



20 March 2015

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

2014 full year results

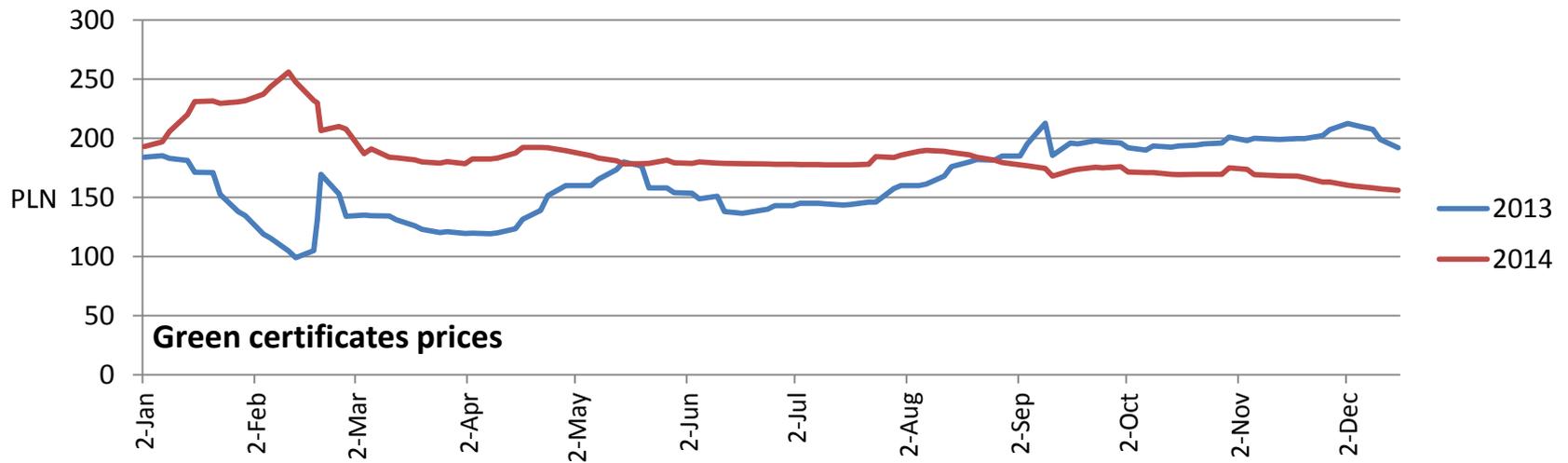
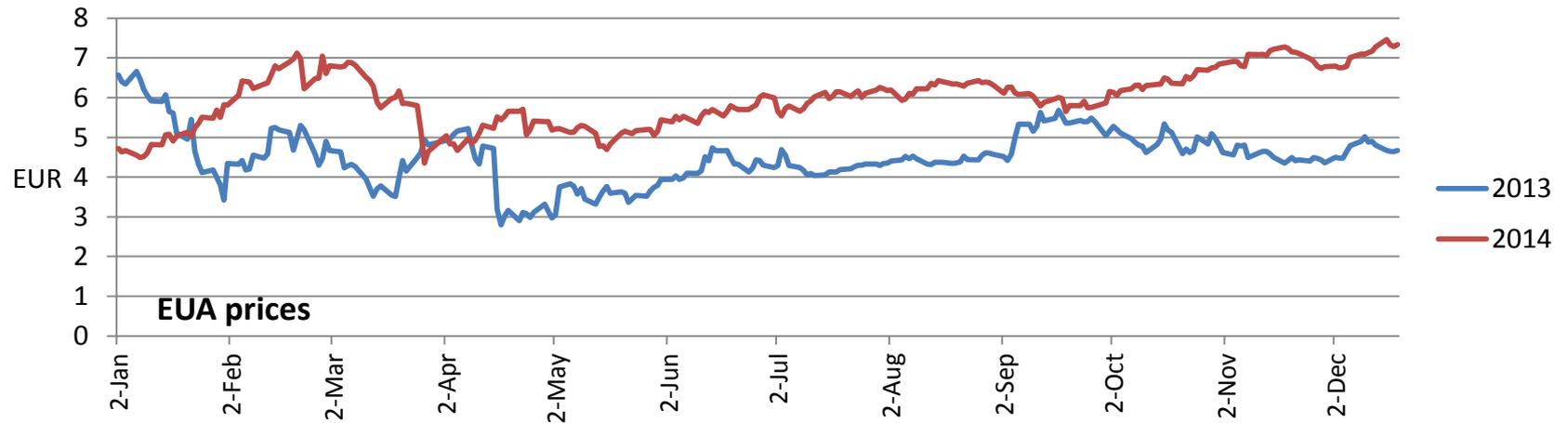


- **4,14%** [by 0,43 TWh] lower sale of electricity from own production.
- **33,50%** [by 0,86 TWh] higher resale of electricity.
- **8,13%** [by 14,84 PLN/MWh] lower achieved average electricity sale price.
- **3,03%** [by 83,7 m PLN] lower revenues.
- **29,11%** [by 208 m PLN] lower EBITDA.
- **66,10%** [by 153 m PLN] lower net profit.
- **198,39%** [by 306 m PLN] higher CAPEX.

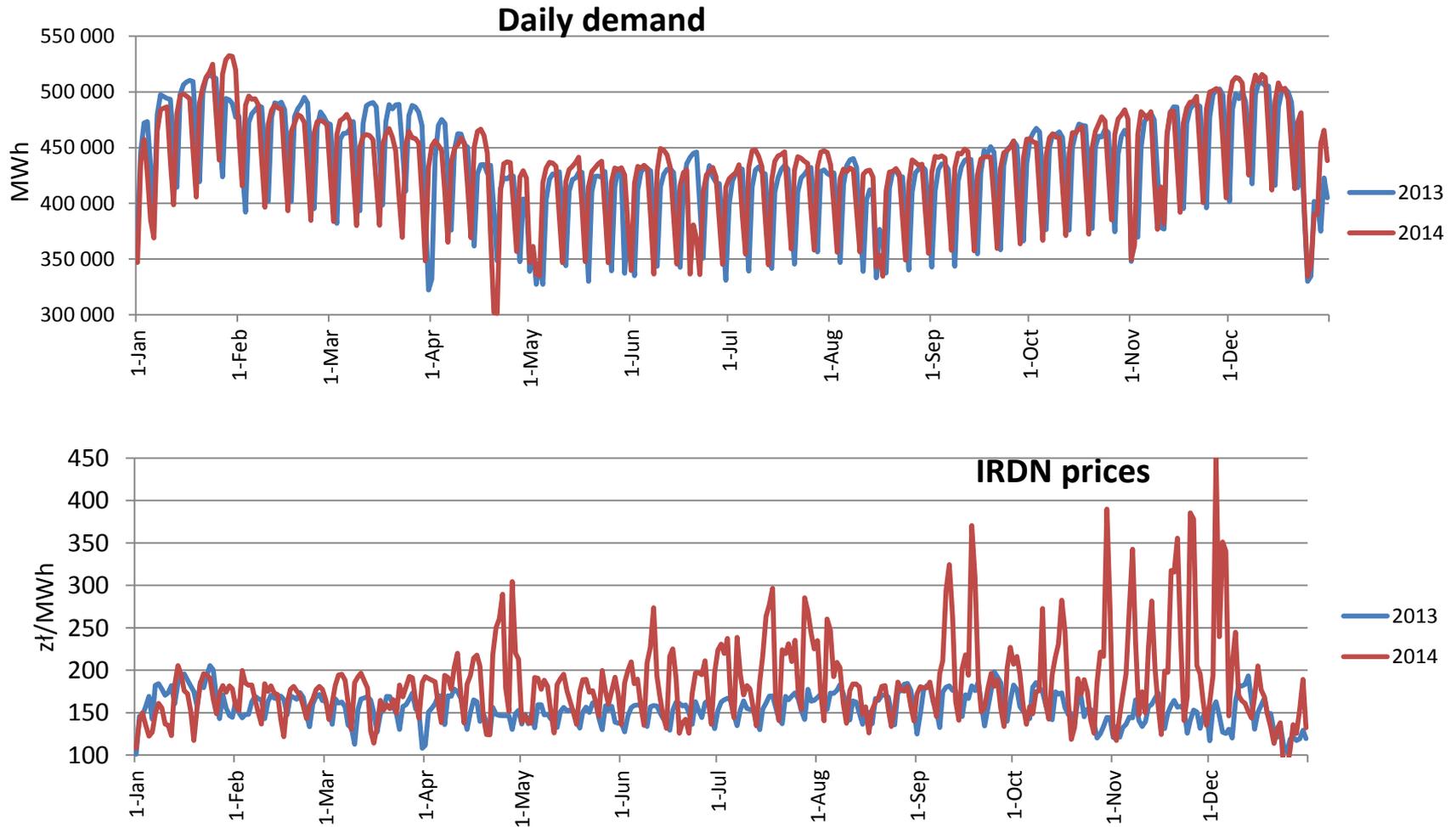
SELECTED ENERGY MARKET DATA



EUA and „green” certificates of origin



Daily demand for electricity and IRDN prices



„Base load” prices for 2015

(BASE_Y-15)

