



14 May 2015

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

1stQ 2015 results

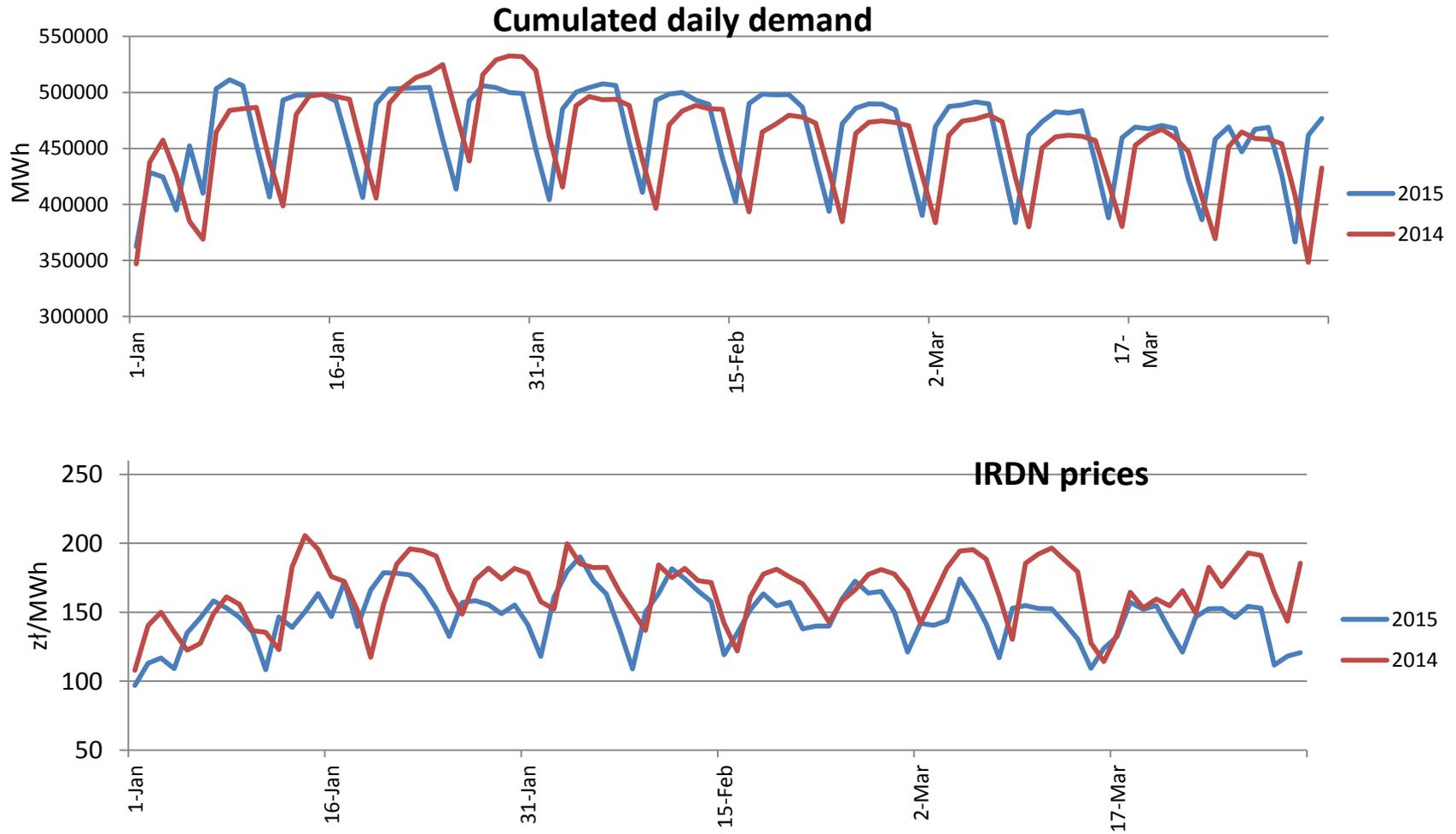


- Increase in electricity sale by 0,32 TWh (q/q):
 - higher electricity resale by 0,54 TWh (q/q),
 - lower electricity sale from own production by 0,22 TWh (q/q).
- Higher average electricity sale price by 7,4% (q/q).
- Higher cost of purchase of CO₂ emission allowances by 105,2% (q/q) (lower allocation of free of charge allowances and higher market price of purchased allowances).
- Lower average price of green certificates by 42,1% (q/q).
- Relocation of more than 600 employees from mining segment to renovation segment and other segment.
(net decrease in provision for employee benefits by 13 m PLN).

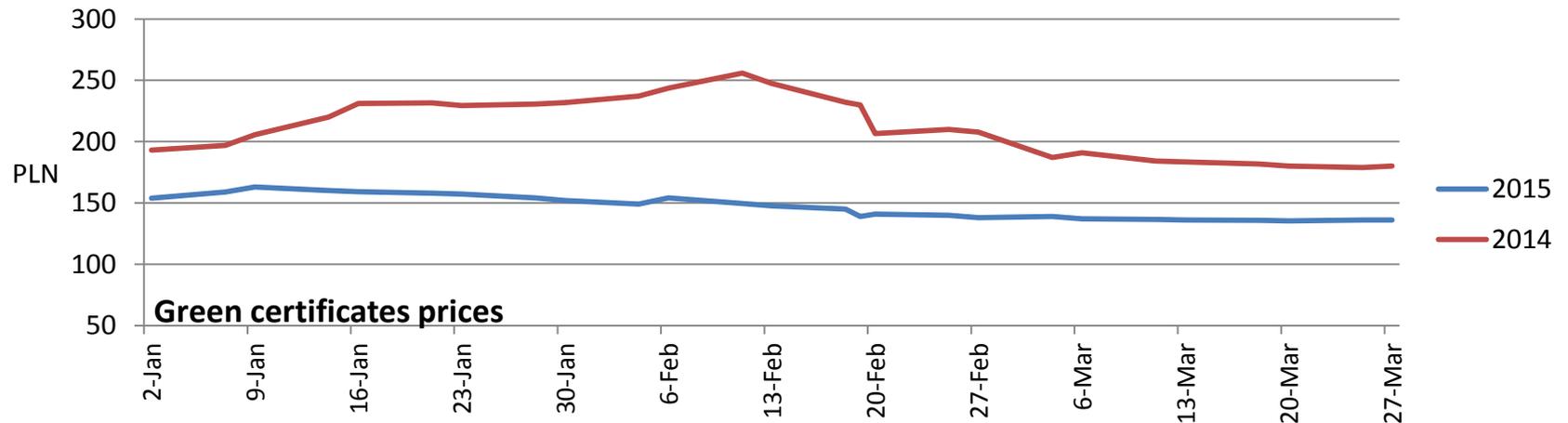
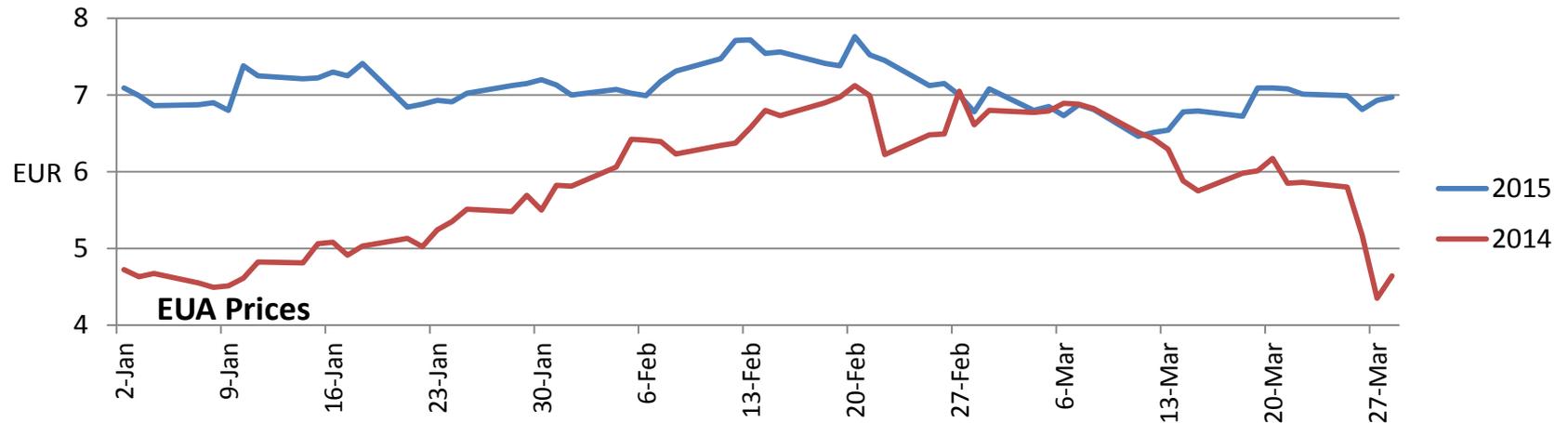
SELECTED ENERGY MARKET DATA



