



31 August 2015

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

I Half of 2015 results

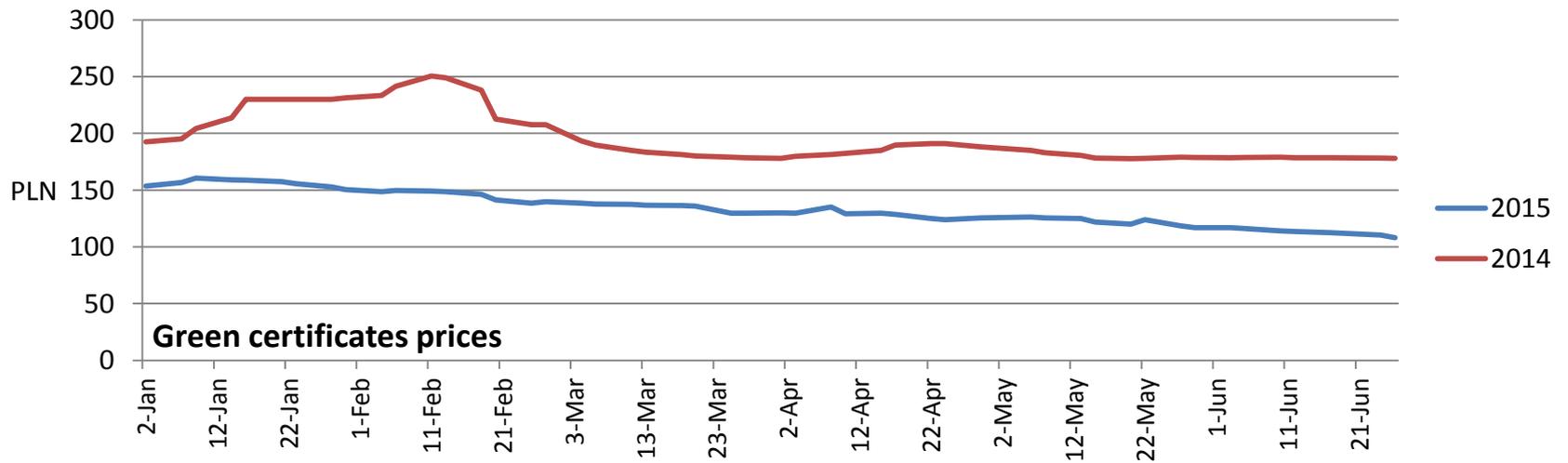


- Outside circumstances:
 - Lower electricity price on the exchange market (drop of average weighted IRDN from 174,15 PLN/MWh to 150,48 PLN/MWh, ie. by 13,59%).
 - Higher price of CO₂ emission allowances (increase of exchange average price from 5,53 EUR to 7,22 EUR, ie. by 30,6%).
 - Lower price of green certificates (decrease of exchange average OZEX_A from 196,40 to 132,97, ie. by 32,3%, and the value of single certificate at the end of the half year period from 177,97 to 106,51, ie. by 40,2%).
- ZE PAK Group:
 - Lower by 8,42% [by 0,44 TWh] sale of electricity from own production.
 - Higher by 61,44% [by 0,93 TWh] sale of electricity from the market (resale).
 - Higher by 6,71% [by 11,05 PLN/MWh] achieved average sale price of electricity.
 - Higher costs of CO₂ by 97,9% [by 59,5 mln PLN].
 - Write-down of green certificates inventories in amount of 43,7 m PLN.

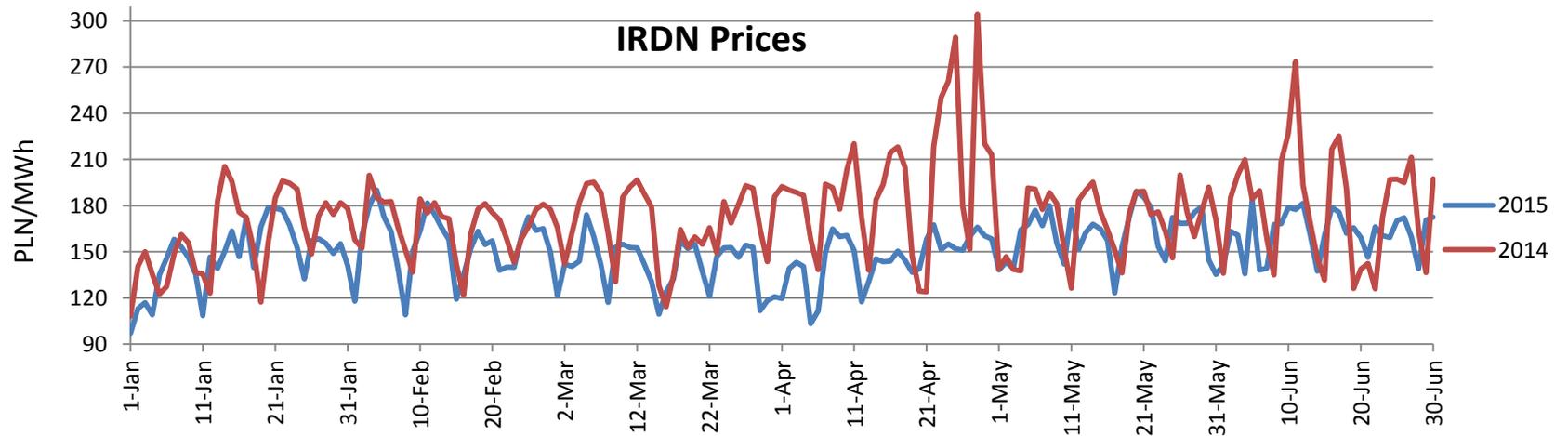
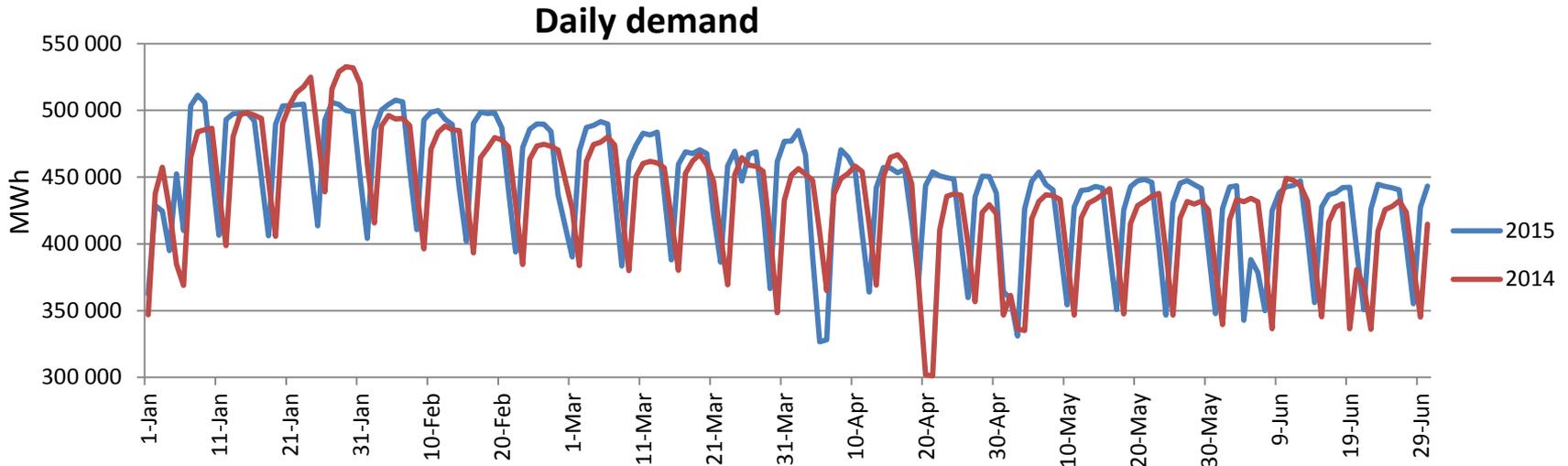
SELECTED ENERGY MARKET DATA



