



28 August 2014

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

## I half'2014 Results



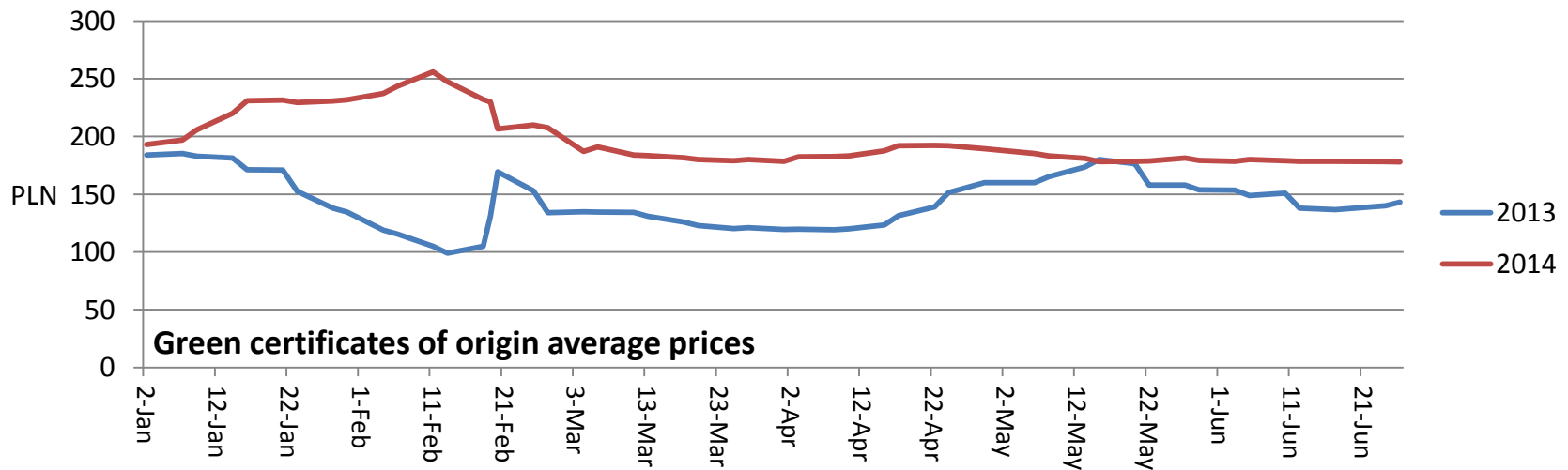
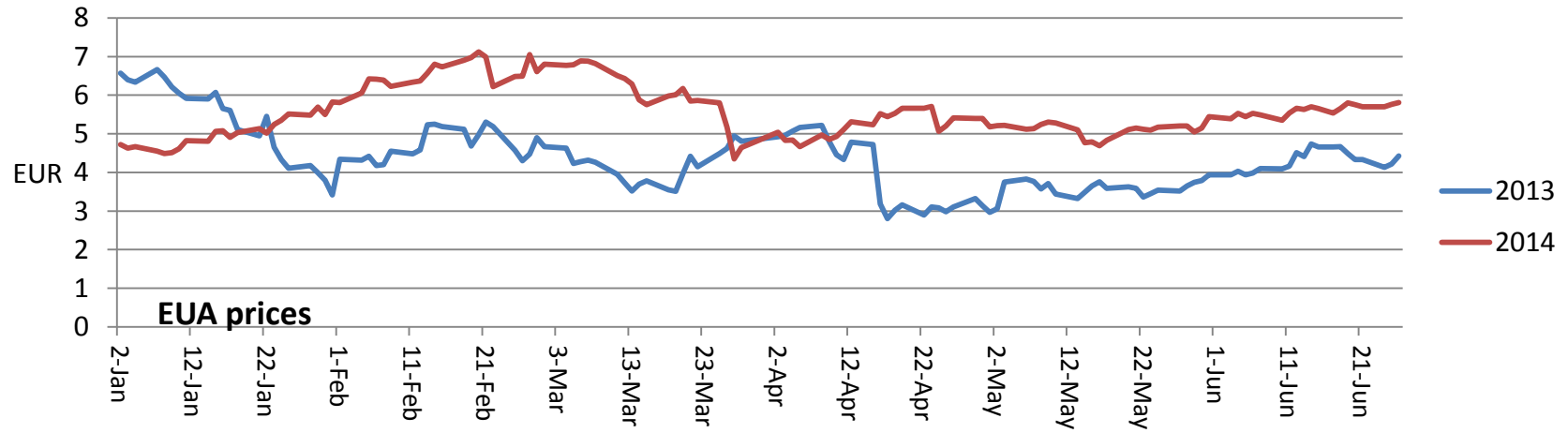
- Group's lower average electricity selling prices.
- Cost of purchase of missing CO<sub>2</sub> emission allowances.
- Lack of biomass co-firing – lower production of „green certificates”.
- Retrofit of units 1 and 2 in Pątnów I, using bank loan financing – increase in capex.
- Transfer of more than 1 200 employees into subsidiary companies – write off in provisions for employee benefits.

# SELECTED ENERGY MARKET DATA

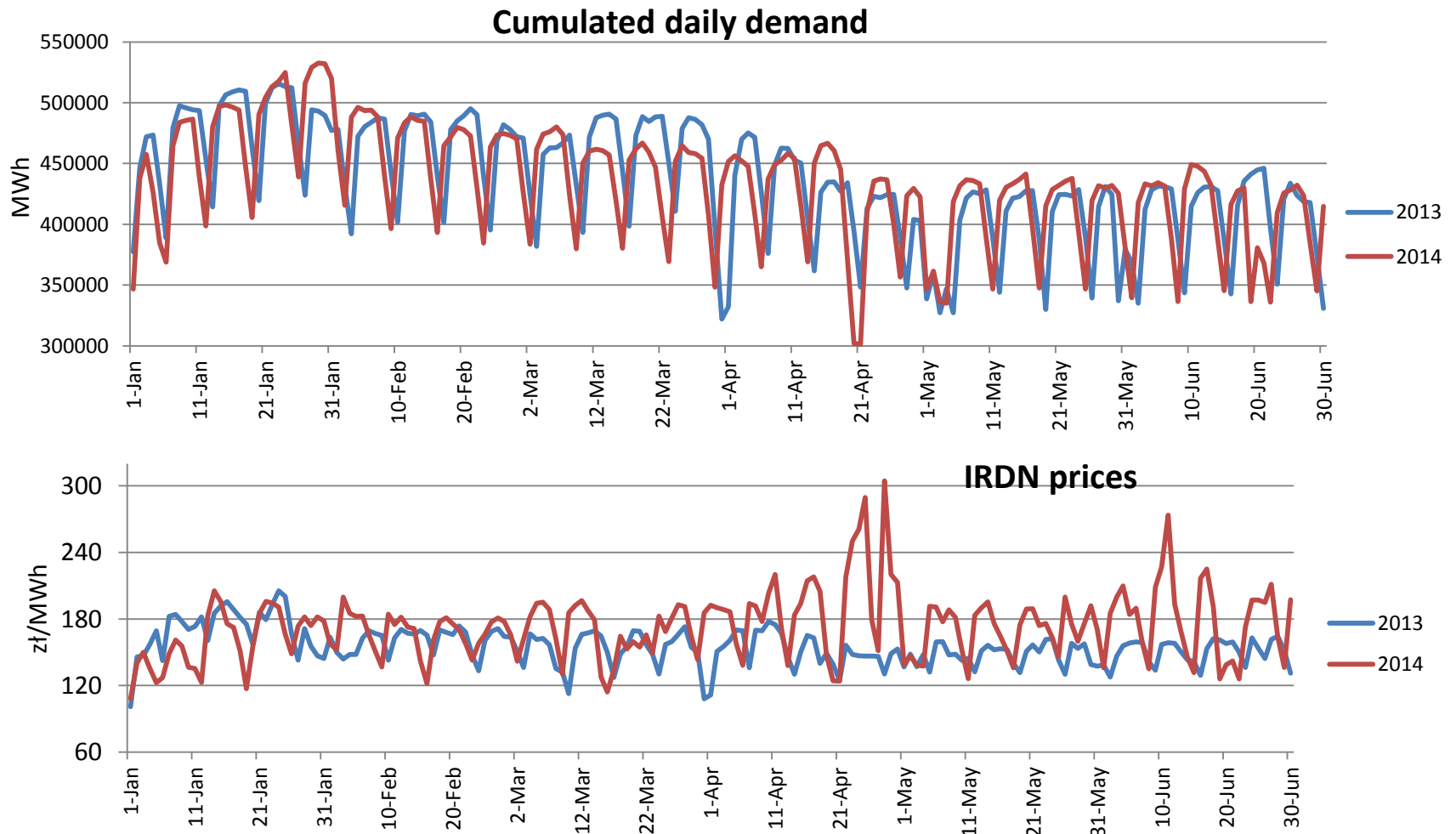
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# EUA and „green” certificates of origin – 6 months of 2013 and 2014