Daily demand for electricity and IRDN prices – 1Q 2014 and 1Q 2015



EUA and „green” certificates of origin in 1Q 2014 and 1Q 2015

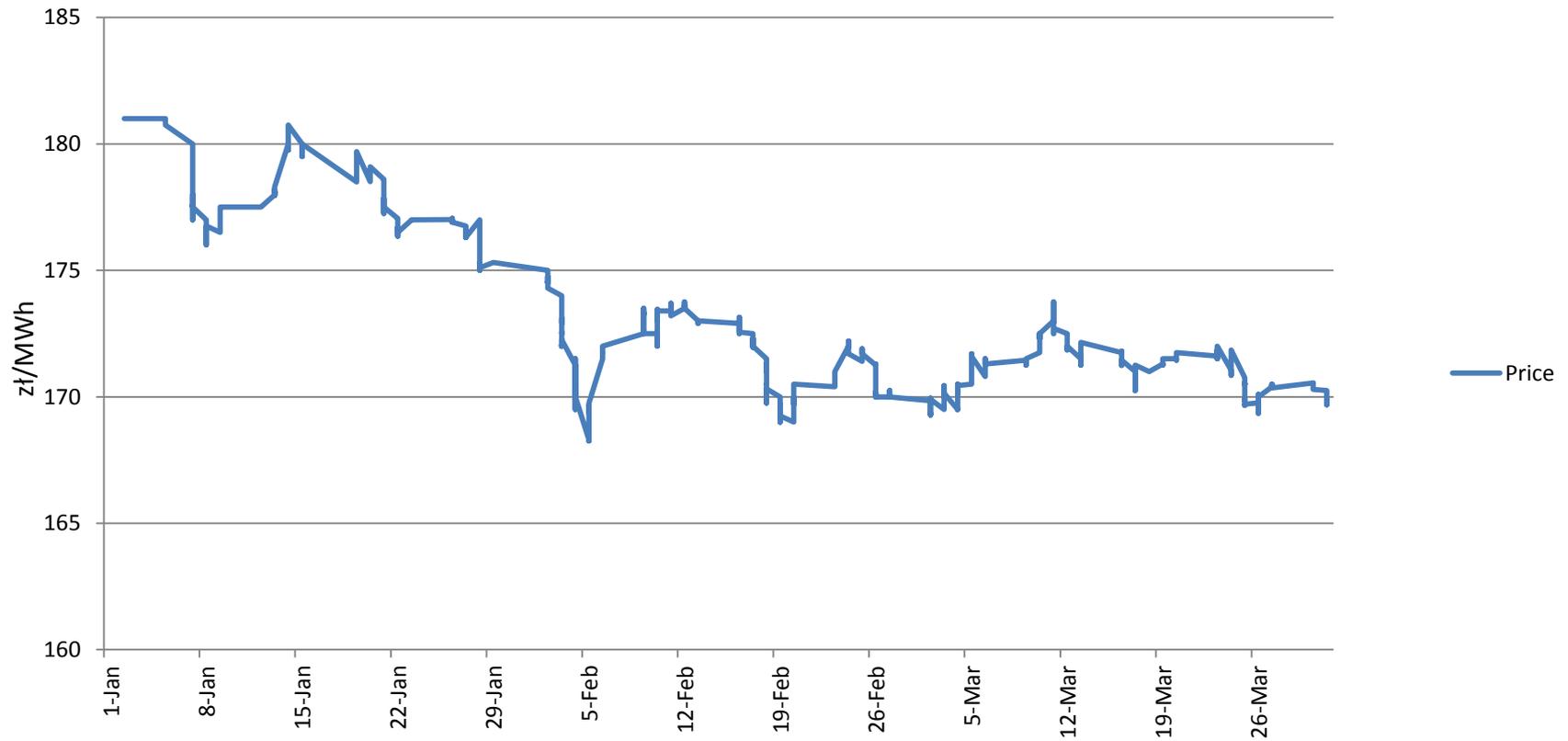


„Base load” prices for 2016 listed in 1Q 2015

(BASE_Y-16)



