

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

Dear Sirs,

We are delighted to provide you with the first Annual Report of Zespół Elektrowni Pątnów-Adamów-Konin S.A. as a company listed on the Warsaw Stock Exchange. Our presence on the capital market in 2012, although several-months only, allows for a positive overview of this period despite the already perceivable crisis in the power industry in our country.

This period also provides a basis for a positive outlook on the future of the entire ZE PAK S.A. Capital Group in a long-term horizon.

The Initial Public Offering in October 2012 was the result of an intensive and extremely dynamic work of all parties involved in this difficult and important process for our Company, for which I would like to once again thank very much all Parties participating in the ZE PAK S.A. IPO process.

Globally, it was not an easy year. The more am I pleased to say that despite the economic slowdown in Poland and in many European countries, our Company achieved satisfactory operating and financial results in the prior financial year, systematically built up the value of its assets and trust among capital market participants, which was reflected in the sale of shares during the IPO on the main market of the Warsaw Stock Exchange as well as in daily quotations of the Company's shares.

In 2012, the Company was undergoing dynamic changes. We made available for use a new 55 MW biomass power unit together with unloading, storage, biomass preparation and other systems under the common name "Modernization of the Konin Power Plant". In order to optimize the capital structure we finalized the purchase of 10,200,000 shares representing 85% of the share capital of Kopalnia Węgla Brunatnego Adamów S.A. based in Turek, and 20,803,750 shares representing 85% of the share capital of Kopalnia Węgla Brunatnego Konin S.A. based in Kleczew. As part of the strategy implemented by the Group, we consistently realized successive stages of our investment program and modernized our generating assets. This was for us a time of intense work towards the best possible implementation of our development strategy and core business, improvement of operational efficiency and building an environmentally responsible company.

In 2012, the Group achieved a 7.1% share in total electricity generation in Poland. We sold 10.2 TWh of internally generated electricity, while total sales made by the Group companies in 2012 including trading activities amounted to 11.4 TWh. Our revenue for the past year was supplemented by sales of heat and revenue from repair and construction services. Despite unfavorable trends in the prices of energy in the second half of the year, thanks to the activities undertaken to neutralize adverse events the Group gained a net profit of PLN 375.4 million. It is worth noting that it is 18.4% higher than that recorded in 2011.

Despite the significant capital expenditure made in 2012 for modernization of generating assets as well as acquisition of lignite mines and a trading company, there was no need to use external funding. All investment activities were financed using our own funds.

In 2012, Zespół Elektrowni Pątnów-Adamów-Konin S.A., while pursuing the Company's mission, complied with all the requirements for protection of human health and care for the natural environment. During this period, the Company intensified sales of green energy and by-products of combustion and desulphurization processes.

The main challenges facing the Group in 2013 and subsequent years are mainly related to continuation of investment processes to diversify generating assets in terms of the sources of fuel used and activities in the area of the Group's restructuring to improve its operational efficiency. Our purpose is to optimize the Group's production potential and employment structure.

Management believes that the achievement of the objective of building shareholder value is subject to successful implementation of the adopted strategy. However, Management closely monitors the developments taking place in the energy market, particularly those of legislative and legal nature. We are aware of the fact that the effects of these changes may have long-term consequences and may affect the entire energy market in the coming years. Therefore, our Company maintains a high responsiveness to changes taking place in the market and legal environment and ability to correct and update the Strategy for the Development of ZE PAK S.A.

I am convinced that the efforts made by the Management of ZE PAK S.A. will provide a basis for a long-term and stable growth, which will be reflected in the value of the Company and will benefit our current and future shareholders.

Dir Sirs,

On behalf of the Management Board, I thank all those who took strategic decisions in 2012, which were not always easy but of key importance for the future of the ZE PAK S.A. Capital Group.

I would like to thank the shareholders for their trust they placed in the Company and the Supervisory Board for their full support of the Company's development program.

In particular, I would like to thank all employees of Zespół Elektrowni Pątnów-Adamów-Konin S.A. and of the ZE PAK S.A. Capital Group for their daily commitment to the most important issues, professionalism and a deep sense of responsibility for the present day and the future of our Group. This is largely thanks to you that together we can build and make the history of ZE PAK S.A. and of the fuel and power industry in the region of Wielkopolska.

Once again, many thanks to all of you.

Yours sincerely,

Katarzyna Muszkat

President of the Management Board of ZE PAK SA