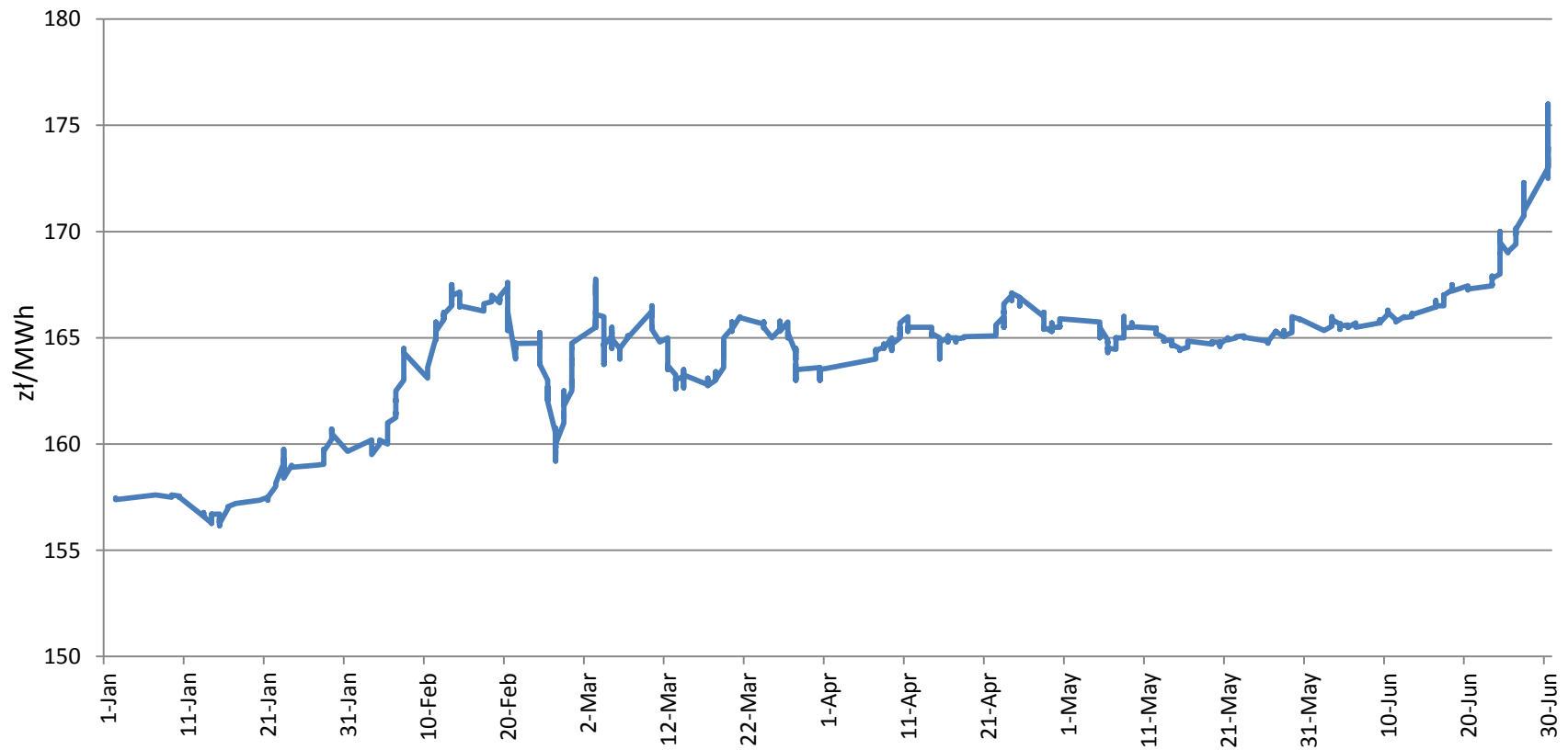


# Daily demand for electricity and IRDN prices – 6 months of 2013 and 2014



# „Base” price for 2015 - BASE\_Y-15

## BASE\_Y-15 since 01.01.2014 to 30.06.2014



# OPERATIONAL DATA

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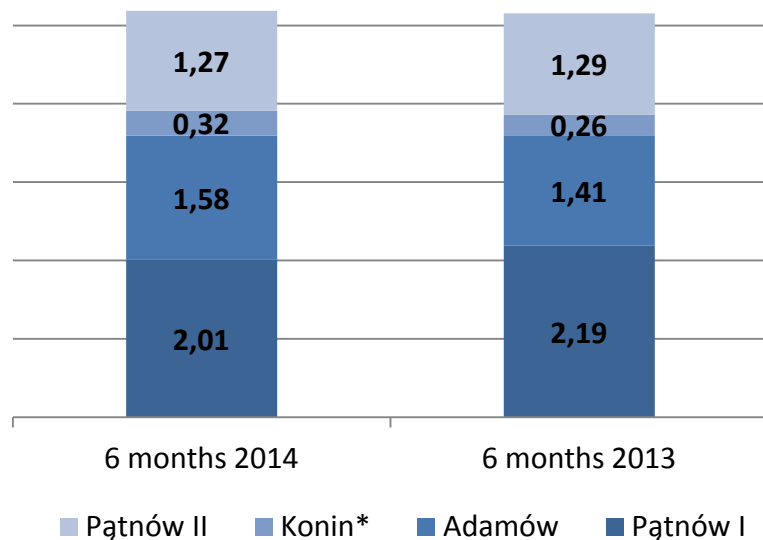


# Electricity net production

[TWh]



