



15 March 2014

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

IQ'2014 Results

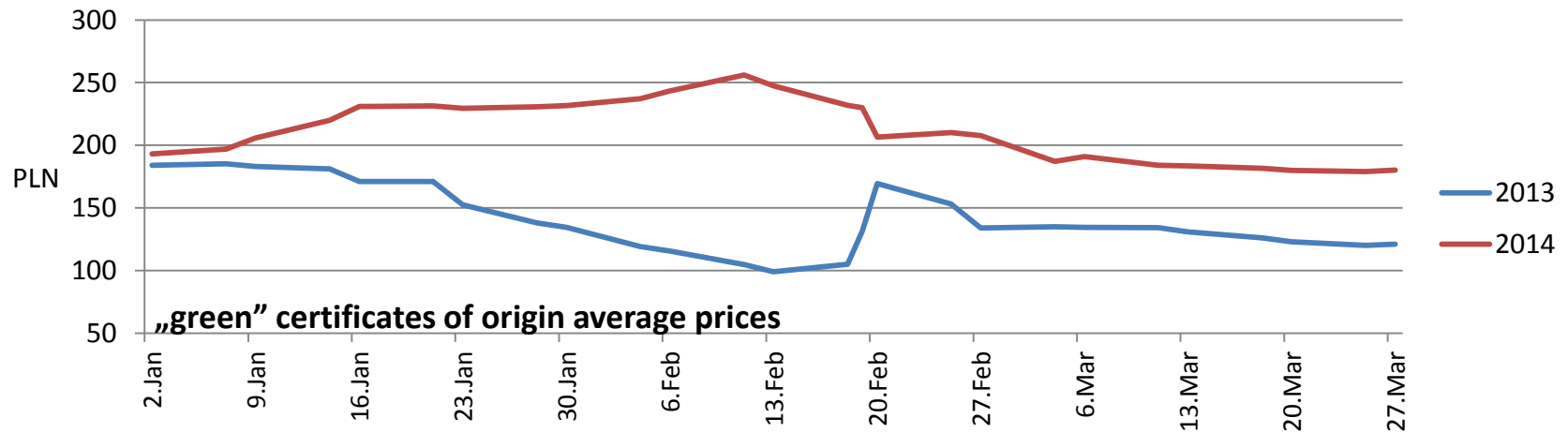
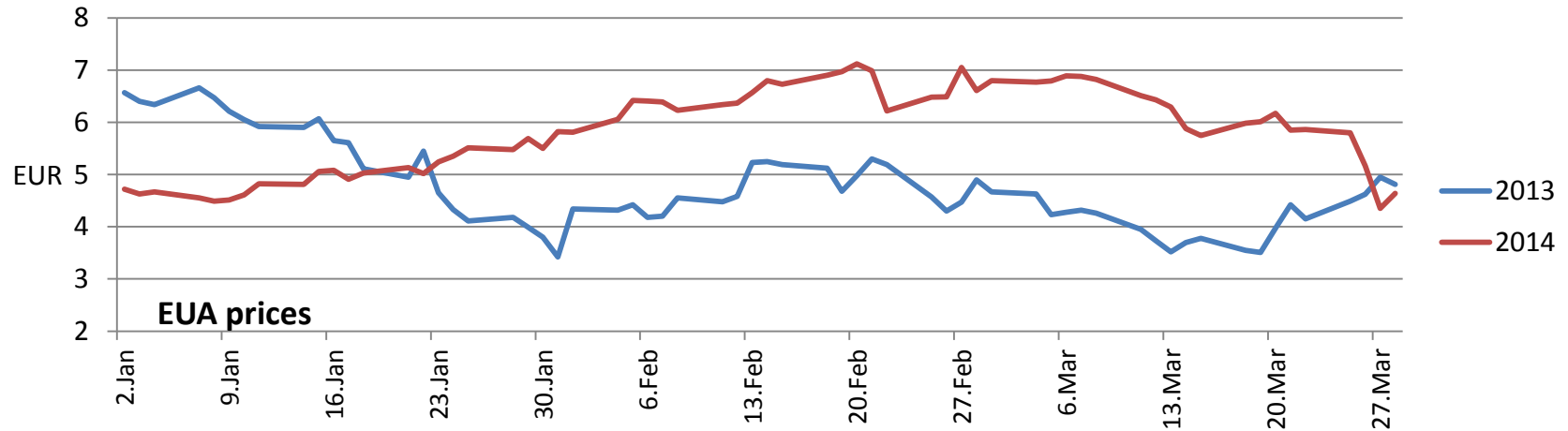


- Drop in electricity prices by 11,8%.
- Taking into account the operating costs of purchase of the missing allowances for CO2 emissions.
- Lack of biomass co-firing.
- Patnow I Units 1 and 2 retrofit ongoing.
- Conclusion with consortium of banks 10 years credit agreement in amount of 1.200 m PLN for Patnow I Units 1-4 retrofit and refinance the loan for the IOS installation.

