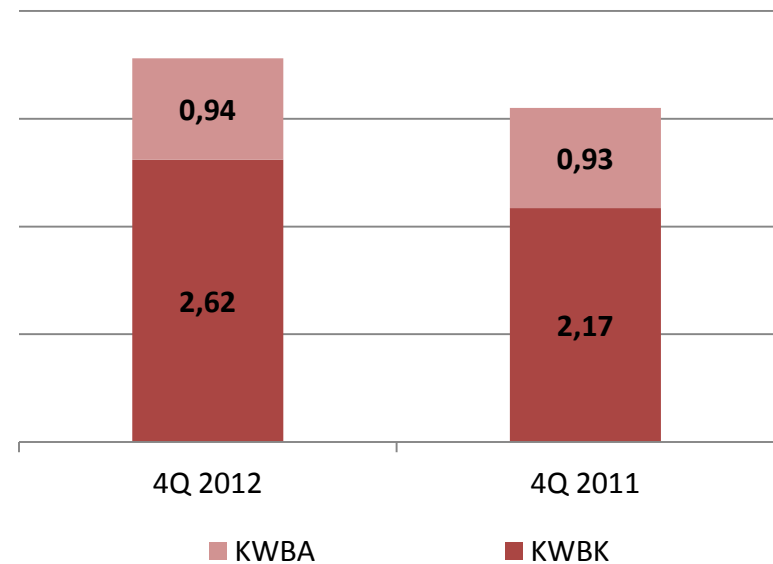
2012 / 2011



Total 2012 = 13,66 million tonnes

Total 2011 = 13,71 million tonnes

4Q 2012 / 4Q 2011



Total 4Q 2012 = 3,56 million tonnes

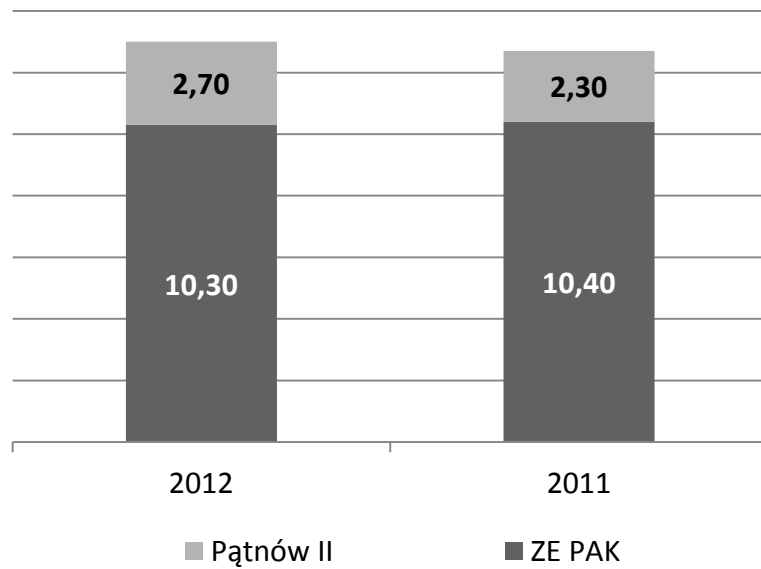
Total 4Q 2011 = 3,10 million tonnes

CO₂ Production

[million tonnes]



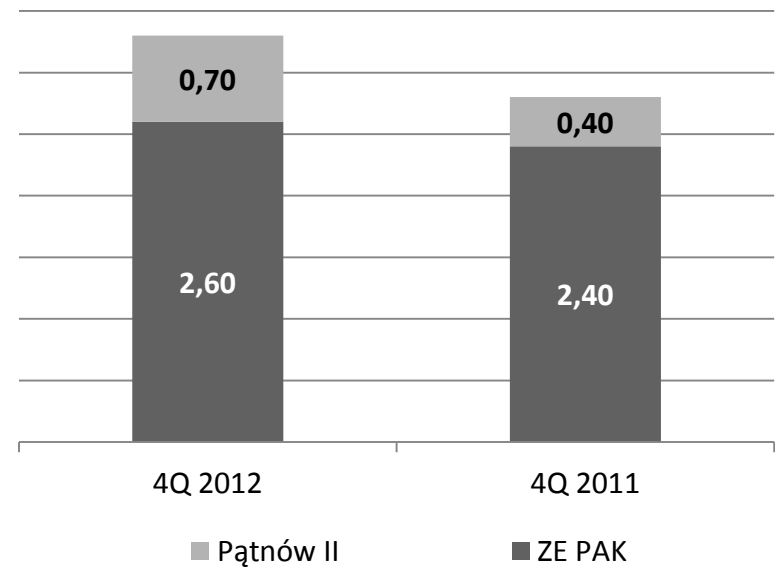
2012 / 2011



Total 2012 = 13,00 million tonnes

Total 2011 = 12,70 million tonnes

4Q 2012 / 4Q 2011



Total 4Q 2012 = 3,30 million tonnes

Total 4Q 2011 = 2,80 million tonnes

FINANCIAL INFORMATION



Consolidated P&L summary (1/2)