Base load prices BASE_Y-16 since 01.01.2015 to 31.03.2015



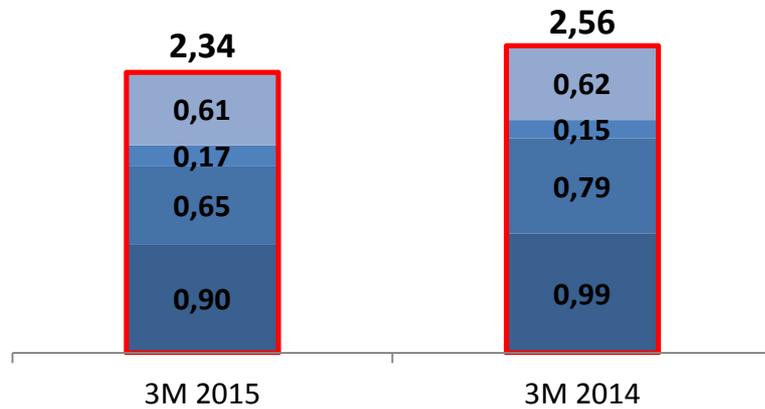
OPERATIONAL DATA



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

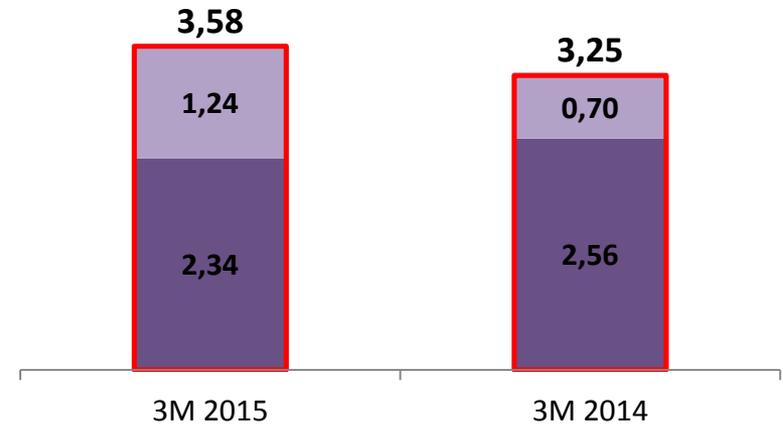


NET PRODUCTION



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

SALE



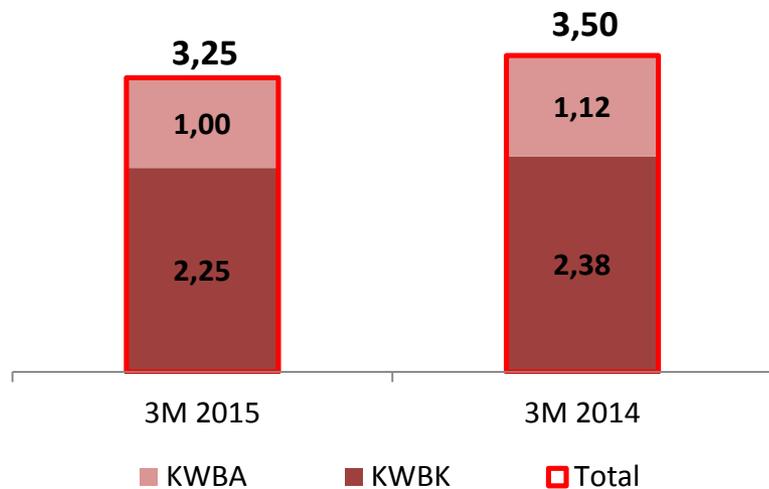
■ Own production ■ Resale ■ Total

Lignite consumption and CO₂ emissions

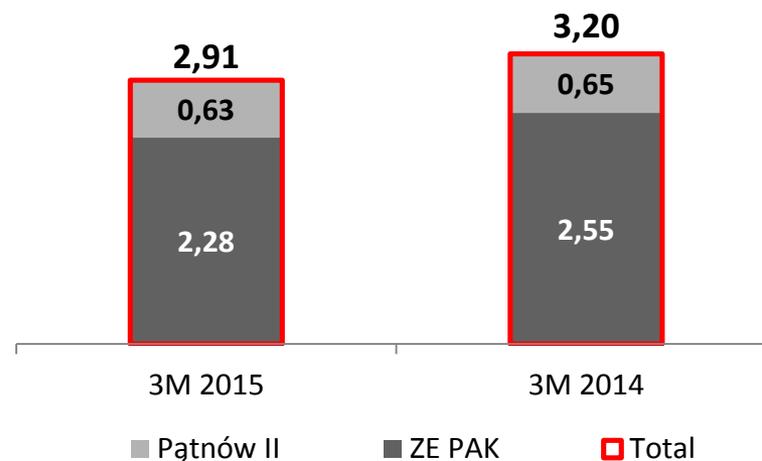
[m tons]



LIGNITE CONSUMPTION



CO₂ EMISSION

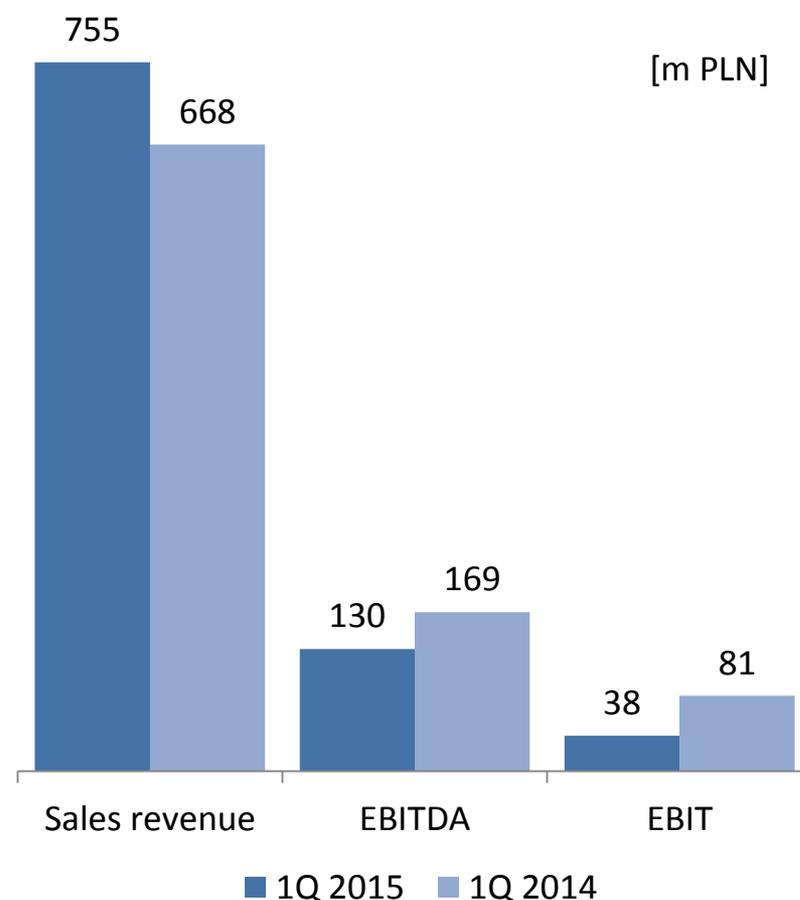


FINANCIAL DATA



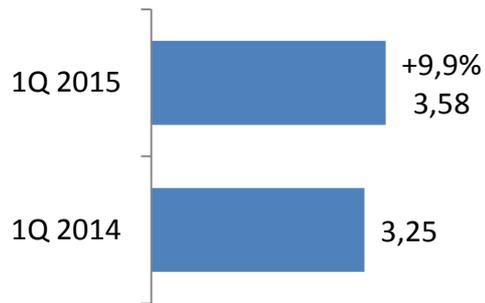
Consolidated P&L (1/2)

[m PLN]	1Q 2015	1Q 2014
Sales revenue	755	668
<i>Change %</i>	<i>13,02%</i>	
Cost of goods sold	-690	-546
Gross profit	65	121
<i>Margin %</i>	<i>8,61%</i>	<i>18,11%</i>
Other operating income	6	7
Selling and distribution expenses	-1	-1
Administrative expenses	-30	-44
Other operating expenses	-2	-3
EBITDA	130	169
<i>Margin %</i>	<i>17,22%</i>	<i>25,30%</i>
EBIT	38	81
<i>Margin %</i>	<i>5,03%</i>	<i>12,13%</i>

