

Results for H1 2013 identify key directions of strategic operations

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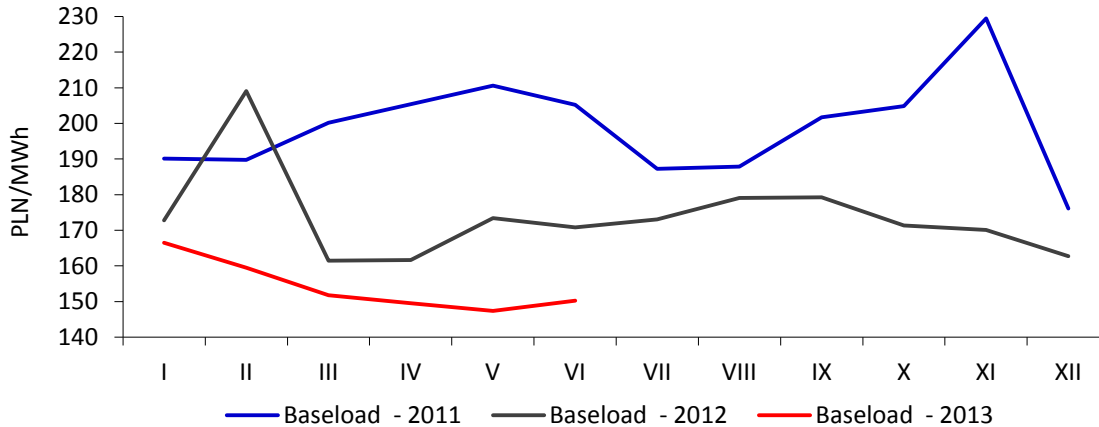
CEO

Current trends on the energy market
are a challenge for the sector and
ENEA CG



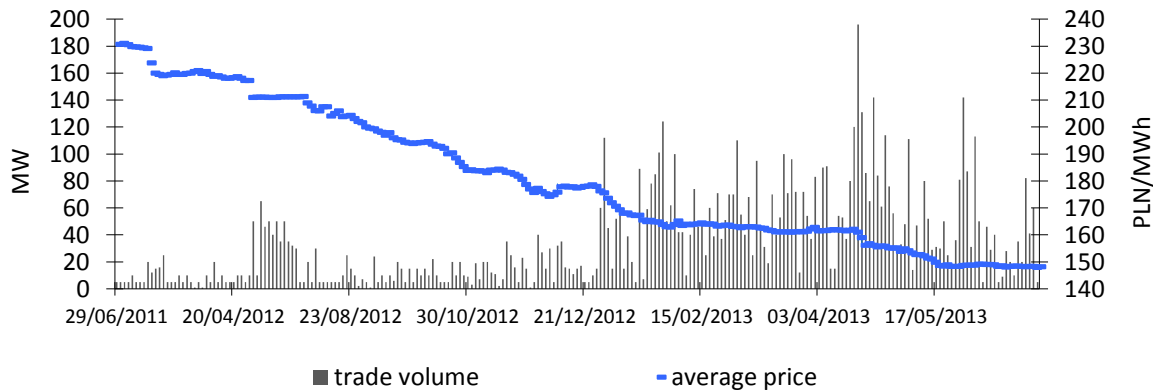
Energy prices have a key influence on the capabilities of the power sector

Average electricity prices on SPOT market on PPE [PLN/MWh]