[PLNm]	2012A	2011A	4Q 2012	4Q 2011
Sales revenue	2 723	2 689	735	647
<i>Growth %</i>	<i>1,28%</i>		<i>13,73%</i>	
Cost of goods sold	-2 131	-2 123	-593	-591
Gross profit	592	566	143	56
<i>Margin %</i>	<i>21,75%</i>	<i>21,06%</i>	<i>19,39%</i>	<i>8,62%</i>
Other operating income	12	11	8	8
Selling and distribution expenses	-3	-20	-1	-5
Administrative expenses	-134	-79	-44	-18
Other operating expenses	-16	-9	-7	-5
EBITDA	737	769	195	166
<i>Margin %</i>	<i>27,06%</i>	<i>28,61%</i>	<i>26,50%</i>	<i>25,72%</i>
EBIT	452	469	98	35
<i>Margin %</i>	<i>16,58%</i>	<i>17,42%</i>	<i>13,38%</i>	<i>5,46%</i>

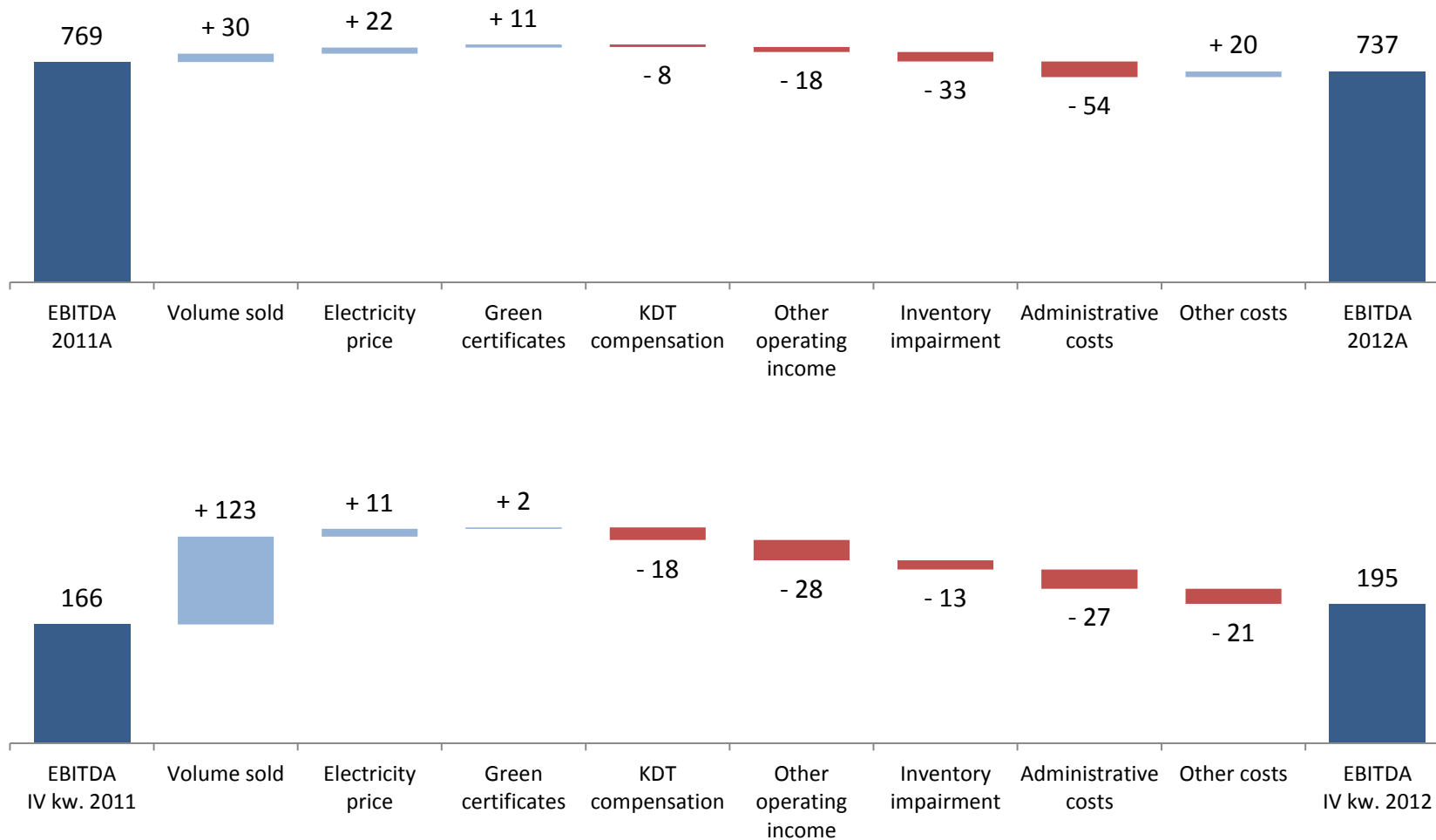
Consolidated P&L summary (2/2)



