



14 November 2014 r.

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

## IIIQ' 2014 Results.



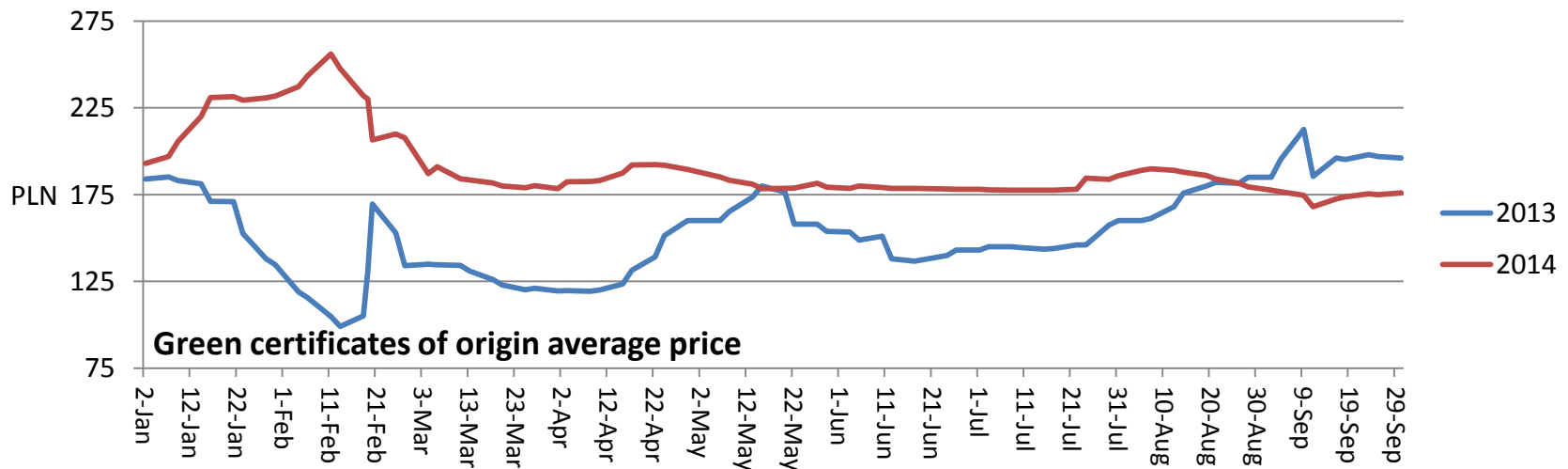
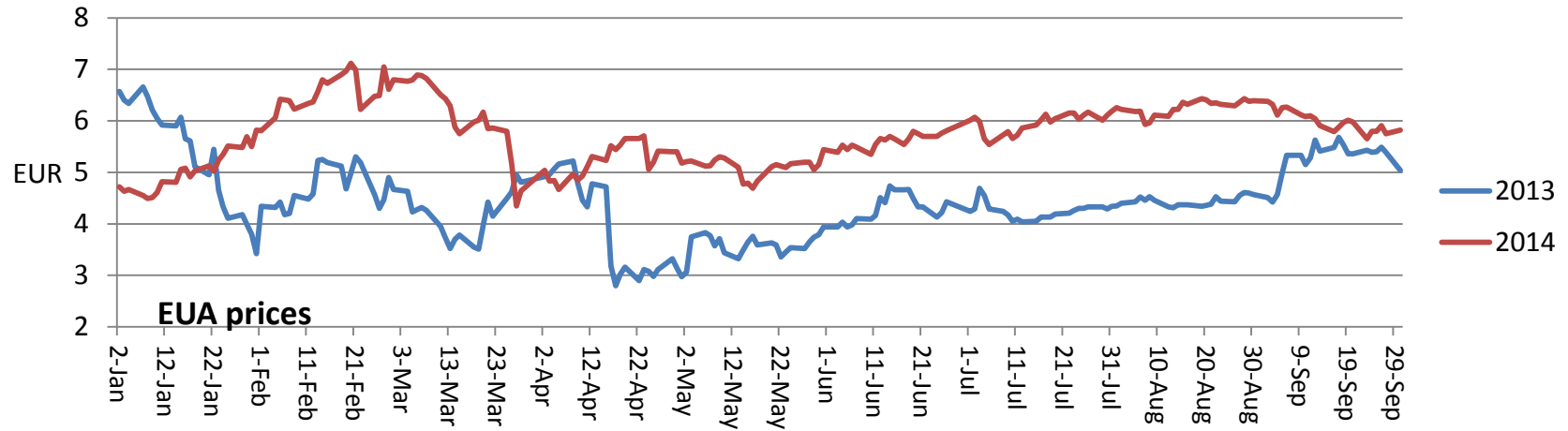
- 7,5% lower achieved electricity sale prices.
- 42 m PLN dedicated to EUA purchase included in operating cost of the period.
- Sentence of the appeal court in case of EPII compensation for 2008 due to termination of LTC – negative impact in amount of 76,3 m PLN.
- Creation of the provision for permanent exclusion from the production areas designated for reservoir on current Adamow open pit in amount of 23,7 m PLN.
- Creation of the provision in Adamow mine for voluntary redundancy program in amount of 4,0 m PLN.
- Reduction in provision for employee benefits in amount of 4,5 m PLN due to changes at employment level in several Group divisions.
- Continuation of modernisation units 1 and 2 in Patnow I power plant – higher capex, higher financial debt.

# SELECTED ENERGY MARKET DATA

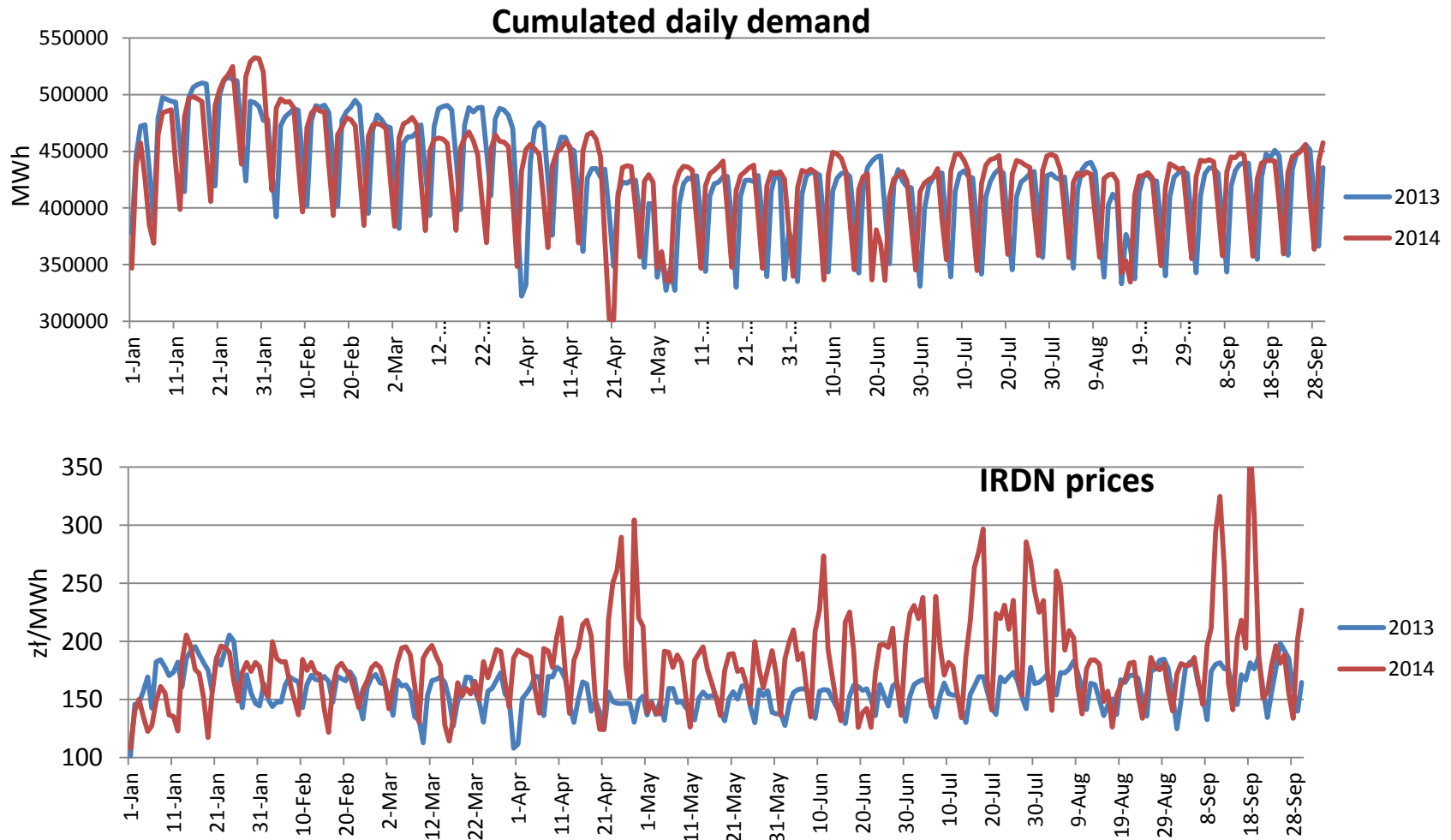
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# EUA and „green” certificates of origin in 9 months period of 2013 and 2014