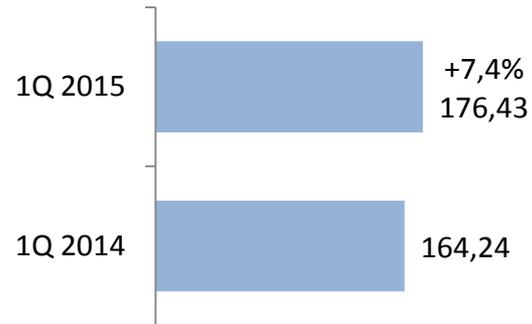


Electricity sales

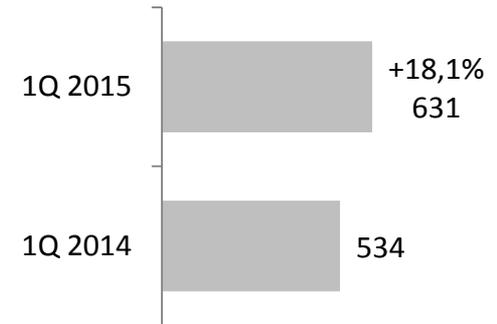
Electricity sales⁽¹⁾ [TWh]



Average sale price⁽²⁾ [PLN/MWh]



Sales revenues [m PLN]

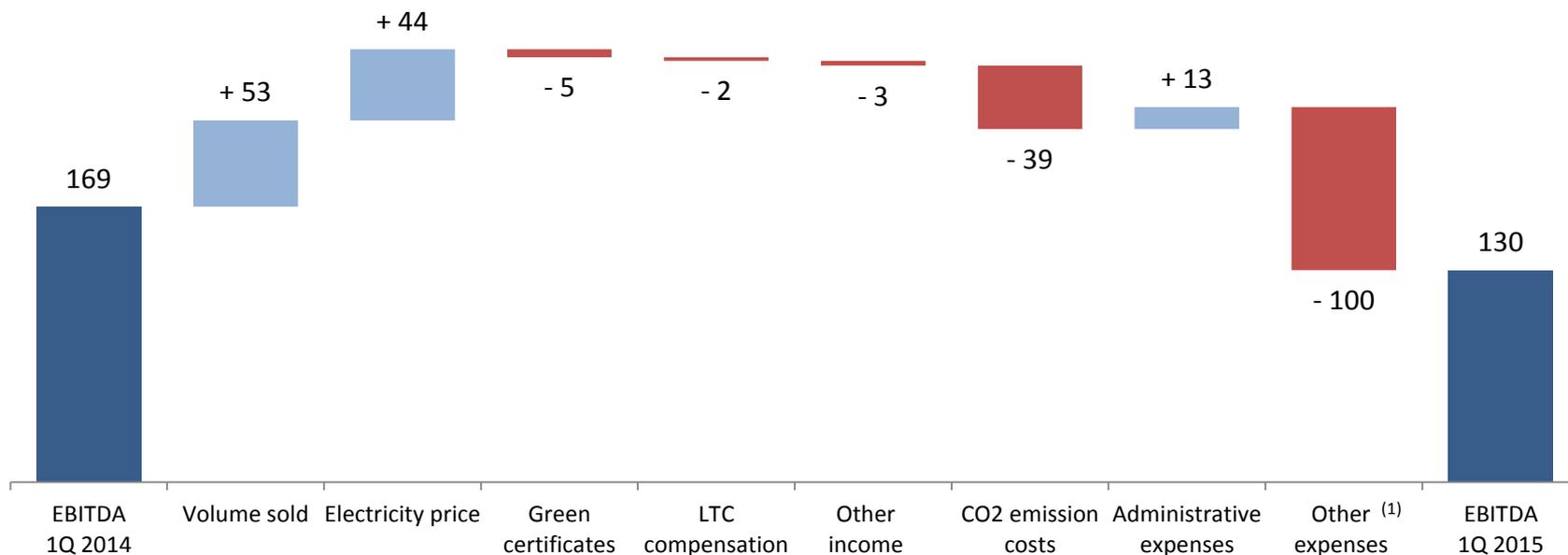


(1) Sale of own production electricity and resale of electricity.

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

EBITDA changes

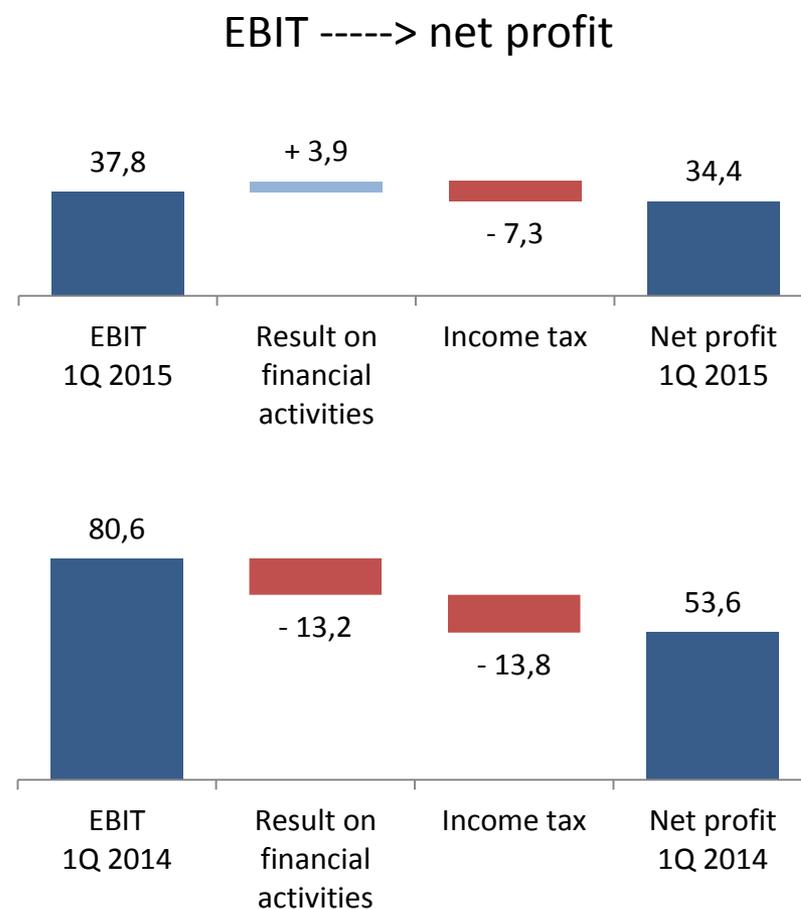
[mIn PLN]



⁽¹⁾ Main factors for higher other expenses are higher value of purchased energy (dedicated for resale) by 93 m PLN, higher by 6 m PLN value of other materials and goods and higher by 3 m PLN D&A. Positive impact on Other expenses by 13 m PLN was related to reversal of provision for employee benefits.