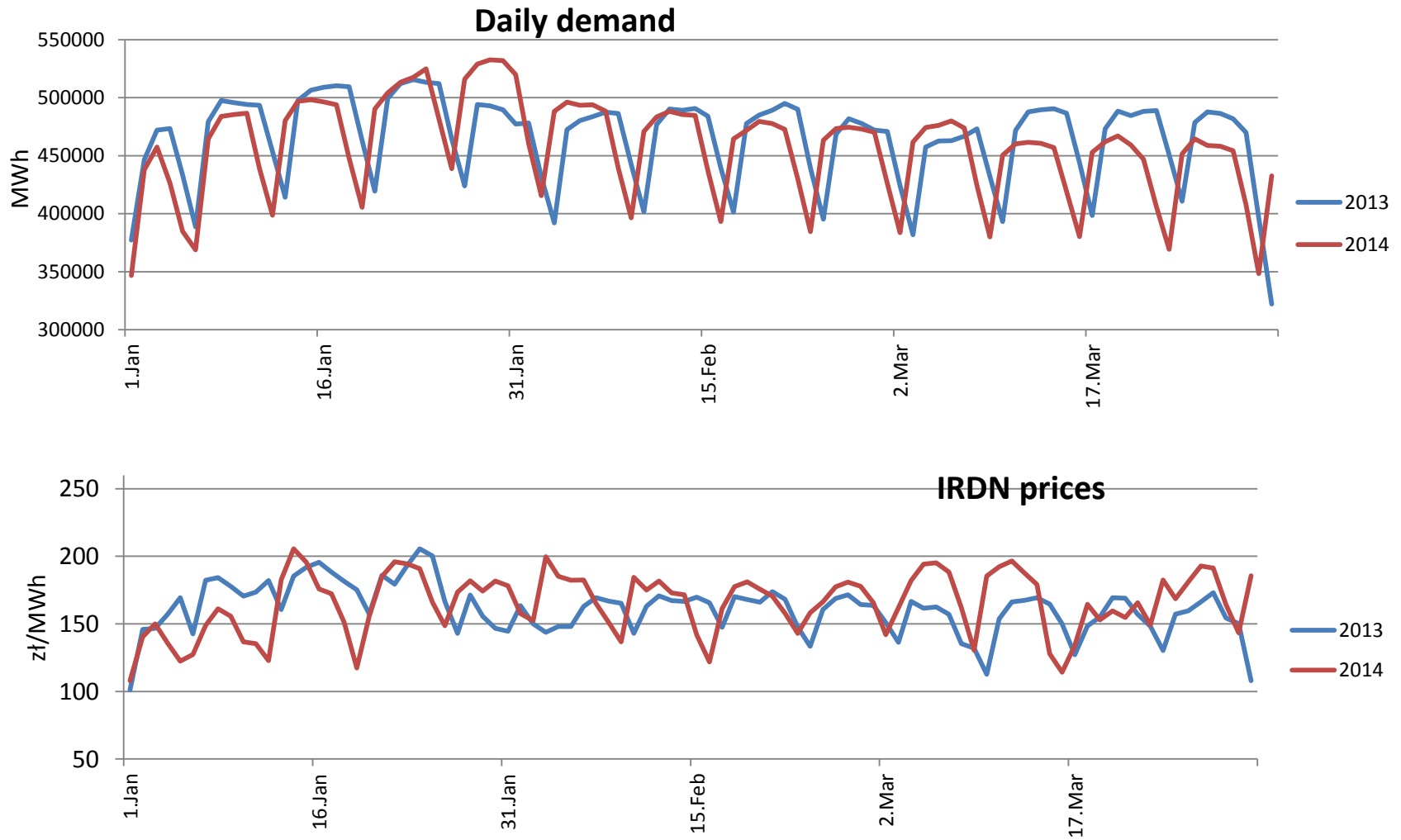
SELECTED ENERGY MARKET DATA



EUA and „green” certificates of origin – 3 months of 2013 and 2014



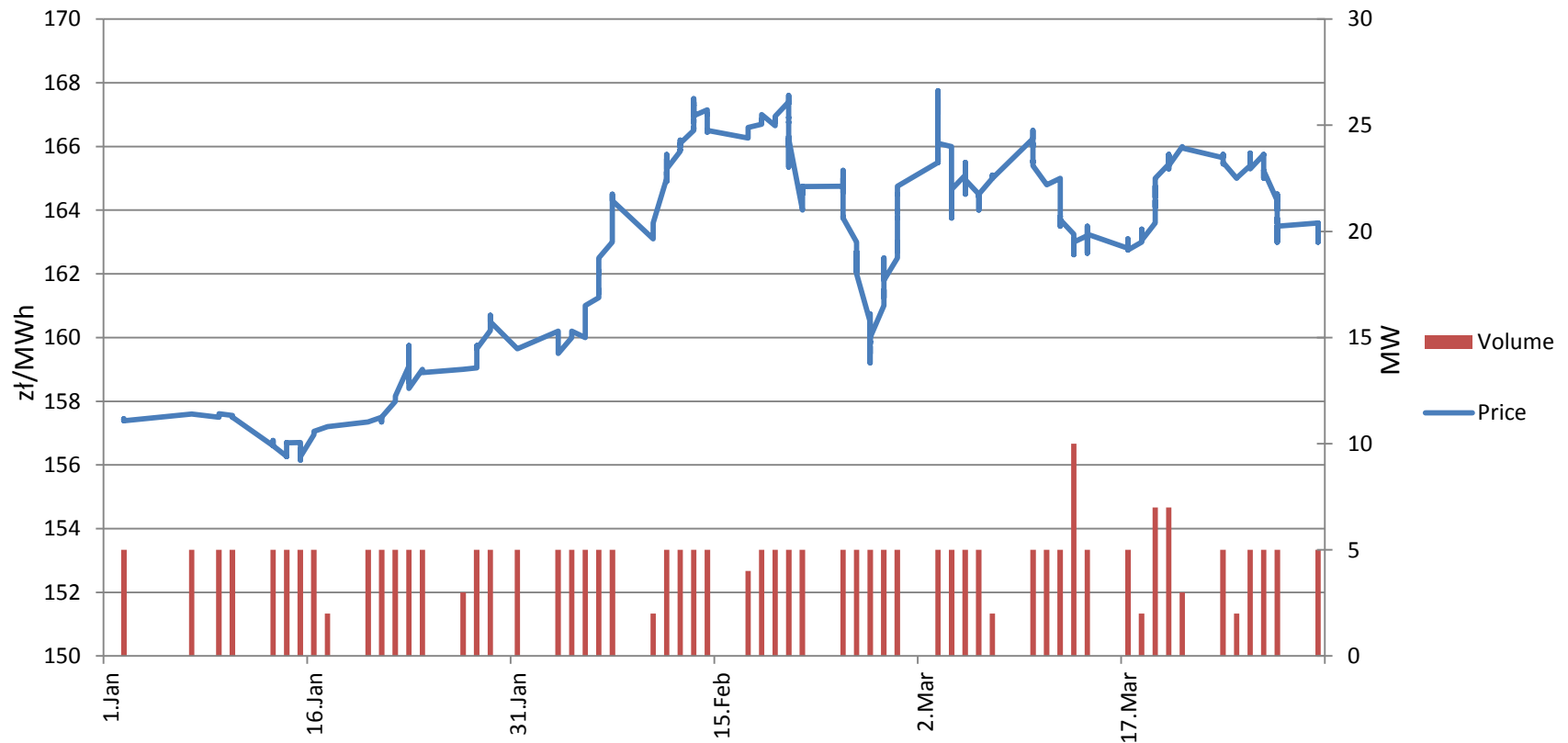
Daily demand for electricity and IRDN prices – 3 months of 2013 and 2014