# Daily demand for electricity and IRDN prices in 9 months period of 2013 and 2014



# „Base load” price for 2015 - BASE\_Y-15



BASE\_Y-15 since 01.01.2014 till 30.09.2014



# OPERATIONAL DATA

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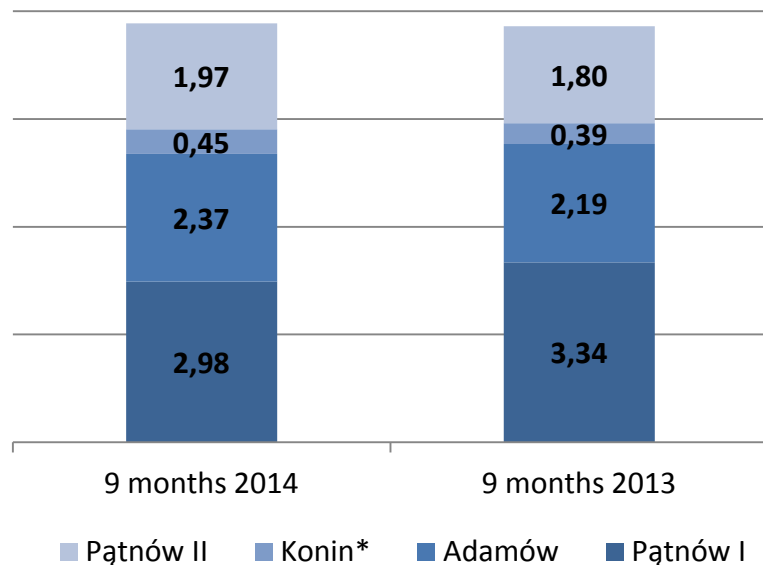


# Electricity net production

[TWh]



## 9 months 2014 / 9 months 2013



Total 9 months 2014 = 7,77 TWh

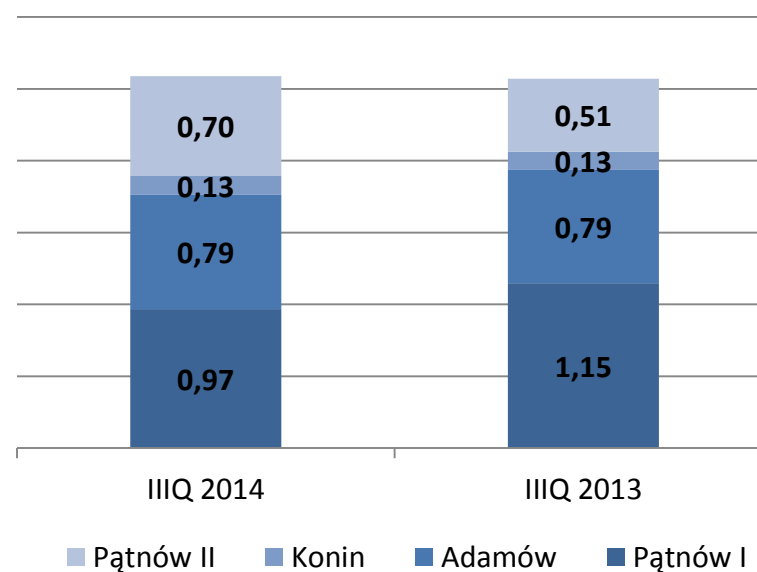
Total 9 months 2013 = 7,72 TWh

\*Including biomass unit

9 months 2014 = 0,218 TWh

9 months 2013 = 0,161 TWh

## IIIQ 2014 / IIIQ 2013



Total IIIQ'2014 = 2,59 TWh

Total IIIQ'2013 = 2,58 TWh

\*Including biomass unit

IIIQ 2014 = 0,072 TWh

IIIQ 2013 = 0,035 TWh

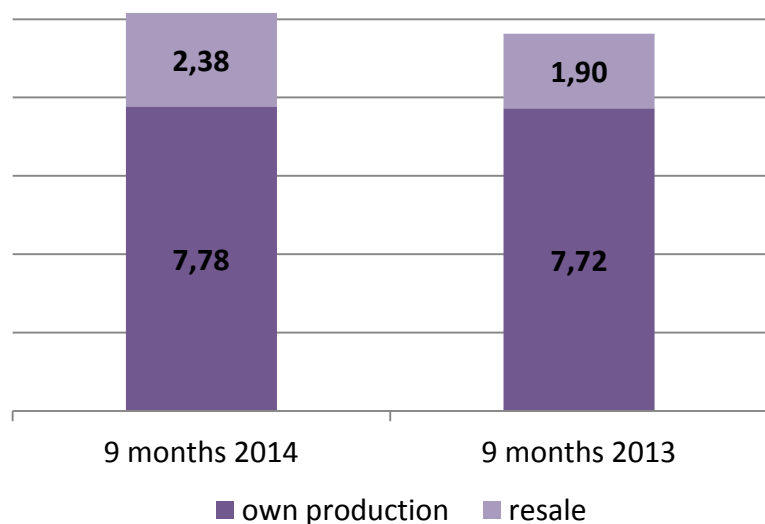


# Electricity sale

[TWh]