## 6 months 2014 / 6 months 2013



Total 6 months 2014 = 5,18 TWh

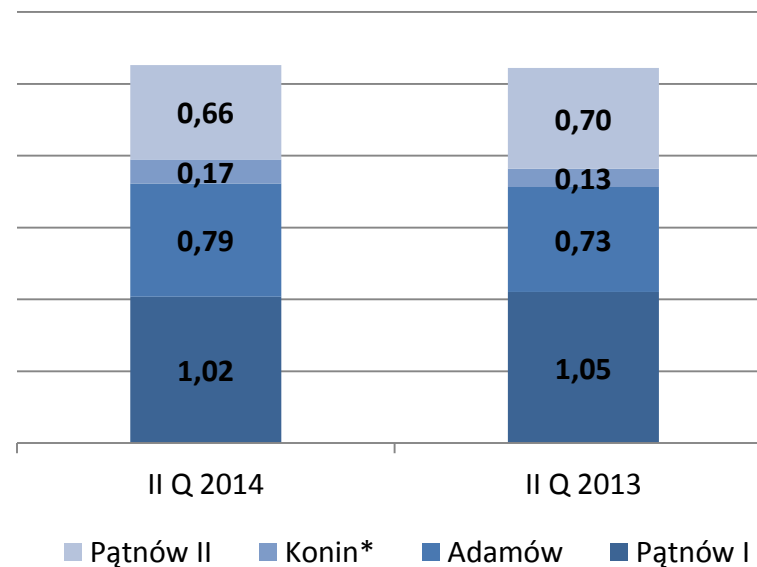
Total 6 months 2013 = 5,15 TWh

\*Including biomass unit

6 months 2014 = 0,145 TWh

6 months 2013 = 0,126 TWh

## II Q 2014 / II Q 2013



Total II Q 2014 = 2,64 TWh

Total II Q 2013 = 2,61 TWh

\*Including biomass unit

II Q 2014 = 0,07 TWh

II Q 2013 = 0,054 TWh

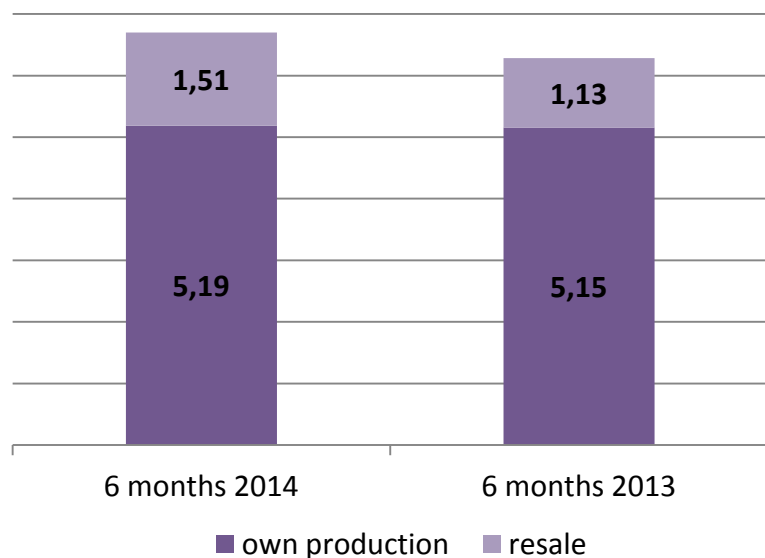


# Electricity sale

[TWh]



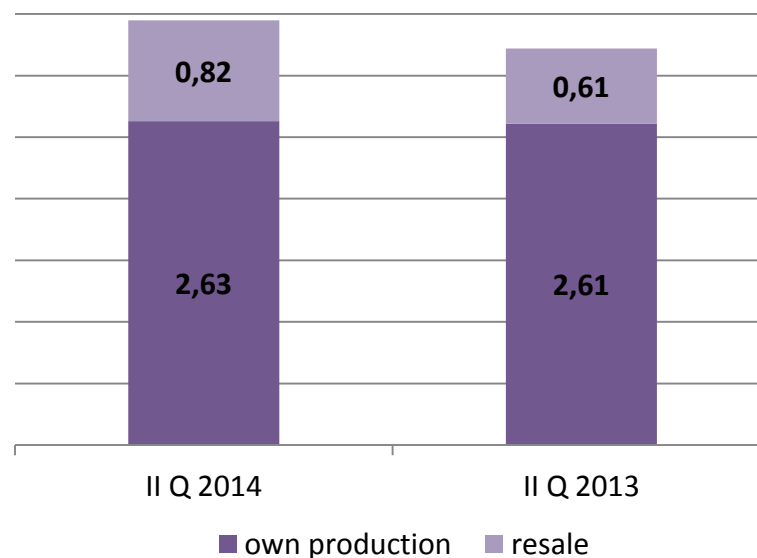
## 6 months 2014 / 6 months 2013



Total 6 months 2014 = 6,70 TWh

Total 6 months 2013 = 6,28 TWh

## II Q 2014 / II Q 2013



Total II Q 2014 = 3,45 TWh

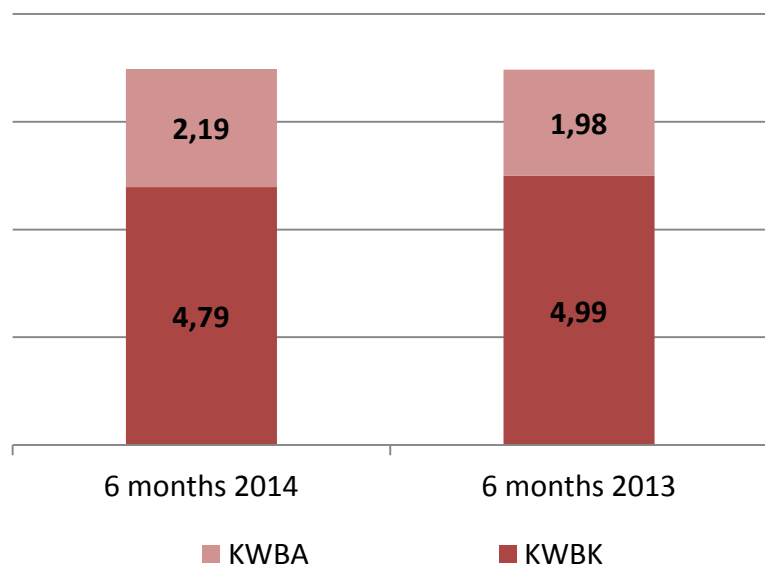
Total II Q 2013 = 3,22 TWh

# Lignite consumption

[m tons]



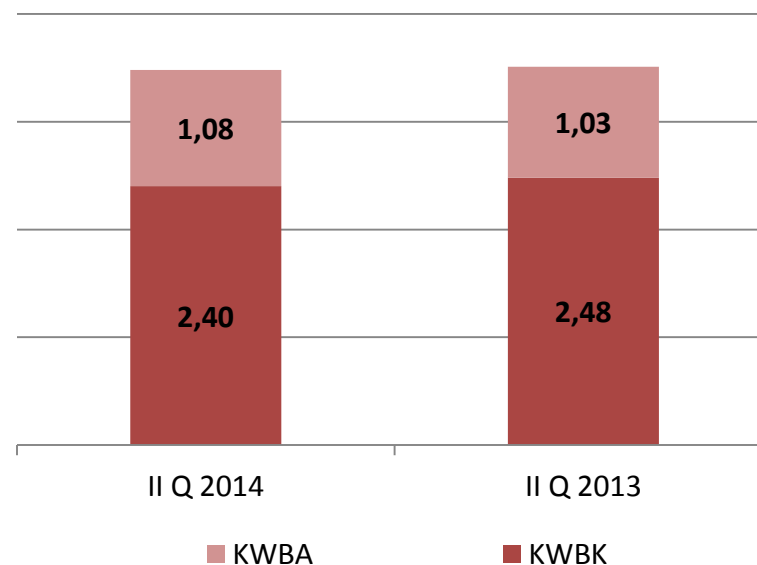
## 6 months 2014 / 6 months 2013



Total 6 months 2014 = 6,98 m tons

Total 6 months 2013 = 6,97 m tons

## II Q 2014 / II Q 2013



Total II Q 2014 = 3,48 m tons

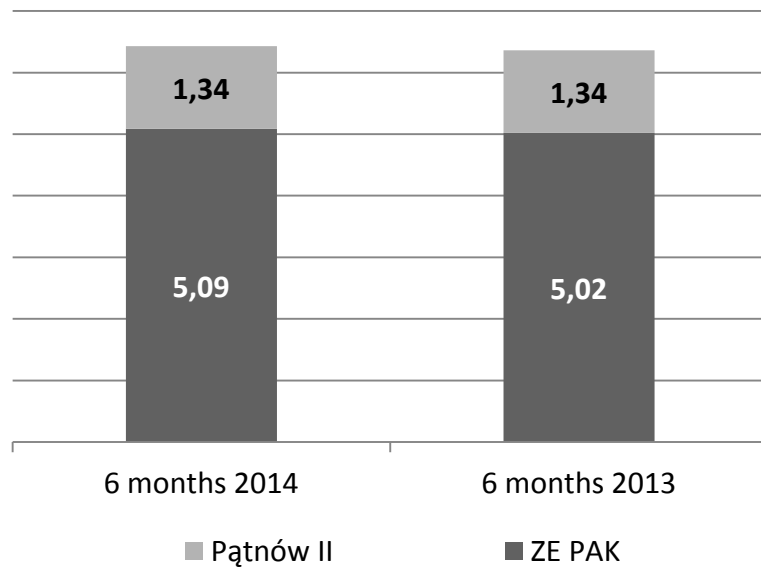
Total II Q 2013 = 3,51 m tons

# CO<sub>2</sub> emissions

[m tons]