Consolidated P&L (2/2)

[m PLN]	1Q 2015	1Q 2014
EBIT	38	81
Finance income	20	2
Finance costs	-16	-15
Profit before tax	42	67
Income tax (taxation)	-7	-14
<i>Effective tax rate %</i>	<i>16,67%</i>	<i>20,90%</i>
Net profit for the period	34	54
<i>Margin %</i>	<i>4,50%</i>	<i>8,08%</i>



Consolidated P&L for 1Q 2015 by segments

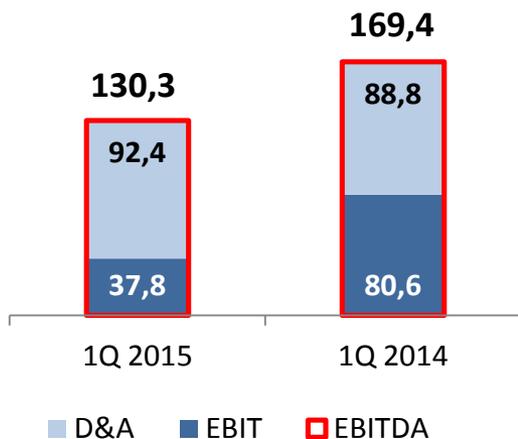
m PLN	Generation	Mining	Renovation	Sales	Other	Consolidation adjustments	Total
Sales revenue from external customers	449,6	3,1	38,0	262,9	1,7	-	755,2
<i>External sales revenue %</i>	<i>81,1%</i>	<i>1,5%</i>	<i>33,7%</i>	<i>100,0%</i>	<i>7,0%</i>		<i>100,0%</i>
Sales revenue between segments	105,1	210,5	74,6	-	22,1	-412,4	-
Sales revenue	554,7	213,7	112,5	262,9	23,8	-412,4	755,2
Cost of goods sold	-511,1	-208,3	-105,9	-259,1	-22,5	416,5	-690,4
Gross profit	43,6	5,4	6,6	3,8	1,3	4,1	64,8
<i>Margin %</i>	<i>7,9%</i>	<i>2,5%</i>	<i>5,9%</i>	<i>1,4%</i>	<i>5,4%</i>		<i>8,6%</i>
EBITDA	94,4	27,0	2,9	2,6	0,7	2,7	130,3
<i>Margin %</i>	<i>17,0%</i>	<i>12,6%</i>	<i>2,6%</i>	<i>1,0%</i>	<i>2,9%</i>		<i>17,3%</i>
EBIT	30,9	-0,7	0,7	2,6	0,5	3,8	37,8
<i>Margin %</i>	<i>5,6%</i>	<i>-0,3%</i>	<i>0,6%</i>	<i>1,0%</i>	<i>2,2%</i>		<i>5,0%</i>
Net profit (for the period from continuing operations)	32,4	-3,9	0,3	2,2	0,4	3,1	34,4
<i>Margin %</i>	<i>5,8%</i>	<i>-1,8%</i>	<i>0,3%</i>	<i>0,8%</i>	<i>1,5%</i>		<i>4,6%</i>

EBITDA by segments

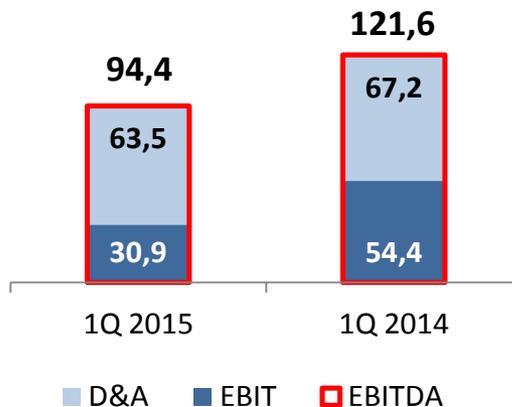
[m PLN]