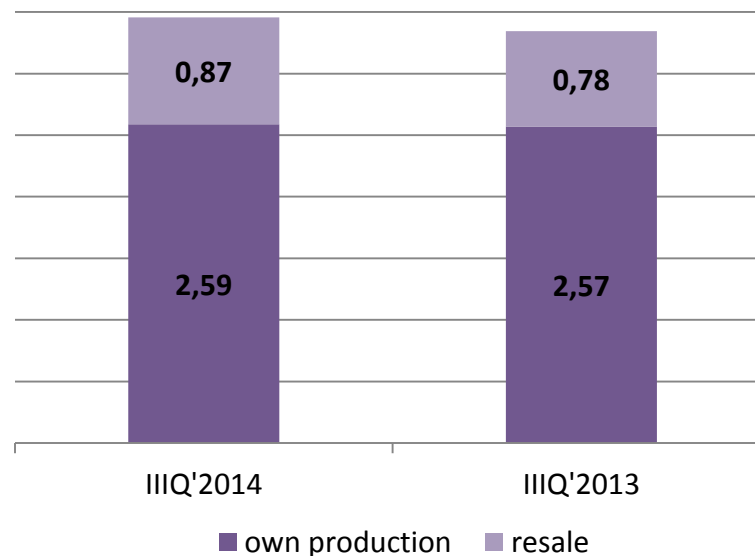
## 9 months 2014 / 9 months 2013



Total 9 months 2014 = 10,16 TWh

Total 9 months 2013 = 9,62 TWh

## IIIQ' 2014 / IIIQ'2013



Total IIIQ'2014 = 3,46 TWh

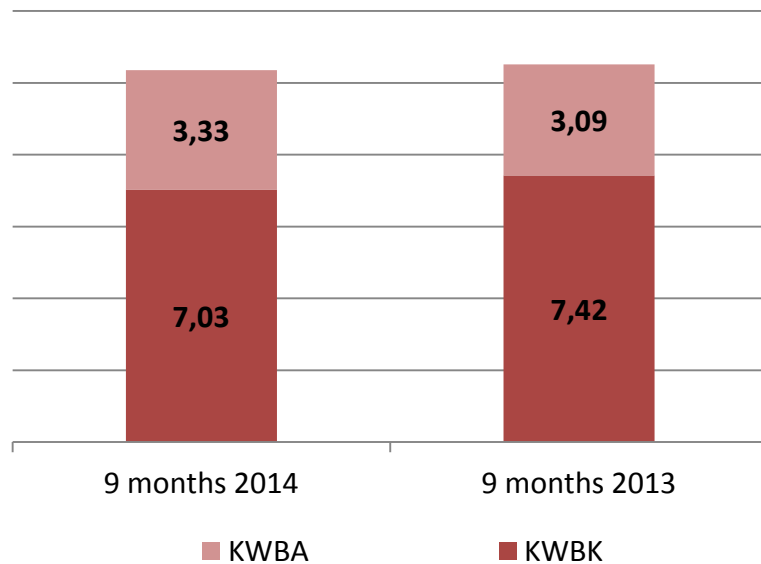
Total IIIQ'2013 = 3,22 TWh

# Lignite consumption

[m tons]



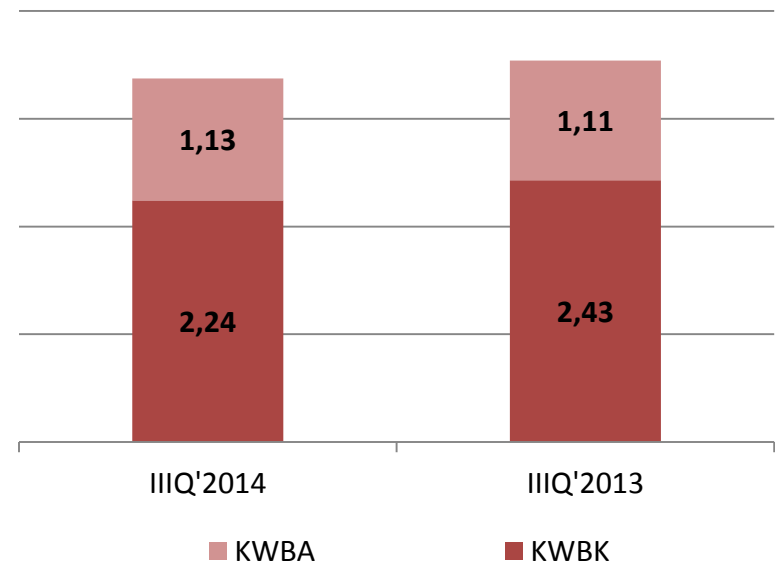
## 9 months 2014 / 9 months 2013



Total 9 months 2014 = 10,36 m tons

Total 9 months 2013 = 10,51 m tons

## IIIQ'2014 / IIIQ'2013



Total IIIQ'2014 = 3,37 m tons

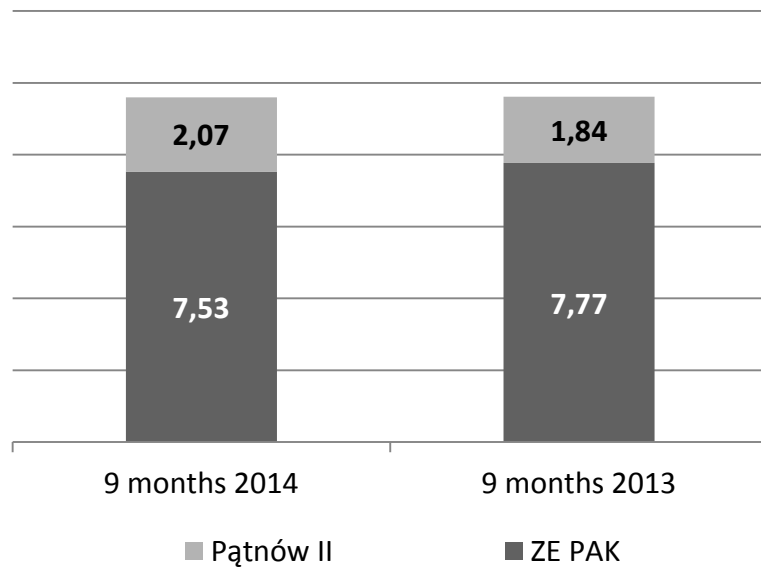
Total IIIQ'2013 = 3,54 m tons

# CO<sub>2</sub> emissions

[m tons]