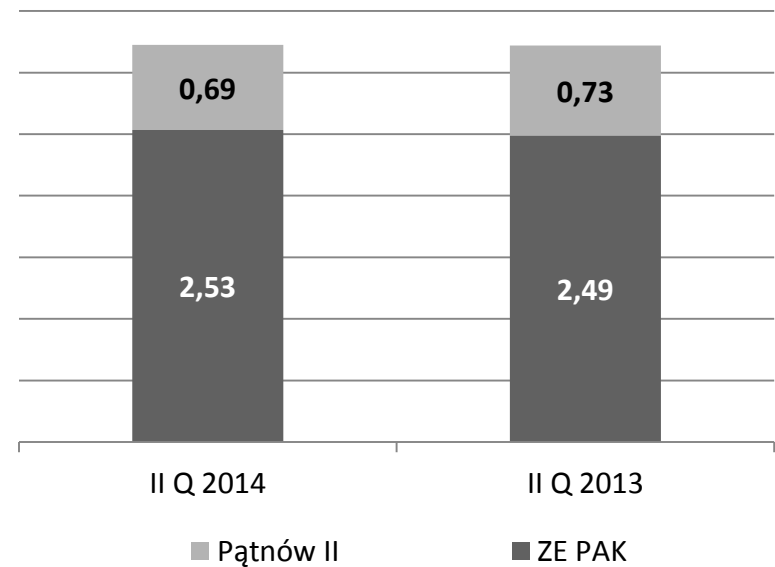
## 6 months 2014 / 6 months 2013



Total 6 m-cy 2014 = 6,43 m tons

Total 6 m-cy 2013 = 6,36 m tons

## II Q 2014 / II Q 2013



Total II kw. 2014 = 3,22 m tons

Total II kw. 2013 = 3,22 m tons

# FINANCIAL DATA

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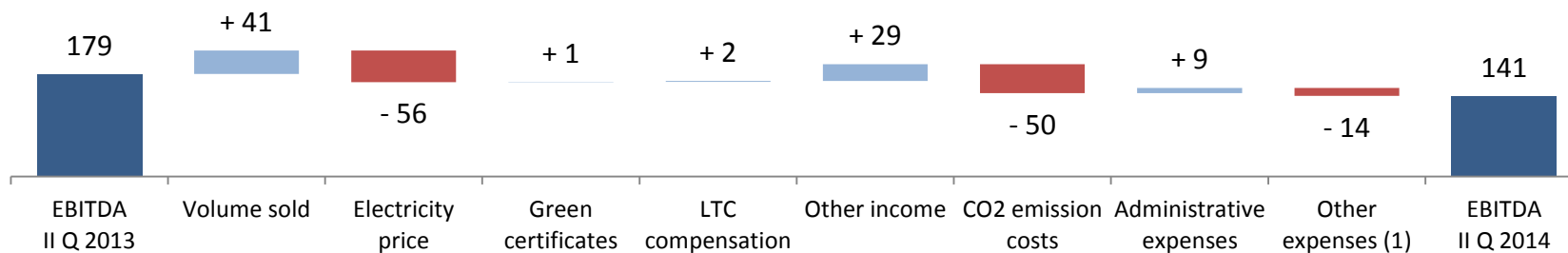
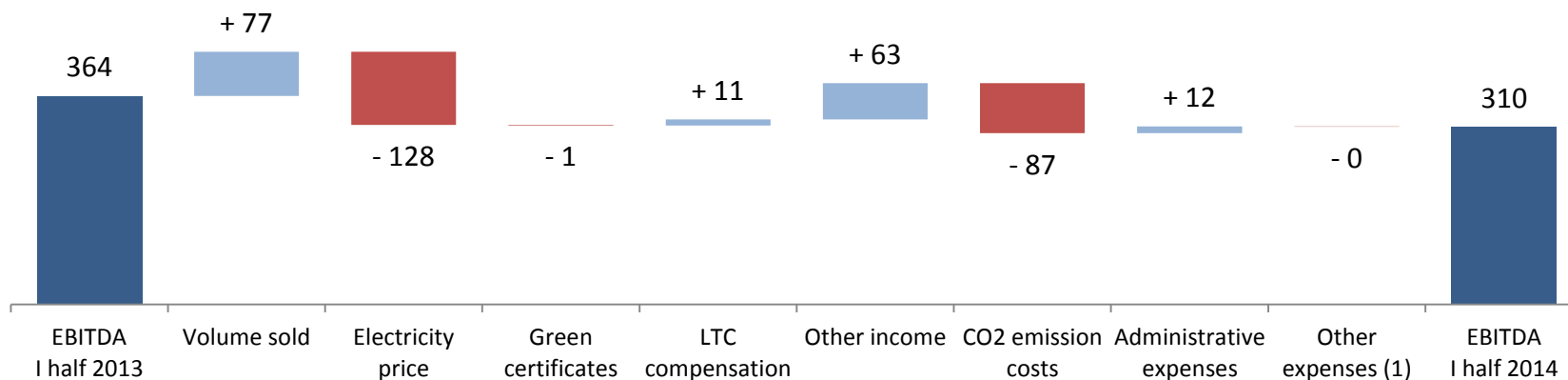
# Consolidated P&L (1/2)



[m PLN]	6 months 2014	6 months 2013	II Q 2014	II Q 2013
<b>Sales revenue</b>	<b>1 345</b>	<b>1 327</b>	<b>677</b>	<b>664</b>
<i>Change %</i>	<i>1,36%</i>		<i>1,96%</i>	
Cost of goods sold	-1 141	-1 054	-595	-534
<b>Gross profit</b>	<b>203</b>	<b>273</b>	<b>82</b>	<b>130</b>
<i>Margin %</i>	<i>15,09%</i>	<i>20,57%</i>	<i>12,11%</i>	<i>19,58%</i>
Other operating income	11	7	4	0
Selling and distribution expenses	-2	-1	-1	-1
Administrative expenses	-72	-84	-29	-38
Other operating expenses	-10	-6	-8	0
<b>EBITDA</b>	<b>310</b>	<b>364</b>	<b>141</b>	<b>179</b>
<i>Margin %</i>	<i>23,05%</i>	<i>27,43%</i>	<i>20,83%</i>	<i>26,96%</i>
<b>EBIT</b>	<b>130</b>	<b>187</b>	<b>49</b>	<b>92</b>
<i>Margin %</i>	<i>9,67%</i>	<i>14,09%</i>	<i>7,24%</i>	<i>13,86%</i>

# EBITDA changes

[m PLN]



(1) Other expenses includes D&A increase in I half 2014 and II Q 2014 respectively by 3,7 m PLN and 4,2 m PLN.

# Consolidated P&L (2/2)



[m PLN]	6 months 2014	6 months 2013	II Q 2014	II Q 2013
<b>EBIT</b>	<b>130</b>	<b>187</b>	<b>49</b>	<b>92</b>
Finance income	9	11	7	7
Finance costs	-27	-76	-12	-44
<b>Profit before tax</b>	<b>112</b>	<b>123</b>	<b>44</b>	<b>55</b>
Income tax (taxation)	-20	-22	-6	-11
<i>Effective tax rate %</i>	<i>17,86%</i>	<i>17,89%</i>	<i>13,64 %</i>	<i>20,00%</i>
<b>Net profit for the period</b>	<b>92</b>	<b>101</b>	<b>38</b>	<b>44</b>
<i>Margin %</i>	<i>6,84%</i>	<i>7,61%</i>	<i>5,61%</i>	<i>6,63%</i>