[PLNm]	2012A	2011A	4Q 2012	4Q 2011
EBIT	452	469	98	35
Finance income	83	59	8	7
Finance costs	-70	-136	-30	-10
Profit before tax	465	388	77	32
<i>Effective tax rate %</i>	<i>19,22%</i>	<i>19,33%</i>	<i>22,84%</i>	<i>13,70%</i>
Income tax	-89	-75	-17	-4
Net income	375	316	59	27
<i>Margin %</i>	<i>13,79%</i>	<i>11,76%</i>	<i>8,04%</i>	<i>4,21%</i>

EBITDA evolution

[mPLN]



Consolidated P&L in segments 2012A



million PLN	Generation	Mining	Ancillary activities	Other	Consolidation adjustments	Total
Sales revenue from external customers	2 451	6	101	166	-	2 723
<i>External sales revenue %</i>	<i>94,8%</i>	<i>1,3%</i>	<i>32,3%</i>	<i>90,7%</i>		<i>100,0%</i>
Sales revenue between segments	133	430	211	17	-792	-
Sales revenue	2 585	436	312	183	-792	2 723
Cost of goods sold	-2 083	-407	-252	-174	785	-2 131
Gross profit	502	29	60	9	-7	592
<i>Margin %</i>	<i>19,4%</i>	<i>6,6%</i>	<i>19,2%</i>	<i>4,8%</i>		<i>21,7%</i>
EBITDA	684	11	47	6	-12	737
<i>Margin %</i>	<i>26,5%</i>	<i>2,5%</i>	<i>15,1%</i>	<i>3,5%</i>		<i>27,1%</i>
EBIT	439	-26	42	5	-9	452
<i>Margin %</i>	<i>17%</i>	<i>-5,9%</i>	<i>13,5%</i>	<i>2,7%</i>		<i>16,6%</i>
Net profit (for the period from continuing operations)	429	-38	33	5	-54	375
<i>Margin %</i>	<i>16,6%</i>	<i>-8,7%</i>	<i>10,7%</i>	<i>2,6%</i>		<i>13,8%</i>

Consolidated P&L in segments

4Q 2012

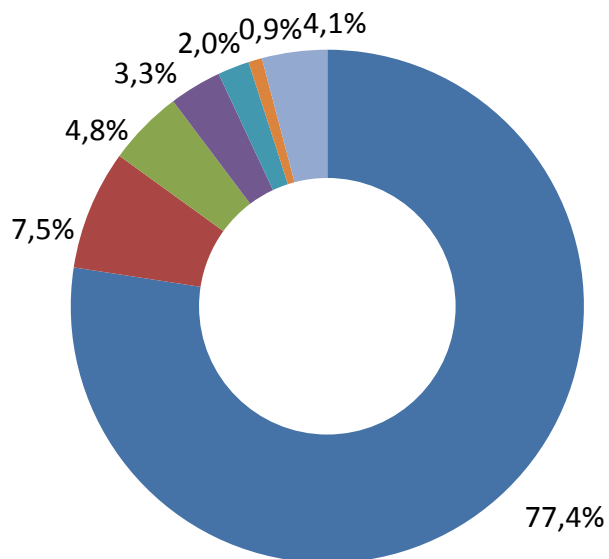


million PLN	Generation	Mining	Ancillary activities	Other	Consolidation adjustments	Total
Sales revenue from external customers	554	-2	20	164	-	735
<i>External sales revenue %</i>	82,1%	-1,0%	29,2%	98,1%		100,0%
Sales revenue between segments	121	239	48	3	-410	-
Sales revenue	675	236	67	167	-410	735
Cost of goods sold	-539	-243	-57	-165	411	-593
Gross profit	136	-6	10	2	-	143
<i>Margin %</i>	20,2%	-2,7%	15,1%	1,3%		19,4%
EBITDA	192	-6	9	1	-1	195
<i>Margin %</i>	28,5%	-2,4%	12,6%	0,4%		26,5%
EBIT	121	-30	7	-	-	98
<i>Margin %</i>	17,9%	-12,7%	10,5%	0,1%		13,4%
Net profit <i>(for the period from continuing operations)</i>	92	-38	5	-	-	59
<i>Margin %</i>	13,6%	-15,9%	6,9%	0,2%		8,0%