EUA and „green” certificates of origin



Daily demand for electricity and IRDN prices



„Base load” prices for 2016 (BASE_Y-16)



Base load prices BASE_Y-16 since 01.01.2015 to 30.06.2015



OPERATIONAL DATA

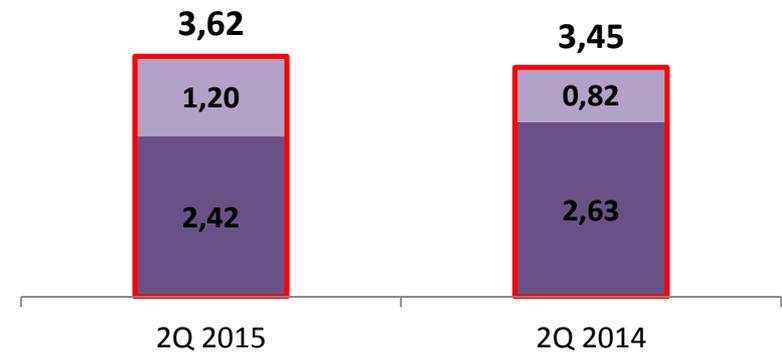
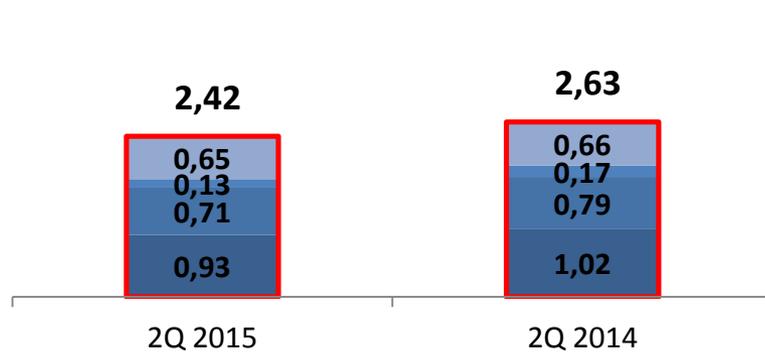
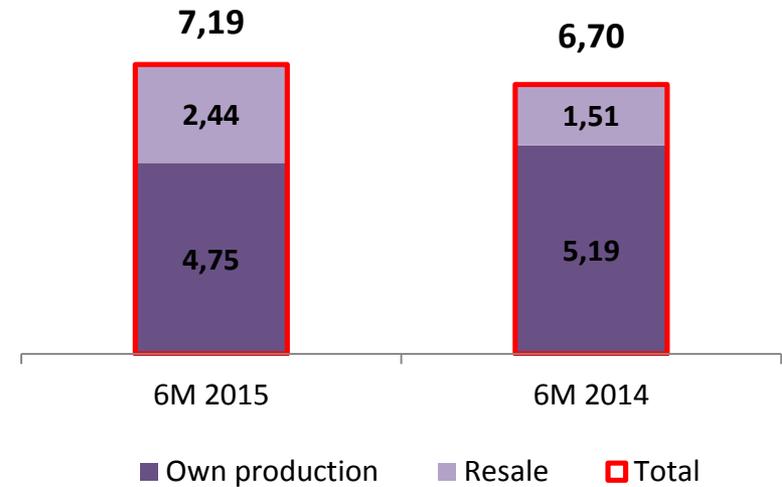
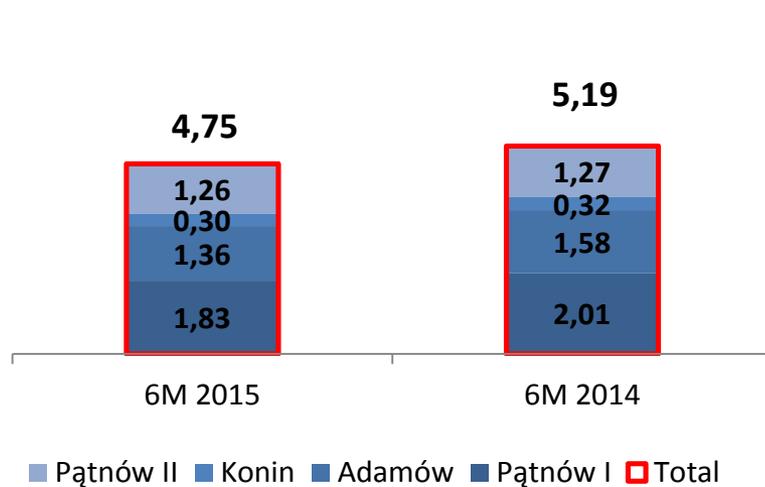


Net production and sale (own production and resale) of electricity [TWh]



NET PRODUCTION

SALE



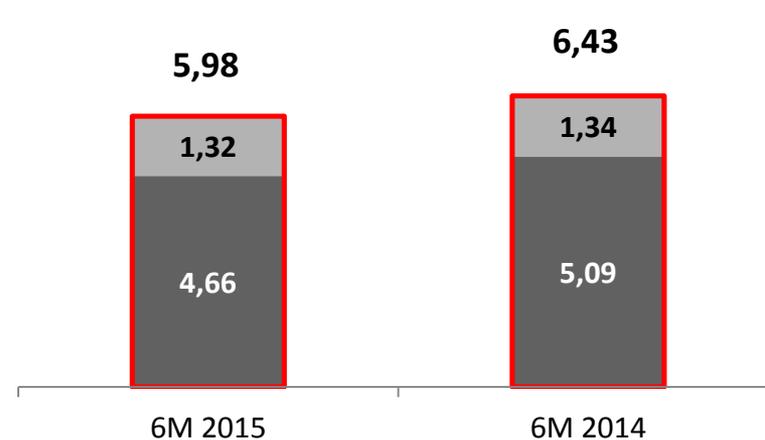
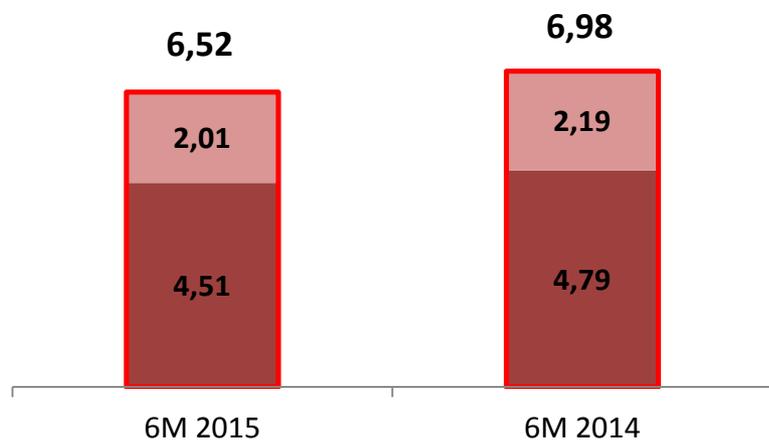
Lignite consumption and CO₂ emissions

[m tons]



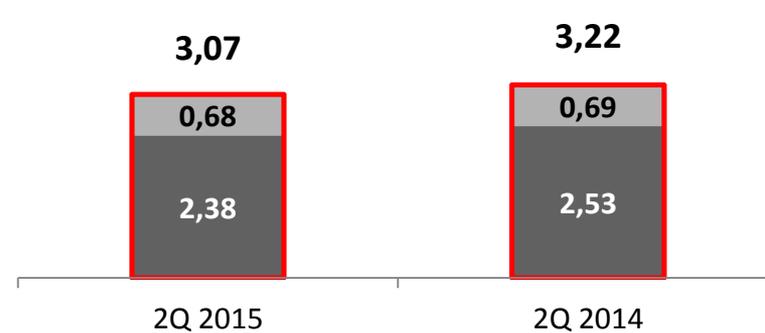
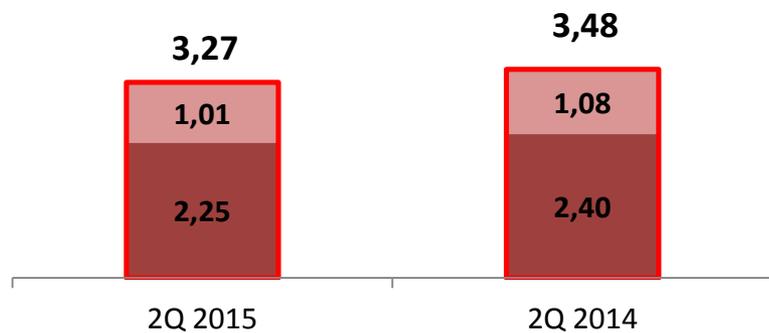
LIGNITE CONSUMPTION