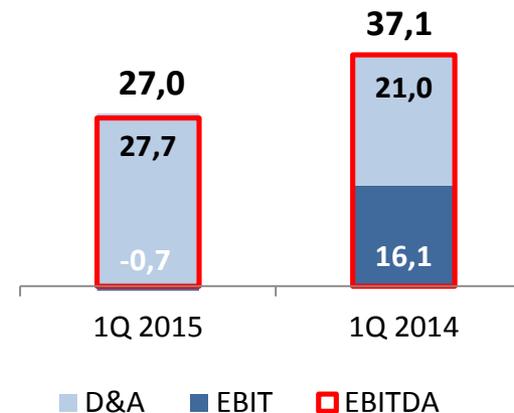
GROUP



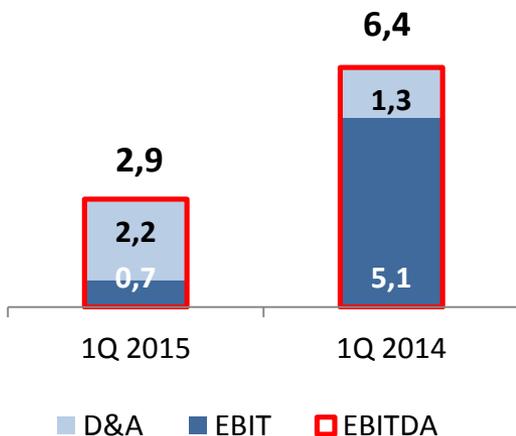
GENERATION



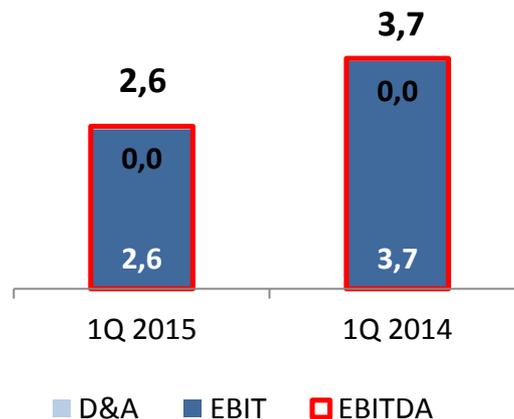
MINING



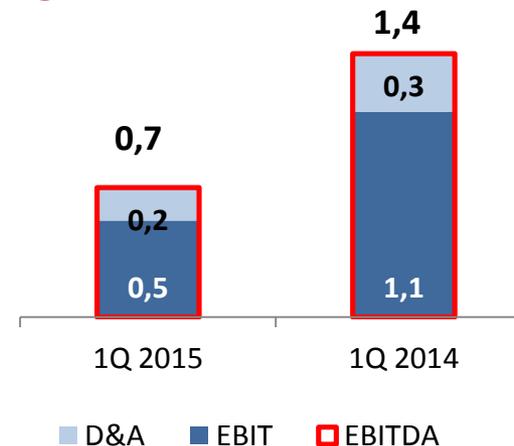
RENOVATION



ELECTRICITY SALES

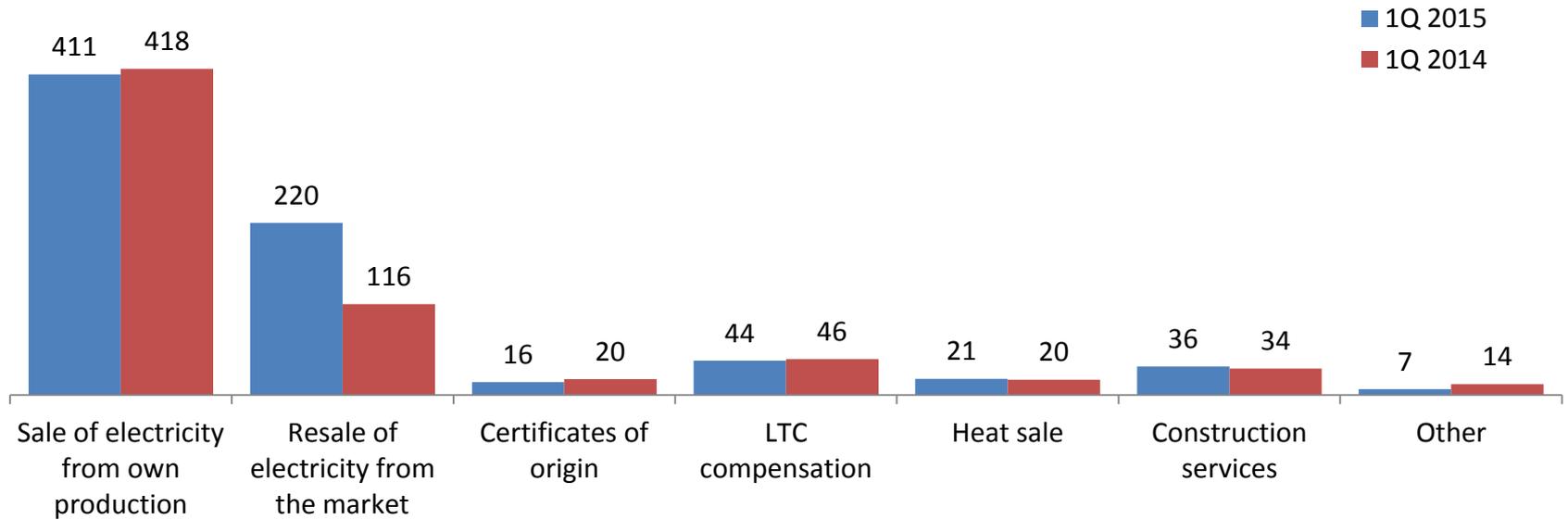


OTHER



Revenue

[m PLN]