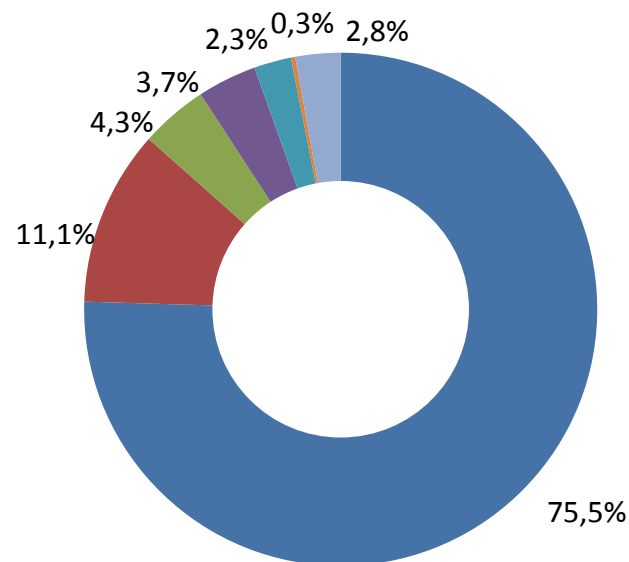
Revenue breakdown



2012A



IV kw. 2012



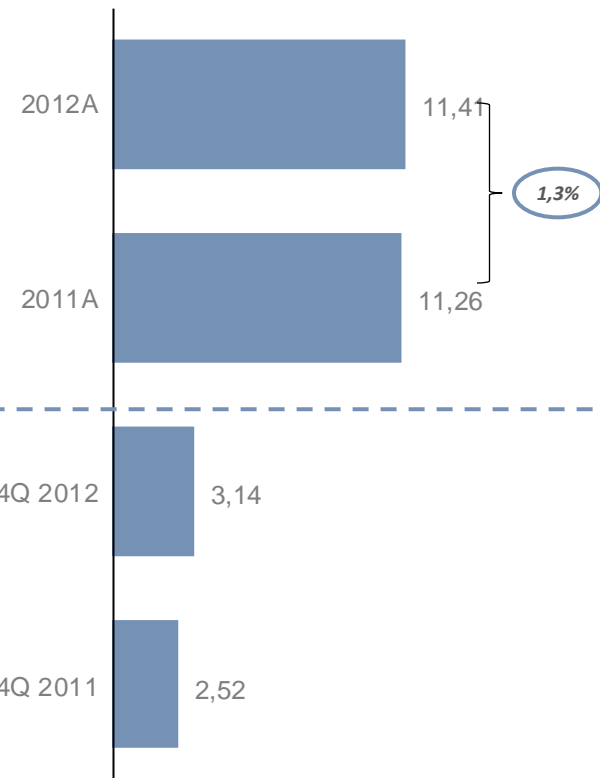
- Sale of electricity from own production
- Resale of electricity from the market
- Certificates of origin
- Compensation related to long-term power purchase agreement (PPA) termination
- Heat sale
- Exchange of EUAs for CERs
- Other

Electricity sales



Electricity Sales⁽¹⁾

(TWh)



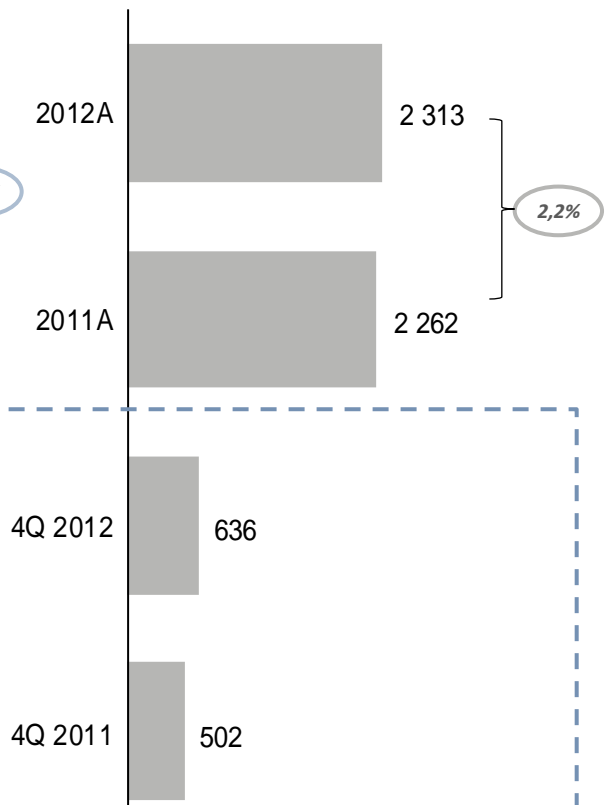
Average sale price⁽²⁾

(PLN/MWh)



Revenue

(mPLN)



⁽¹⁾ Electricity produced and resold on the market

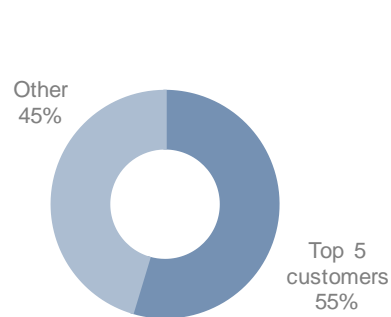
⁽²⁾ Calculated as the total revenue from the sale of electricity (including electricity generated by the Company as well as resold electricity purchased by the Company from the market) divided by total volume of electricity sold.