CO₂ EMISSION



■ KWBA ■ KWBK □ Total

■ Państw II ■ ZE PAK □ Total



2Q 2015

2Q 2014

2Q 2015

2Q 2014

FINANCIAL DATA



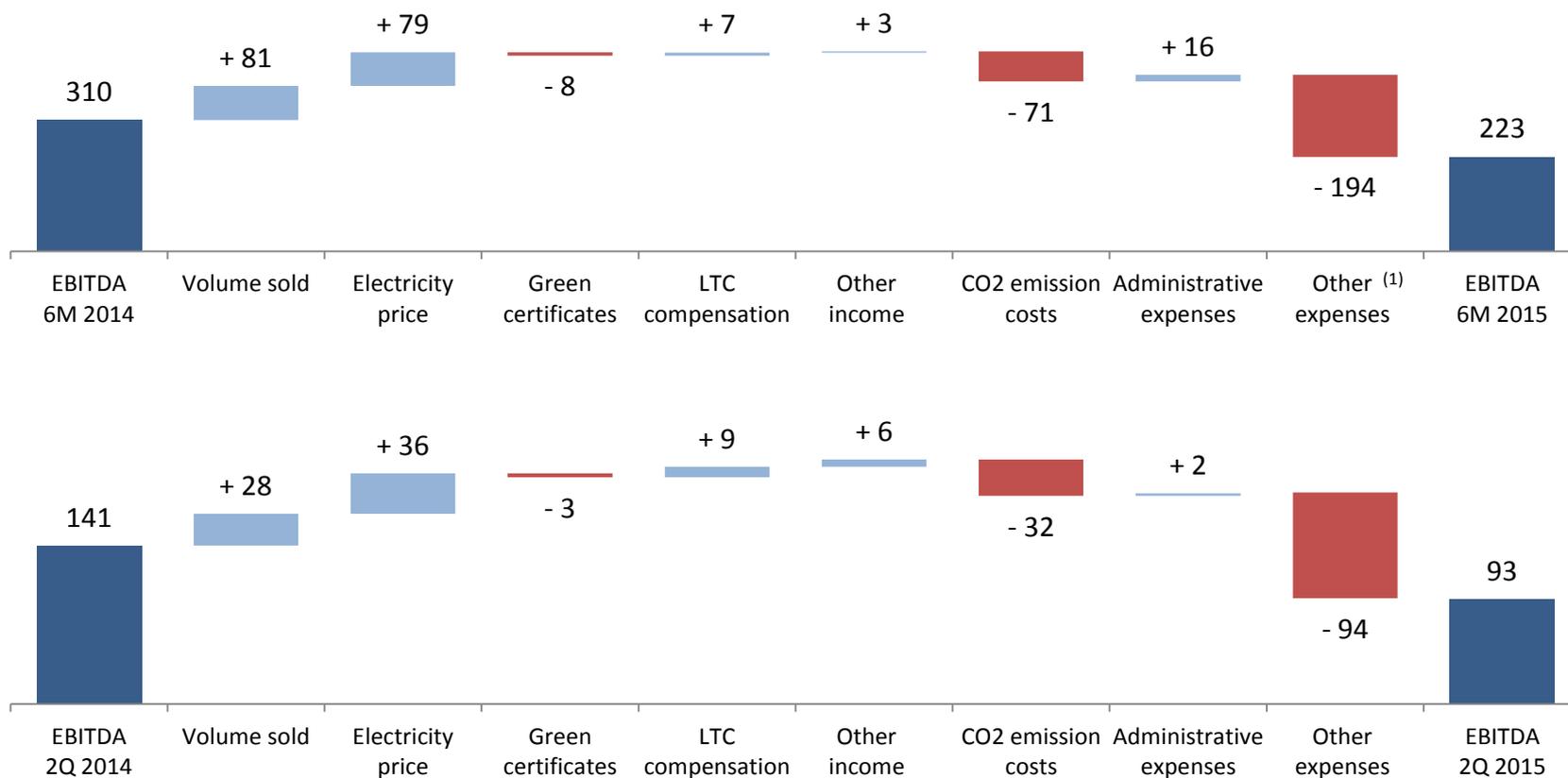
Consolidated P&L (1/2)



[m PLN]	6M 2015	6M 2014	2Q 2015	2Q 2014
Sales revenue	1 508	1 345	752	677
<i>Change %</i>	<i>12,12%</i>		<i>11,08%</i>	
Cost of goods sold	-1 424	-1 141	-733	-595
Gross profit	84	203	19	82
<i>Margin %</i>	<i>5,57%</i>	<i>15,09%</i>	<i>2,53%</i>	<i>12,11%</i>
Other operating income	11	11	6	4
Selling and distribution expenses	-2	-2	-1	-1
Administrative expenses	-57	-72	-27	-29
Other operating expenses	-3	-10	-1	-8
EBITDA	223	310	93	141
<i>Margin %</i>	<i>14,79%</i>	<i>23,05%</i>	<i>12,37%</i>	<i>20,83%</i>
EBIT	34	130	-4	49
<i>Margin %</i>	<i>2,25%</i>	<i>9,67%</i>	<i>-0,53%</i>	<i>7,24%</i>

EBITDA changes

[m PLN]



(1) Main factors for higher other expenses are higher value of purchased energy (dedicated for resale) by 159 m PLN (66m PLN in 2Q 2015) and higher by 9 m PLN (6 m PLN) depreciation.

Consolidated P&L (2/2)



[m PLN]	6M 2015	6M 2014	2Q 2015	2Q 2014
EBIT	34	130	-4	49
Finance income	12	9	-9	7
Finance costs	-26	-27	-10	-12
Profit before tax	19	112	-22	44
Income tax (taxation)	-4	-20	3	-6
<i>Effective tax rate %</i>	<i>21,05%</i>	<i>17,86%</i>	<i>13,64%</i>	<i>13,64%</i>
Net profit for the period	15	92	-19	38
<i>Margin %</i>	<i>0,99%</i>	<i>6,84%</i>	<i>-2,53%</i>	<i>5,61%</i>

Consolidated P&L for 6M 2015 by segments



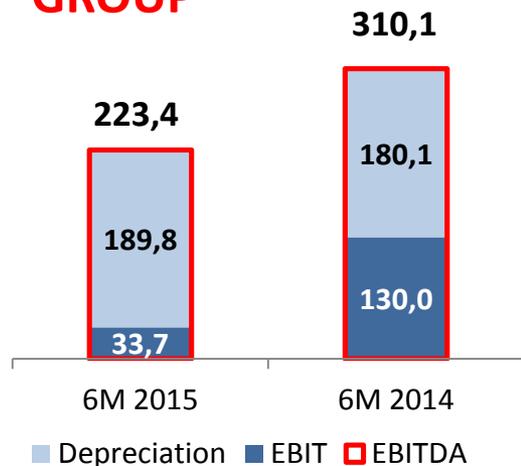
m PLN	Generation	Mining	Renovation	Sales	Other	Consolidation adjustments	Total
Sales revenue from external customers	904,3	3,2	84,8	511,6	3,6	-	1 507,5
<i>External sales revenue %</i>	<i>80,6%</i>	<i>0,7%</i>	<i>34,8%</i>	<i>100,0%</i>	<i>5,6%</i>		<i>100,0%</i>
Sales revenue between segments	217,2	445,4	159,2	-	60,4	-882,1	-
Sales revenue	1 121,5	448,6	244,0	511,6	63,9	-882,1	1 507,5
Cost of goods sold	-1 094,4	-427,6	-222,2	-505,9	-60,6	887,0	-1 423,7
Gross profit	27,2	21,0	21,8	5,6	3,3	4,8	83,8
<i>Margin %</i>	<i>2,4%</i>	<i>4,7%</i>	<i>8,9%</i>	<i>1,1%</i>	<i>5,2%</i>		<i>5,6%</i>
EBITDA	132,3	69,1	14,6	3,3	2,6	1,5	223,4
<i>Margin %</i>	<i>11,8%</i>	<i>15,4%</i>	<i>6,0%</i>	<i>0,7%</i>	<i>4,1%</i>		<i>14,8%</i>
EBIT	4,9	10,5	10,4	3,3	0,9	3,7	33,7
<i>Margin %</i>	<i>0,4%</i>	<i>2,3%</i>	<i>4,3%</i>	<i>0,6%</i>	<i>1,4%</i>		<i>2,2%</i>
Net profit (loss) for the period	-0,8	1,5	8,1	2,8	0,9	3,0	15,4
<i>Margin %</i>	<i>-0,1%</i>	<i>0,3%</i>	<i>3,3%</i>	<i>0,5%</i>	<i>1,4%</i>		<i>1,0%</i>