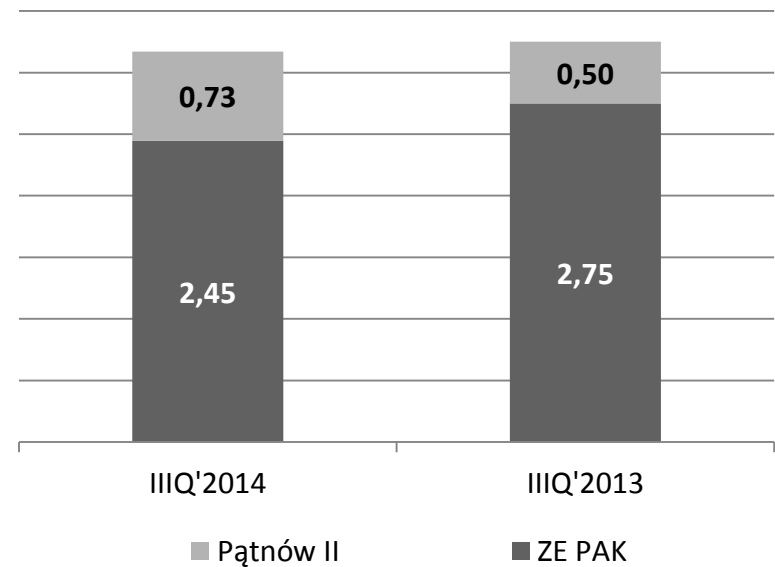


## 9 months 2014 / 9 months 2013



Total 9 months 2014 = 9,6 m tons  
Total 9 months 2013 = 9,61 m tons

## IIIQ'2014 / IIIQ'2013



Total IIIQ'2014 = 3,18 m tons  
Total IIIQ'2013 = 3,25 m tons

# FINANCIAL DATA

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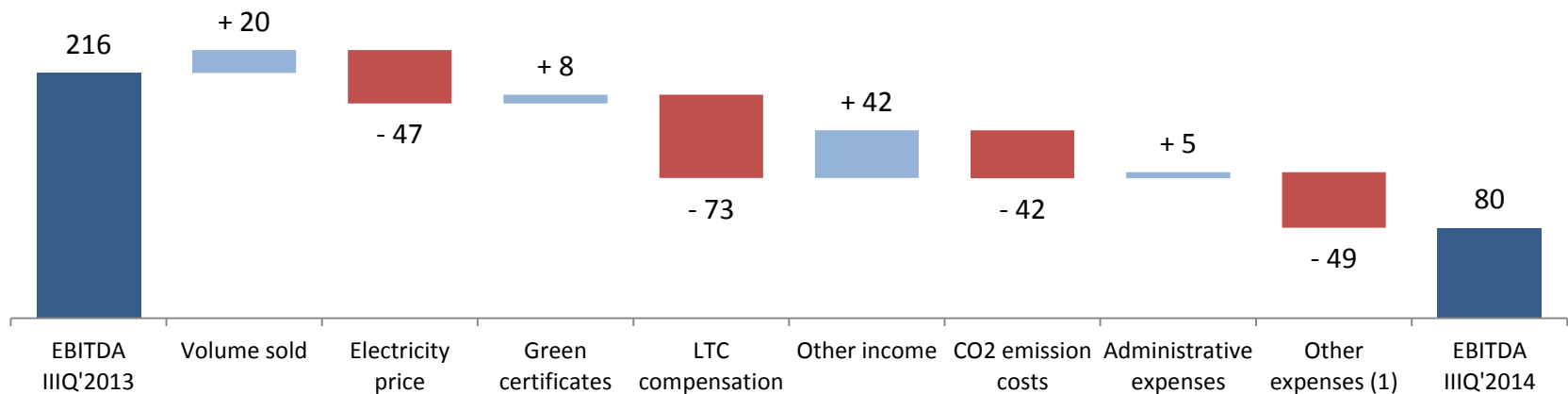
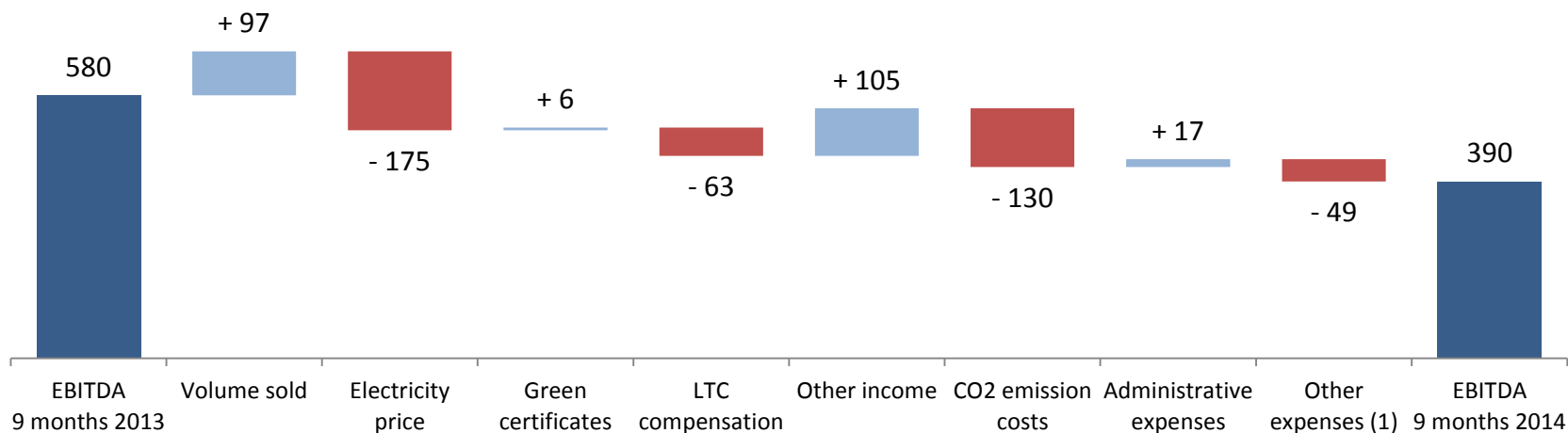
# Consolidated P&L (1/2)



[m PLN]	9 months 2014	9 months 2013	IIIQ'2014	IIIQ'2013
<b>Sales revenue</b>	<b>1 971</b>	<b>2 017</b>	<b>627</b>	<b>690</b>
<i>Change %</i>	-2,28%		-9,13%	
Cost of goods sold	-1 749	-1 573	-607	-518
<b>Gross profit</b>	<b>223</b>	<b>444</b>	<b>19</b>	<b>171</b>
<i>Margin %</i>	11,31%	22,01%	3,03%	24,78%
Other operating income	28	11	17	4
Selling and distribution expenses	-3	-2	-1	-1
Administrative expenses	-113	-130	-40	-45
Other operating expenses	-16	-10	-5	-4
<b>EBITDA</b>	<b>390</b>	<b>580</b>	<b>80</b>	<b>216</b>
<i>Margin %</i>	19,79%	28,76%	12,76%	31,30%
<b>EBIT</b>	<b>119</b>	<b>313</b>	<b>-11</b>	<b>126</b>
<i>Margin %</i>	6,04%	15,52%	-1,75%	18,26%

# EBITDA changes

[m PLN]



(1) Other expenses includes D&A increase in 9 months of 2014 and and decrease in IIIQ'2014 respectively by 3,7 m PLN and 0,2 m PLN.

# Consolidated P&L (2/2)



[m PLN]	9 months 2014	9 months 2013	IIIQ'2014	IIIQ'2013
<b>EBIT</b>	<b>119</b>	<b>313</b>	<b>-11</b>	<b>126</b>
Finance income	11	18	2	6
Finance costs	-40	-76	-13	-
<b>Profit before tax</b>	<b>90</b>	<b>254</b>	<b>-22</b>	<b>131</b>
Income tax (taxation)	-17	-48	3	-26
<i>Effective tax rate %</i>	<i>18,89%</i>	<i>18,90%</i>	<i>13,64%</i>	<i>19,85%</i>
<b>Net profit for the period</b>	<b>72</b>	<b>206</b>	<b>-19</b>	<b>106</b>
<i>Margin %</i>	<i>3,65%</i>	<i>10,21%</i>	<i>-3,03%</i>	<i>15,36%</i>

# Consolidated P&L in segments

## 9 months 2014



m PLN	Generation	Mining	Renovation	Sales	Other	Consolidation adjustments	Total
Sales revenue from external customers	1 276,4	5,7	124,4	559,2	5,6	-	1 971,4
<i>External sales revenue %</i>	<i>79,9%</i>	<i>0,9%</i>	<i>44,9%</i>	<i>100,0%</i>	<i>11,0%</i>		<i>100,0%</i>
Sales revenue between segments	320,2	668,5	152,7	-	45,5	-1 186,9	-
<b>Sales revenue</b>	<b>1 596,7</b>	<b>674,3</b>	<b>277,1</b>	<b>559,2</b>	<b>51,1</b>	<b>-1 186,9</b>	<b>1 971,4</b>
Cost of goods sold	-1 519,4	-577,8	-247,1	-547,0	-47,5	1 190,2	-1 748,6
<b>Gross profit</b>	<b>77,3</b>	<b>96,5</b>	<b>30,0</b>	<b>12,2</b>	<b>3,6</b>	<b>3,2</b>	<b>222,9</b>
<i>Margin %</i>	<i>4,8%</i>	<i>14,3%</i>	<i>10,8%</i>	<i>2,2%</i>	<i>7,1%</i>		<i>11,3%</i>
<b>EBITDA</b>	<b>246,6</b>	<b>118,3</b>	<b>21,7</b>	<b>8,6</b>	<b>4,3</b>	<b>-9,5</b>	<b>390,0</b>
<i>Margin %</i>	<i>15,4%</i>	<i>17,5%</i>	<i>7,8%</i>	<i>1,5%</i>	<i>8,5%</i>		<i>19,8%</i>
<b>EBIT</b>	<b>42,4</b>	<b>54,9</b>	<b>14,9</b>	<b>8,5</b>	<b>2,8</b>	<b>-4,2</b>	<b>119,3</b>
<i>Margin %</i>	<i>2,7%</i>	<i>8,1%</i>	<i>5,4%</i>	<i>1,5%</i>	<i>5,5%</i>		<i>6,1%</i>
<b>Net profit (for the period from continuing operations)</b>	<b>82,4</b>	<b>35,9</b>	<b>12,2</b>	<b>7,1</b>	<b>0,8</b>	<b>-66,0</b>	<b>72,4</b>
<i>Margin %</i>	<i>5,2%</i>	<i>5,3%</i>	<i>4,4%</i>	<i>1,3%</i>	<i>1,5%</i>		<i>3,7%</i>



