Letter of the President of the Board of ZE PAK S.A.

Dear Ladies and Gentlemen/Dear Shareholders,

The year 2013 was the first full year when ZE PAK S.A. functioned as a public held company. I hope that throughout the time, since the listing of the company on the Warsaw Stock Exchange, you have learned to trust our policy of market communications. I am glad to present to you the annual report with the belief that you will find complex information on the activities of our Company and Group in 2013.

It was not the easiest year for the entire branch of electric energy producers in the country. Companies such as ZE PAK S.A., which are focused on the production of electricity, were affected mostly by the situation on the energy wholesale market. Unfortunately, the prices of electricity throughout the entire 2013 were lower in comparison with the previous year. Prices of certificates of origin of green energy were also subject to decrease. This also affected the Company's financial results.

In 2013, the ZE PAK Group sold 13.09 TWh of energy; including 10.53 TWh of energy produced in the Group's power plants and the increase in production in relation to the previous year amounted to 3.29%. Unfortunately, the energy sale price obtained in 2013 decreased by approx. 10%, which directly affected the Group's net profit that in 2013 amounted to PLN 231.5 million and was lower by 42.5% in comparison to the analogous result in 2012.

The previous year will definitely be remembered as a time of big changes, establishment of new governance shaping the conditions for future functioning in the energy sector. The legislative and legal changes regarding the renewable energy sources sector, idea of establishing the power market, shape of the EU's future climate policy as well as the position of the Polish government in terms of execution of huge investments into new coal energy comprise only a part of the notions which we duly followed in the previous year, when looking for opportunities and threats for the functioning of ZE PAK S.A. The issue of CO_2 allowances starts to become more and more important for the ZE PAK Group as well as the entire sector of energy producers in Poland. It is necessary to know that in 2013 we entered into a new period, in which the conventional energy producers will be obligated to purchase a growing number of CO_2allowances with each year. This will surely affect the energy prices, because a rapid transformation of the production sector in the direction of low-emission technologies is not possible. The determination of decision makers in the scope of pressing forward with solutions advantageous for the low-emission technologies is reflected, among others, in the case of "backloading", which is the withdrawal of 900 million CO_2 allowances from the market.

We do not have to convince anyone about the significance of stability in law and all regulations which affect conducting business in an effective and planned manner for a capital-intensive sector of economy, which is power engineering. Therefore, we want to hope that the period of instability in the energy branch environment will end soon, and the execution of investments, which account to billions in this economic sector, will not be encumbered with such a high amount of unknown aspects.

The previous year, which featured changes in the company's environment and the decrease in energy prices, made us more determined to make decisions, the aim of which is the execution of the adopted strategy focused on building the company's value for the shareholders. One of the keystones of our strategy is the construction of an integrated and effectively managed capital group. For this purpose, based on our previous restructuration experiences, in 2013 we focused on the optimisation of the structure of our companies in the mining sector. The two main directions of actions are focusing the mining companies on their primary activities, excluding the auxiliary activities as well as adjusting the employment rate to the scale of their activities. We did not forget about investment projects in the previous year. The Pątnów Power Plant featured the commencement of the modernisation process of four units, which will allow to increase their efficiency, adapting them to the new environmental standards and ultimately extending their period of operation by further 15 years. The two most important investment agreements regarding the modernisation of unit 1 and 2 were concluded on 31 July 2013. On the other hand, in March of the previous year we were glad to inform you about concluding the investment credit agreement for the amount of PLN 1.2 billion, which regarded financing of the subject investment. I hope that in the near future I will be able to inform you about further steps related to the planned investment for the construction of the steam and gas unit in the Konin Power Plant. The previous year also featured an in-depth analysis of investments, because the conditions for functioning in the energy market as well as the perspectives in the gas market have been subject to significant changes since the time we first took this project into consideration.

The perspective of 2014 for electricity producers does not necessarily have to mean a substantial improvement in the functioning conditions. We, however, hope that it will be a year which will, at least partially, let to stabilise the changing environment of the branch and the occurring moderate signals of energy price increases in the futures market will rebuild the profitability of our activities in the next years and, thus, will translate into a reasonable bonus for our shareholders, who trusted our strategy.

Yours faithfully,

KatarzynaMuszkat

President of the Board of ZE PAK S.A.