Base load prices (BASE_Y-15) since 01.01.2014 to 31.12.2014



OPERATIONAL DATA

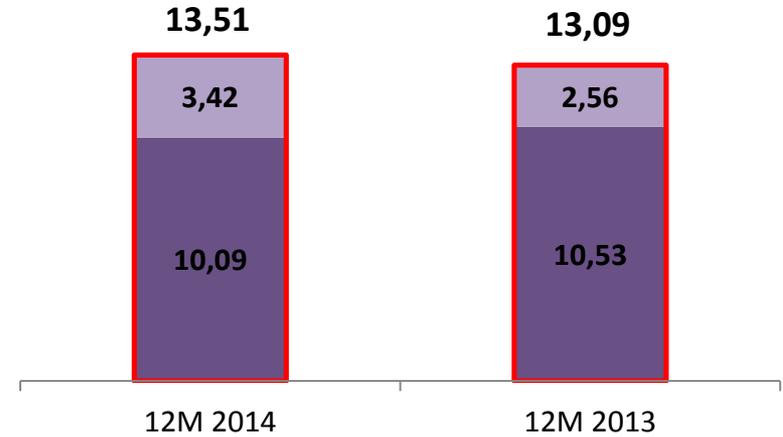
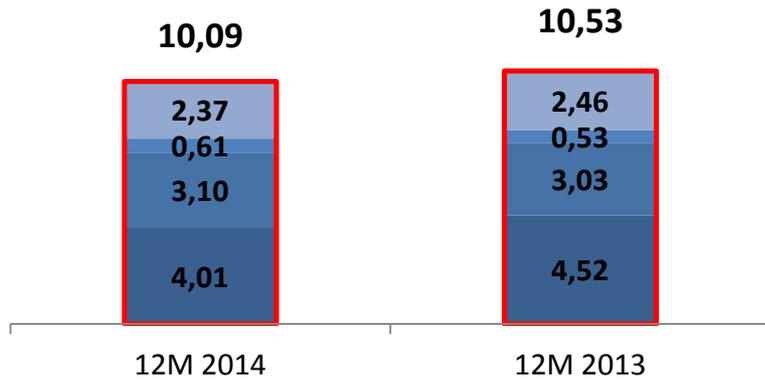


Net production and sale (own production and resale) of electricity [TWh]



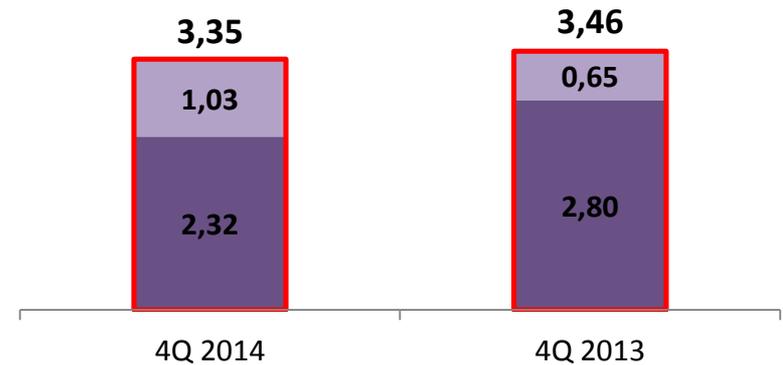
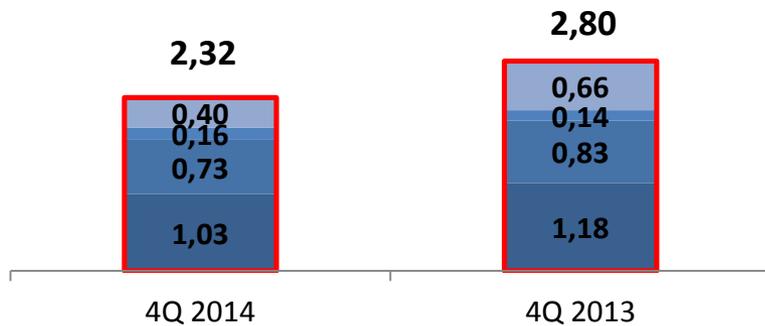
NET PRODUCTION

SALE



■ Pałnów II ■ Konin ■ Adamów ■ Pałnów I ■ Total

■ Own production ■ Resale ■ Total



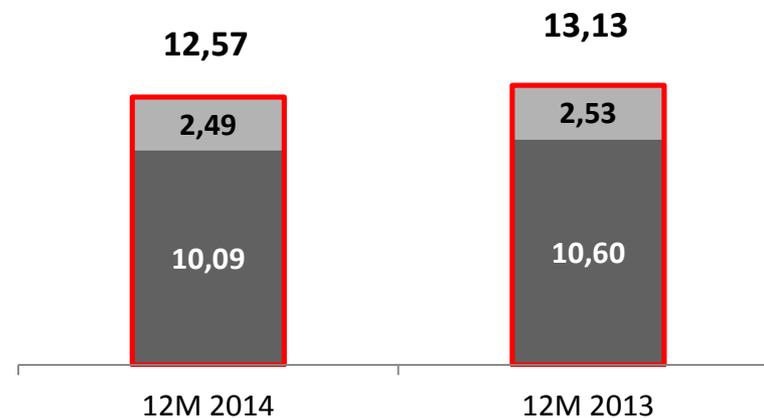
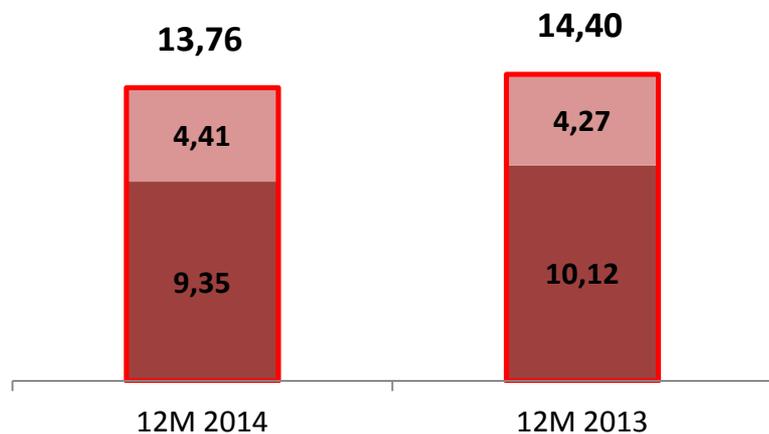
Lignite consumption and CO₂ emissions

[m tons]