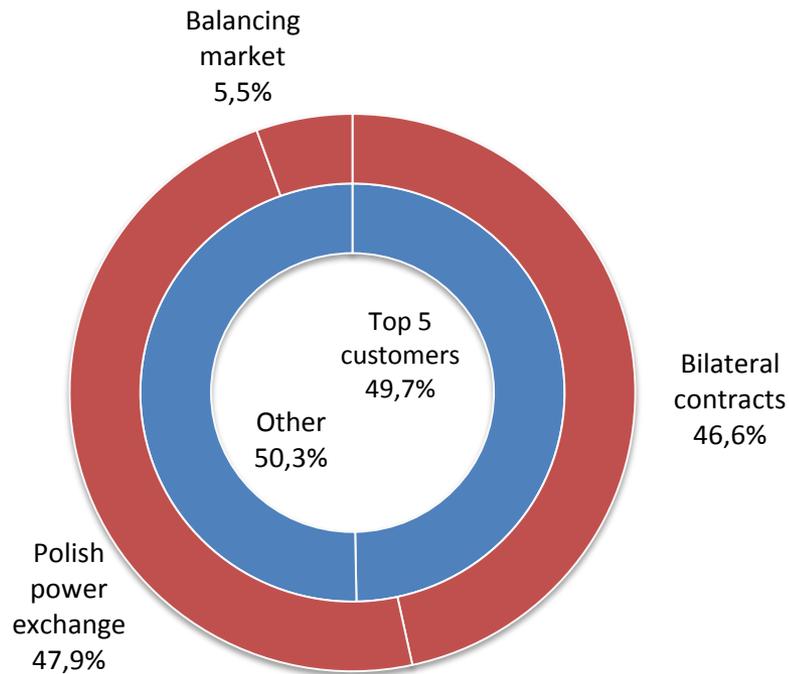


Sale breakdown by customers and market type

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

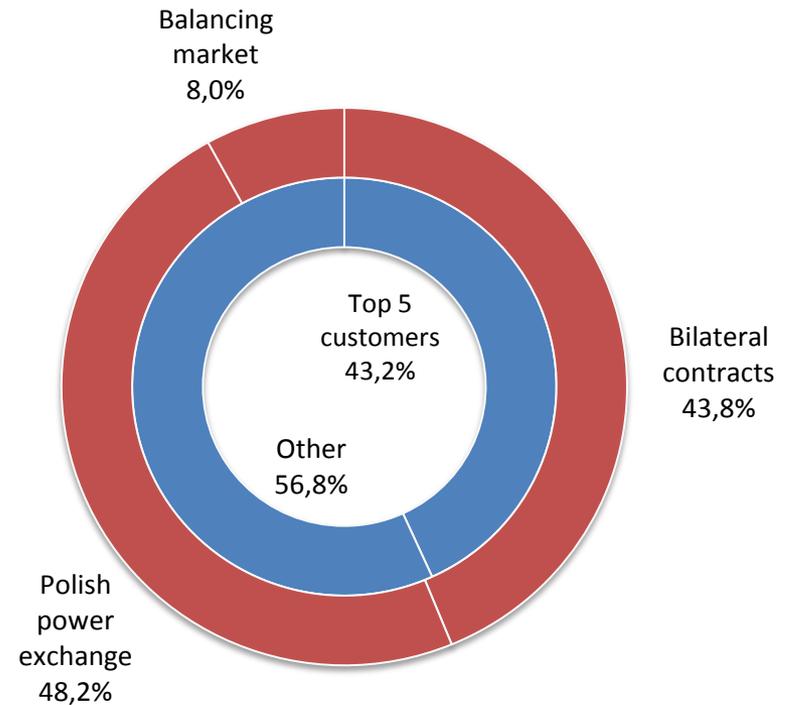


1Q 2015



■ by customers ■ by market type

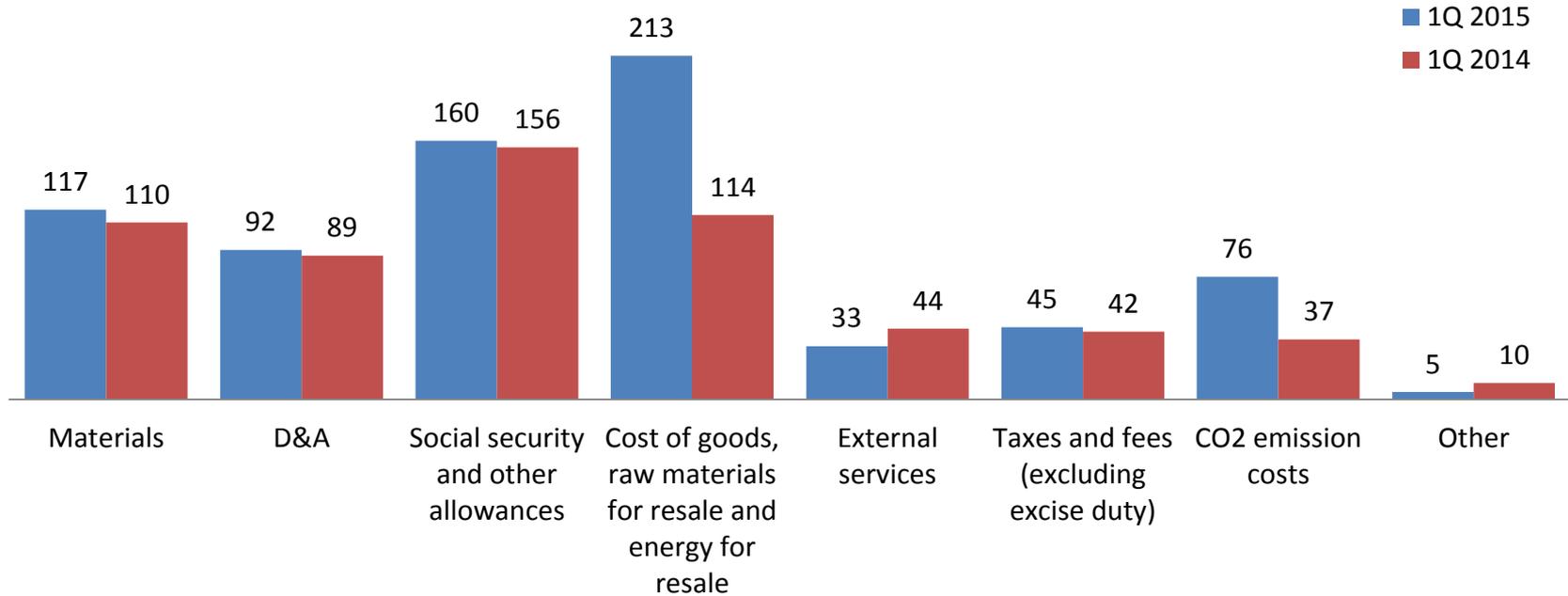
1Q 2014



■ by customers ■ by market type

Cost by type

[m PLN]



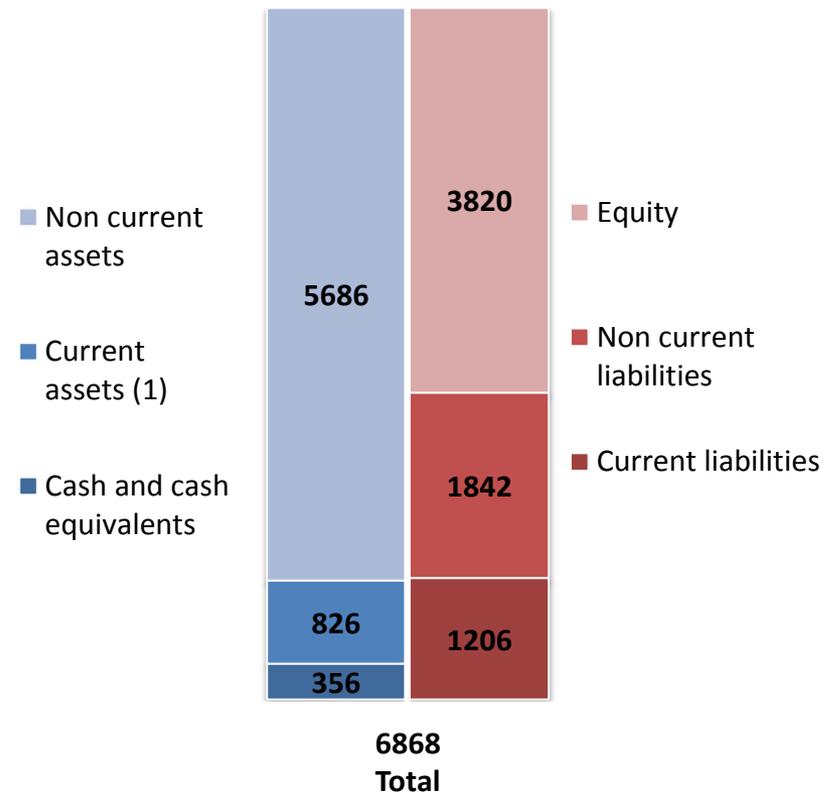
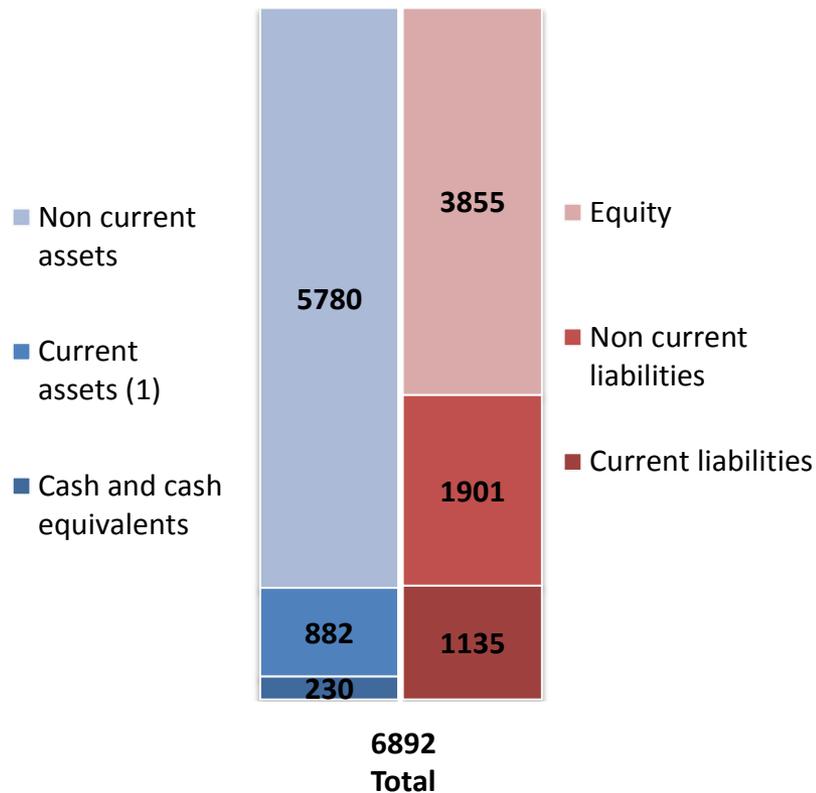
Consolidated statement of financial position

[m PLN]



31.03.2015

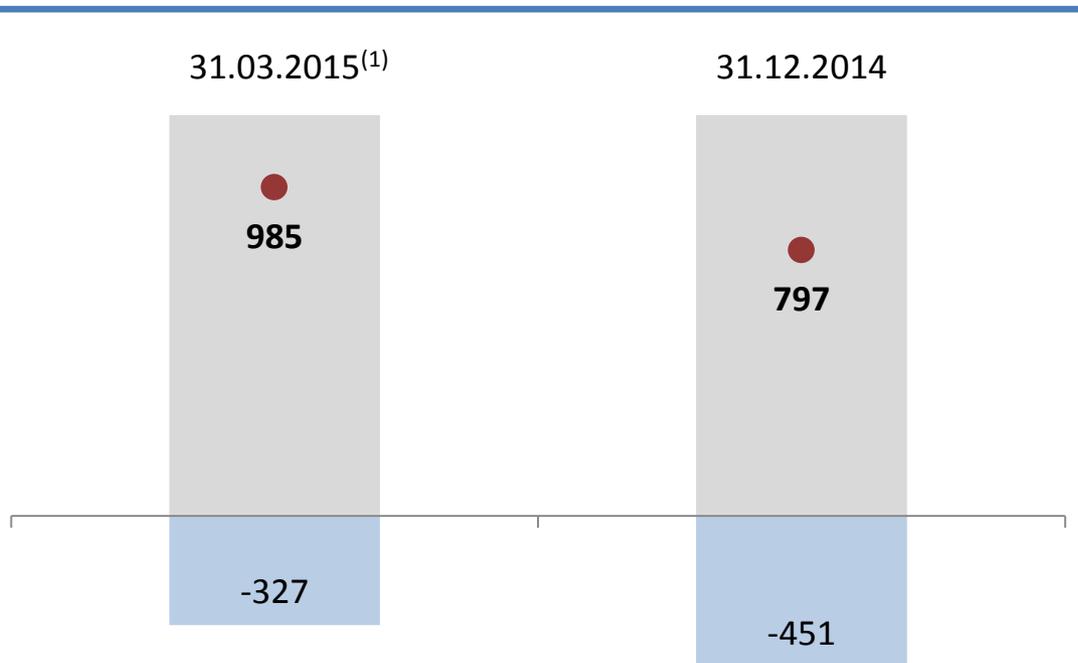
31.12.2014



⁽¹⁾ Excluding cash and cash equivalents.