# Consolidated P&L in segments

## 6 months 2014



m PLN	Generation	Mining	Renovation	Sales	Other	Consolidation adjustments	Total
Sales revenue from external customers	880,7	10,7	79,2	374,0	0,2	-	1 344,8
<i>External sales revenue %</i>	<i>80,7%</i>	<i>2,4%</i>	<i>50,0%</i>	<i>100,0%</i>	<i>1,7%</i>		<i>100,0%</i>
Sales revenue between segments	210,7	434,1	79,3	-	10,9	-735,0	-
<b>Sales revenue</b>	<b>1 091,4</b>	<b>444,8</b>	<b>158,5</b>	<b>374,0</b>	<b>11,1</b>	<b>-735,0</b>	<b>1 344,8</b>
Cost of goods sold	-989,0	-366,7	-145,1	-366,6	-8,2	734,3	-1 141,4
<b>Gross profit</b>	<b>102,4</b>	<b>78,1</b>	<b>13,4</b>	<b>7,4</b>	<b>2,8</b>	<b>-0,7</b>	<b>203,4</b>
<i>Margin %</i>	<i>9,4%</i>	<i>17,6%</i>	<i>8,4%</i>	<i>2,0%</i>	<i>25,4%</i>		<i>15,1%</i>
<b>EBITDA</b>	<b>215,7</b>	<b>85,3</b>	<b>6,9</b>	<b>4,9</b>	<b>4,0</b>	<b>-6,7</b>	<b>310,1</b>
<i>Margin %</i>	<i>19,8%</i>	<i>19,2%</i>	<i>4,3%</i>	<i>1,3%</i>	<i>36,6%</i>		<i>23,1%</i>
<b>EBIT</b>	<b>78,6</b>	<b>43,9</b>	<b>3,2</b>	<b>4,8</b>	<b>3,5</b>	<b>-4,0</b>	<b>130,0</b>
<i>Margin %</i>	<i>7,2%</i>	<i>9,9%</i>	<i>2,0%</i>	<i>1,3%</i>	<i>31,5%</i>		<i>9,7%</i>
<b>Net profit (for the period from continuing operations)</b>	<b>120,5</b>	<b>31,9</b>	<b>2,8</b>	<b>4,4</b>	<b>1,4</b>	<b>-69,3</b>	<b>91,7</b>
<i>Margin %</i>	<i>11,0%</i>	<i>7,2%</i>	<i>1,8%</i>	<i>1,2%</i>	<i>12,6%</i>		<i>6,8%</i>



# Consolidated P&L in segments

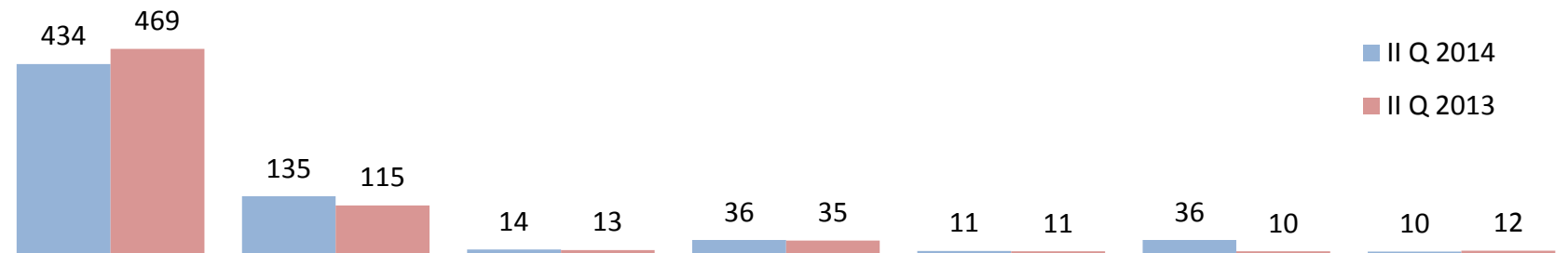
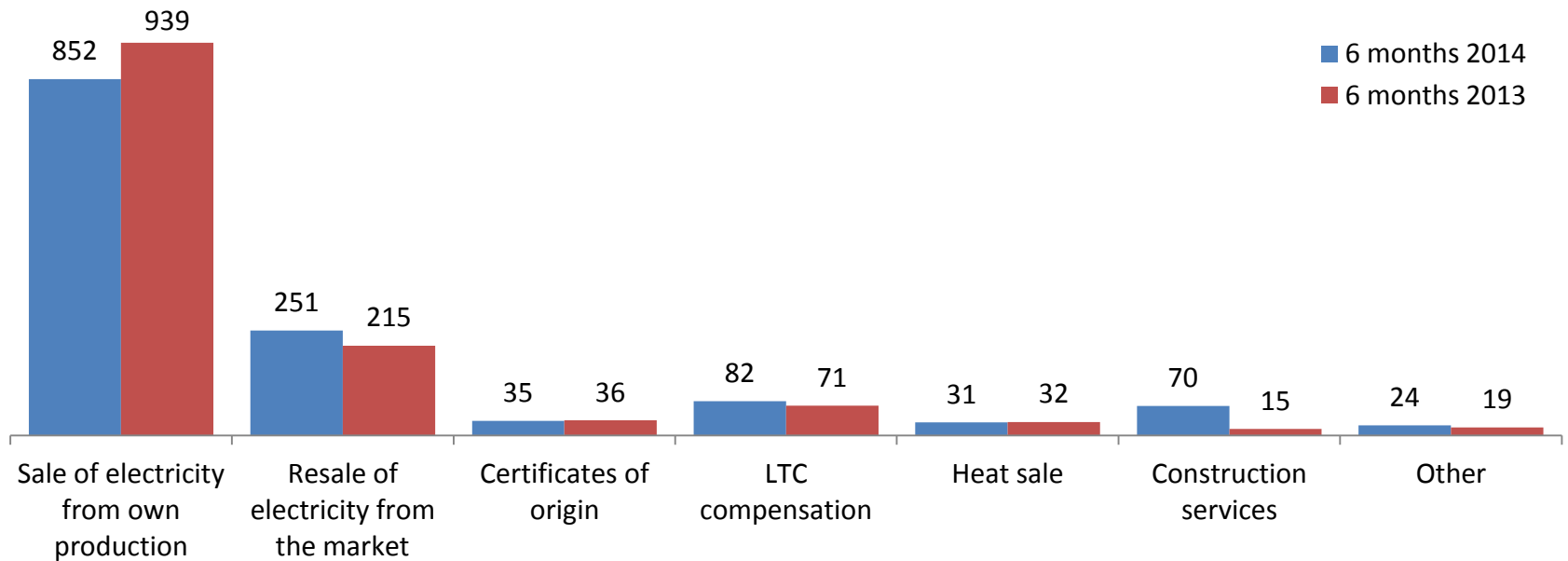
## II Q 2014



m PLN	Generation	Mining	Renovation	Sales	Other	Consolidation adjustments	Total
Sales revenue from external customers	446,7	4,3	39,8	186,6	-0,2	-	677,1
<i>External sales revenue %</i>	<i>80,7%</i>	<i>1,9%</i>	<i>44,0%</i>	<i>100,0%</i>	<i>-3,3%</i>		<i>100,0%</i>
Sales revenue between segments	107,0	218,0	50,6	-	5,7	-381,4	-
<b>Sales revenue</b>	<b>553,7</b>	<b>222,3</b>	<b>90,4</b>	<b>186,6</b>	<b>5,5</b>	<b>-381,4</b>	<b>677,1</b>
Cost of goods sold	-515,3	-184,3	-87,4	-184,0	-4,4	380,4	-595,0
<b>Gross profit</b>	<b>38,4</b>	<b>38,0</b>	<b>3,0</b>	<b>2,5</b>	<b>1,1</b>	<b>-0,9</b>	<b>82,1</b>
<i>Margin %</i>	<i>6,9%</i>	<i>17,1%</i>	<i>3,3%</i>	<i>1,4%</i>	<i>20,1%</i>		<i>12,1%</i>
<b>EBITDA</b>	<b>94,1</b>	<b>48,2</b>	<b>0,5</b>	<b>1,2</b>	<b>2,6</b>	<b>-5,9</b>	<b>140,7</b>
<i>Margin %</i>	<i>17,0%</i>	<i>21,7%</i>	<i>0,5%</i>	<i>0,6%</i>	<i>47,7%</i>		<i>20,8%</i>
<b>EBIT</b>	<b>24,2</b>	<b>27,8</b>	<b>-1,9</b>	<b>1,2</b>	<b>2,4</b>	<b>-4,2</b>	<b>49,5</b>
<i>Margin %</i>	<i>4,4%</i>	<i>12,5%</i>	<i>-2,1%</i>	<i>0,6%</i>	<i>43,1%</i>		<i>7,3%</i>
<b>Net profit (for the period from continuing operations)</b>	<b>82,6</b>	<b>24,2</b>	<b>-0,9</b>	<b>1,2</b>	<b>0,4</b>	<b>-69,4</b>	<b>38,1</b>
<i>Margin %</i>	<i>14,9%</i>	<i>10,9%</i>	<i>-1,0%</i>	<i>0,7%</i>	<i>7,3%</i>		<i>5,6%</i>