Sales breakdown by customers and by type

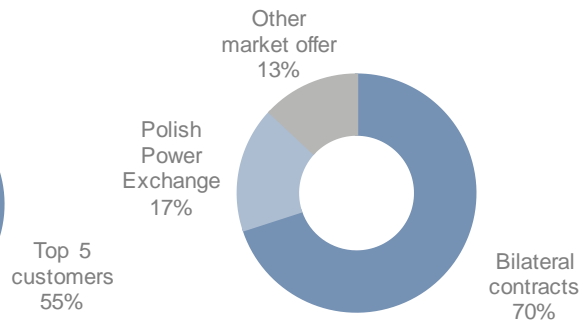


2011A sales

By customers



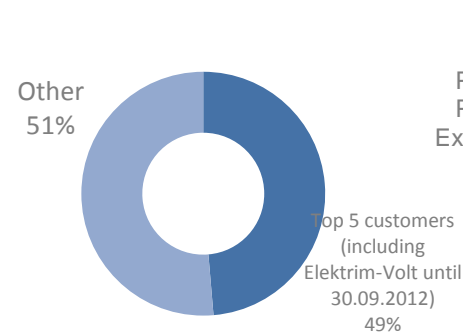
By type



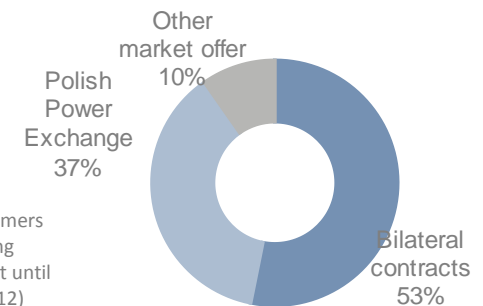
Total sales of 11.2TWh⁽¹⁾

2012A sales

By customers



By type



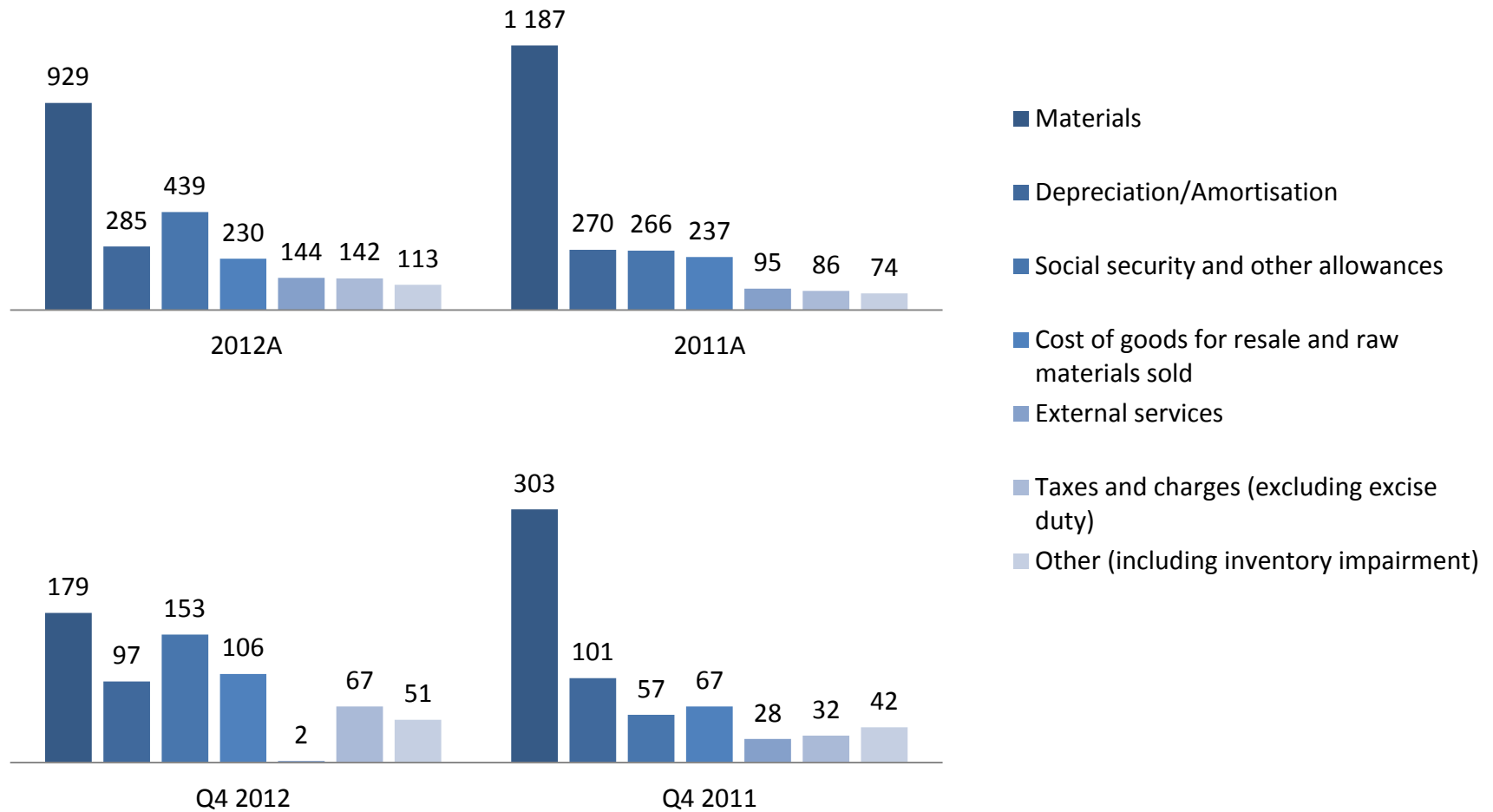
Total sales of 11.4TWh⁽¹⁾

- Main customers include large distribution companies
- In 2011, ZE PAK Group offered c. 30% of electricity via the public market (17% on the Polish energy exchanges) and in 2012 c. 47% via the public market (37% on Polish energy exchanges)