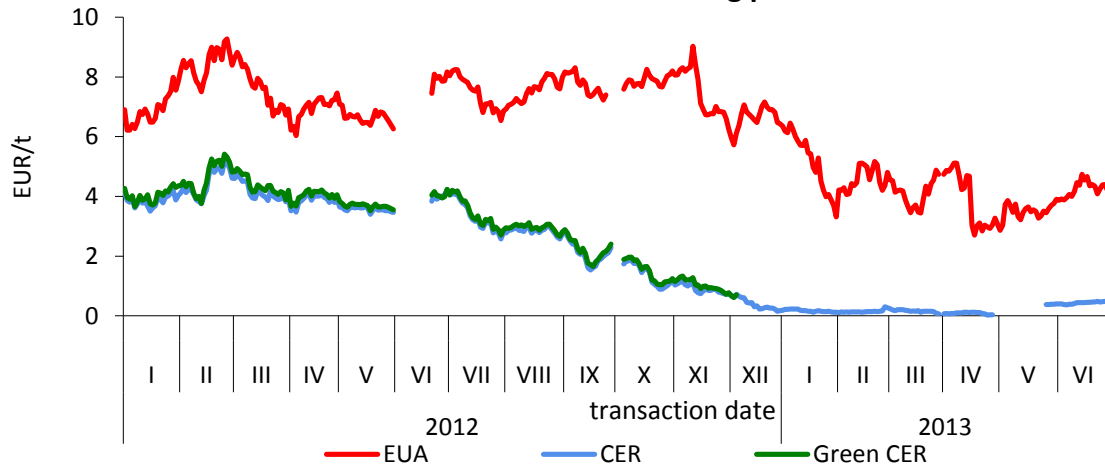
- Drop of average price of baseload yoy by 11.7%
- Slowdown of drops in electricity prices in May 2013
- Higher than in H1 2012 generation from wind sources
- Low prices of allowances for emissions of CO₂

Prices and transaction volumes – baseload for 2014

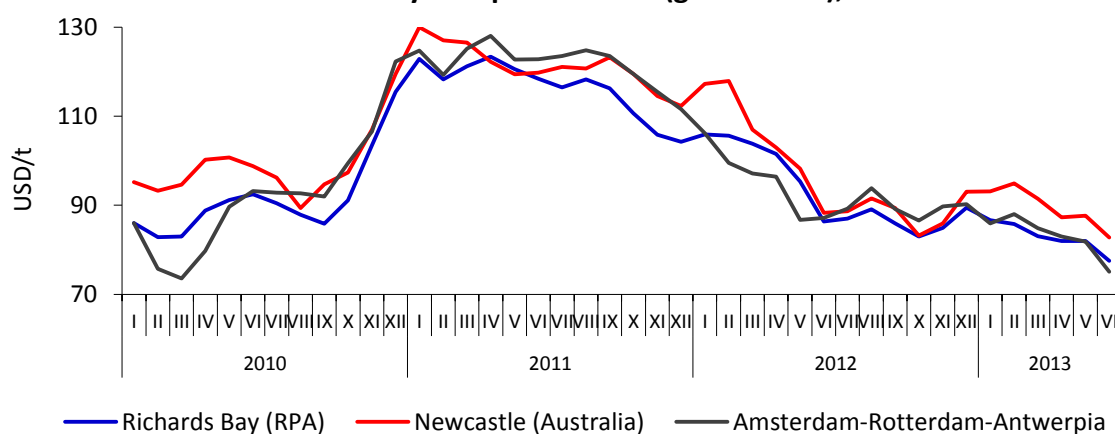


Decreasing prices of allowances for emissions of CO₂ and coal prices affect energy prices