„Base” price for 2015 - BASE_Y-15



BASE_Y-15 since 01.01.2014 till 31.03.2014



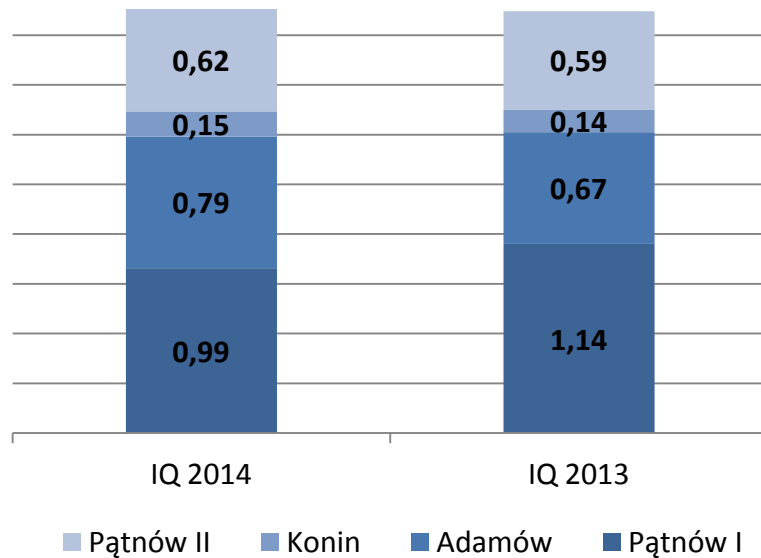
OPERATIONAL DATA



Electricity net production and sale



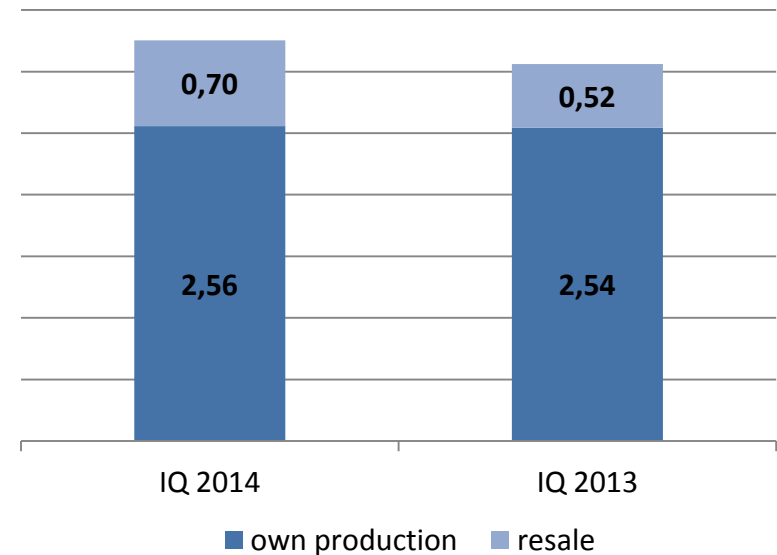
Net production [TWh]



Total IQ'2014 = 2,56 TWh

Total IQ'2013 = 2,54 TWh

Sale [TWh]

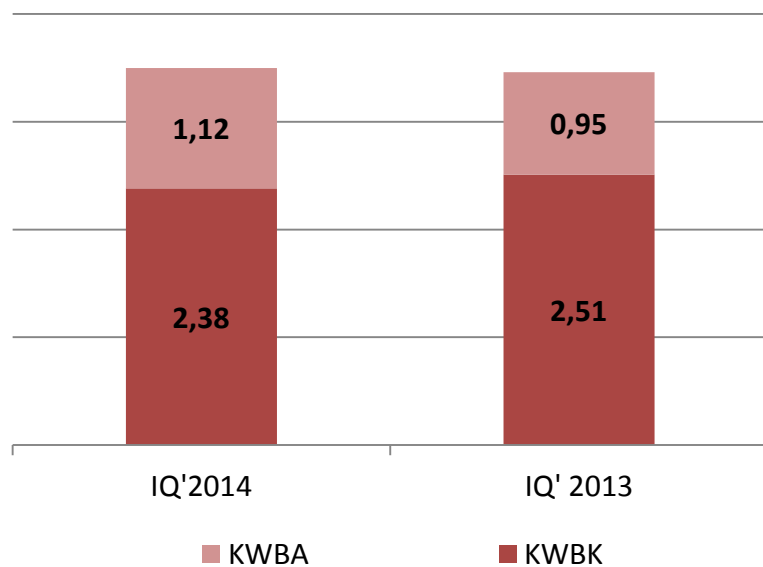


Total IQ'2014 = 3,26 TWh

Total IQ'2013 = 3,06 TWh

Lignite consumption and CO₂ emission

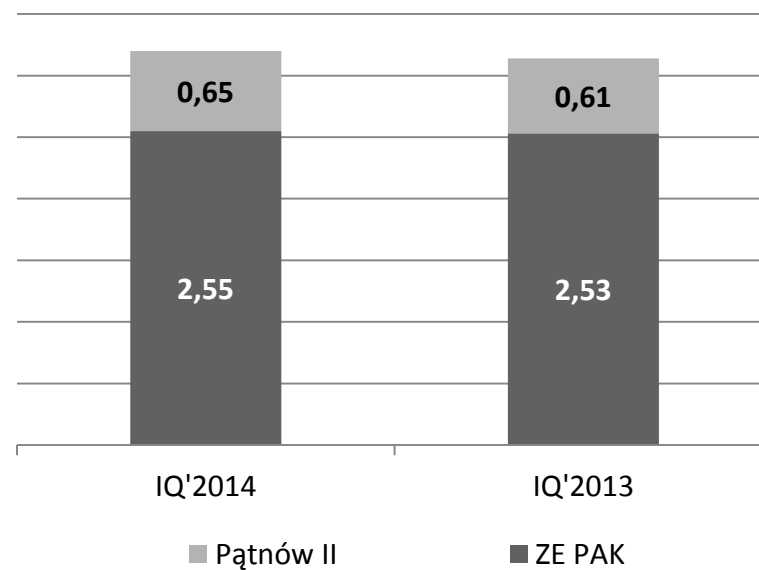
Lignite consumption [m tons]



Total IQ'2014 = 3,50 m tons

Total IQ'2013 = 3,46 m tons

CO₂ emission [m tons]



Total IQ'2014 = 3,20 m tons

Total IQ'2013 = 3,14 m tons

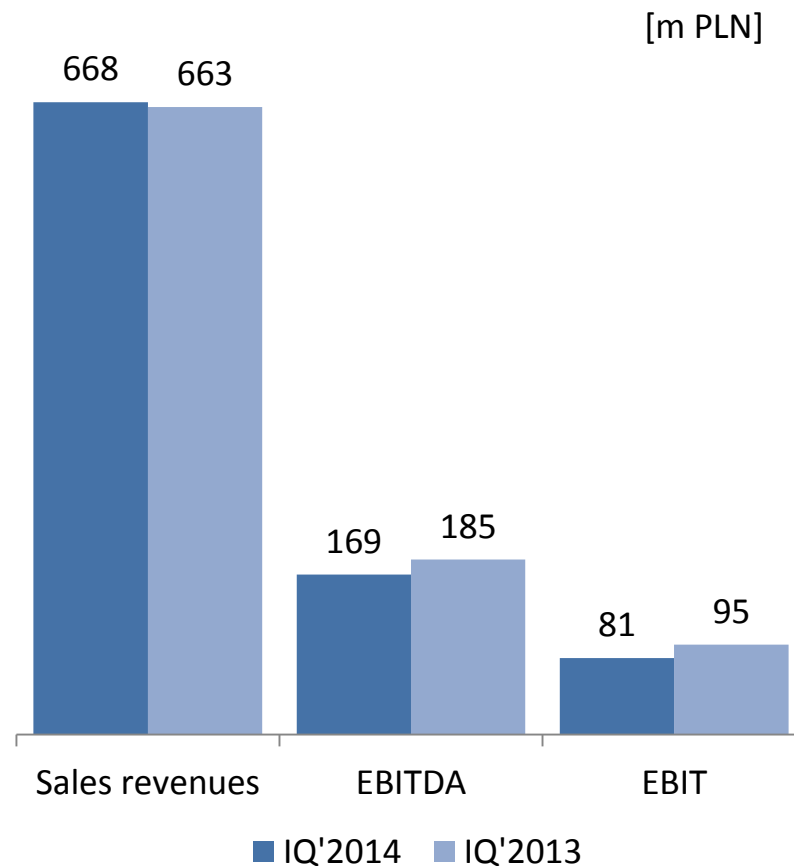
FINANCIAL DATA



Consolidated P&L summary (1)