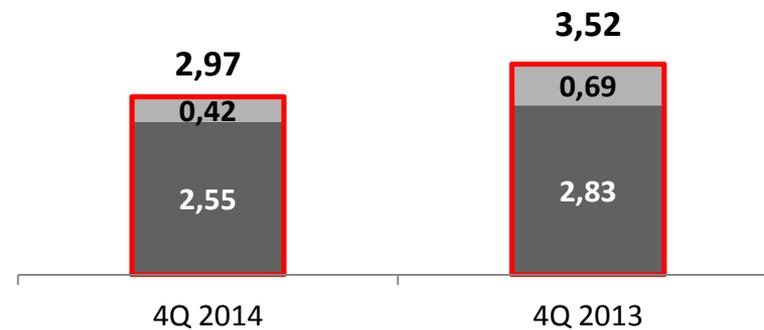
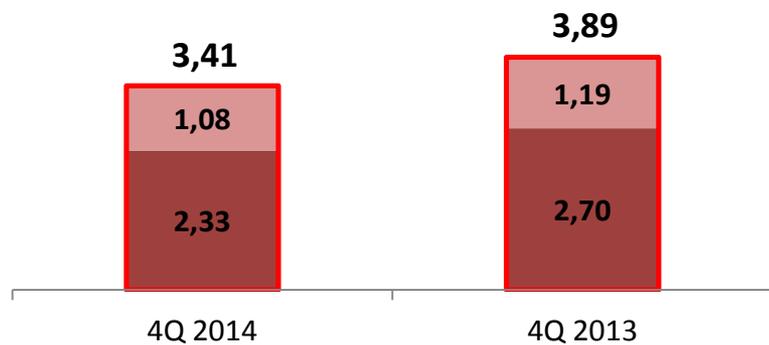
LIGNITE CONSUMPTION

EMISSIONS OF CO₂



■ KWBA ■ KWBK □ Total

■ Pałnów II ■ ZE PAK □ Total



4Q 2014

4Q 2013

4Q 2014

4Q 2013

FINANCIAL DATA



Consolidated P&L (1/2)



[m PLN]	12M 2014	12M 2013	4Q 2014	4Q 2013
Sales revenue	2 680	2 764	709	747
<i>Change %</i>	-3,04%		-5,09%	
Cost of goods sold	-2 452	-2 254	-704	-682
Gross profit	228	510	5	65
<i>Margin %</i>	8,51%	18,45%	0,71%	8,70%
Other operating income	88	26	60	15
Selling and distribution expenses	-4	-3	-1	-1
Administrative expenses	-149	-149	-36	-19
Other operating expenses	-16	-25	-	-15
EBITDA	507	716	117	136
<i>Margin %</i>	18,92%	25,90%	16,50%	18,21%
EBIT	147	359	28	46
<i>Margin %</i>	5,49%	12,99%	3,95%	6,16%

EBITDA Changes

[m PLN]



⁽¹⁾ Main factors for higher other income are higher income from construction services by 90,3 m PLN and reversal of electricity equivalent reserve for 45,7 m PLN.

⁽²⁾ Main factors for higher other expenses are higher value of purchased energy (dedicated for resale) by 97,6 m PLN and negative net balance of one-offs in mining segment and one-offs related to reversal of the reserves for jubilee grants.

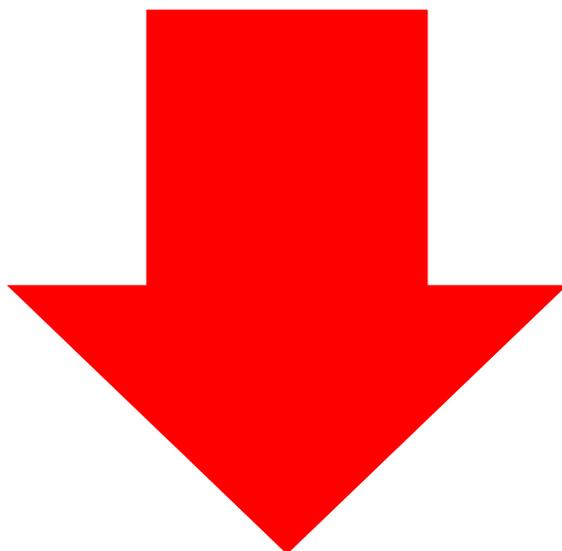
Main factors affecting 2014 EBITDA



0,42 TWh higher sale of electricity.

45,7 m PLN reversal of the reserve for electricity equivalent for pensioners.

28,4 m PLN decrease in jubilee grants reserve in ZE PAK, PAK Serwis and EL PAK.



14,84 PLN/MWh lower achieved average electricity sale price.

19,1 m PLN write-down in value of green certificates of origin on stock.

81,6 m PLN write-down in LTC compensation.

26,3 m PLN higher costs of CO₂ emissions.

55,2 m PLN increase in reserves related to mining operations.

Consolidated P&L (2/2)



[m PLN]	12M 2014	12M 2013	4Q 2014	4Q 2013
EBIT	147	359	28	46
Finance income	21	19	10	1
Finance costs	-71	-78	-30	-1
Profit before tax	98	300	8	46
Income tax (taxation)	-20	-68	-2	-20
<i>Effective tax rate %</i>	<i>20,41%</i>	<i>22,67%</i>	<i>25,00%</i>	<i>43,48%</i>
Net profit for the period	78	232	6	25
<i>Margin %</i>	<i>2,91%</i>	<i>8,39%</i>	<i>0,85%</i>	<i>3,35%</i>

Consolidated P&L for 12M 2014 by segments



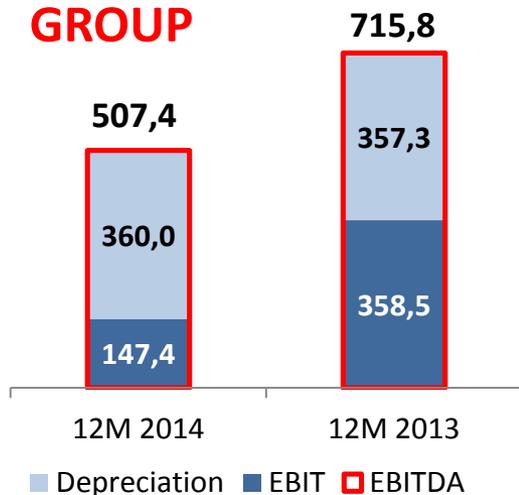
m PLN	Generation	Mining	Renovation	Sales	Other	Consolidation adjustments	Total
Sales revenue from external customers	1 729,7	8,5	165,9	768,0	8,1	-	2 680,1
<i>External sales revenue %</i>	<i>80,1%</i>	<i>1,0%</i>	<i>40,9%</i>	<i>100,0%</i>	<i>10,5%</i>		<i>100,0%</i>
Sales revenue between segments	431,0	870,2	240,1	-	68,8	-1 610,0	-
Sales revenue	2 160,7	878,6	406,0	768,0	76,9	-1 610,0	2 680,1
Cost of goods sold	-2 055,4	-845,8	-341,1	-749,9	-71,4	1 611,4	-2 452,2
Gross profit	105,3	32,8	64,9	18,1	5,6	1,3	228,0
<i>Margin %</i>	<i>4,9%</i>	<i>3,7%</i>	<i>16,0%</i>	<i>2,4%</i>	<i>7,2%</i>		<i>8,5%</i>
EBITDA	378,2	70,3	53,2	13,0	5,6	-12,9	507,4
<i>Margin %</i>	<i>17,5%</i>	<i>8,0%</i>	<i>13,1%</i>	<i>1,7%</i>	<i>7,3%</i>		<i>18,9%</i>
EBIT	111,1	-17,7	44,8	12,9	4,0	-7,7	147,4
<i>Margin %</i>	<i>5,1%</i>	<i>-2,0%</i>	<i>11,0%</i>	<i>1,7%</i>	<i>5,2%</i>		<i>5,5%</i>
Net profit (for the period from continuing operations)	59,5	-26,5	36,2	10,9	1,9	-3,5	78,5
<i>Margin %</i>	<i>2,8%</i>	<i>-3,0%</i>	<i>8,9%</i>	<i>1,4%</i>	<i>2,5%</i>		<i>2,9%</i>

EBITDA by segments operations (1/2)

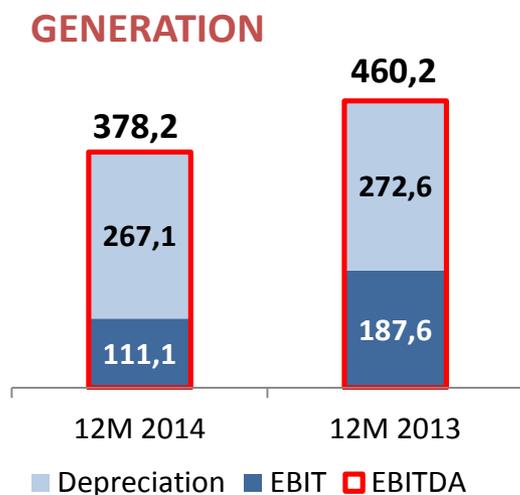
[m PLN]