EBITDA by segments (1/2)

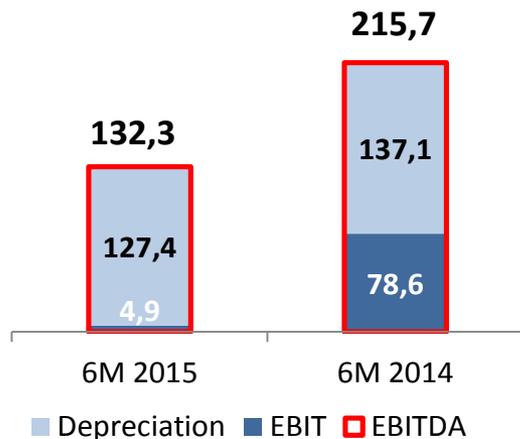
[m PLN]



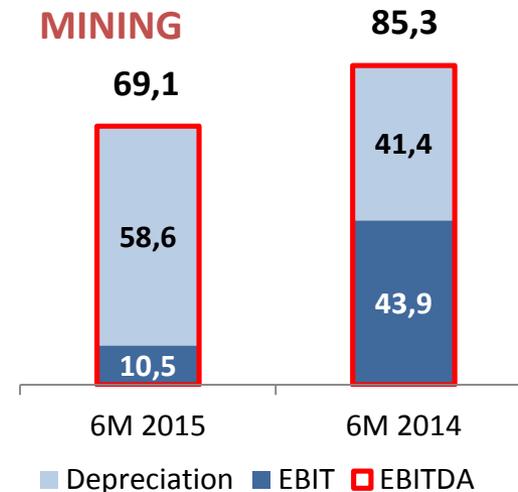
GROUP



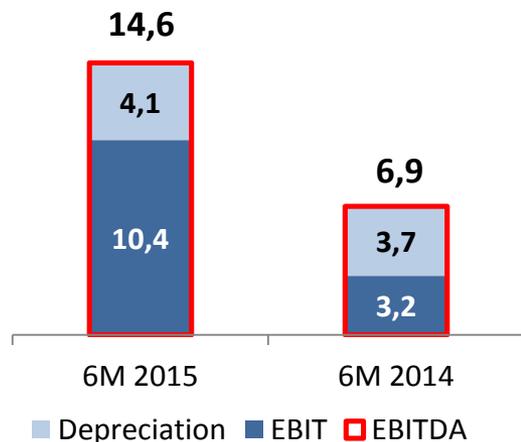
GENERATION



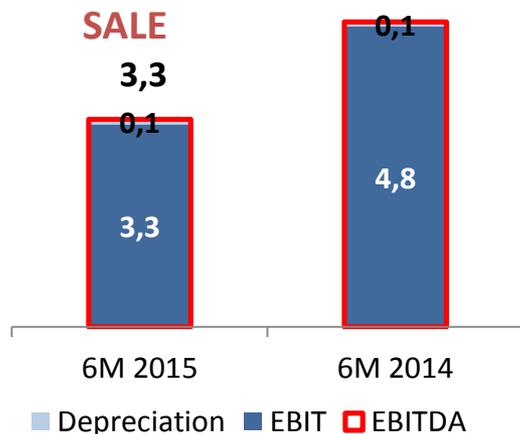
MINING



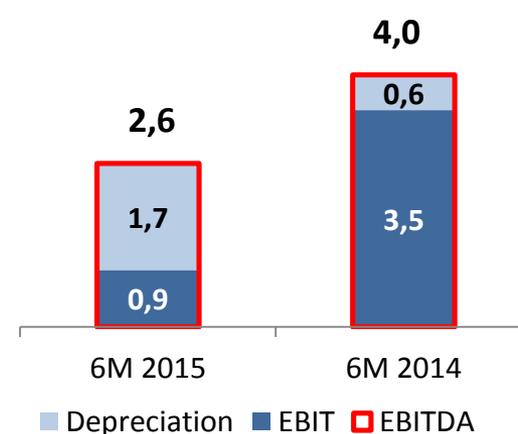
RENOVATION



ELECTRICITY



OTHER



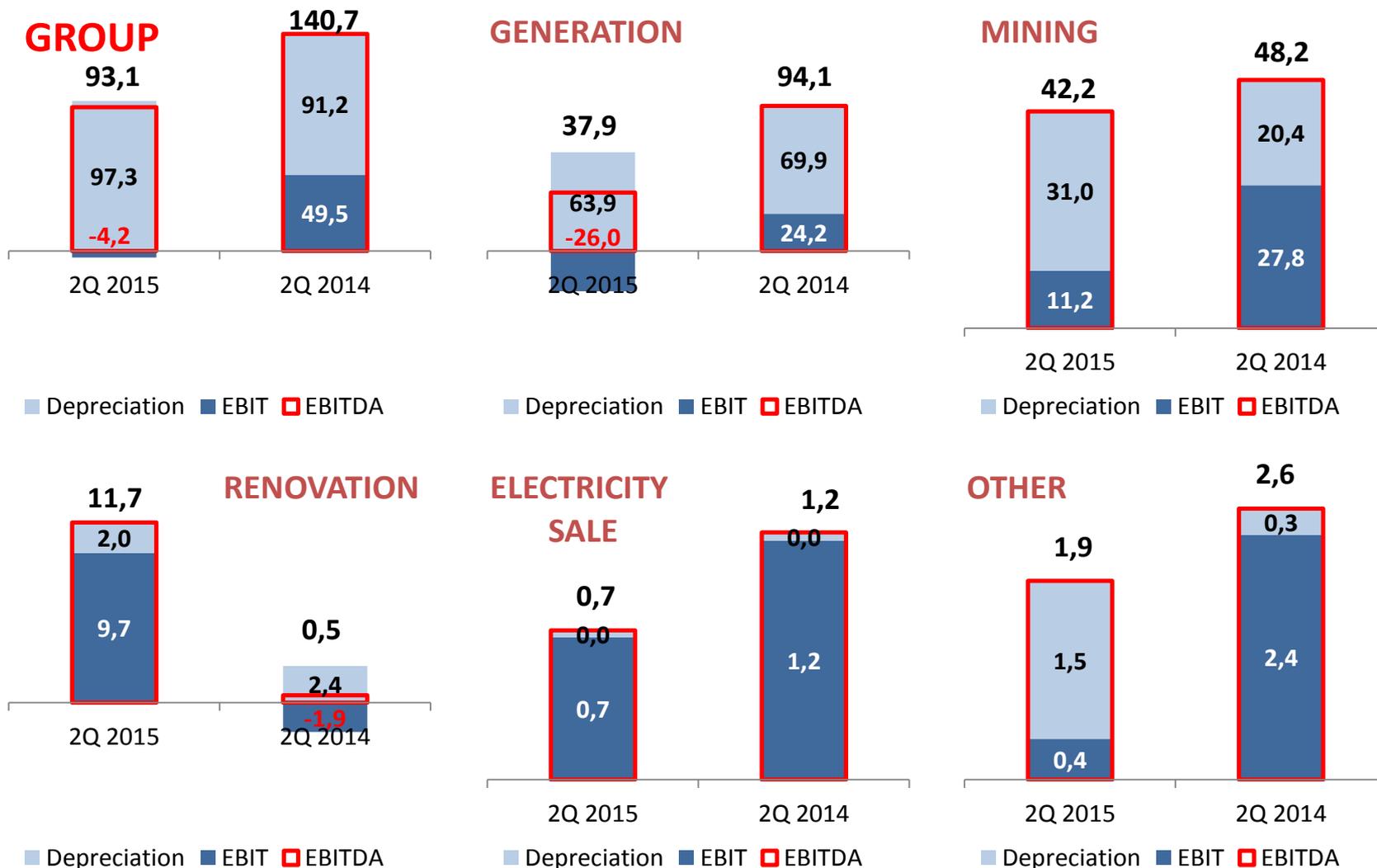
Consolidated P&L for 2Q 2015 by segments