# Revenue breakdown

[m PLN]

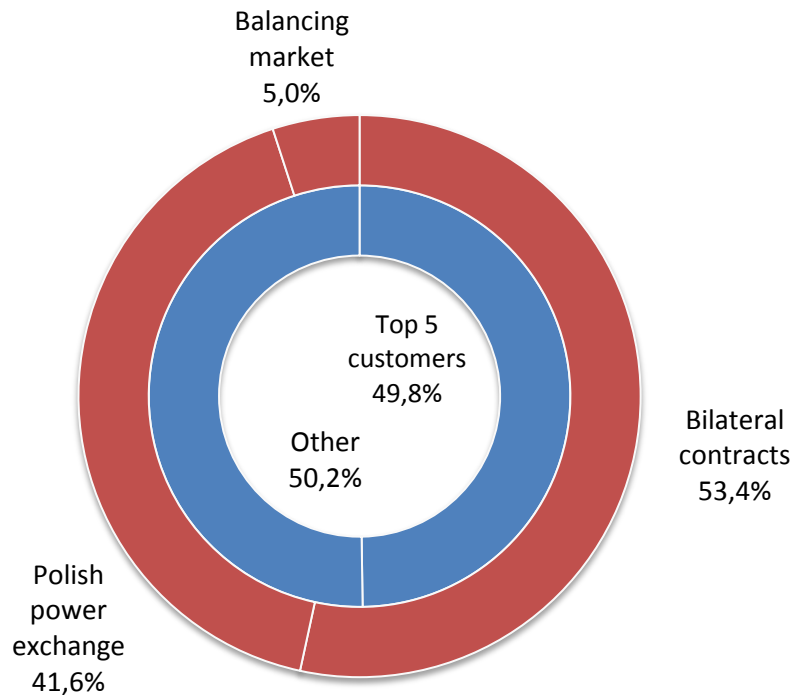


# Sale breakdown by customers and market type

by customers (internal ring) and by the market type (external ring)

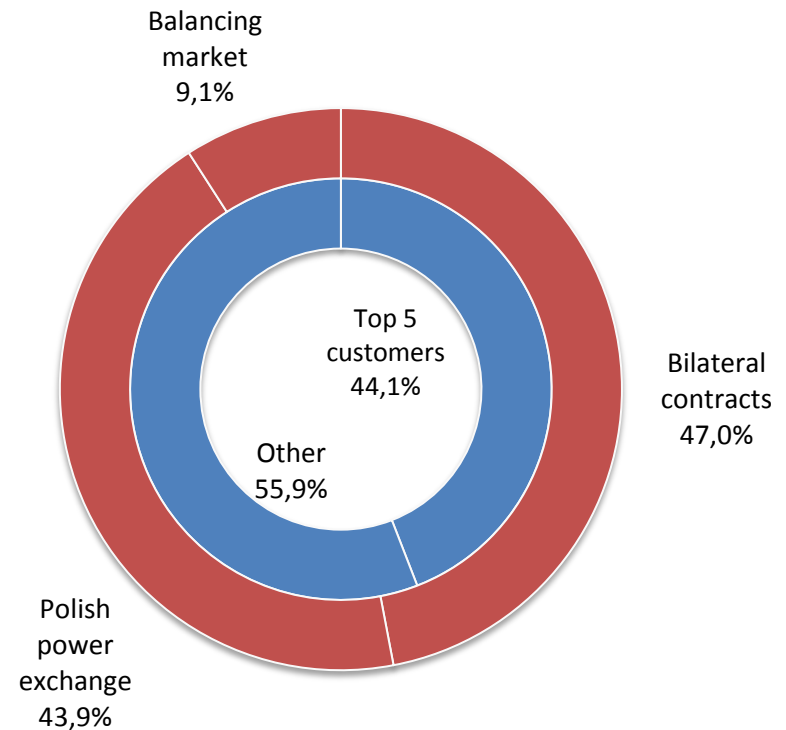


## 6 months 2014



■ by customers ■ by market type

## 6 months 2013



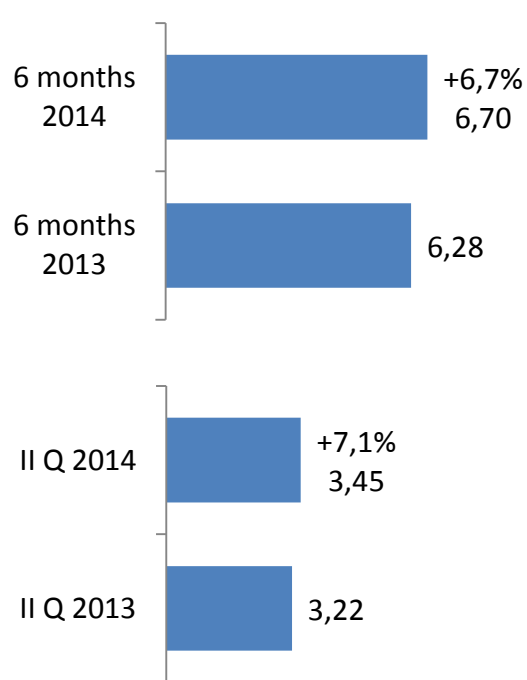
■ by customers ■ by market type

# Electricity sales



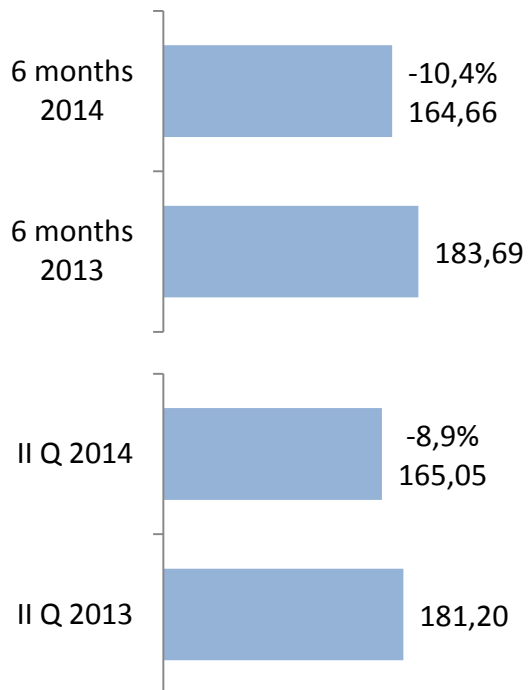
## Electricity sales<sup>(1)</sup>

[TWh]



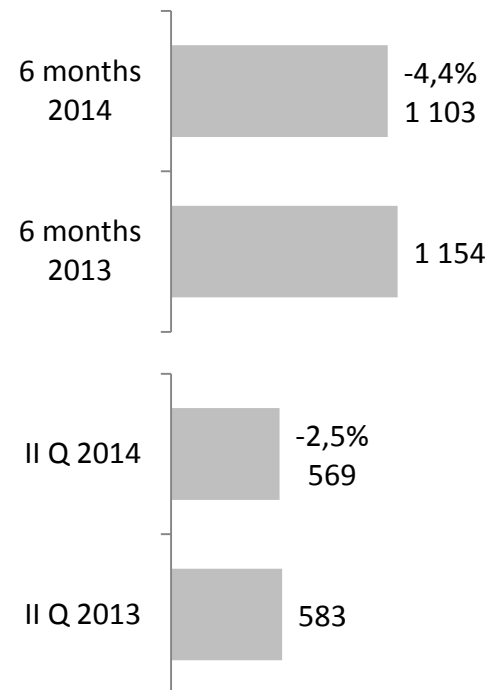
## Average sale price<sup>(2)</sup>

[PLN/MWh]



## Revenue

[m PLN]