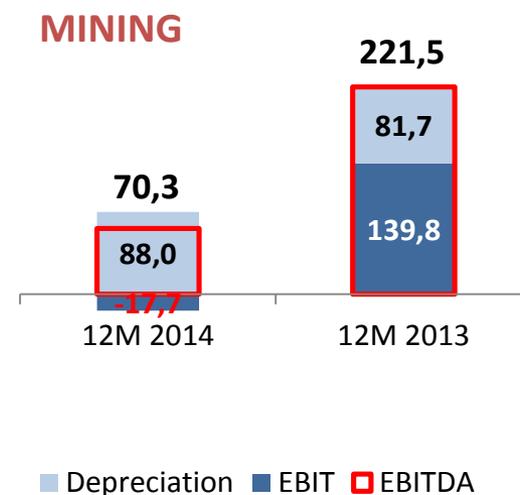
GROUP



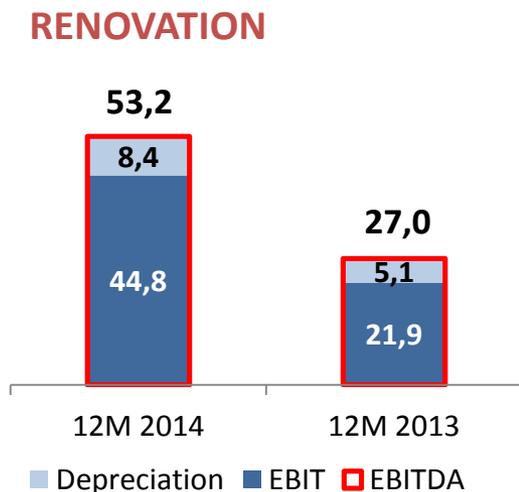
GENERATION



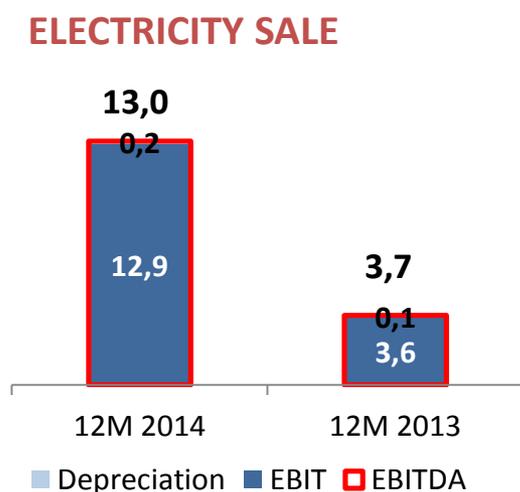
MINING



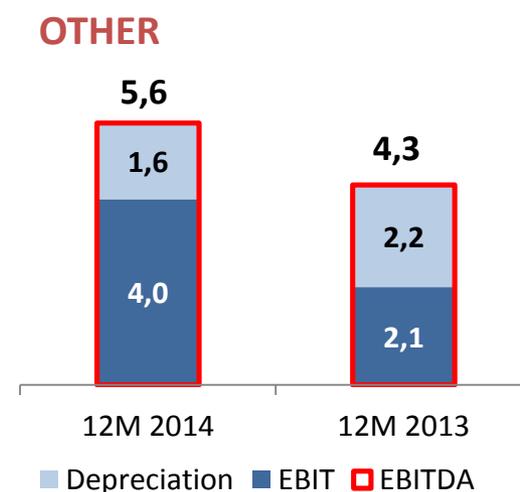
RENOVATION



ELECTRICITY SALE



OTHER



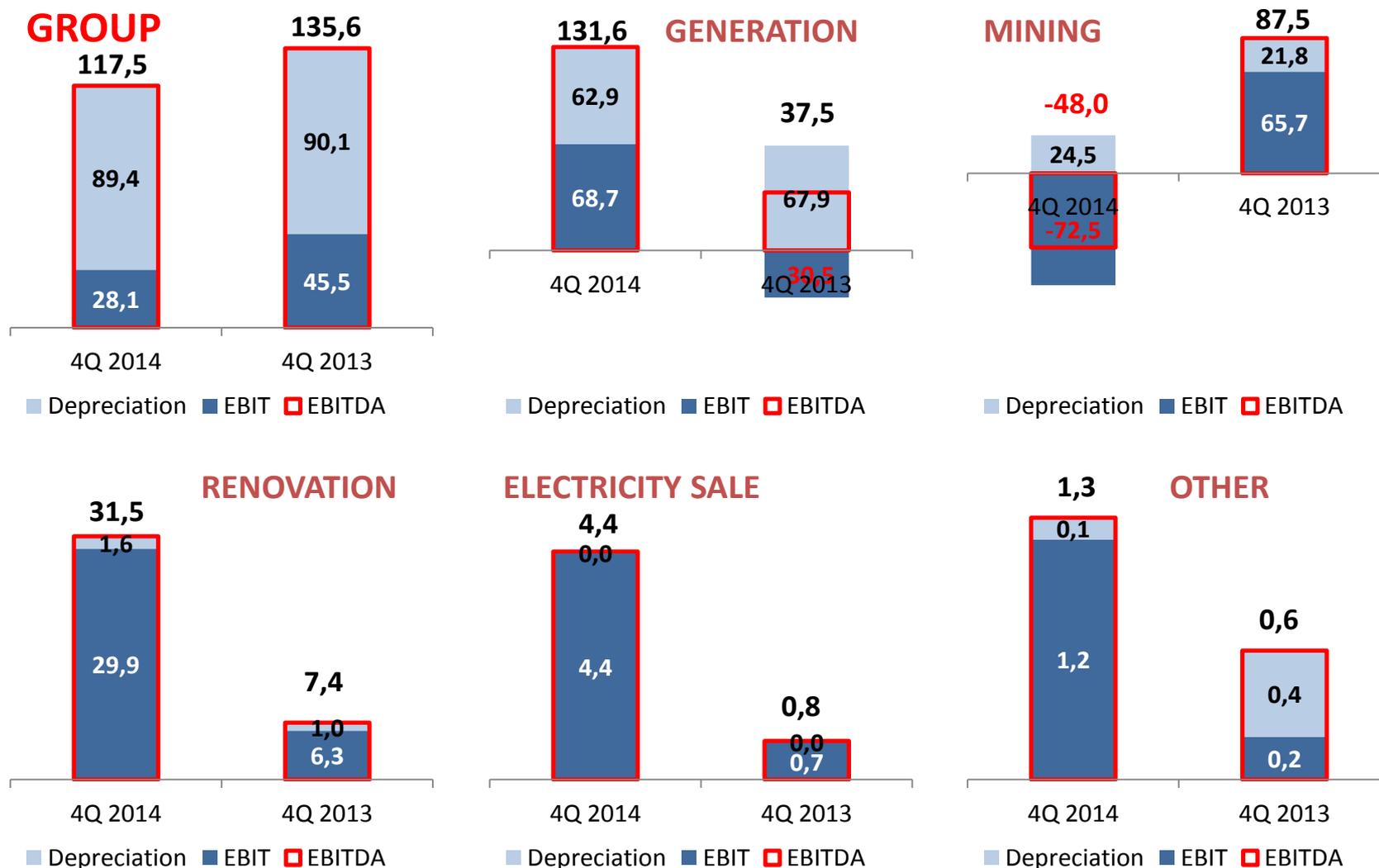
Consolidated P&L for 4Q 2014 by segments



m PLN	Generation	Mining	Renovation	Sales	Other	Consolidation adjustments	Total
Sales revenue from external customers	453,2	2,7	41,5	208,8	2,5	-	708,7
<i>External sales revenue %</i>	80,4%	1,3%	32,2%	100,0%	9,6%		100,0%
Sales revenue between segments	110,8	201,6	87,4	-	23,3	-423,1	-
Sales revenue	564,0	204,3	128,9	208,8	25,8	-423,1	708,7
Cost of goods sold	-536,0	-268,0	-94,0	-202,9	-23,9	421,2	-703,6
Gross profit	28,0	-63,7	34,9	5,9	1,9	-1,9	5,1
<i>Margin %</i>	5,0%	-31,2%	27,1%	2,8%	7,5%		0,7%
EBITDA	131,6	-48,0	31,5	4,4	1,3	-3,4	117,5
<i>Margin %</i>	23,3%	-23,5%	24,5%	2,1%	4,9%		16,6%
EBIT	68,7	-72,5	29,9	4,4	1,2	-3,5	28,1
<i>Margin %</i>	12,2%	-35,5%	23,2%	2,1%	4,5%		4,0%
Net profit (for the period from continuing operations)	-22,8	-62,4	24,0	3,7	1,1	62,4	6,0
<i>Margin %</i>	-4,1%	-30,6%	18,6%	1,8%	4,4%		0,9%