m PLN	Generation	Mining	Renovation	Sales	Other	Consolidation adjustments	Total
Sales revenue from external customers	454,7	0,1	46,9	248,7	1,9	-	752,3
<i>External sales revenue %</i>	<i>80,2%</i>	<i>0,0%</i>	<i>35,7%</i>	<i>100,0%</i>	<i>4,8%</i>		<i>100,0%</i>
Sales revenue between segments	112,1	234,9	84,6	-	38,2	-469,8	-
Sales revenue	566,8	235,0	131,5	248,7	40,1	-469,8	752,3
Cost of goods sold	-583,3	-219,4	-116,3	-246,9	-38,1	470,5	-733,4
Gross profit	-16,4	15,6	15,2	1,8	2,0	0,7	19,0
<i>Margin %</i>	<i>-2,9%</i>	<i>6,6%</i>	<i>11,5%</i>	<i>0,7%</i>	<i>5,1%</i>		<i>2,5%</i>
EBITDA	37,9	42,2	11,7	0,7	1,9	-1,3	93,1
<i>Margin %</i>	<i>6,7%</i>	<i>17,9%</i>	<i>8,9%</i>	<i>0,3%</i>	<i>4,8%</i>		<i>12,4%</i>
EBIT	-26,0	11,2	9,7	0,7	0,4	-0,1	-4,2
<i>Margin %</i>	<i>-4,6%</i>	<i>4,8%</i>	<i>7,4%</i>	<i>0,3%</i>	<i>1,0%</i>		<i>-0,6%</i>
Net profit (loss) for the period	-33,2	5,4	7,8	0,6	0,5	-0,1	-19,0
<i>Margin %</i>	<i>-5,9%</i>	<i>2,3%</i>	<i>6,0%</i>	<i>0,3%</i>	<i>1,3%</i>		<i>-2,5%</i>

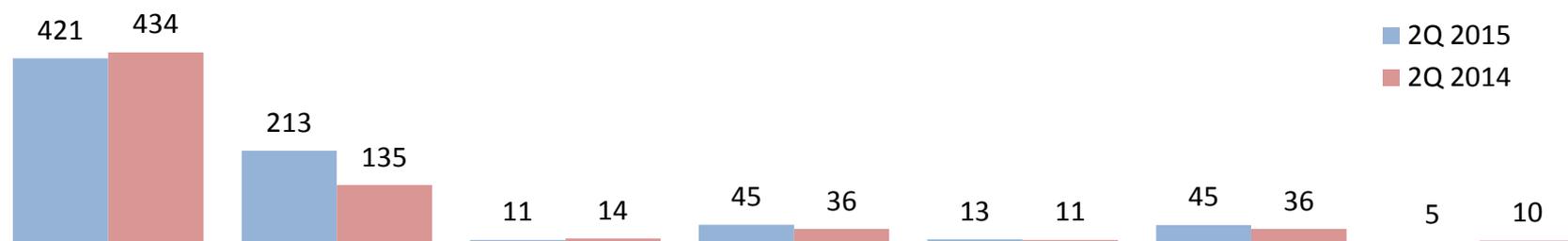
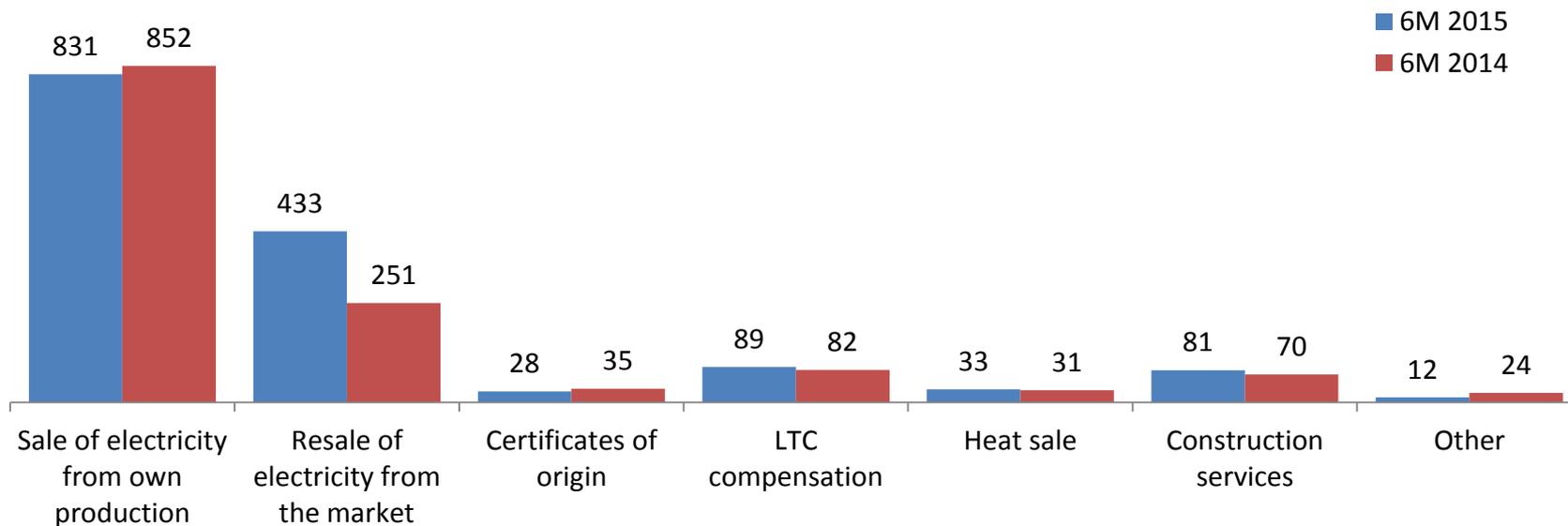
EBITDA by segments (2/2)

[m PLN]



Revenues

[m PLN]