Quotation of EUA and CER units - closing prices on SPOT market



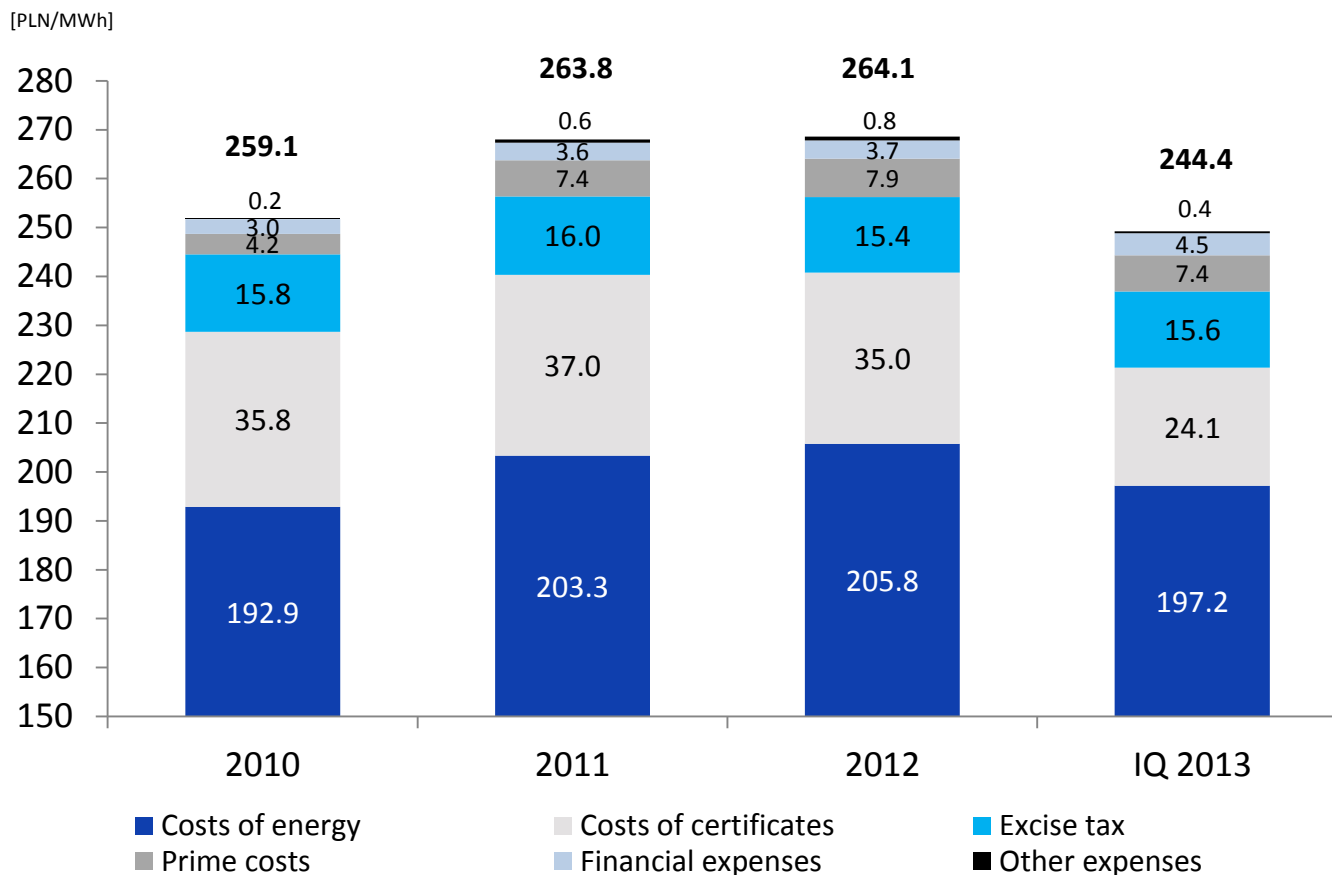
Monthly coal price indices (globalCOAL),



- Low prices of allowances for emissions of CO₂
- Great surplus of EUA in EU ETS
- EUA price fluctuations dependant on the atmosphere on the market and expectations regarding results of voting on backloading
- Increasing coal stocks in Polish mines
- Further drop in average price of coal on external markets
- Stagnation in the global economy results in decreasing demand for coal