- Pątnów II Power Plant is obliged to sell 100% of the production through market offer (accordance with the Energy Law Act)⁽²⁾
- Power sales strategy:
 - Contracting 65% - 70% of generation one year in advance
 - Remainder of the production sold on day ahead and balancing markets

⁽¹⁾ Electricity generated by ZE PAK Group and electricity purchased from the market and re-sold.

⁽²⁾ Pątnów II was released from the obligation to sell via an exchange 60% in 2013 and 2014.

Costs by type

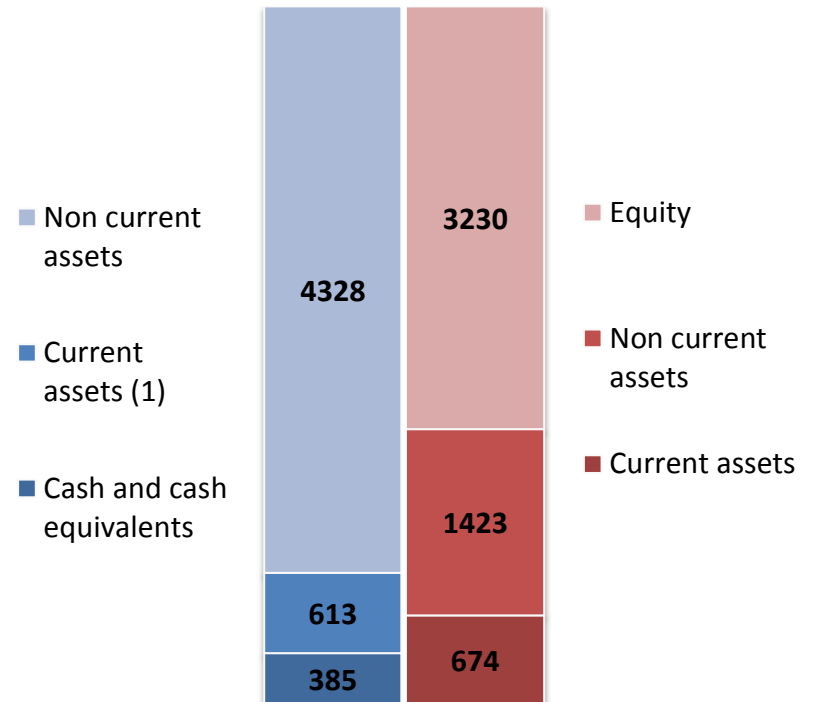
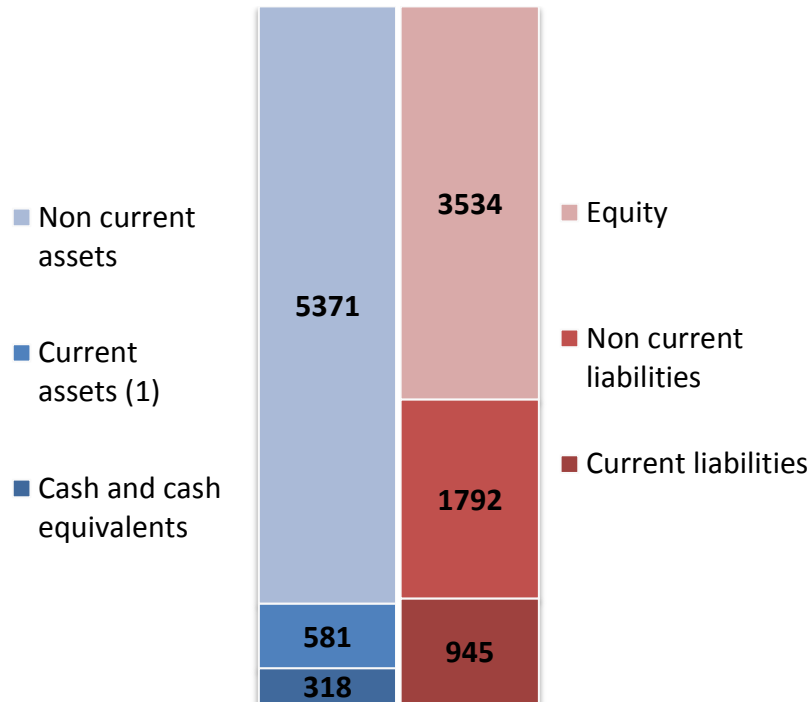