Sale breakdown by customers and market type

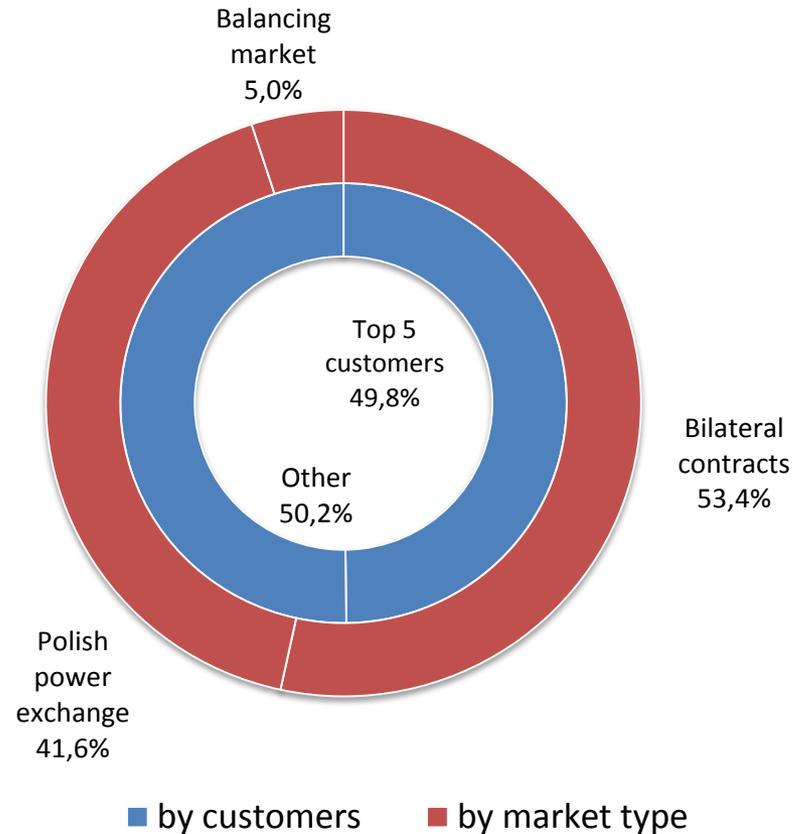
by customers (internal ring) and by the market type (external ring)



6M 2015



6M 2014

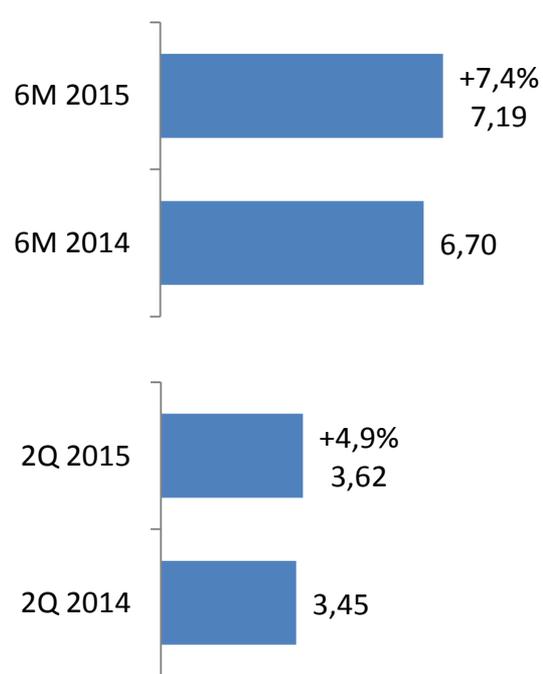


Electricity sales



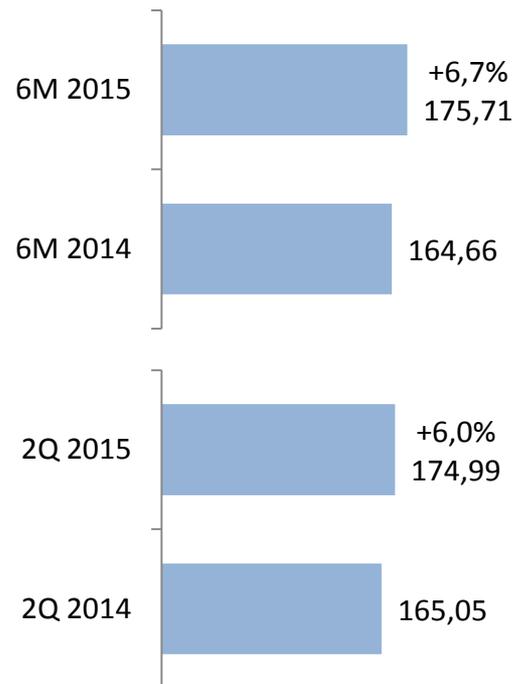
Electricity sales⁽¹⁾

[TWh]



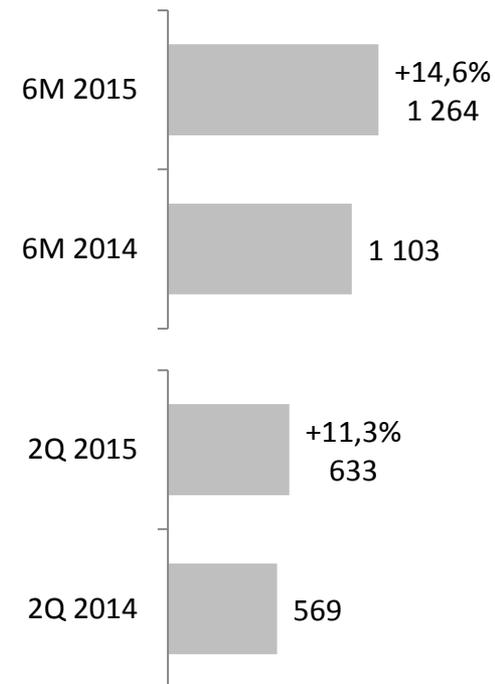
Average sale price⁽²⁾

[PLN/MWh]



Revenues

[m PLN]

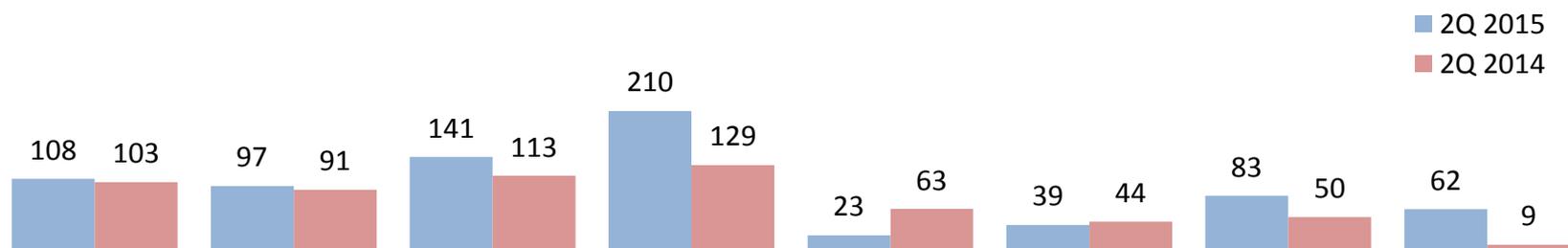
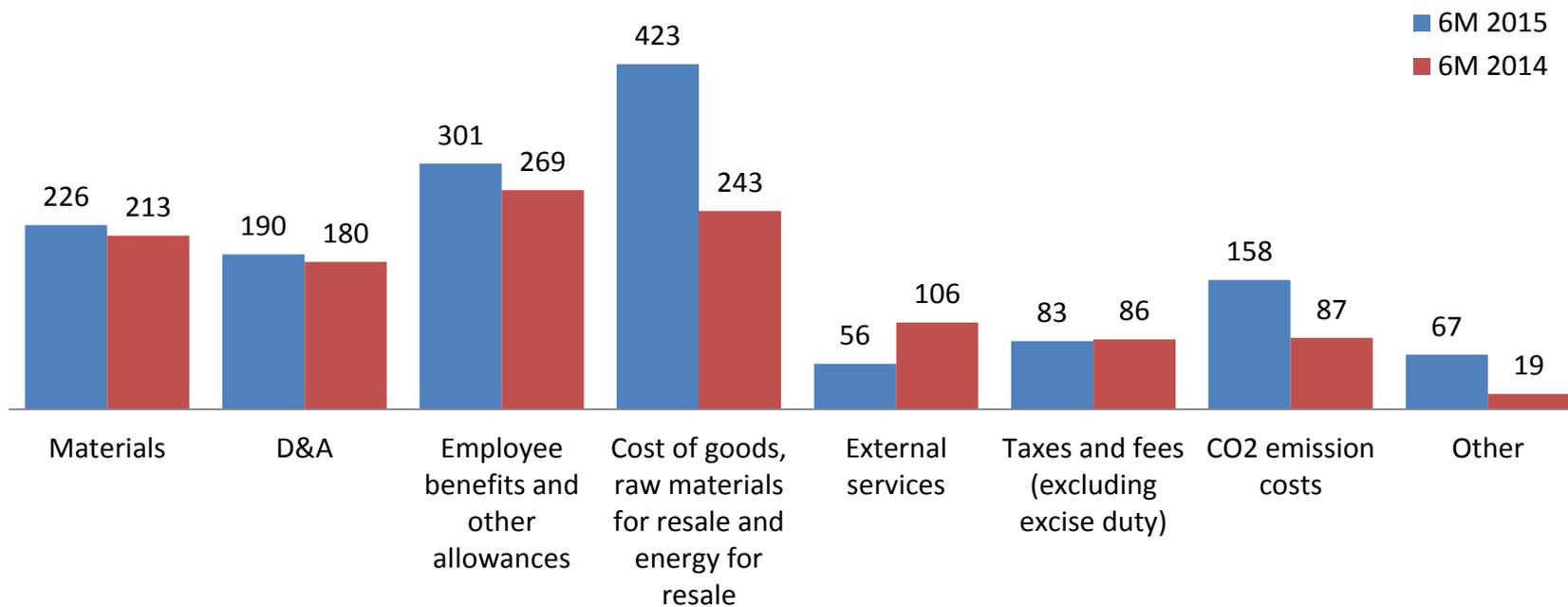