Costs of energy purchase for end users decreased thanks to lower energy prices

Elements of a unit cost of sales of energy to end users in trading companies

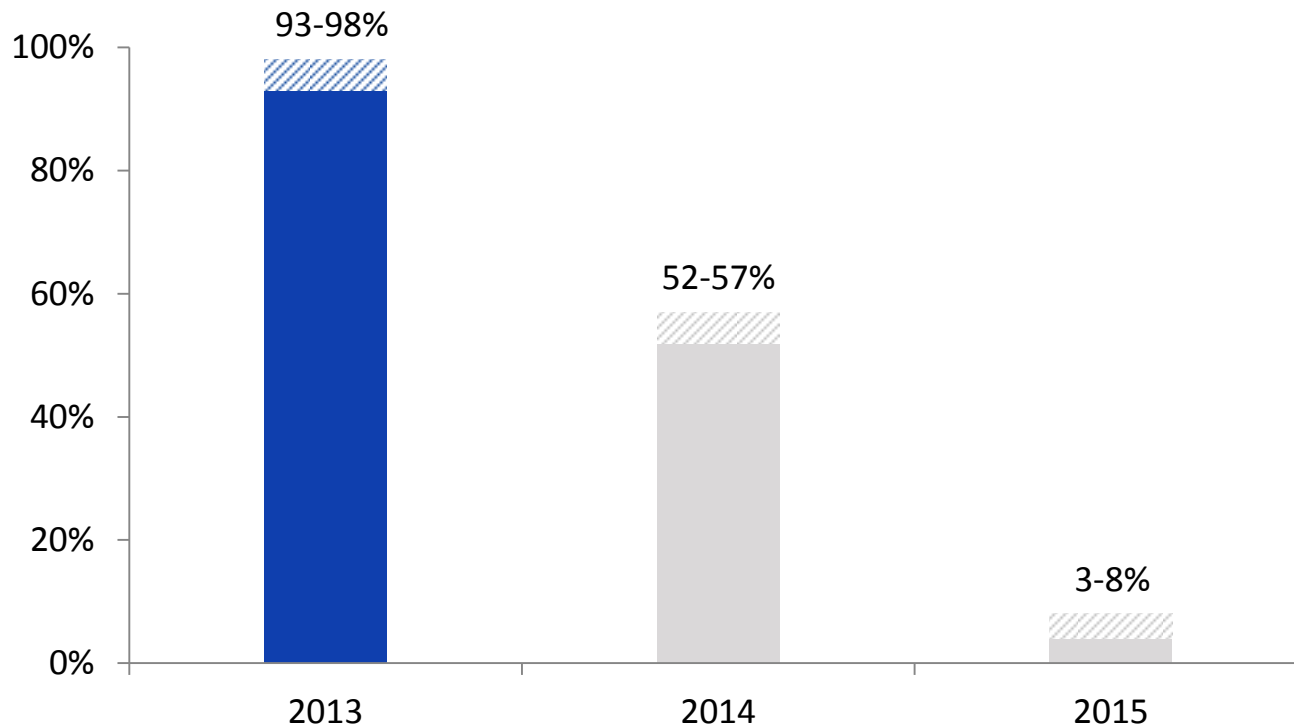


Generation from conventional sources increased in ENEA Capital Group

[TWh]	H1 2012	H1 2013	Change
Total energy generation, including:	5.46	5.98	9.5%
Conventional generation	5.01	5.54	10.6%
Production from RES	0.46	0.44	-4.3%

Significant part of volumes on generation was hedged

% of hedged electricity



	2013	2014	2015
Hedging prices	180 - 190 PLN/MWh	155 - 165 PLN/MWh	160 - 170 PLN/MWh