# Consolidated P&L in segments

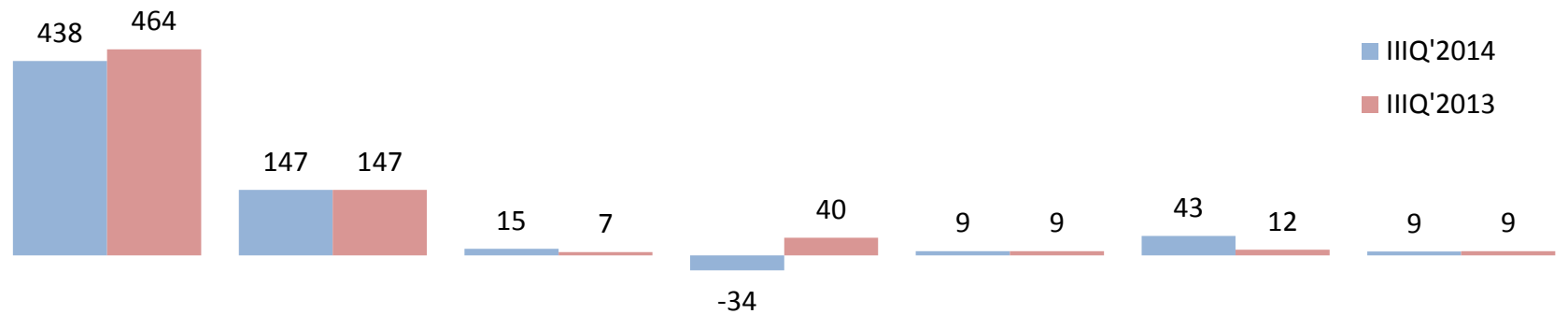
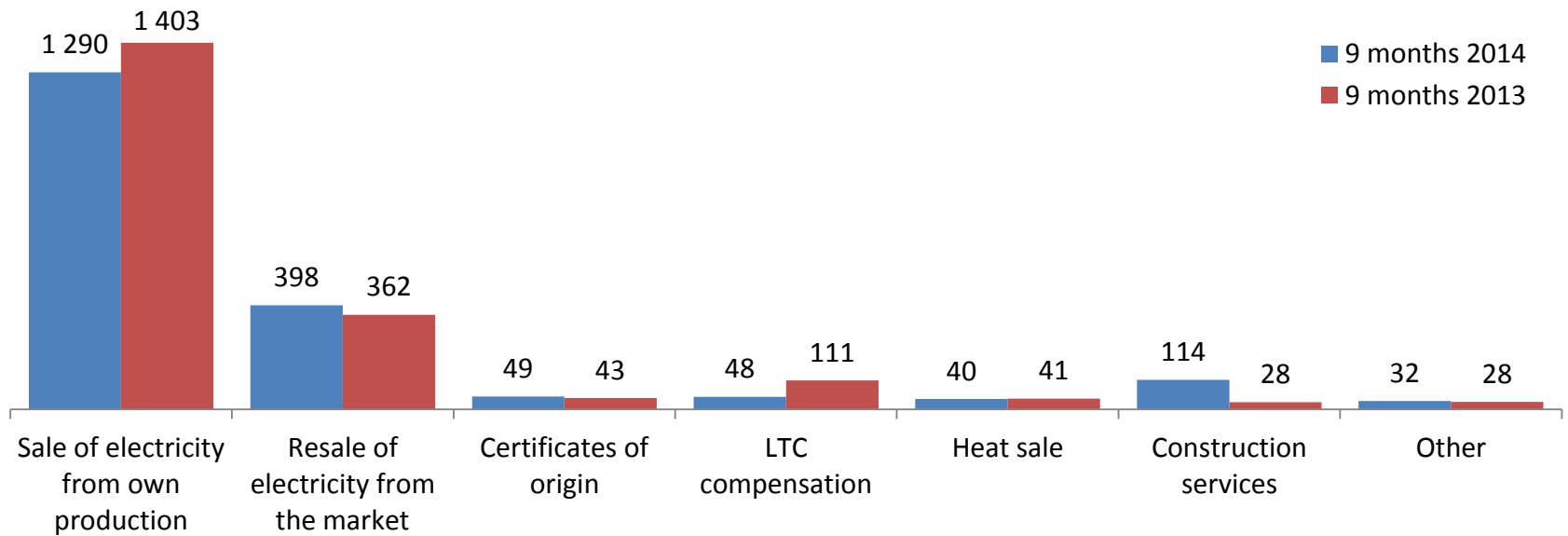
## IIIQ'2014



m PLN	Generation	Mining	Renovation	Sales	Other	Consolidation adjustments	Total
Sales revenue from external customers	395,8	-5,0	45,2	185,2	5,4	-	626,7
<i>External sales revenue %</i>	<i>78,3%</i>	<i>-2,2%</i>	<i>38,1%</i>	<i>100,0%</i>	<i>13,6%</i>		<i>100,0%</i>
Sales revenue between segments	109,5	234,5	73,4	-	34,6	-452,0	-
<b>Sales revenue</b>	<b>505,3</b>	<b>229,5</b>	<b>118,6</b>	<b>185,3</b>	<b>40,1</b>	<b>-452,0</b>	<b>626,7</b>
Cost of goods sold	-530,4	-211,1	-102,0	-180,4	-39,2	455,9	-607,2
<b>Gross profit</b>	<b>-25,1</b>	<b>18,4</b>	<b>16,6</b>	<b>4,9</b>	<b>0,8</b>	<b>3,9</b>	<b>19,5</b>
<i>Margin %</i>	<i>-5,0%</i>	<i>8,0%</i>	<i>14,0%</i>	<i>2,6%</i>	<i>2,0%</i>		<i>3,1%</i>
<b>EBITDA</b>	<b>30,9</b>	<b>33,0</b>	<b>14,8</b>	<b>3,7</b>	<b>0,3</b>	<b>-2,8</b>	<b>79,9</b>
<i>Margin %</i>	<i>6,1%</i>	<i>14,4%</i>	<i>12,5%</i>	<i>2,0%</i>	<i>0,7%</i>		<i>12,7%</i>
<b>EBIT</b>	<b>-36,2</b>	<b>10,9</b>	<b>11,8</b>	<b>3,7</b>	<b>-0,7</b>	<b>-0,2</b>	<b>-10,7</b>
<i>Margin %</i>	<i>-7,2%</i>	<i>4,8%</i>	<i>9,9%</i>	<i>2,0%</i>	<i>-1,7%</i>		<i>-1,7%</i>
<b>Net profit (for the period from continuing operations)</b>	<b>-38,2</b>	<b>4,0</b>	<b>9,4</b>	<b>2,8</b>	<b>-0,6</b>	<b>3,3</b>	<b>-19,3</b>
<i>Margin %</i>	<i>-7,6%</i>	<i>1,8%</i>	<i>7,9%</i>	<i>1,5%</i>	<i>-1,5%</i>		<i>-3,1%</i>

# Revenue breakdown

[m PLN]