Consolidated statement of financial position



31.12.2012 [million PLN]

31.12.2011 [million PLN]



(1) Without Cash and cash equivalents

Net debt

[PLNm]



31.12.2012

31.12.2011

Net debt
/ EBITDA

1,21x

1,00x

1 311

1 255


894

772

(417)

(483)

 Cash and cash equivalents

 Loans, credits and leases

 Net debt



Consolidated cash flow



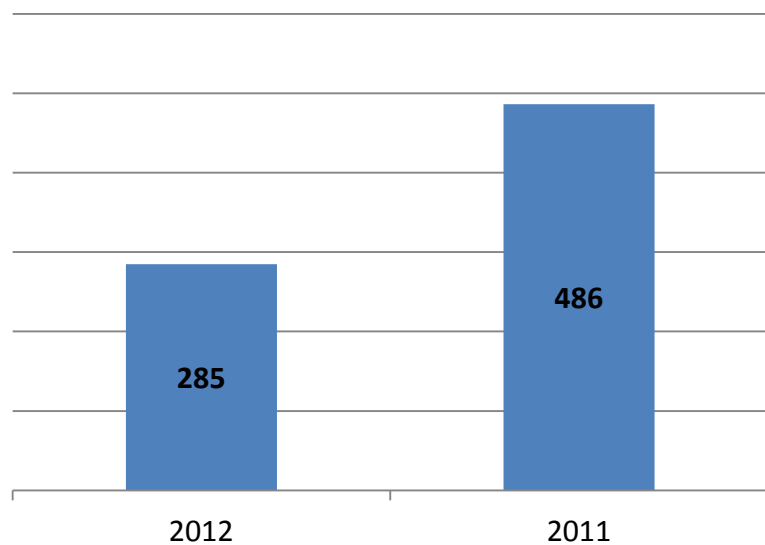
[mPLN]	2012A	2011A
Profit/loss before taxation	465	392
Depreciation and amortization	284	269
Profit/loss on investing and financial activities	-12	162
Changes in working capital	88	-35
Income tax	-49	-130
Other	-3	-36
Net cash flow from operational activities	773	622
Purchase of property, plant and equipment and intangible assets	-331	-420
Acquisition of subsidiary, net of received cash and cash equivalents	-244	-
Other	74	-23
Net cash flow from investing activities	-501	-443
Purchase of treasury shares	-31	-
Payment of credits, loans and leases	-239	-546
Interest paid	-62	-56
Other	1	330
Net cash flow from financial activities	-332	-272
Change in cash and cash equivalents	-60	-93
Cash and cash equivalents at the beginning of the period	373	466
Cash and cash equivalents at the end of the period	313	373