⁽¹⁾ Sale of own production electricity and resale of electricity.

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

Cost by type

[m PLN]

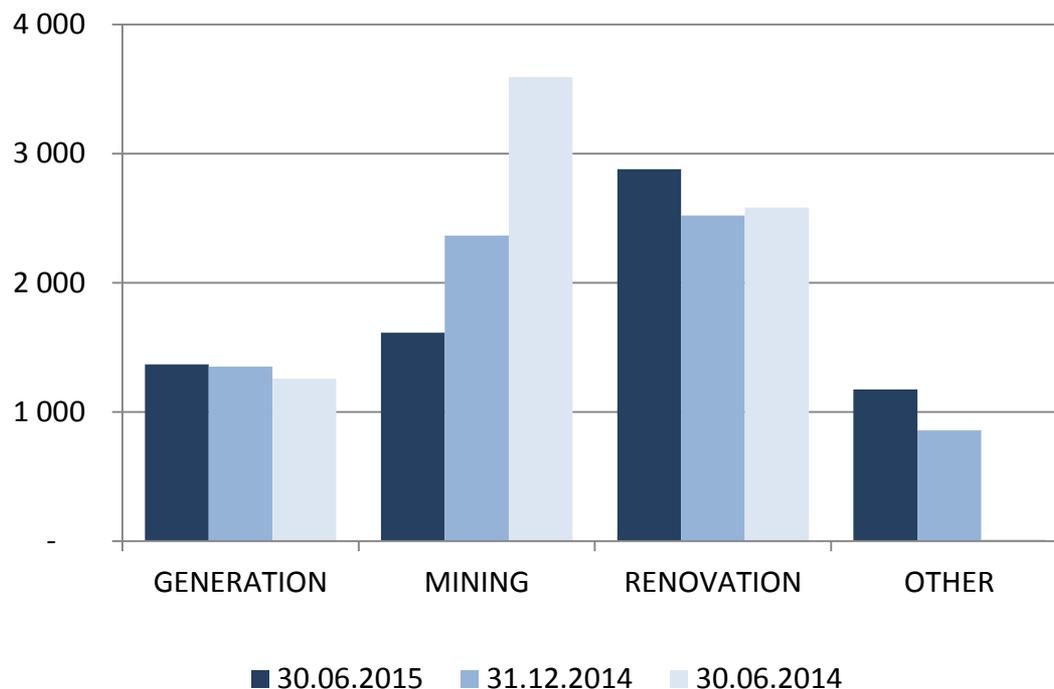


Employment

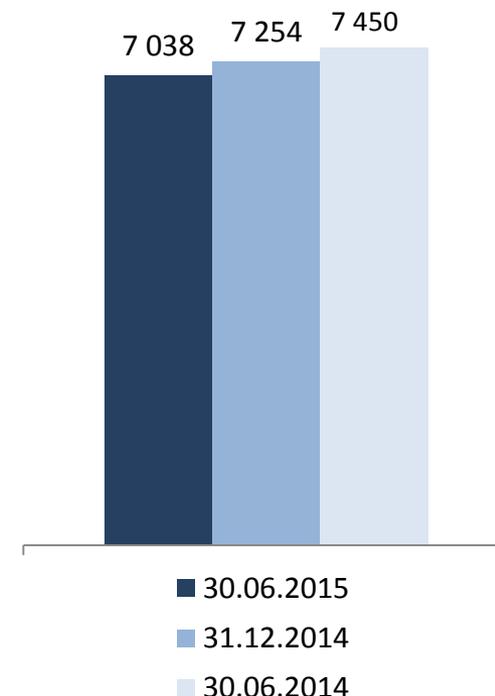
[staff time]



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.

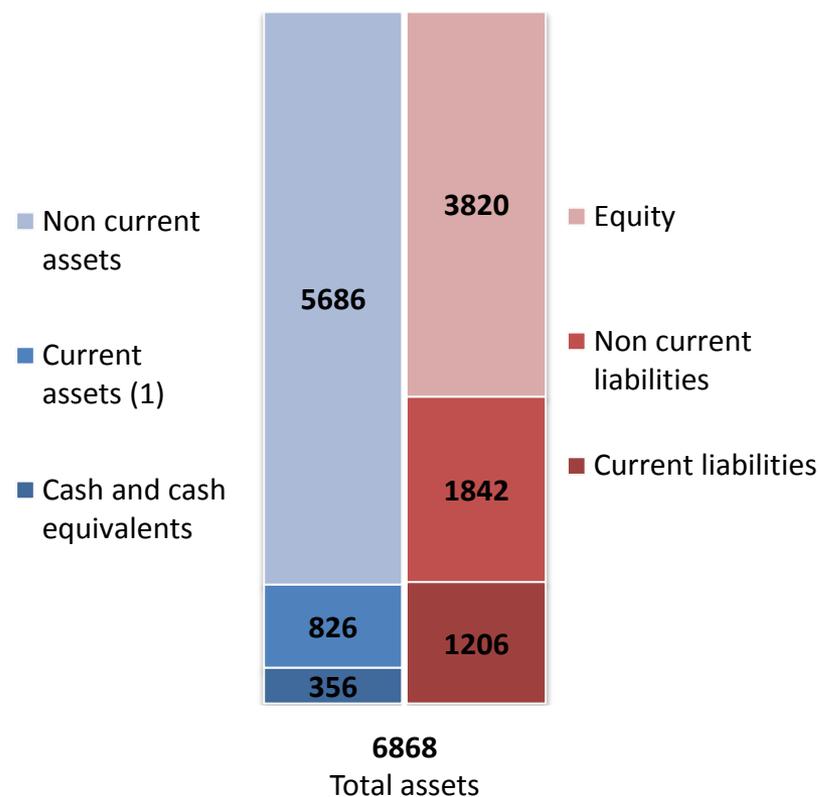
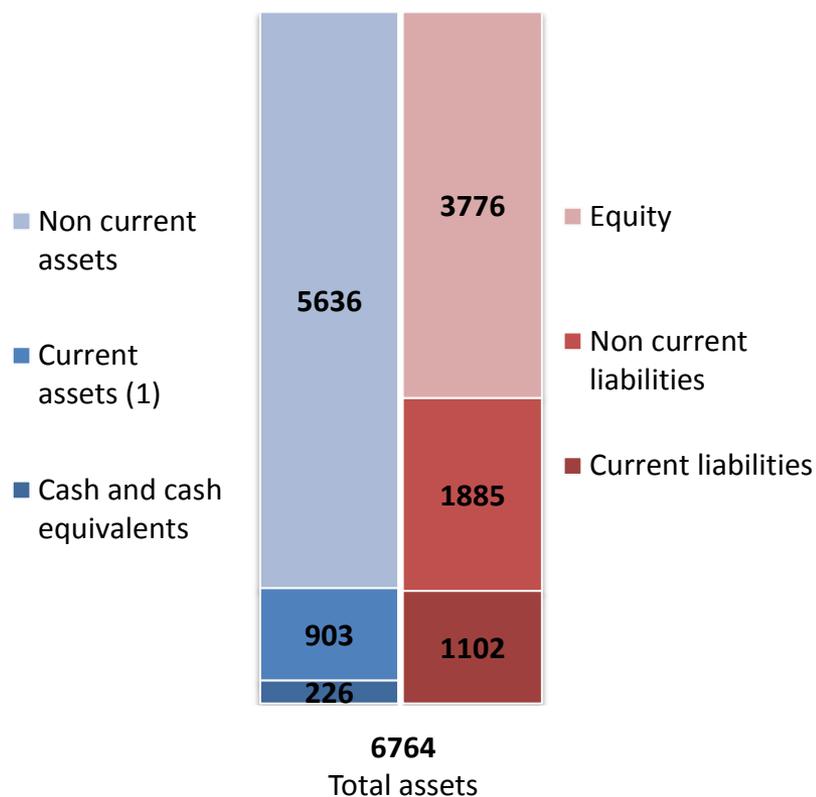
Consolidated statement of financial position