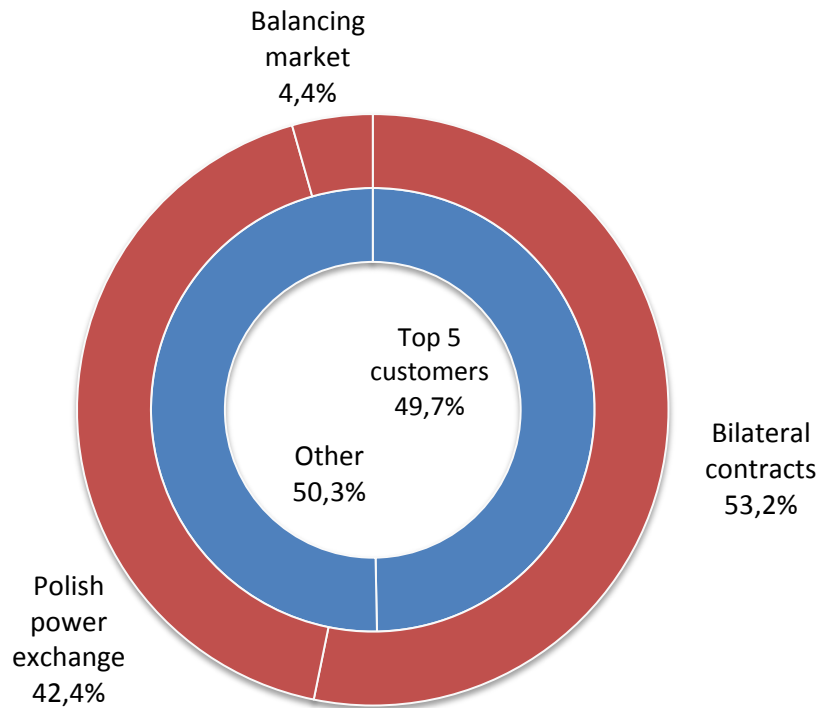


# Sale breakdown by customers and market type

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

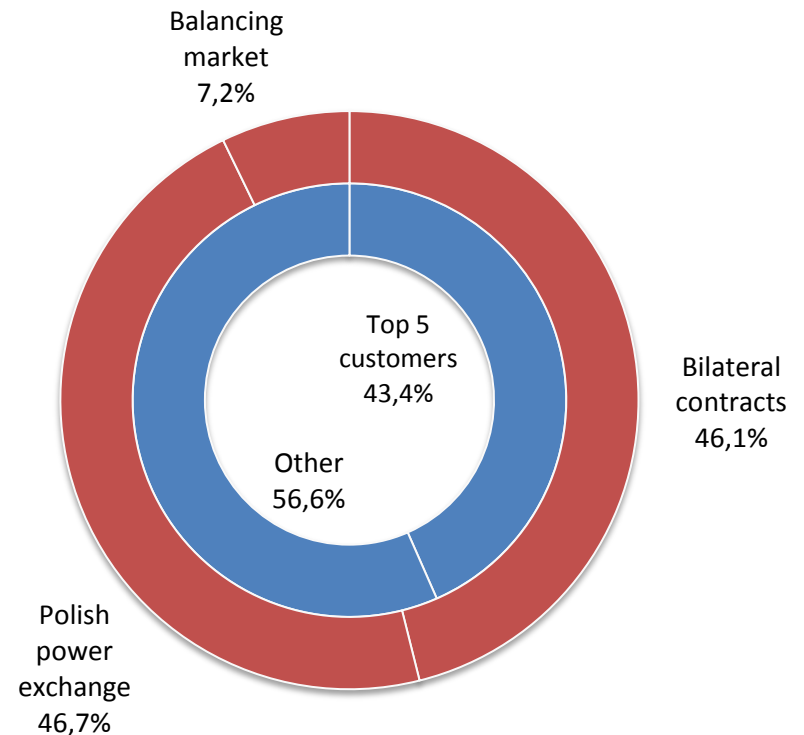


## 9 months 2014



■ by customers ■ by market type

## 9 months 2013



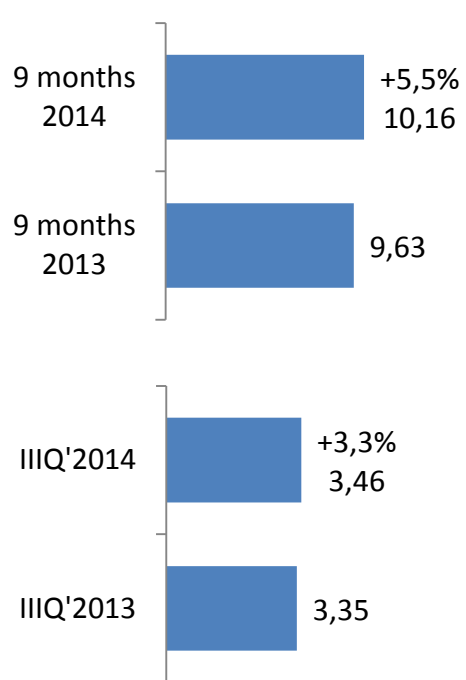
■ by customers ■ by market type

# Electricity sales



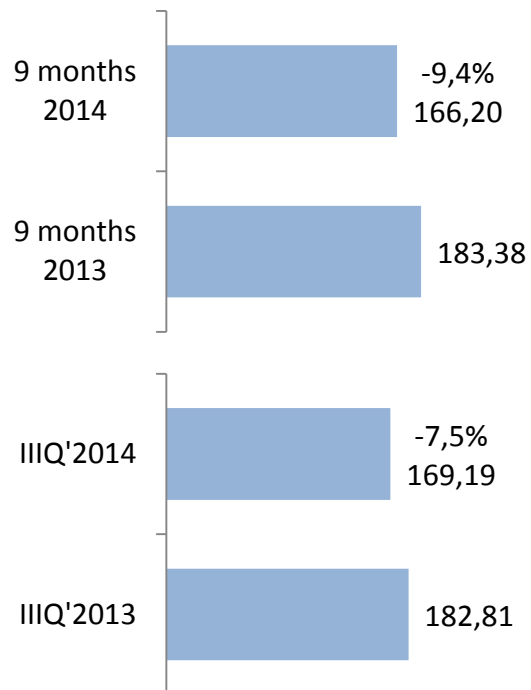
## Electricity sales<sup>(1)</sup>

[TWh]



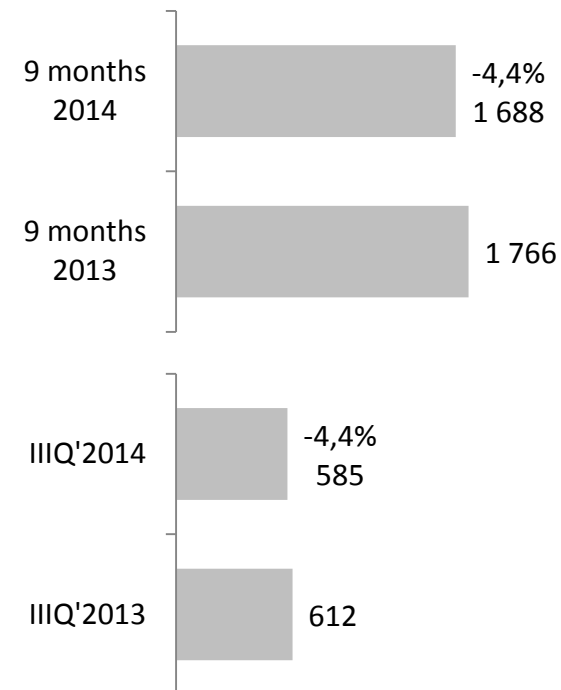
## Average sale price<sup>(2)</sup>

[PLN/MWh]



## Revenue

[m PLN]