Capex

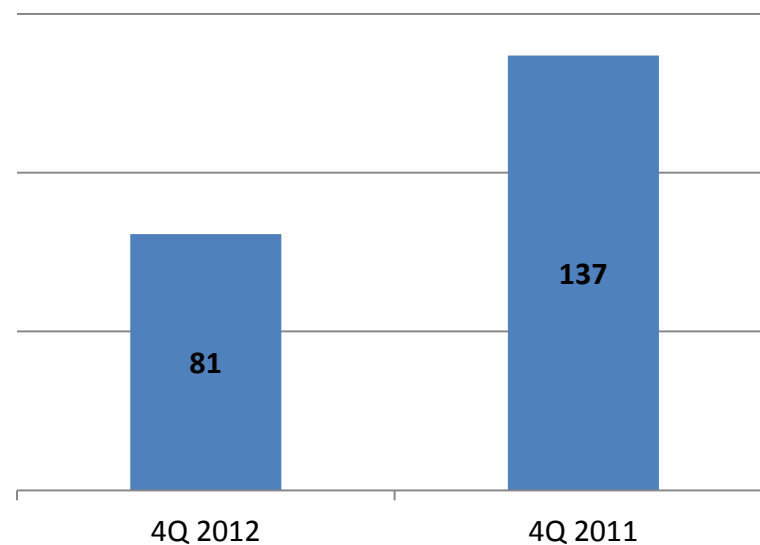
[mPLN]



2012A / 2011A



4Q 2012 / 4Q 2011

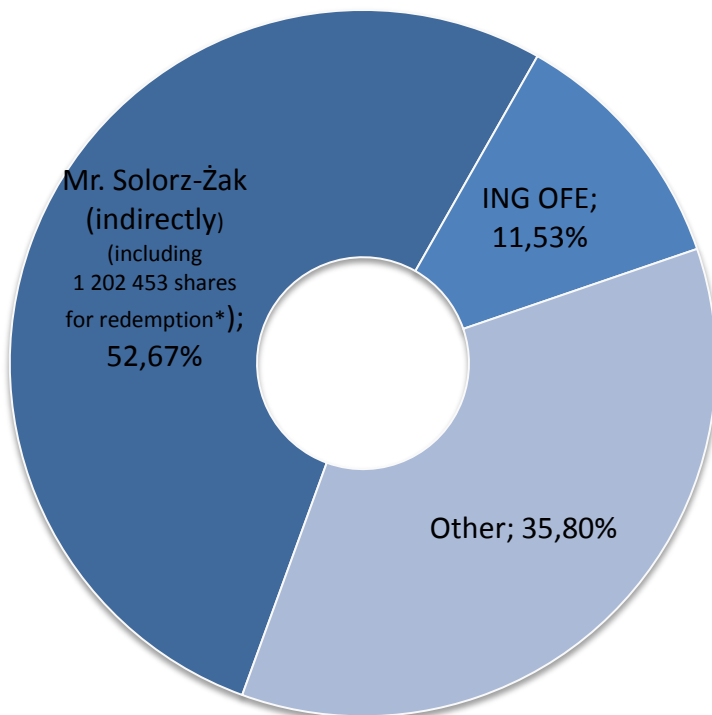


Shareholder structure

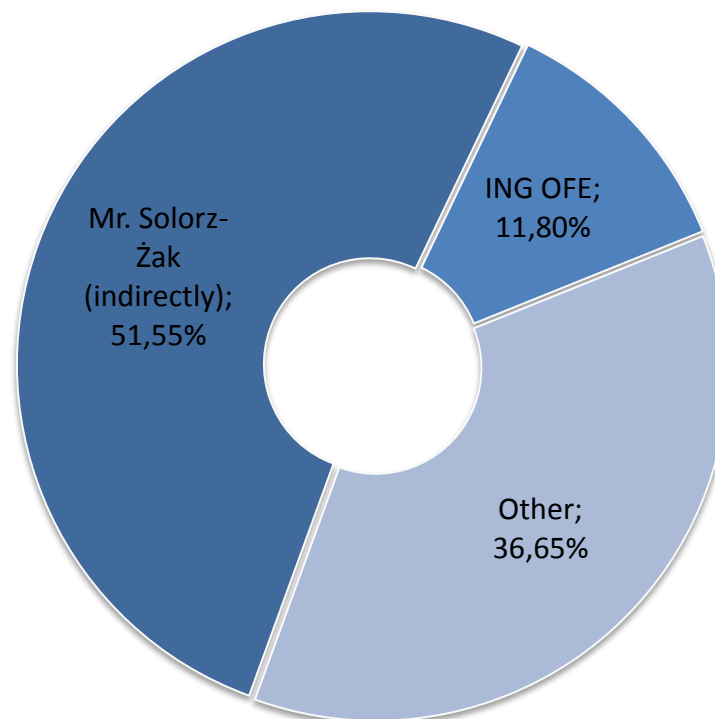
(according to the present knowledge of the company)



Before redemption of own shares



After redemption of own shares



(*) Subject to Article 364 §2 of the CCC under which ZE PAK shall not exercise the rights attached to own shares (including voting rights), except for the right to dispose of the shares or actions aimed at preserving such rights.

- Management Board is going to recommend 30% of standalone net profit for dividend, that means approximately 1,62 PLN per share.

Disclaimer



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