Dalida Gepfert

CFO

Financial results reflect current
situation on the energy market

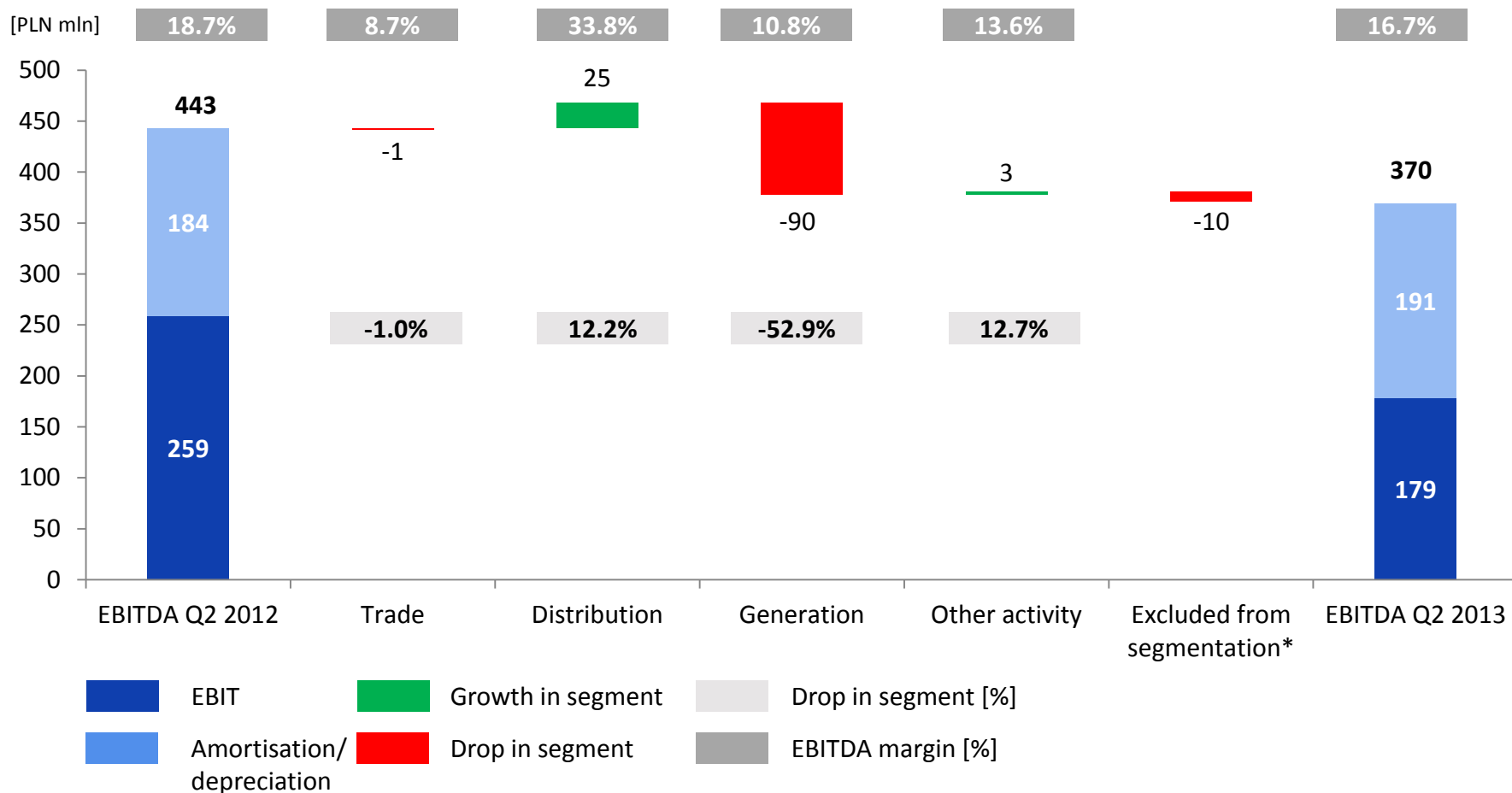


Financial results of ENEA CG are determined by the situation on the energy market

[PLN mln]	Q2 2012	Q2 2013	Change	H1 2012	H1 2013	Change
Net sales revenues	2 376.0	2 215.3	-6.8%	5 021.8	4 595.6	-8.5%
EBITDA	443.4	369.8	-16.6%	863.7	934.2	8.2%
Net profit	218.7	143.5	-34.4%	422.0	452.1	7.1%

Change of EBITDA in Q2 2013

- decrease in energy prices and certificates of origin



* Contains undistributed expenses of the whole Group and exclusions

EBITDA with division into segments in Q2 2013 demonstrates a difficult situation of electricity generators

[PLN mln]	Q2 2012	Q2 2013	Change
Trade	76.8	76.0	-1.0%

Segment of trade

- Result on a similar level yoy ✓

[PLN mln]	Q2 2012	Q2 2013	Change
Distribution	207.2	232.3	12.2%

Segment of distribution

- Growth of EBITDA by PLN 25.2 mln (12.2%) ✓
- Growth in sales of distribution by 0,4% ✓
- Lower segment costs by 4,7% ✓