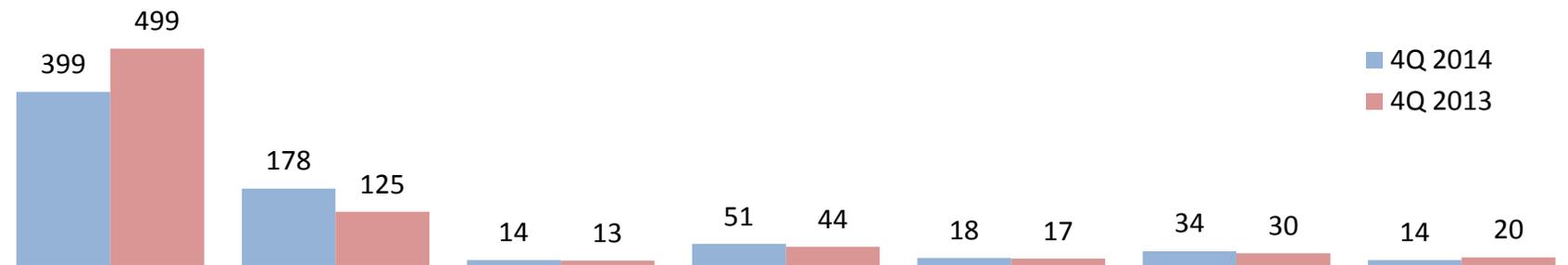
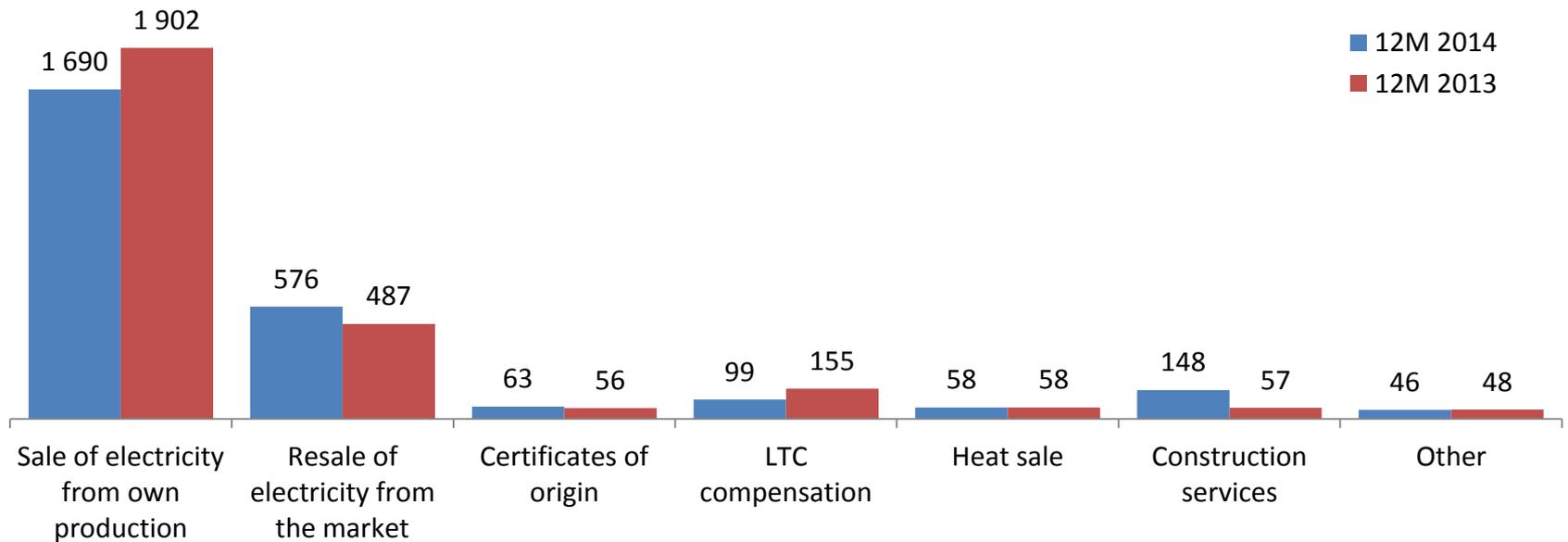
EBITDA by segments (2/2)

[m PLN]



Revenue

[m PLN]