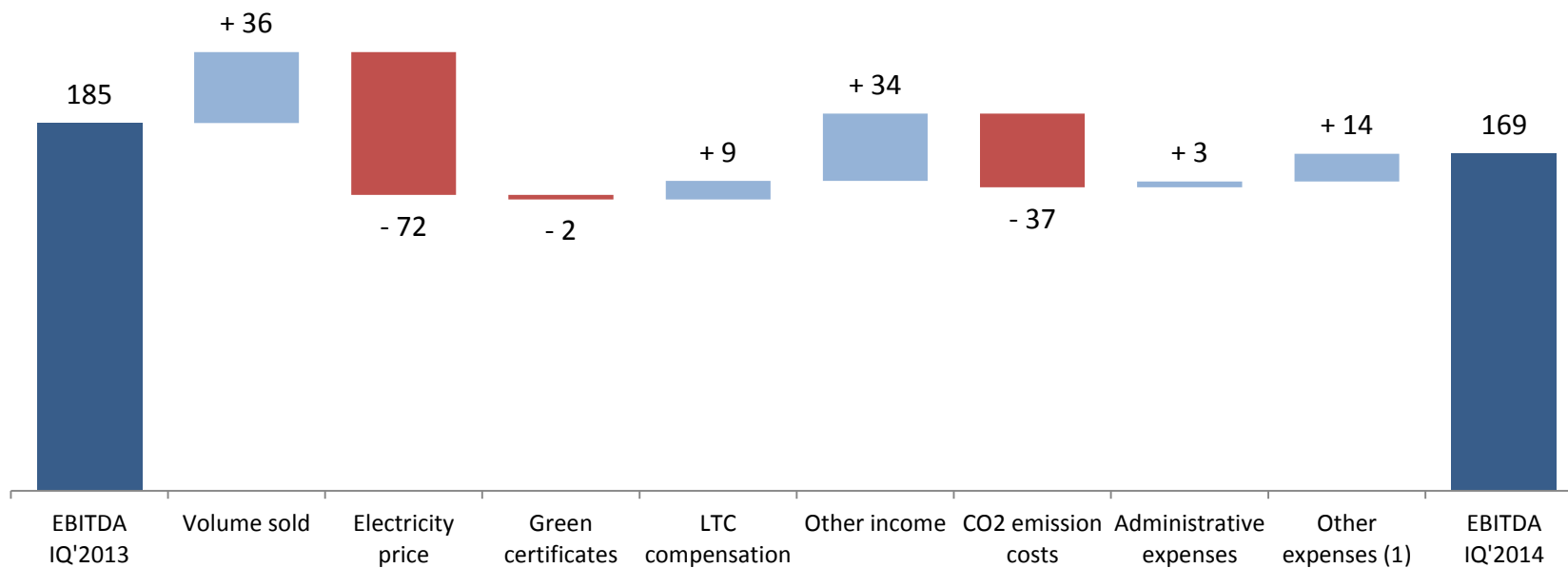
[m PLN]	IQ'2014	IQ'2013 ⁽¹⁾
Sales revenue	668	663
<i>Change %</i>	<i>0,75%</i>	
Cost of goods sold	-546	-521
Gross profit	121	142
<i>Margin %</i>	<i>18,11%</i>	<i>21,42%</i>
Other operating income	7	6
Selling and distribution expenses	-1	-1
Administrative expenses	-44	-47
Other operating expenses	-3	-6
EBITDA	169	185
<i>Margin %</i>	<i>25,30%</i>	<i>27,90%</i>
EBIT	81	95
<i>Margin %</i>	<i>12,13%</i>	<i>14,33%</i>



⁽¹⁾ Restated data.

EBITDA changes

[m PLN]



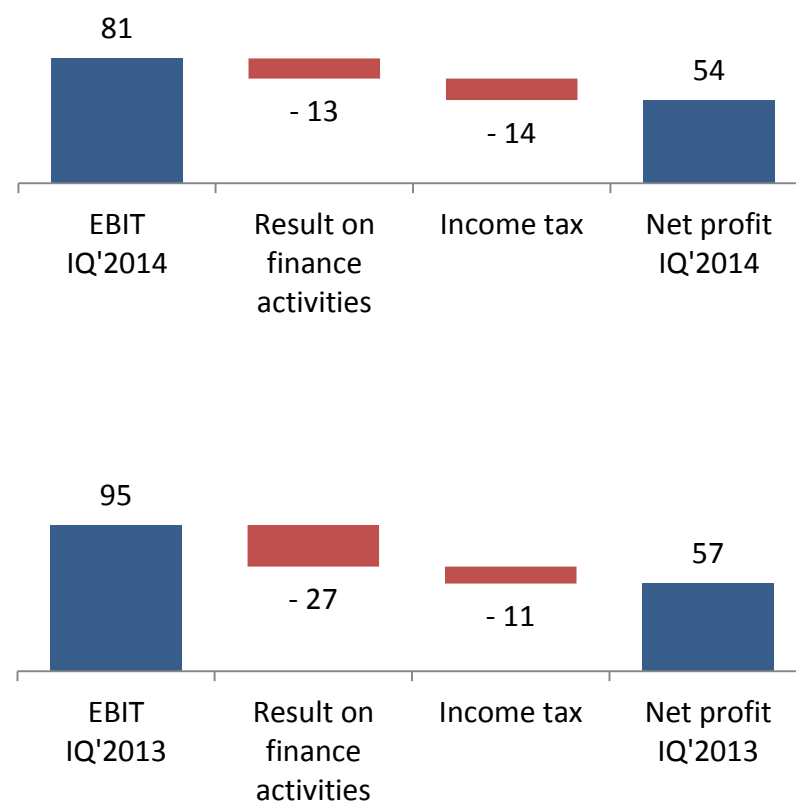
(1) Other expenses includes D&A decrease by 0,5 m PLN

Consolidated P&L summary (2)



[m PLN]	IQ'2014	IQ'2013 ⁽¹⁾
EBIT	81	95
Finance income	2	5
Finance costs	-15	-32
Profit before tax	67	68
Income tax (taxation)	-14	-11
<i>Effective tax rate %</i>	<i>20,90%</i>	<i>16,18%</i>
Net profit for the period	54	57
<i>Margin %</i>	<i>8,08%</i>	<i>8,60%</i>