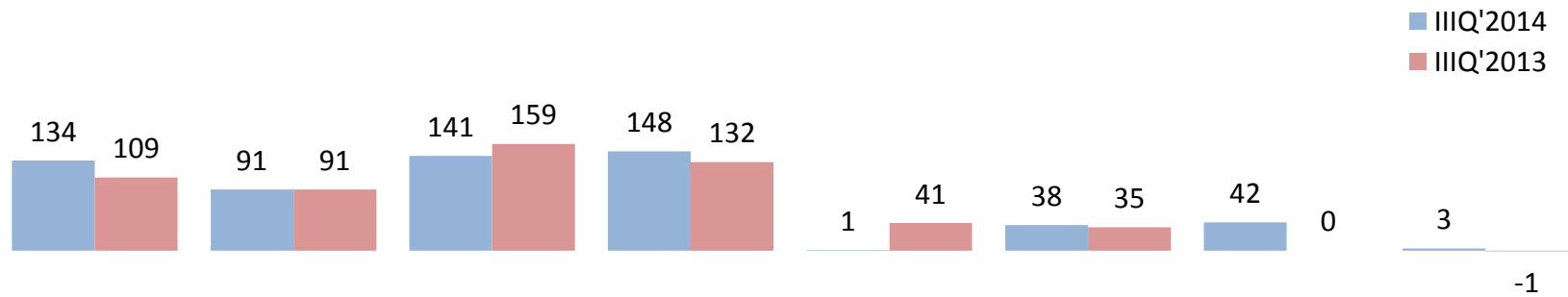
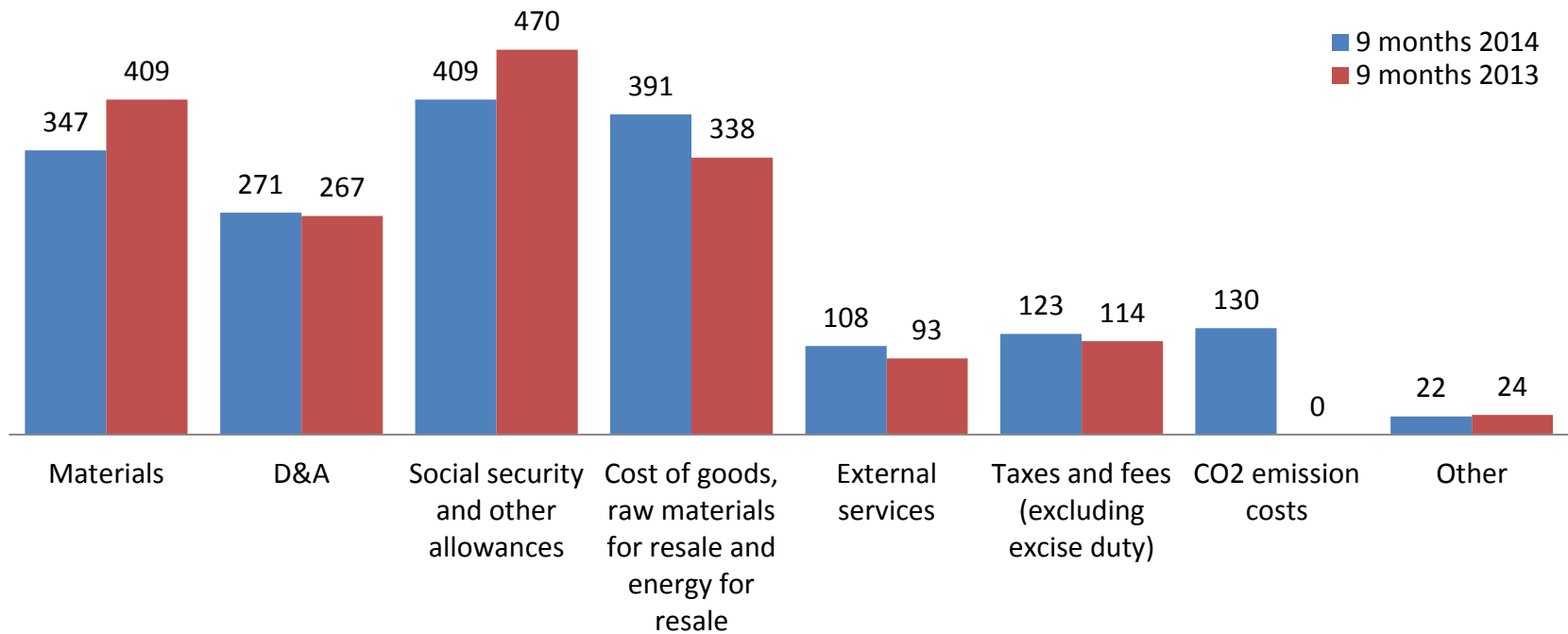


<sup>(1)</sup> Electricity from own production and resold on the market.

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

# Cost by type

[m PLN]



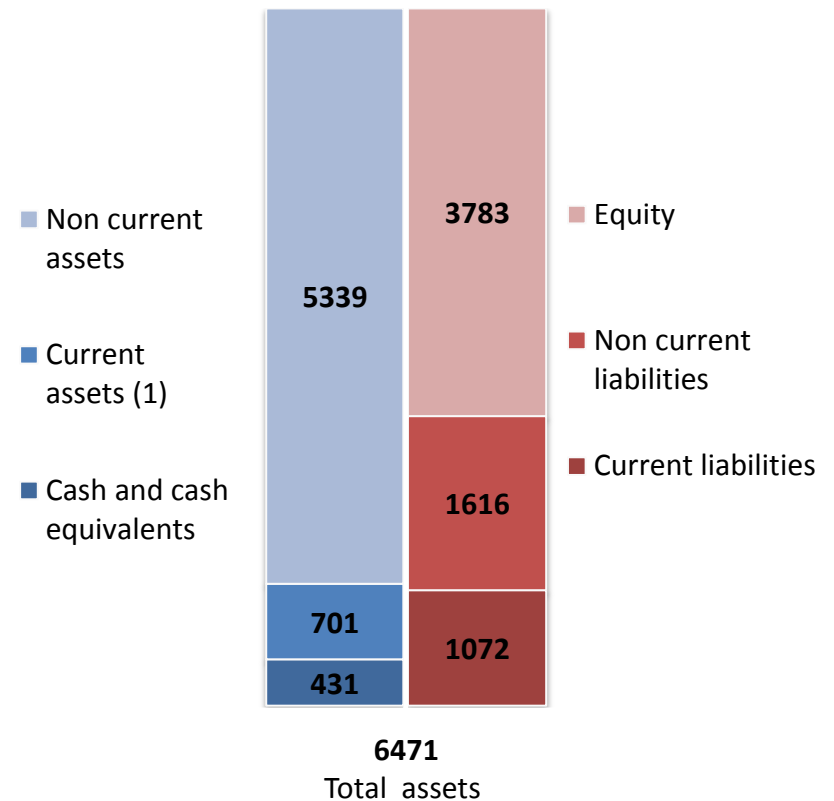
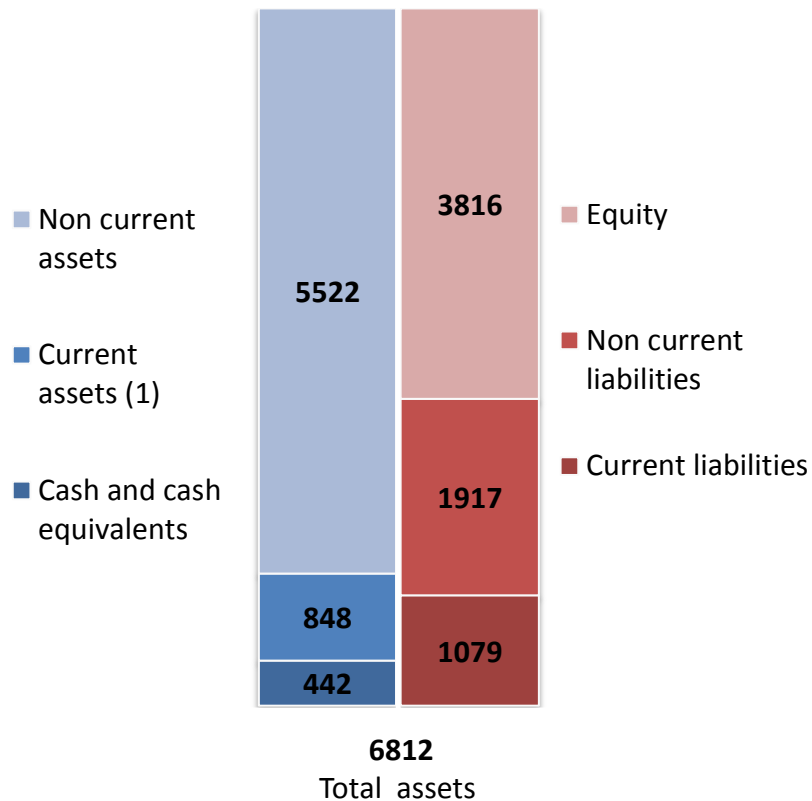
# Consolidated statement of financial position