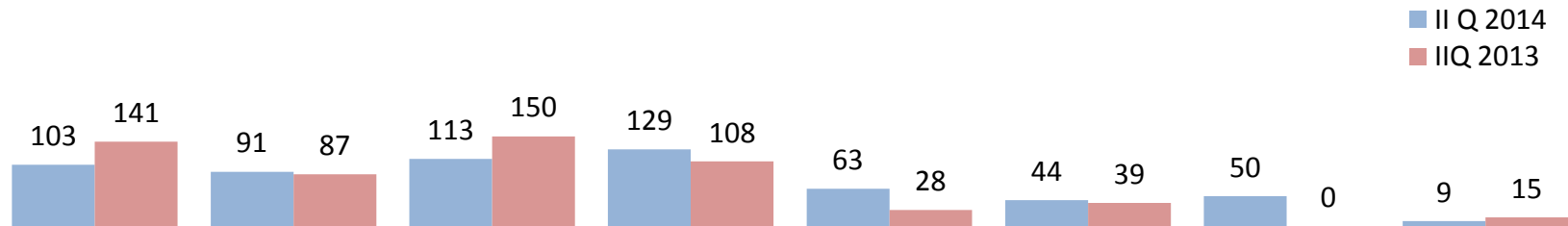
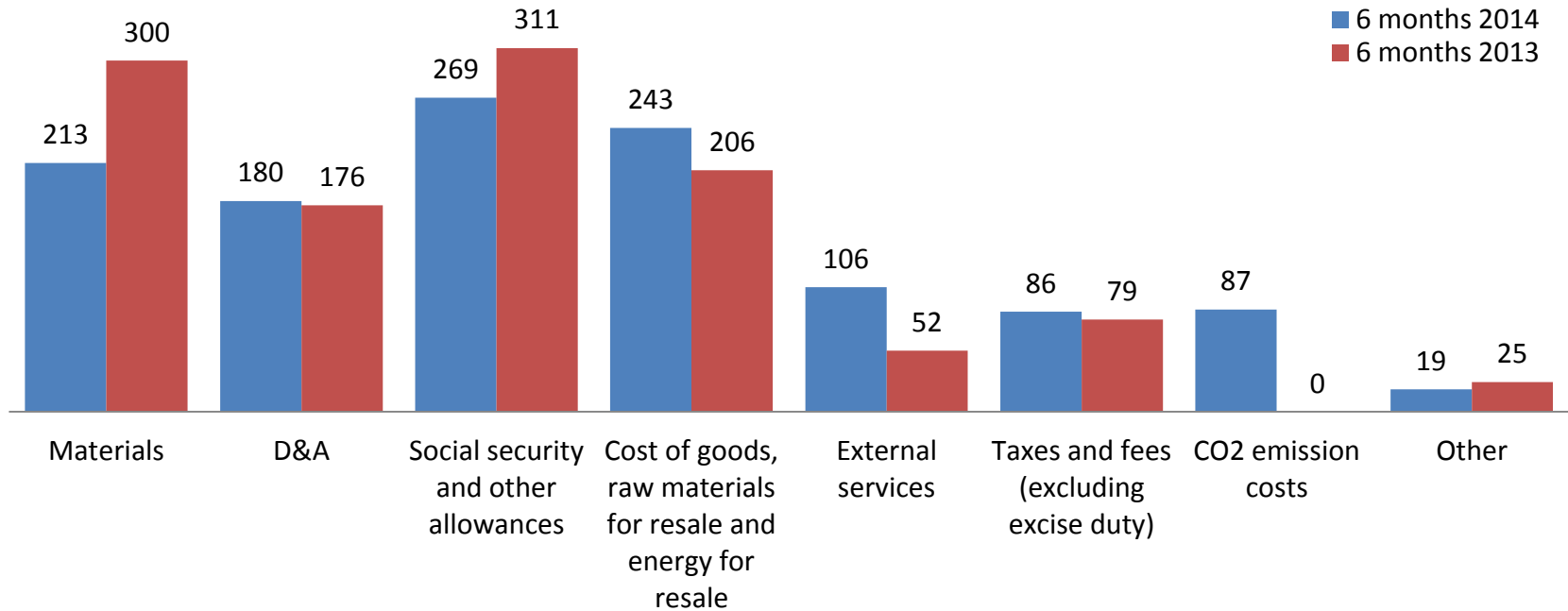


(1) Electricity from own production and resold on the market.

(2) Calculated as the total revenue from the sale of electricity divided by total volume of electricity sold.

# Cost by type

[m PLN]



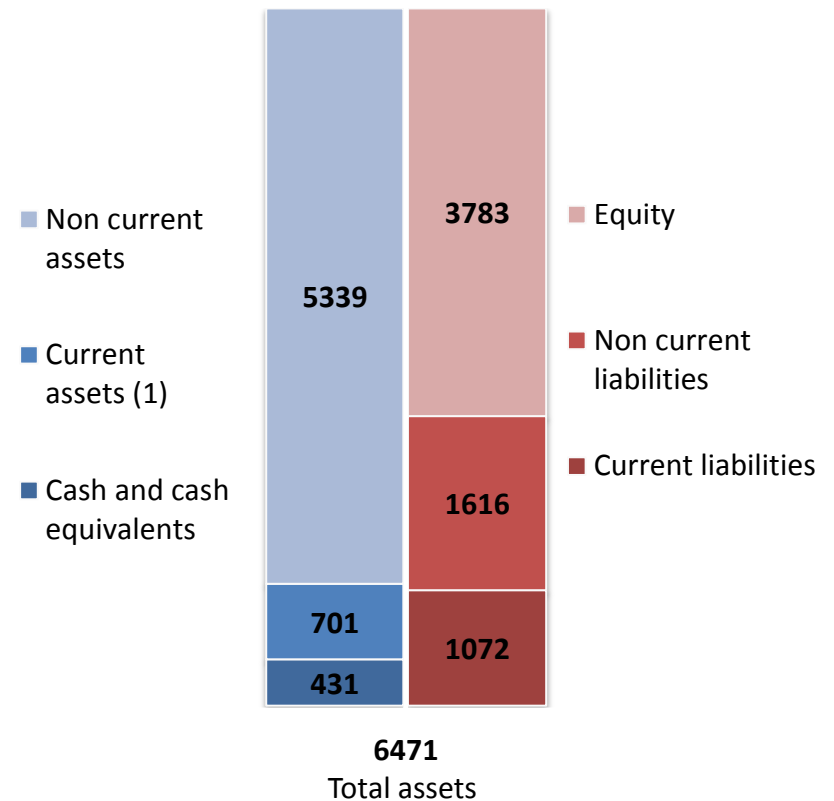
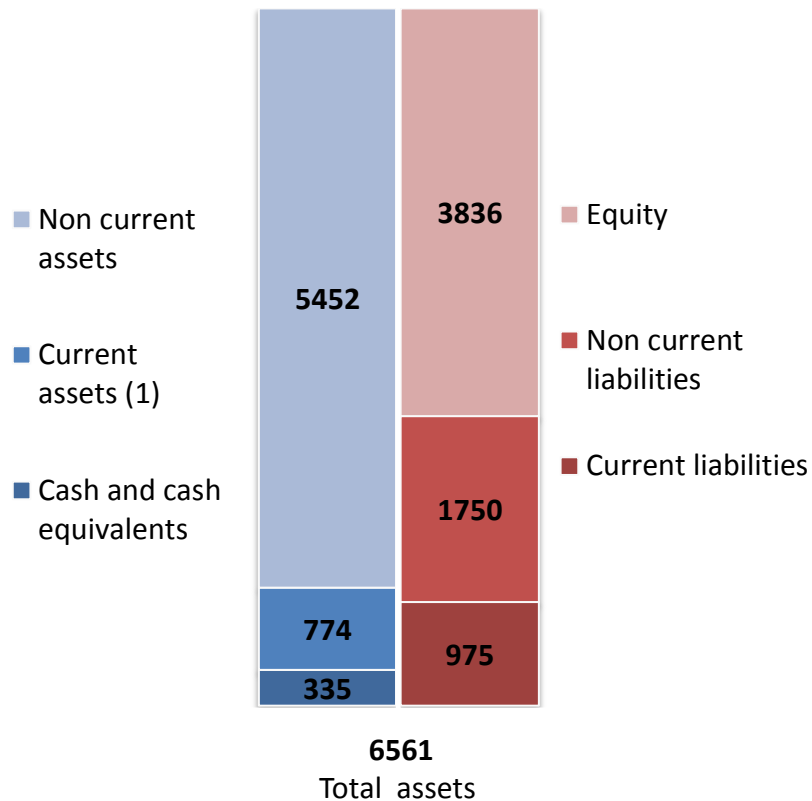
# Consolidated statement of financial position