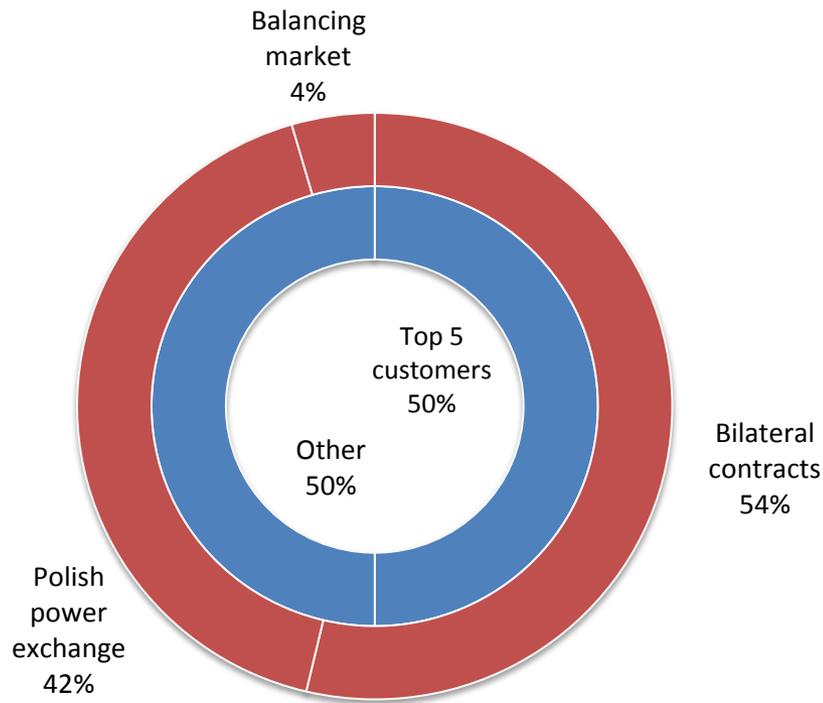


Sale breakdown by customers and market type

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

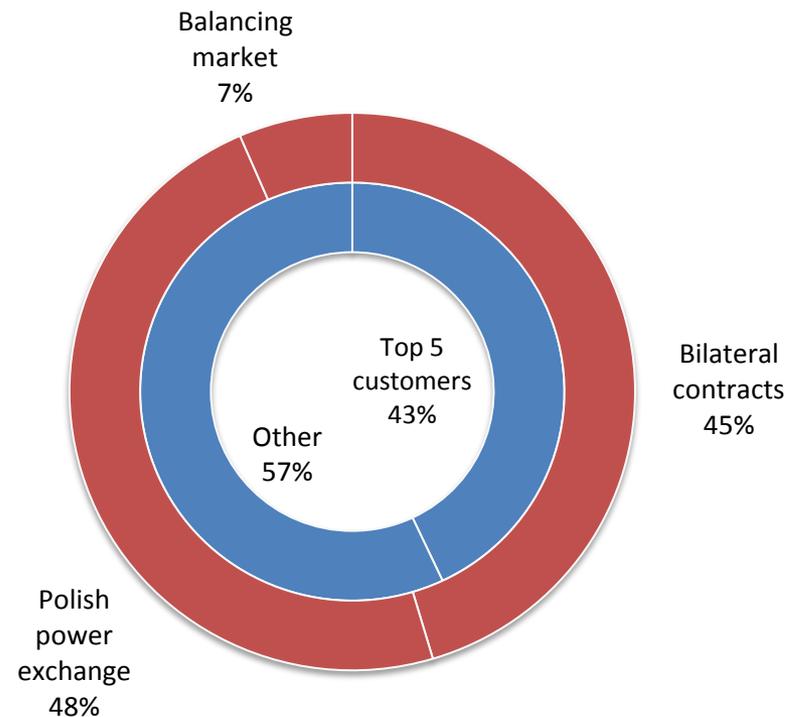


2014



■ by customers ■ by market type

2013



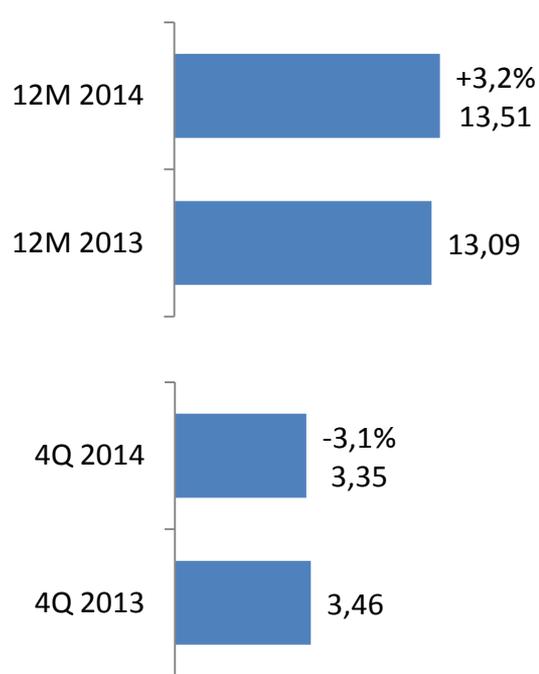
■ by customers ■ by market type

Electricity sales



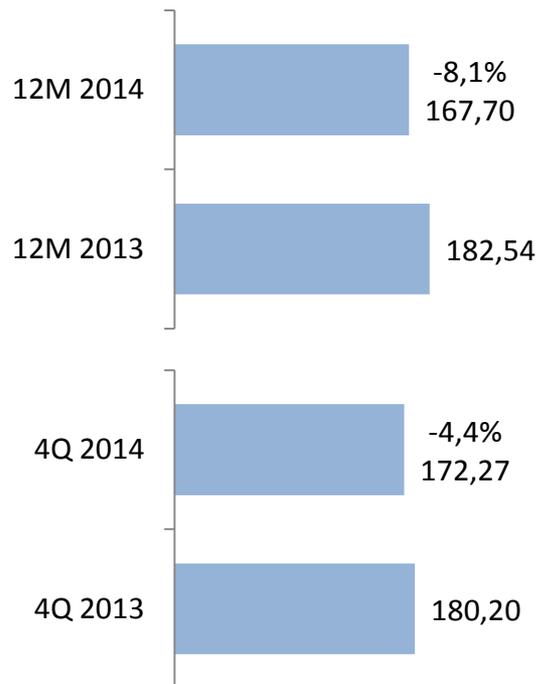
Electricity sale⁽¹⁾

[TWh]



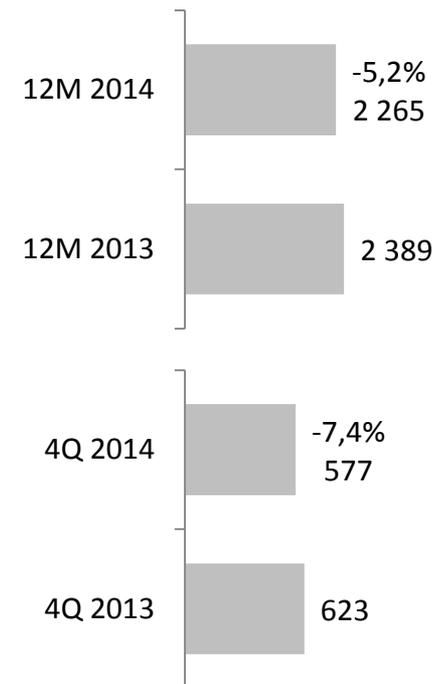
Average sale price⁽²⁾

[PLN/MWh]



Revenues

[m PLN]

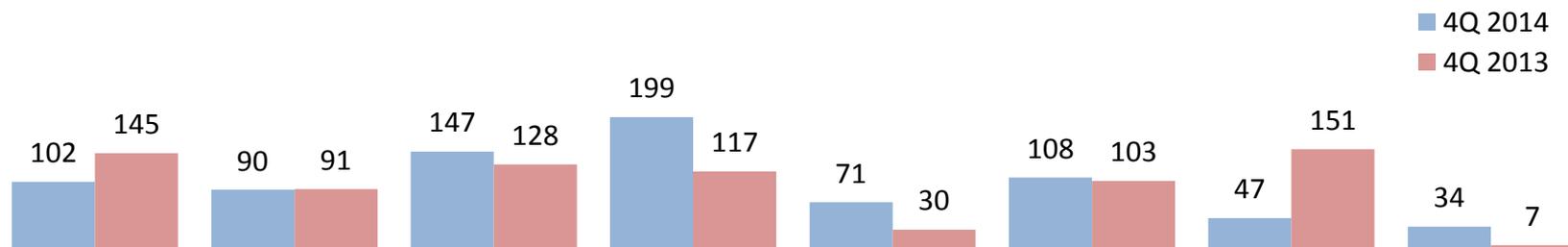
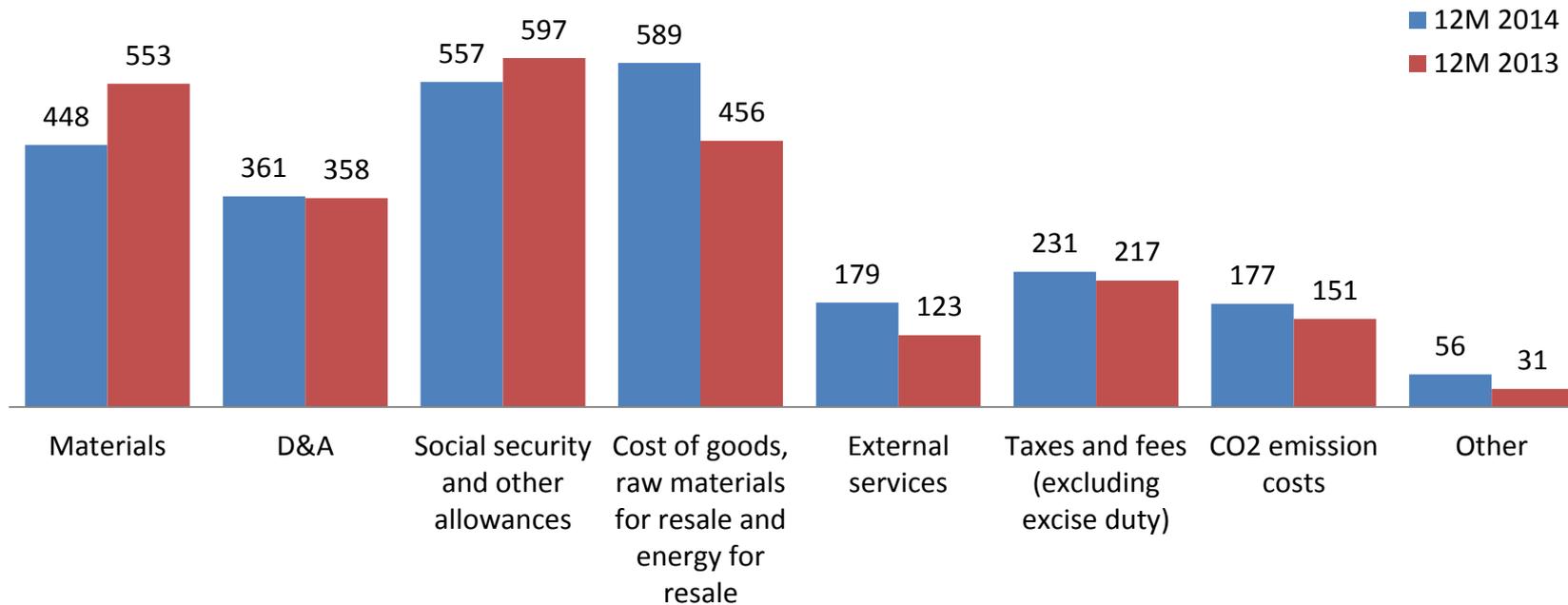


⁽¹⁾ Sale of own production electricity and resale of electricity.