EBIT -----> Net profit



⁽¹⁾ Restated data

Consolidated P&L in segments

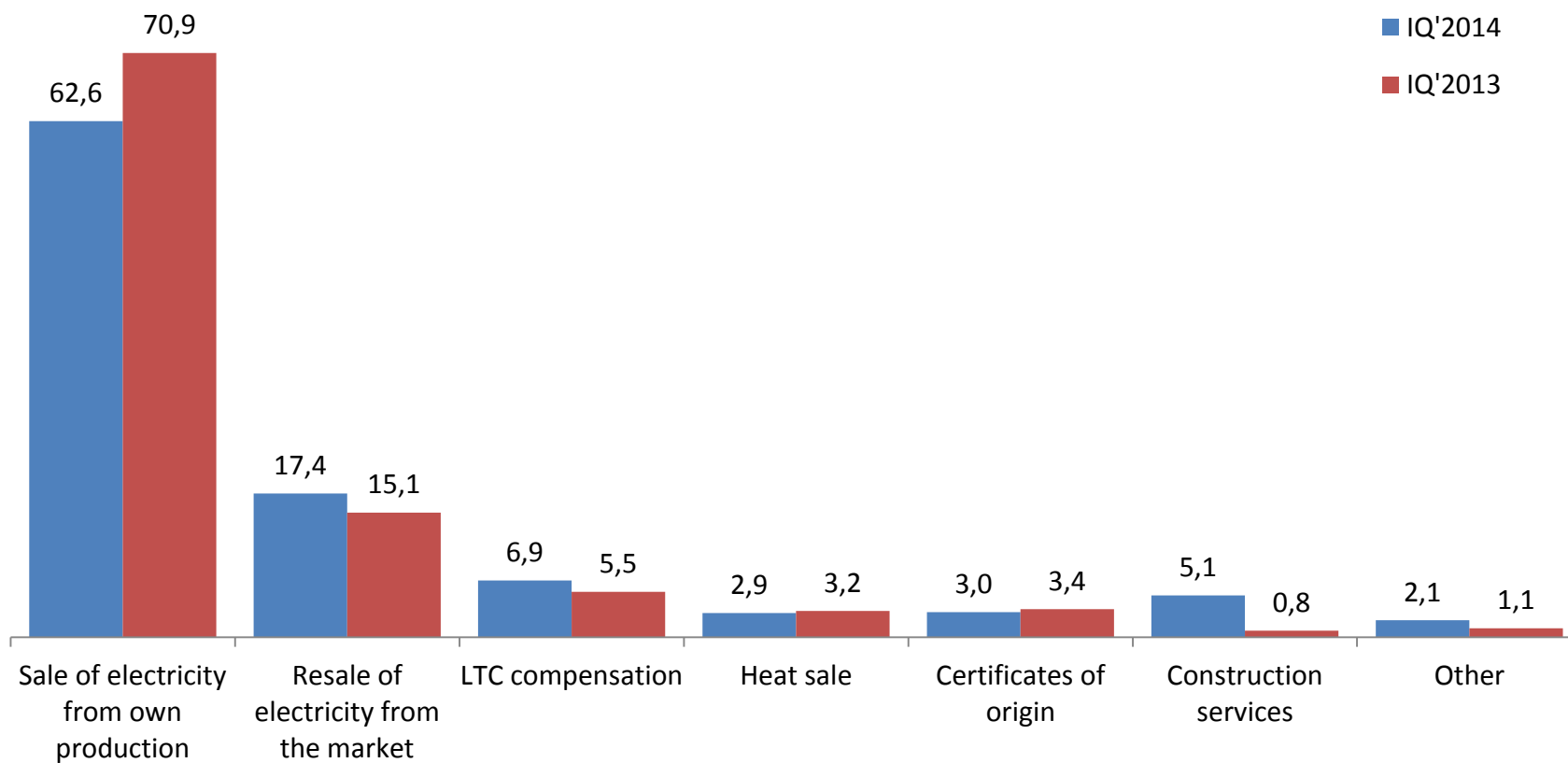
IQ'2014



m PLN	Generation	Mining	Renovation	Sales	Other	Consolidation adjustments	Total
Sales revenue from external customers	434,0	6,5	39,5	187,4	0,4	-	667,7
<i>External sales revenue %</i>	<i>80,7%</i>	<i>2,9%</i>	<i>57,9%</i>	<i>100,0%</i>	<i>6,6%</i>		<i>100,0%</i>
Sales revenue between segments	103,7	216,1	28,6	-	5,2	-353,6	-
Sales revenue	537,7	222,5	68,1	187,4	5,5	-353,6	667,7
Cost of goods sold	-473,7	-182,3	-57,7	-182,6	-3,8	353,8	-546,4
Gross profit	64,0	40,2	10,4	4,8	1,7	0,2	121,3
<i>Margin %</i>	<i>11,9%</i>	<i>18,1%</i>	<i>15,2%</i>	<i>2,6%</i>	<i>30,7%</i>		<i>18,2%</i>
EBITDA	121,6	37,1	6,4	3,7	1,4	-0,8	169,4
<i>Margin %</i>	<i>22,6%</i>	<i>16,7%</i>	<i>9,4%</i>	<i>2,0%</i>	<i>25,5%</i>		<i>25,4%</i>
EBIT	54,4	16,1	5,1	3,7	1,1	0,2	80,6
<i>Margin %</i>	<i>10,1%</i>	<i>7,3%</i>	<i>7,4%</i>	<i>2,0%</i>	<i>19,9%</i>		<i>12,1%</i>
Net profit (for the period from continuing operations)	37,9	7,7	3,7	3,1	1,0	0,2	53,6
<i>Margin %</i>	<i>7,1%</i>	<i>3,5%</i>	<i>5,5%</i>	<i>1,7%</i>	<i>17,9%</i>		<i>8,0%</i>

Revenue breakdown

[%]