[m PLN]



30.09.2014

31.12.2013

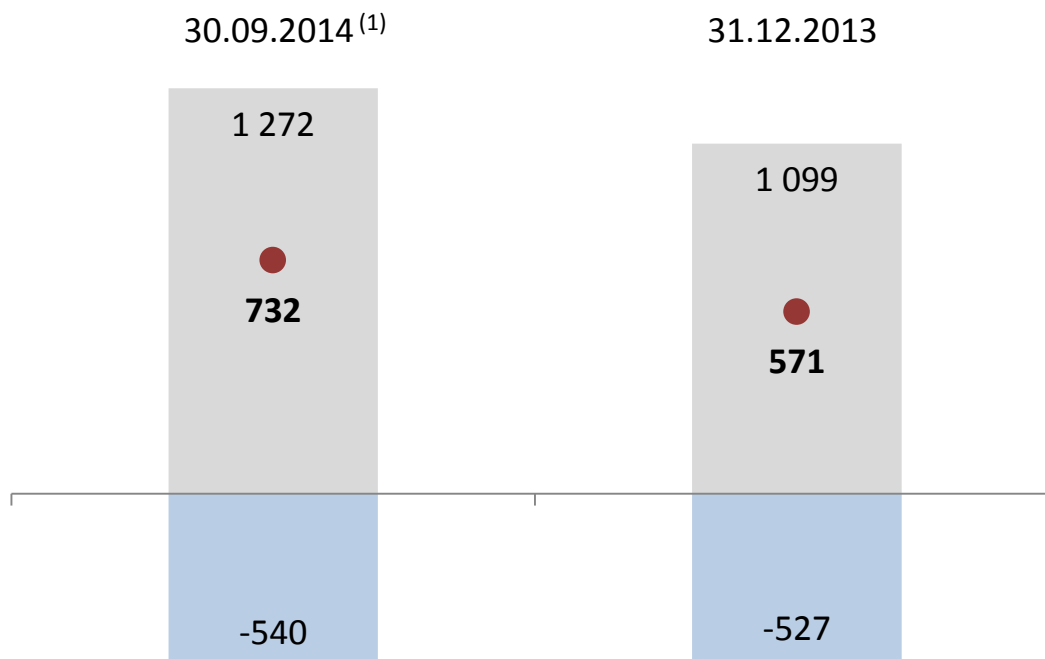


(1) Excluding cash and cash equivalents.

# Net debt



## Net debt [m PLN]



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

## Net debt / EBITDA

30.09.2014 <sup>(1)</sup>	1,39
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

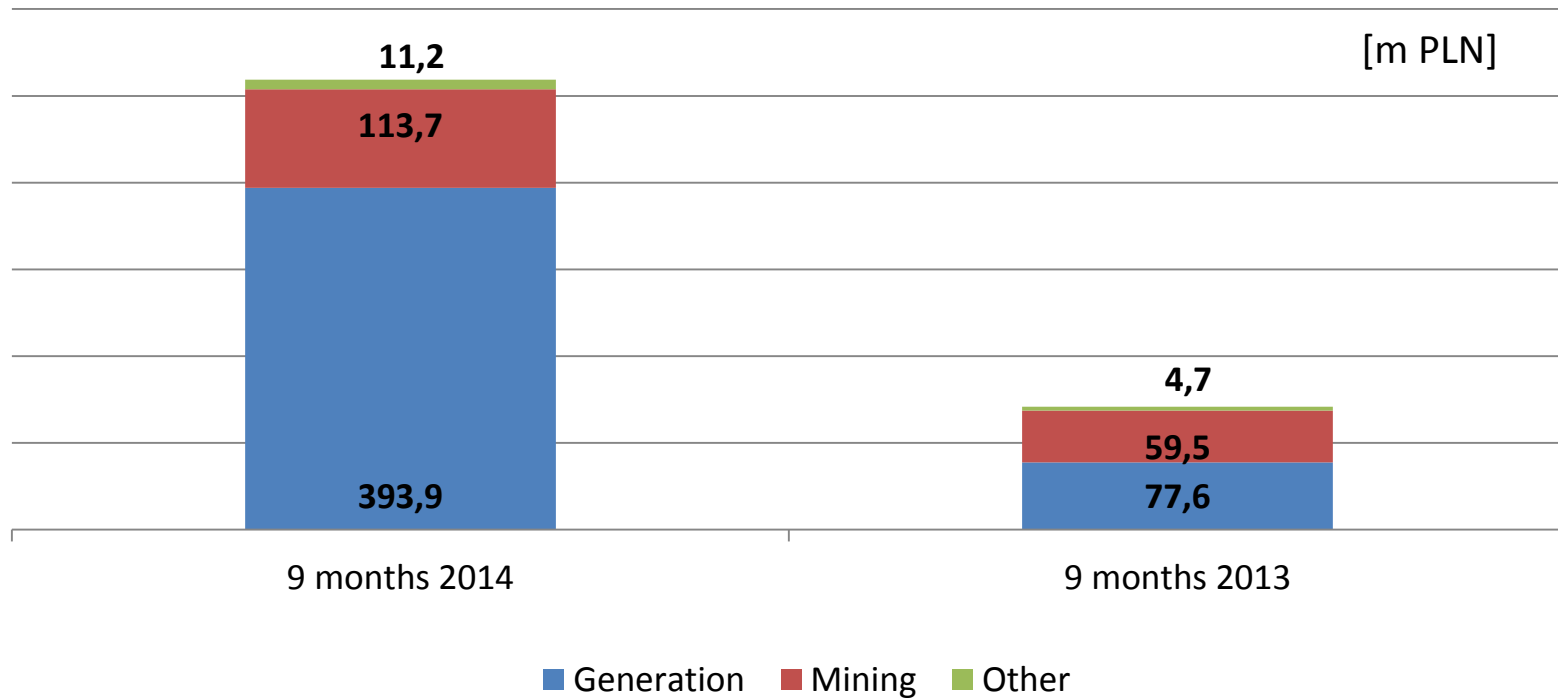


	[m PLN]	9 months 2014	9 months 2013
<b>Profit/loss before taxation</b>		<b>89,9</b>	<b>254,2</b>
Depreciation and amortization		269,5	265,8
Profit/loss on investing and financial activities		23,1	50,7
Changes in working capital		104,4	-44,8
Income tax		-7,1	-5,6
Purchase of EUA		-171,8	-116,9
Other		-1,8	-2,3
<b>Net cash flow from operational activities</b>		<b>306,3</b>	<b>401,1</b>
Purchase of property, plant and equipment and intangible assets		-408,9	-163,0
Other		4,8	4,2
<b>Net cash flow from investing activities</b>		<b>-404,0</b>	<b>-158,8</b>
Inflows of/ Payment of credits, loans, leases and securities		153,7	-173,7
Dividend paid		-34,6	-
Interest paid		-39,7	-37,2
Other		28,9	-0,8
<b>Net cash flow from financial activities</b>		<b>108,3</b>	<b>-211,7</b>
Change in cash and cash equivalents		10,6	30,6
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>441,9</b>	<b>343,5</b>



# Capex

by segments



## Total:

- 9 months 2014 = 518,8 m PLN
- 9 months 2013 = 141,8 m PLN

# Disclaimer

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