⁽²⁾ Average price calculated as sale revenues divided by sale volume.

Cost by type

[m PLN]

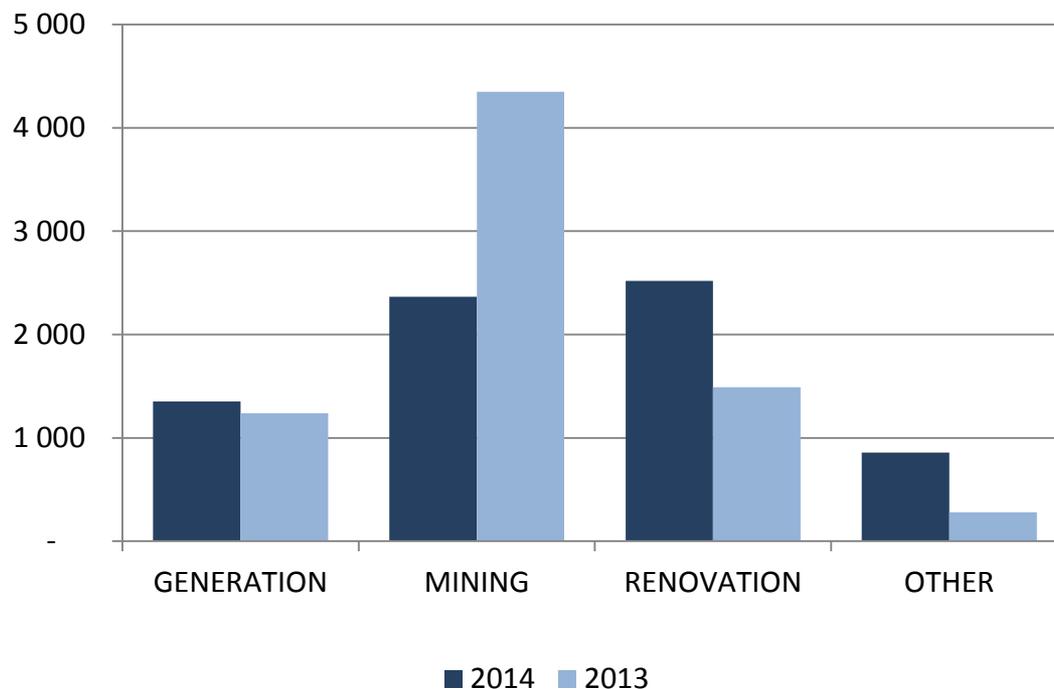


Employment

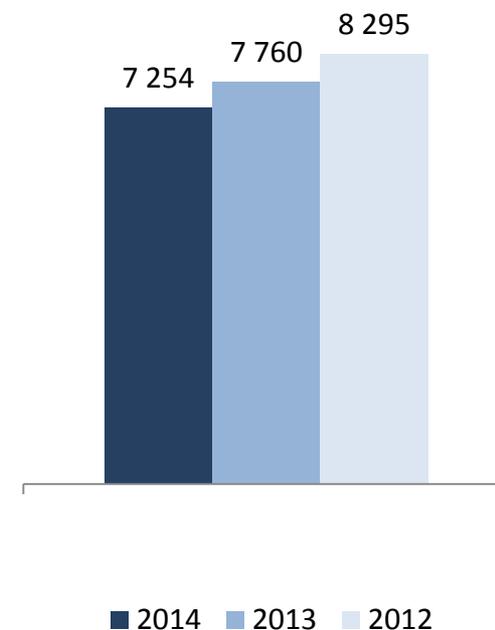
[staff time]



BY SEGMENTS



TOTAL



Changes in employment structure by segments are caused by restructure operations dedicated especially to mining segment. Due to optimise the structure of employment, the groups of employees were extracted from mines and replaced to renovation segment and other segment.

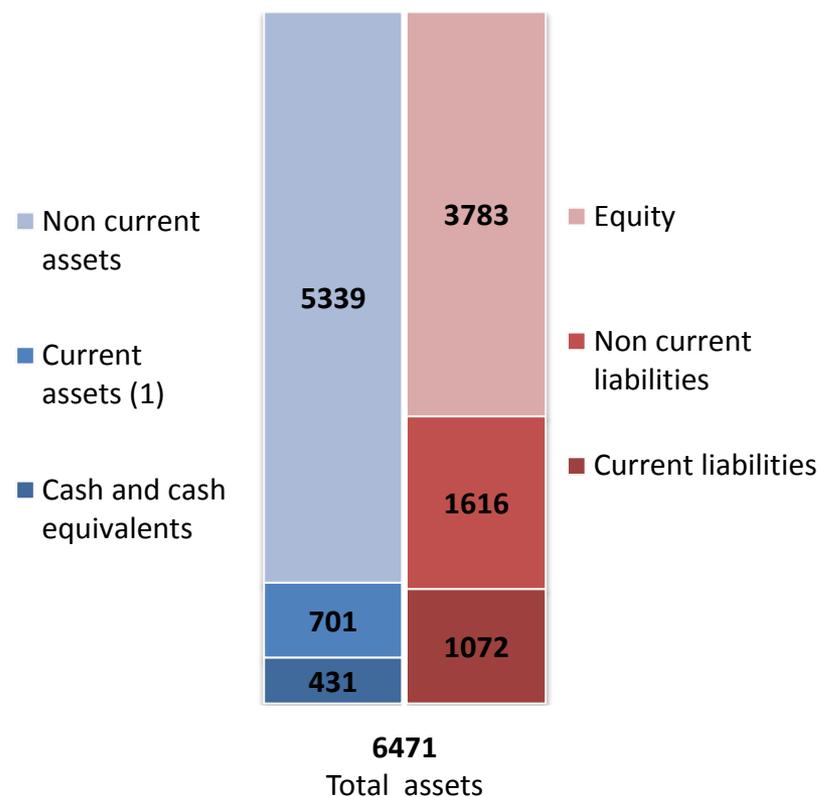
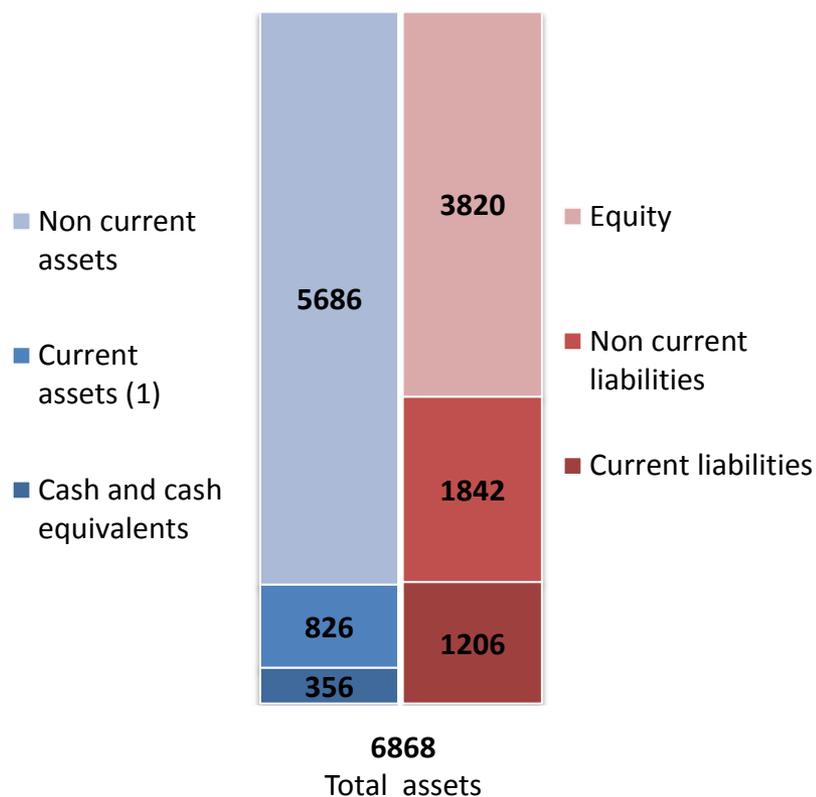
Consolidated statement of financial position