[m PLN]



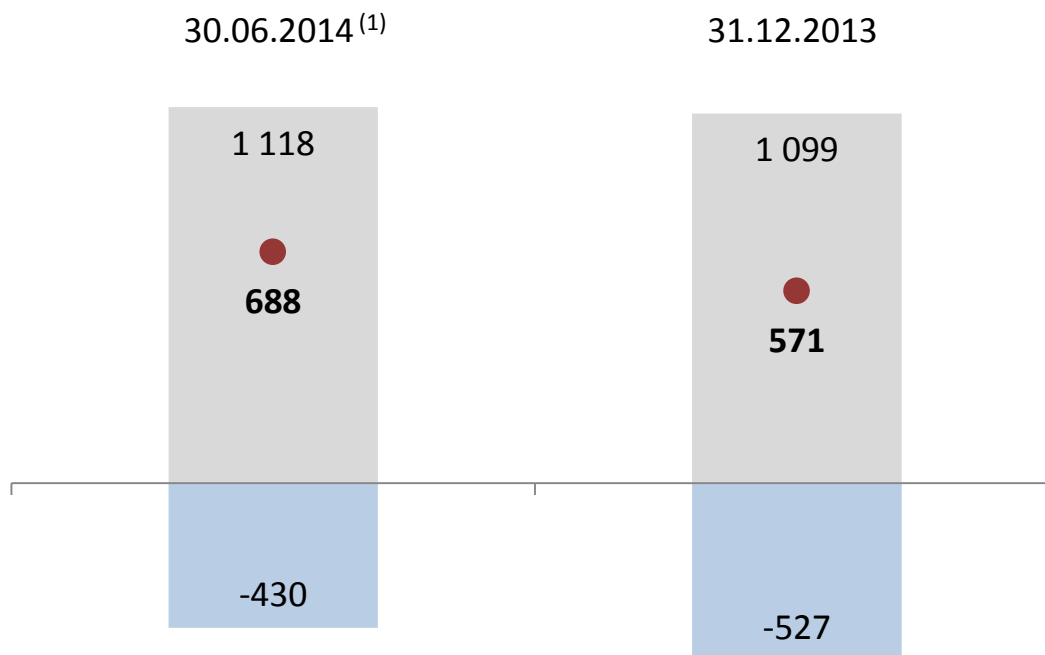
30.06.2014

31.12.2013



(1) Excluding cash and cash equivalents.

## Net debt [m PLN]



- Cash and cash equivalents<sup>(2)</sup>
- interest bearing loans, credits and leases
- Net debt

## Net debt / EBITDA

30.06.2014 <sup>(1)</sup>	1,04
31.12.2013	0,80

(1) EBITDA annualized

(2) Cash and cash equivalents from Consolidated statement of financial position and other short-term financial assets

# Consolidated Cash Flow



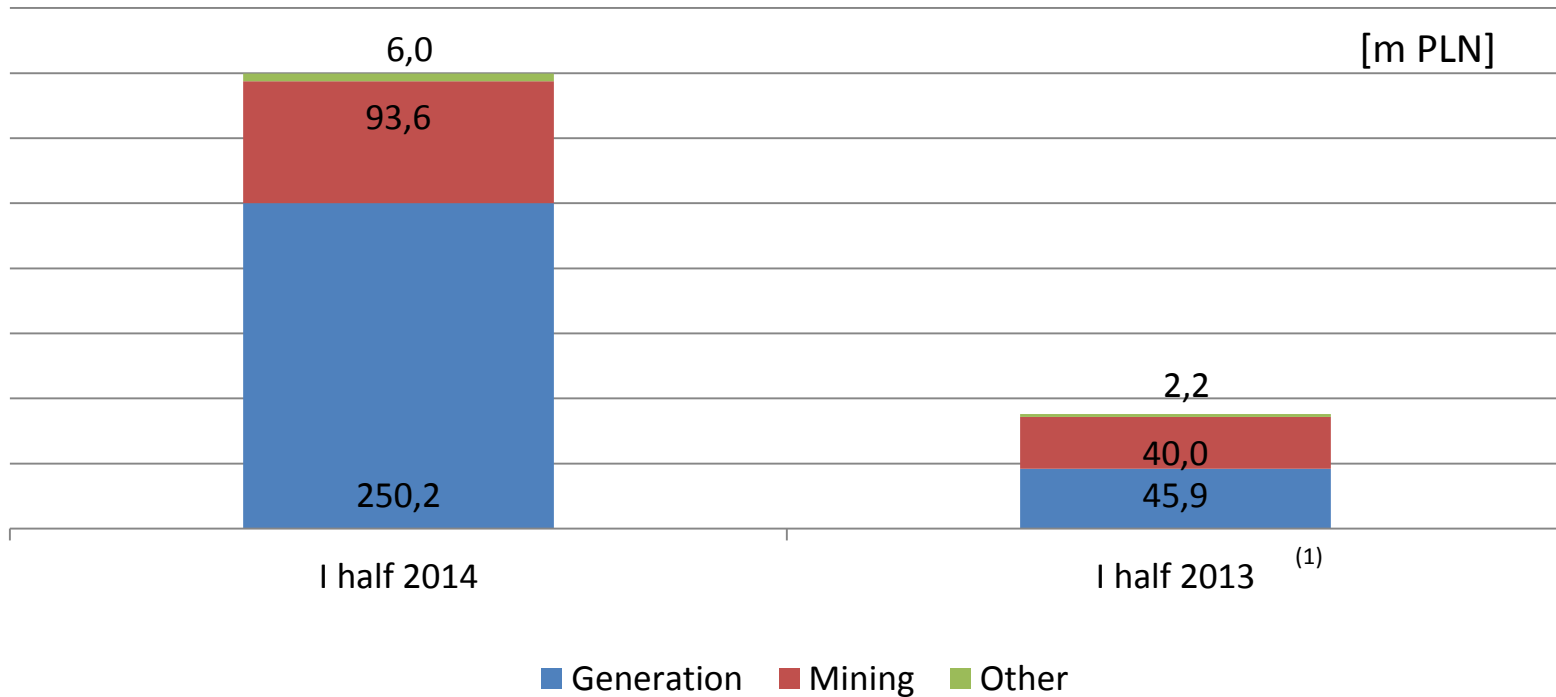
	[m PLN]	6 months 2014	6 months 2013 <sup>(1)</sup>
<b>Profit/loss before taxation</b>		<b>111,8</b>	<b>122,8</b>
Depreciation and amortization		179,5	175,6
Profit/loss on investing and financial activities		14,7	65,1
Changes in working capital		-18,2	-95,2
Income tax		0,8	1,4
Purchase of EUA		-107,5	-80,4
Other		-0,5	-1,0
<b>Net cash flow from operational activities</b>		<b>180,4</b>	<b>188,4</b>
Purchase of property, plant and equipment and intangible assets		-292,2	-51,6
Other		9,9	5,2
<b>Net cash flow from investing activities</b>		<b>-282,3</b>	<b>-46,4</b>
Inflows of/ Payment of credits, loans, leases and securities		1,8	-123,7
Interest paid		-26,6	-22,3
Other		31,2	-0,9
<b>Net cash flow from financial activities</b>		<b>6,4</b>	<b>-146,9</b>
Change in cash and cash equivalents		-95,4	-5,0
Cash and cash equivalents at the beginning of the period		431,3	312,9
<b>Cash and cash equivalents at the end of the period</b>		<b>335,9</b>	<b>307,9</b>

<sup>(1)</sup> Restated data



# Capex

divided by segments



Total:

- I half 2014 = 349,8 m PLN
- I half 2013 = 88,1 m PLN

<sup>(1)</sup> Restated data

# Disclaimer

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