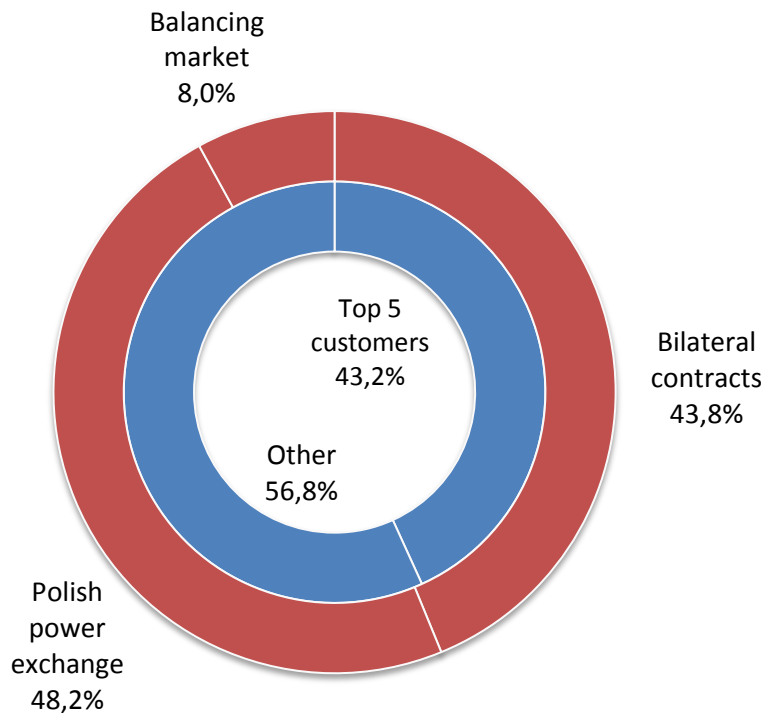


Sale breakdown by customers and market type

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

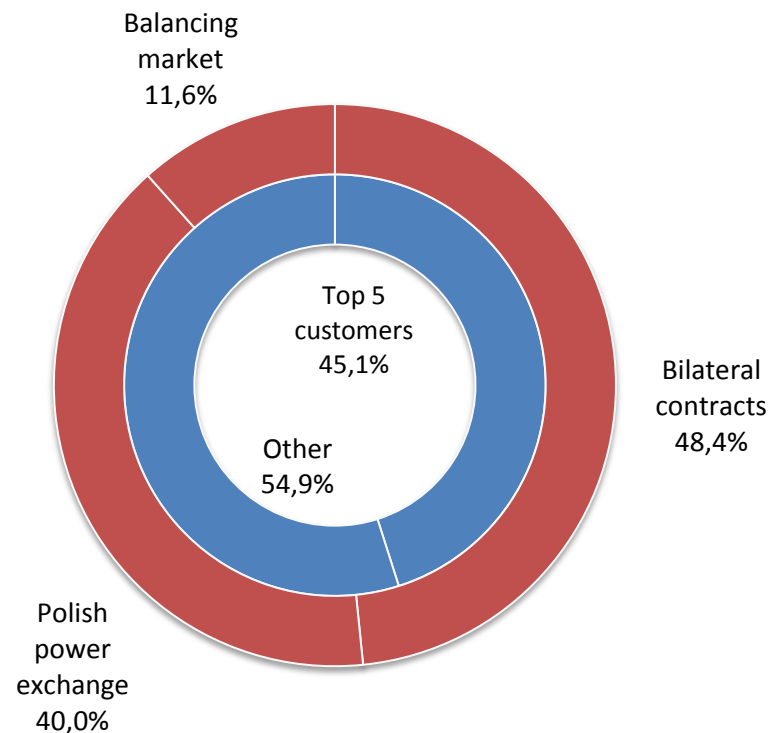


IQ'2014



■ by customers ■ by market type

IQ'2013



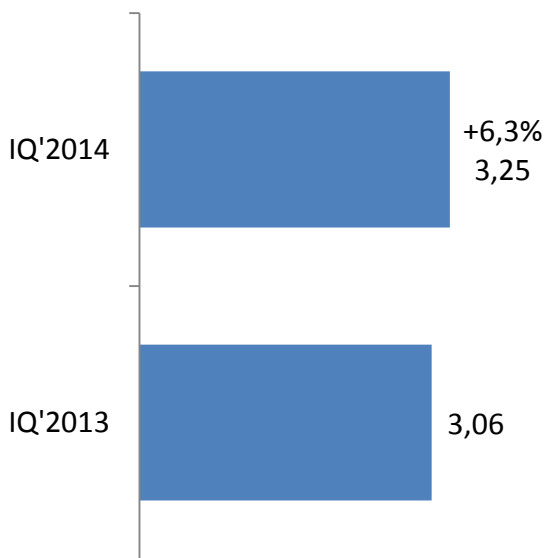
■ by customers ■ by market type

Electricity sales



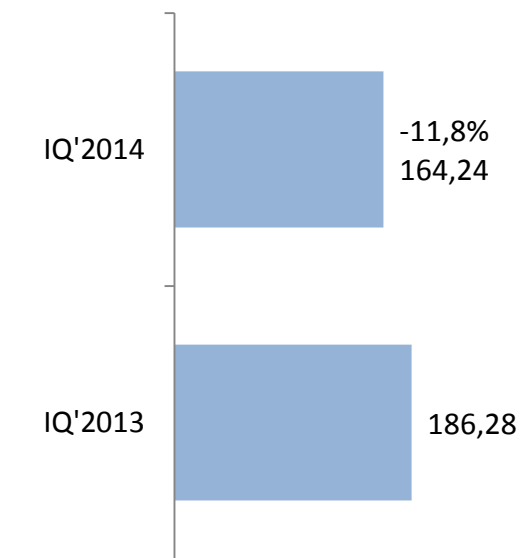
Electricity sales⁽¹⁾

[TWh]



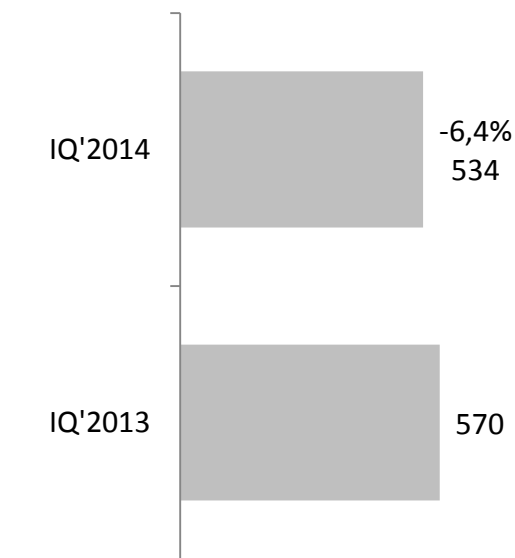
Average sale price⁽²⁾

[PLN/MWh]



Revenue

[m PLN]