[m PLN]



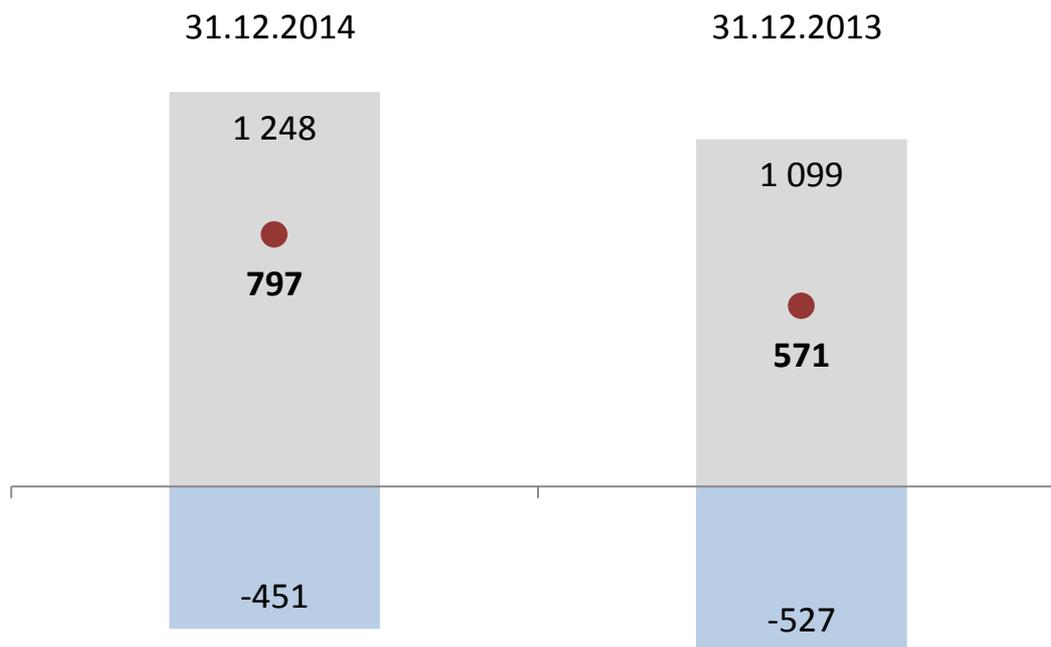
31.12.2014

31.12.2013



(1) Excluding cash and cash equivalents.

Net debt [m PLN]



- Cash and cash equivalents ⁽¹⁾
- interest bearing loans, credits and leases
- Net debt

Net debt / EBITDA

31.12.2014	1,57
31.12.2013	0,80

⁽¹⁾ Cash and cash equivalents from Consolidated statement of financial position and other short-term financial assets

Consolidated Cash Flow



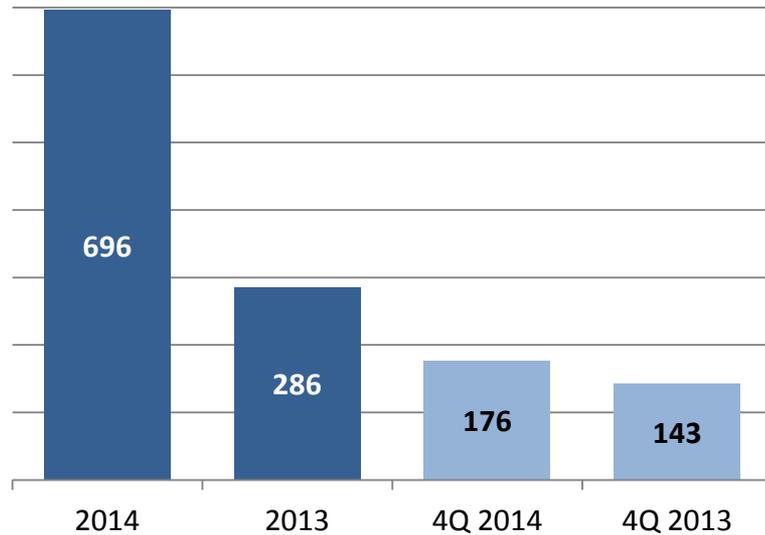
	[m PLN]	12M 2014	12M 2013	4Q 2014	4Q 2013
Profit/loss before taxation		98,0	299,8	8,1	45,5
Depreciation and amortization		352,9	355,9	83,4	90,1
Profit/loss on investing and financial activities		29,8	60,0	6,7	9,3
Changes in working capital		171,2	131,6	66,8	176,4
Income tax		-9,9	-9,8	-2,8	-4,2
Purchase of EUA		-228,3	-176,4	-56,6	-59,6
Other		-0,0	-2,8	1,7	-0,5
Net cash flow from operational activities		413,7	658,1	107,3	257,1
Purchase of property, plant and equipment and intangible assets		-576,3	-295,2	-167,4	-132,2
Other		26,5	34,7	21,6	30,5
Net cash flow from investing activities		-549,8	-260,5	-145,7	-101,7
Inflows of/ Payment of credits, loans, leases and securities		116,5	-231,8	-37,1	-58,1
Dividend paid		-34,6	0,0	0,0	0,0
Interest paid		-53,9	-46,9	-14,1	-9,7
Other		32,0	-0,6	3,0	0,3
Net cash flow from financial activities		60,1	-279,3	-48,2	-67,6
Change in cash and cash equivalents		-76,0	118,4	-86,6	87,8
Cash and cash equivalents at the beginning of the period		431,3	312,9	441,9	343,5
Cash and cash equivalents at the end of the period		355,3	431,3	355,3	431,3

CAPEX (non-current assets and intangible assets)

(excluding CO₂)

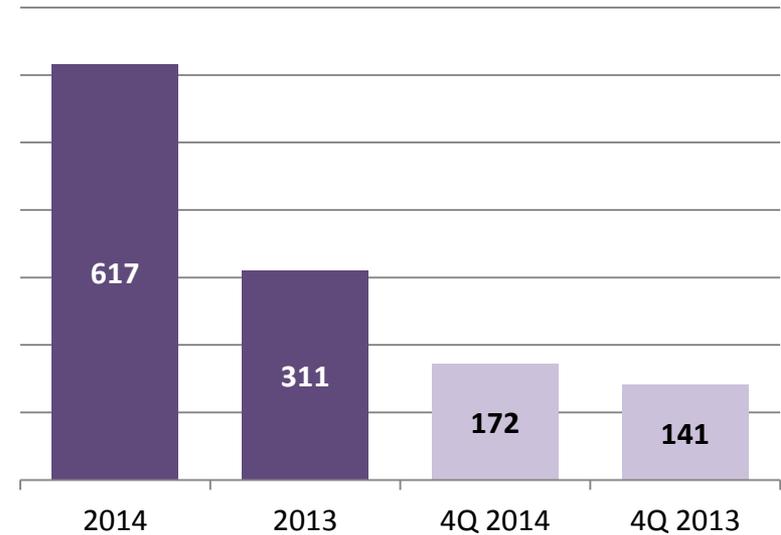


INVESTMENT [m PLN]



In 2014 investment higher by 410 m PLN.

EXPENDITURE [m PLN]



In 2014 expenditure higher by 306 m PLN.

Questions and Answers



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