Net debt

Net debt [m PLN]



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

Net debt / EBITDA

31.03.2015 ⁽¹⁾	2,10
31.12.2014	1,57

(1) EBITDA annualized

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

Consolidated Cash Flow

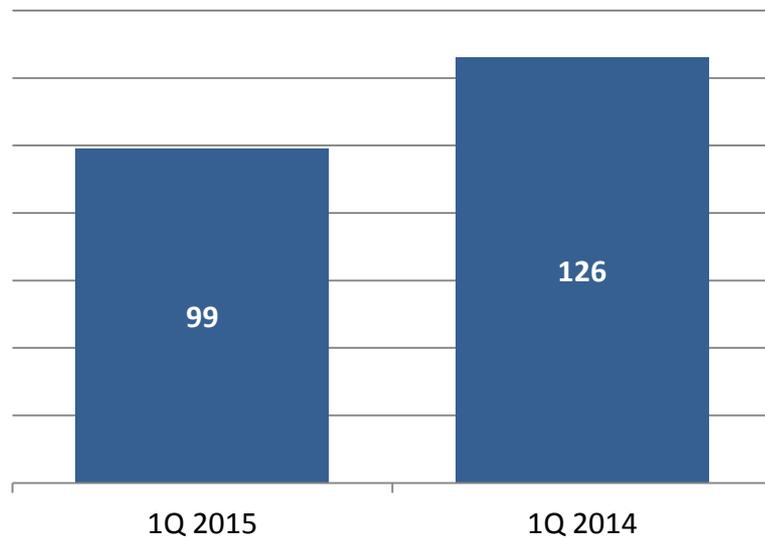
	[m PLN]	1Q 2015	1Q 2014
Profit/loss before taxation		41,8	67,5
Depreciation and amortization		92,0	88,5
Profit/loss on investing and financial activities		-7,1	8,9
Changes in working capital		-110,5	-56,8
Income tax		0,7	-11,7
Purchase of EUA		-90,4	-56,7
Other		-1,4	-0,1
Net cash flow from operational activities		-74,9	39,6
Purchase of property, plant and equipment and intangible assets		-119,9	-109,6
Other		-5,0	-1,5
Net cash flow from investing activities		-124,9	-111,1
Inflows of/ Payment of credits, loans, leases and securities		93,4	-110,1
Interest paid		-13,4	-9,5
Other		-3,1	-0,4
Net cash flow from financial activities		76,8	-120,0
Change in cash and cash equivalents		-122,9	-191,4
Cash and cash equivalents at the beginning of the period		355,3	431,3
Cash and cash equivalents at the end of the period		232,4	239,9

CAPEX (non-current assets and intangible assets)

(excluding allowances for emission of CO₂)



INVESTMENT [m PLN]



EXPENDITURE [m PLN]

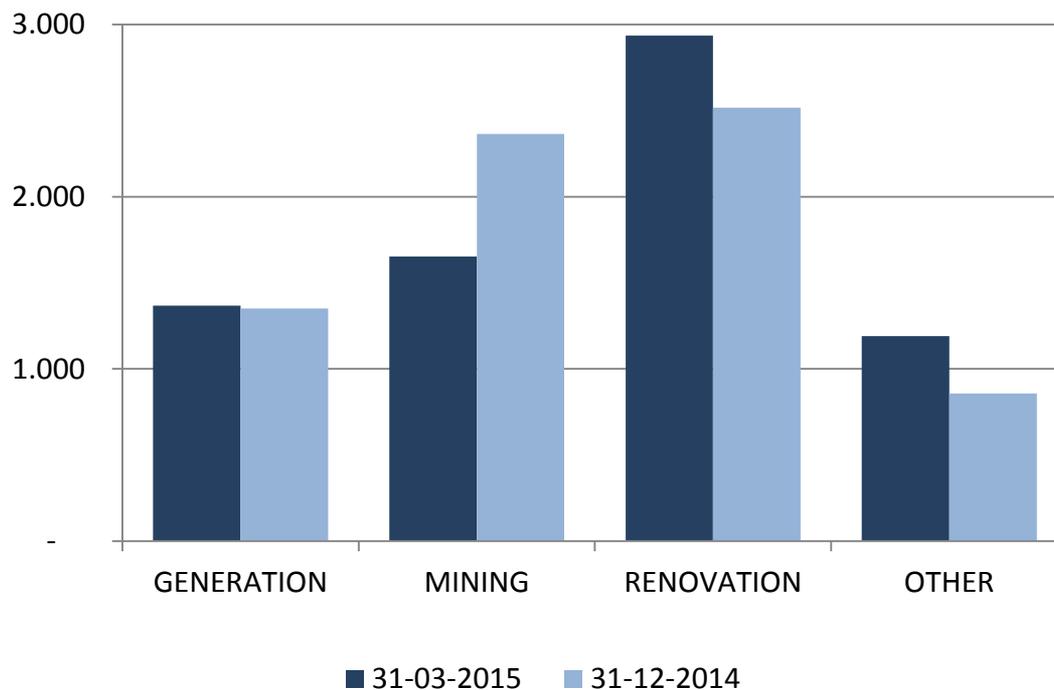


Employment

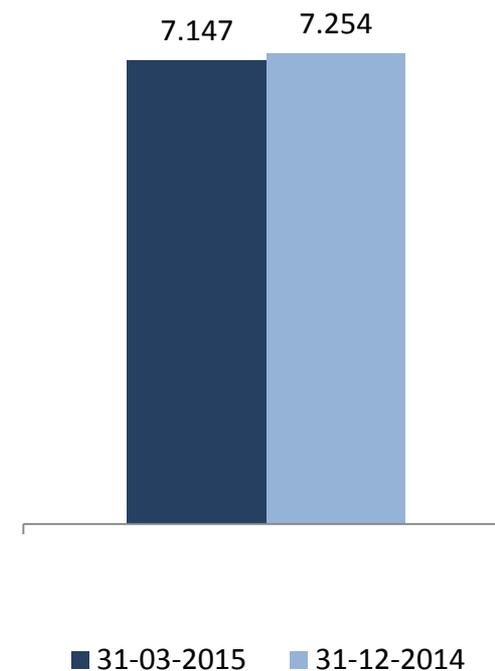
[staff time]



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.

Questions and Answers



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