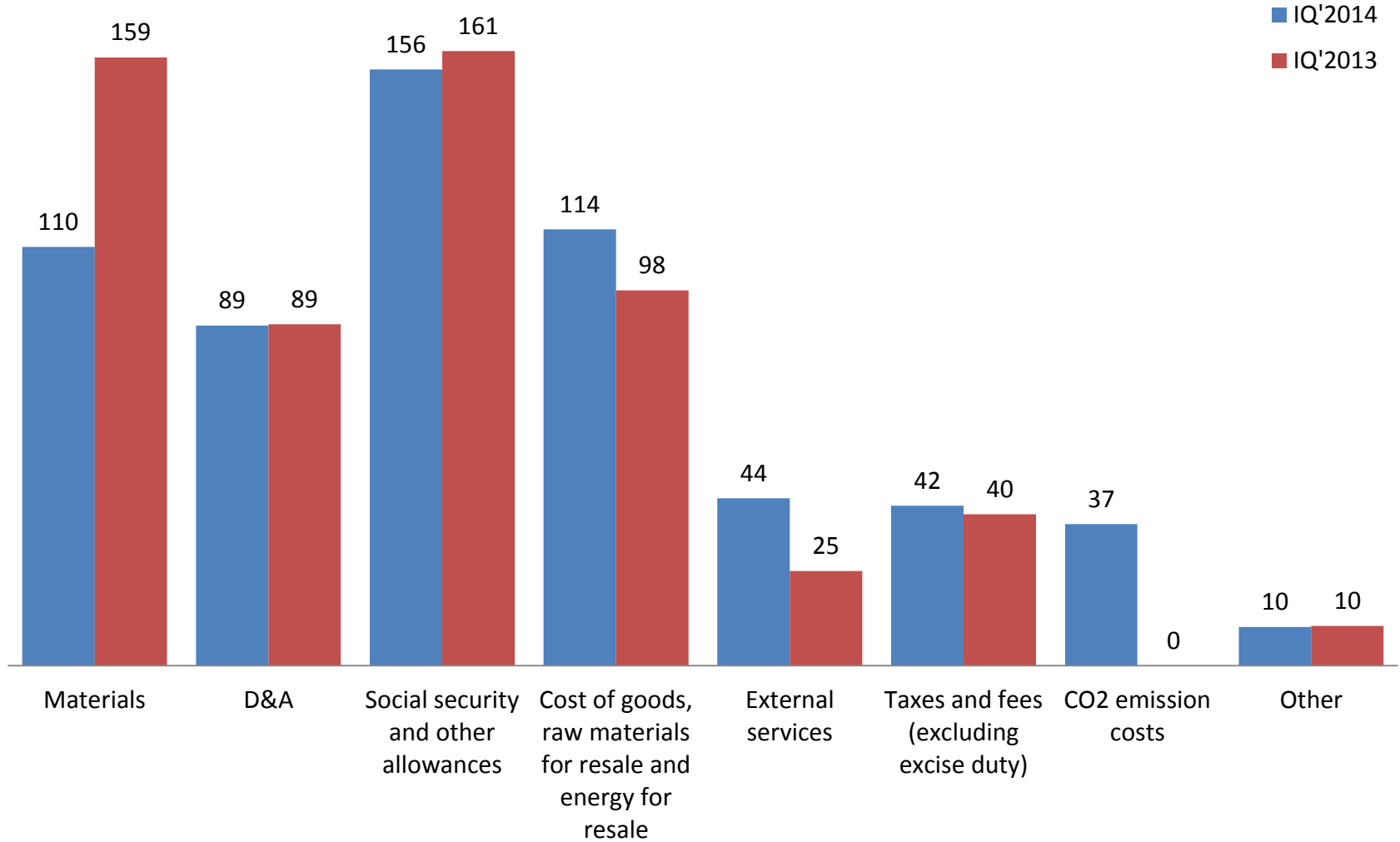


(1) Electricity from own production and resold on the market.

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

Cost by type

[m PLN]



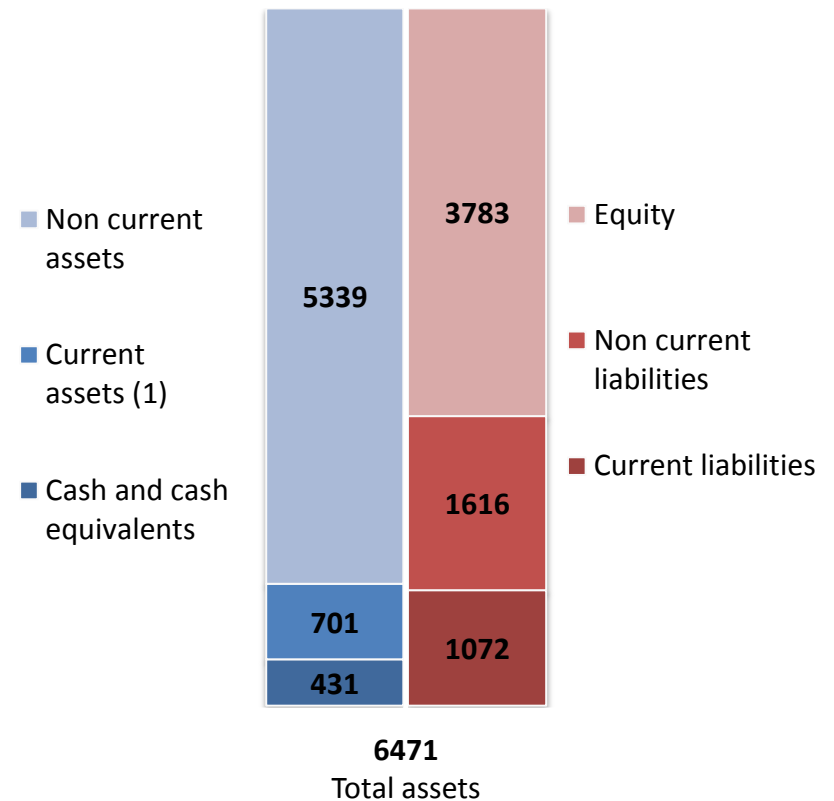
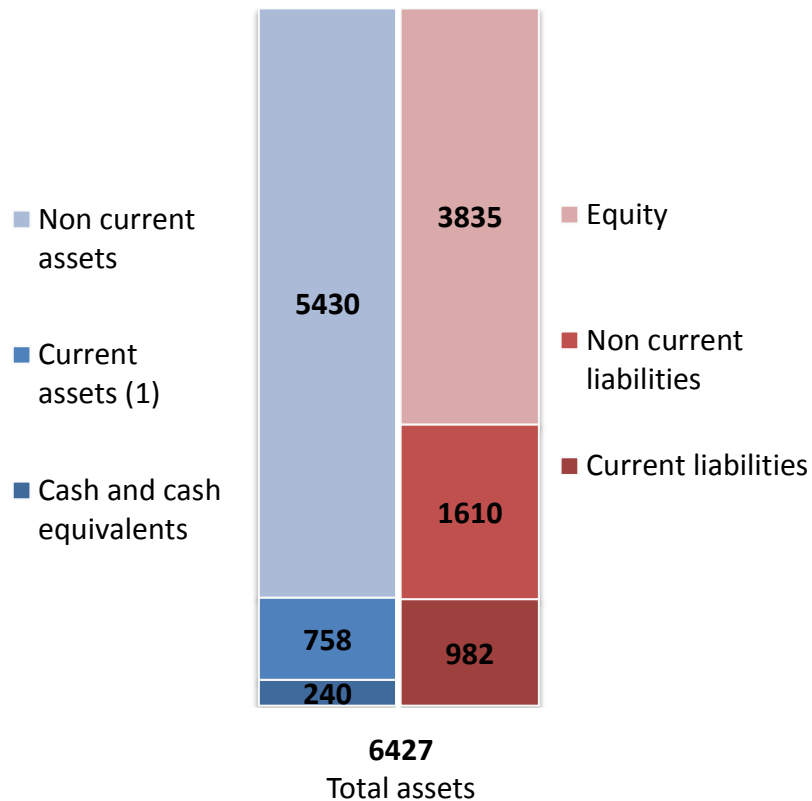
Consolidated statement of financial position

