

Gdańsk, 14 March 2016



Dear Investors,

In the past year Energa has faced numerous challenges. The changes transpiring in the market and regulatory environment required us to continue to look for new solutions to strengthen our competitive position.

The Energa Group's robust financial position has been confirmed by its performance in 2015. Compared to the previous year, the revenues generated were higher despite challenging market conditions; the result generated by Distribution Segment, the key segment from the point of view of the earnings generated, improved. This improvement results, among others, from higher demand for energy, lower network losses and higher connection fee revenues. The efforts expended by the Sales Segment also bore fruit in the form of higher earnings - they entailed constant work on our new product offering for clients and cost optimization, including property rights. On the other hand, the decline recorded in the Generation Segment caused primarily by extremely difficult hydrological conditions, market factors and smaller production associated with the overhaul of one of the power units in the Ostrołęka Power Plant exerted a negative impact.

The investment-grade ratings awarded by reputable institutions confirm Energa's robust market position. At the end of November the Fitch Ratings Agency upheld its long-term rating of "BBB" and in December the Moody's Agency upheld its rating of "Baa1". The outlook for both ratings is stable. In March of last year Energa SA's shares joined the WIG20 Index consisting of the largest and most liquid companies listed on the Warsaw Stock Exchange. We share our profits with our shareholders. We paid a dividend again last year equal to PLN 596 million, i.e. PLN 1.44 per share.

In 2015, Energa executed investments on plan involving the expansion and modernization of its distribution grid. These investments are accruing considerable benefits, as amply demonstrated by curtailing energy losses in transmission and enhancing the reliability of supply, meaning less frequent and shorter interruptions. The Group is developing the most sophisticated smart grid projects in Poland and it is the leader in installing electricity consumption smart meters without which it would not be possible to implement new solutions in the energy sector that are favorable to clients and the company, alike. This means that we can go further and implement pioneer projects such as Smart Toruń and the Living Lab in Gdynia. In 2015 we commissioned Poland's largest photovoltaic power plant and the final work related to the construction of a wind farm is in progress. In our investment policy we take into consideration the anticipated development of distributed generation and prosumer installations. At present, the highest number of renewable sources in Poland, including half of all the wind farms in Poland are connected to the Energa Group's grid.

More challenges await us. We are conducting a review of our investments and we are updating our strategy. The strategy's ultimate scope must incorporate the nation's economic policy and strategic energy security. The distribution of electricity will continue to be the prevalent and key area of the Group's business; maintaining a high percentage of renewable energy sources in the company's generation mix will also be an important tenet of this strategy, and this is something that sets us apart from other utility groups. We perceive extensive value in gradual evolution toward increasing generation



capacity in the Group and pursuing investments in this area more dynamically. We would like to attain this goal by growing the percentage contributed by highly-efficient co-generation, among others.

On behalf of the Energa SA Management Board I would like to extend my thanks to the employees of the entire Group for their considerable contribution to its development - without their support and commitment we would not be able to achieve our intended objectives. I would also like to thank our investors, clients and business partners for their trust. We will do our utmost not to fall short of your expectations.

Respectfully,

Dariusz Kaśków
CEO of ENERGA SA