[m PLN]



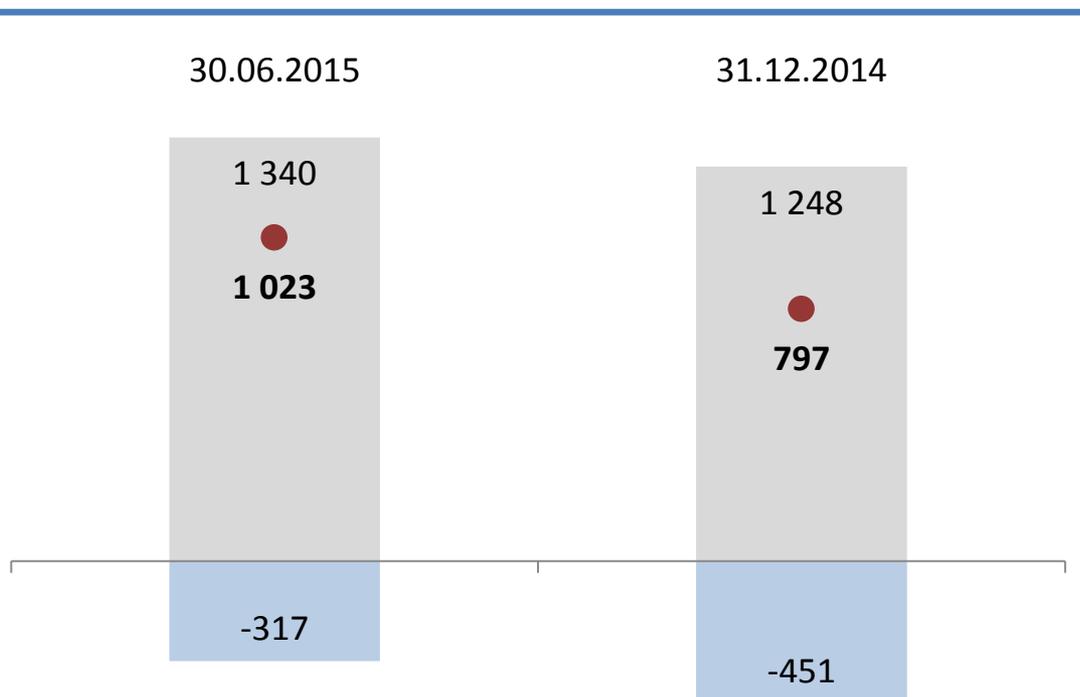
30.06.2015

31.12.2014



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

30.06.2015 ⁽¹⁾	2,43
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



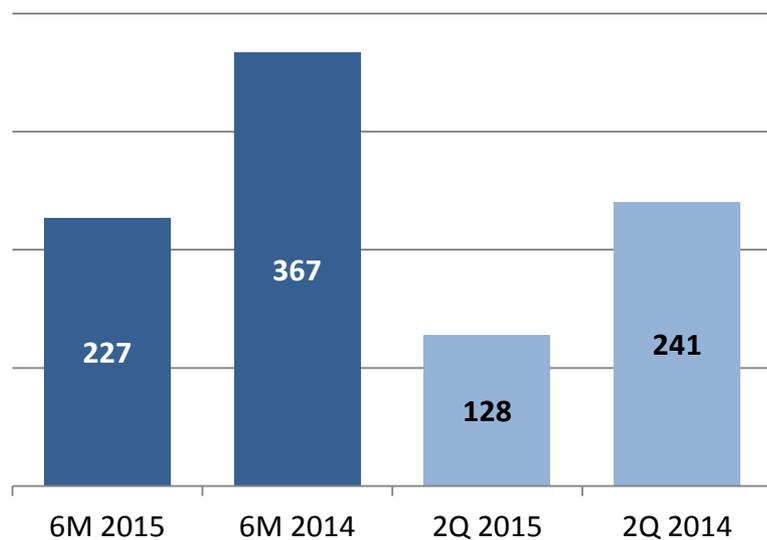
[m PLN]	6M 2015	6M 2014	2Q 2015	2Q 2014
Profit/loss before taxation	19,3	111,8	-22,4	44,3
Depreciation and amortization	183,3	179,5	91,3	91,0
Profit/loss on investing and financial activities	8,9	14,7	15,9	5,8
Changes in working capital	1,6	-18,2	112,1	38,5
Income tax	7,5	0,8	6,8	12,5
Purchase of EUA	-162,4	-107,5	-72,0	-50,8
Other	0,8	-0,5	2,2	-0,4
Net cash flow from operational activities	59,1	180,4	133,9	140,9
(inflows/outflows) of investments in property, plant and equipment and intangible assets	-250,8	-292,2	-131,0	-182,6
Other	-17,3	9,9	-12,3	11,4
Net cash flow from investing activities	-268,1	-282,3	-143,2	-171,2
Inflows of/ Payment of credits, loans, leases and securities	107,3	1,8	14,0	111,8
Dividend paid	0,3	-	0,3	-
Interest paid	-27,9	-26,6	-14,5	-17,0
Other	-1,3	31,2	1,9	31,6
Net cash flow from financial activities	78,5	6,4	1,6	126,4
Change in cash and cash equivalents	-130,6	-95,4	-7,7	96,0
Cash and cash equivalents at the beginning of the period	355,3	431,3	232,4	239,9
Cash and cash equivalents at the end of the period	224,7	335,9	224,7	335,9

CAPEX (non-current assets and intangible assets)

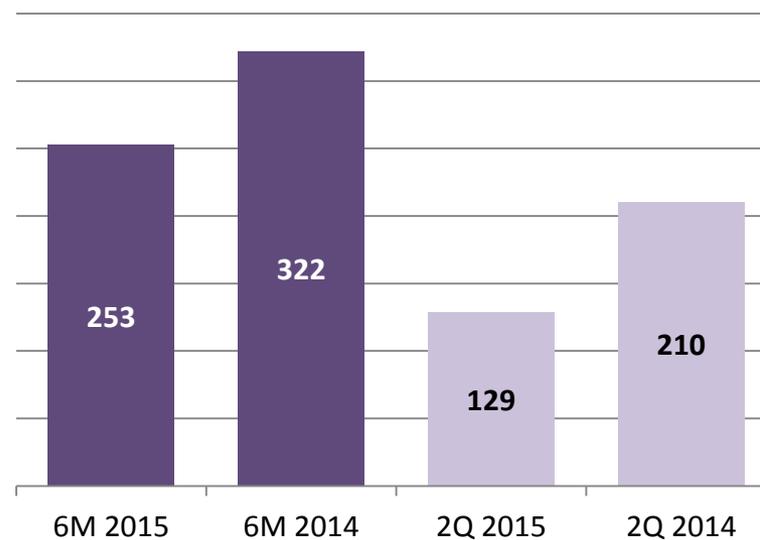
(excluding CO₂)



INVESTMENT [m PLN]



EXPENDITURE [m PLN]



Questions and Answers



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