[m PLN]



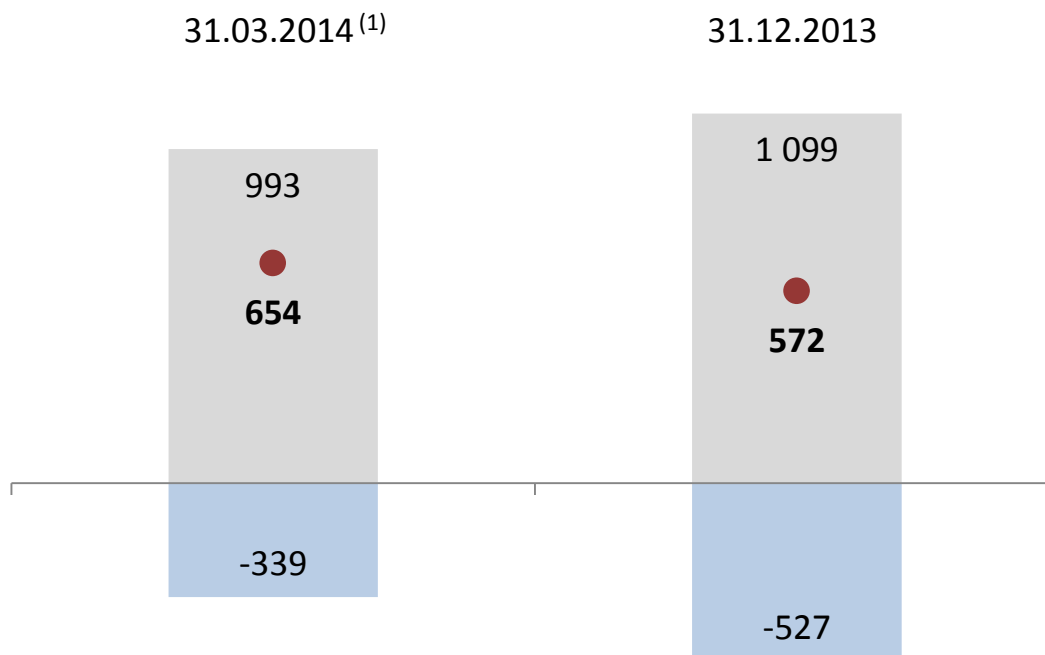
31.03.2014

31.12.2013



(1) Excluding cash and cash equivalents.

Net debt [m PLN]



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

Net debt / EBITDA

31.03.2014 ⁽¹⁾	0,93
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

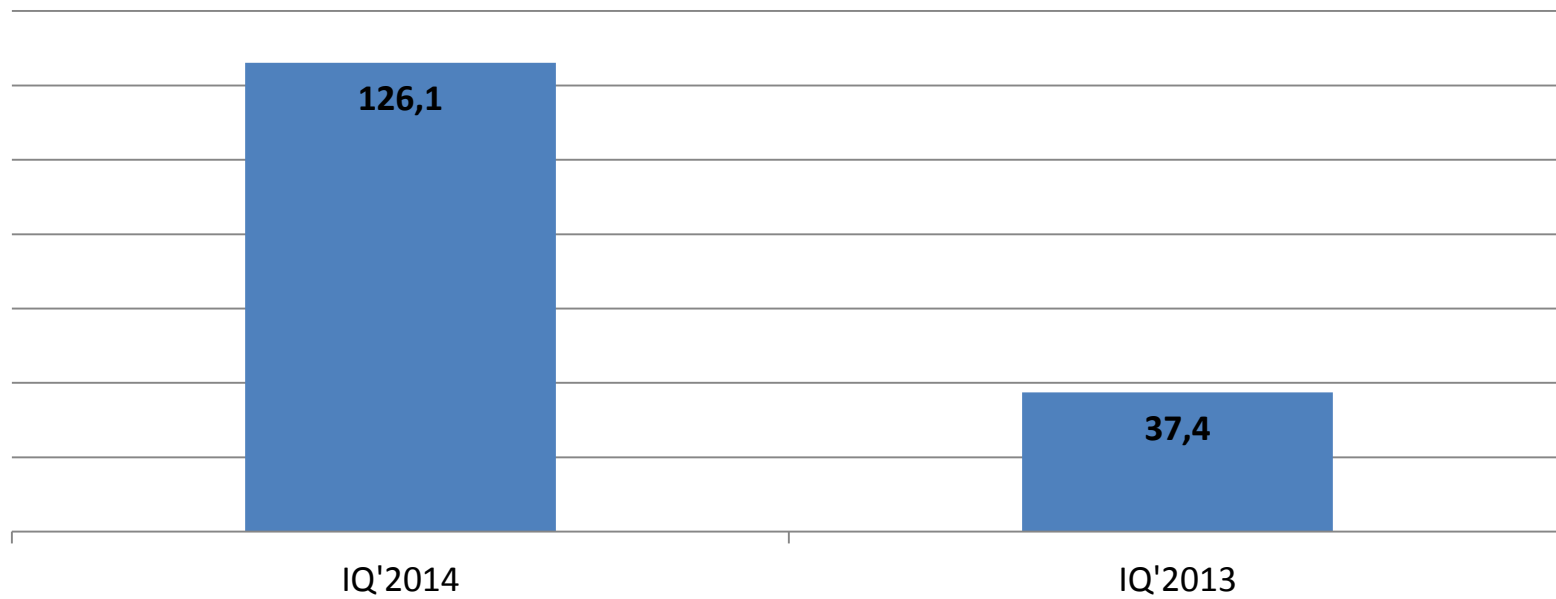
Consolidated Cash Flow



[m PLN]	3 months of 2014	3 months of 2013
Profit/loss before taxation	67,5	68,3
Depreciation and amortization	88,5	88,9
Profit/loss on investing and financial activities	8,9	23,8
Changes in working capital	-56,8	-92,9
Income tax	-11,7	2,5
Purchase of EUA	-56,7	0,0
Other	-0,1	7,5
Net cash flow from operational activities	39,6	98,0
Purchase of property, plant and equipment and intangible assets	-109,6	-71,3
Other	-1,5	3,7
Net cash flow from investing activities	-111,1	-67,7
Inflows of/ Payment of credits, loans, leases and securities	-110,1	-48,7
Interest paid	-9,5	-11,5
Other	-0,4	-0,4
Net cash flow from financial activities	-120,0	-60,5
Change in cash and cash equivalents	-191,4	-30,2
Cash and cash equivalents at the beginning of the period	431,3	312,9
Cash and cash equivalents at the end of the period	239,9	282,8

Capex

[m PLN]



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