[PLN mln]	Q2 2012	Q2 2013	Change
Generation	170.8	80.5	-52.9%

Segment of generation

Drop of EBITDA by PLN 90.3 mln

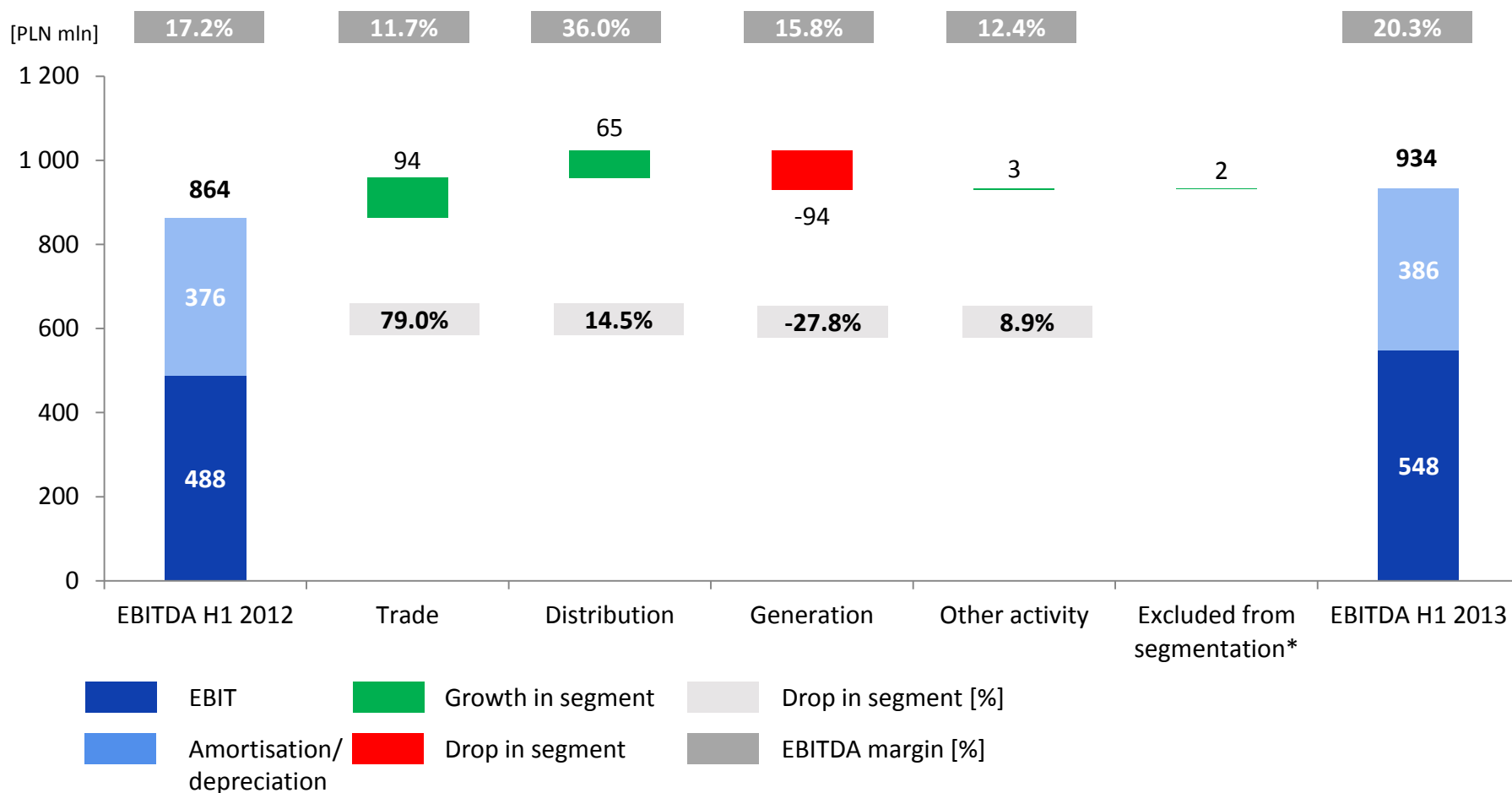
- Decrease in energy market prices by ca. 10%
- Decrease in market prices of certificates of origin by ca. 50%
- Lower allocation of allowances to CO₂ emissions

[PLN mln]	Q2 2012	Q2 2013	Change
Other activity	21.2	23.9	12.7%

Other activity

- Growth of EBITDA by PLN 2.7 mln (12.7%) ✓

Change of EBITDA in H1 2013 demonstrates ENEA CG's efficiency on a volatile market



* Contains undistributed expenses of the whole Group and exclusions

EBITDA with division into segments in H1 2013 demonstrates ENEA CG's efficiency on a volatile market

[PLN mln]	H1 2012	H1 2013	Change
Trade	119.1	213.1	79.0%

[PLN mln]	H1 2012	H1 2013	Change
Distribution	447.4	512.3	14.5%

[PLN mln]	H1 2012	H1 2013	Change
Generation	337.8	244.0	-27.8%

[PLN mln]	H1 2012	H1 2013	Change
Other activity	36.2	39.4	8.9%

Segment of trade

Growth of EBITDA by PLN 94.1 mln (79%) ✓

- Growth of first contribution margin ✓
on trade activity stems from:
 - decrease in the average purchase price by 8.4% ✓
 - maintaining average selling prices ✓

Segment of distribution

Growth of EBITDA by PLN 64.9 mln (14.5%) ✓

- Growth in sales of distribution services by 1.2% ✓
- Lower segment costs by 5% ✓

Segment of generation

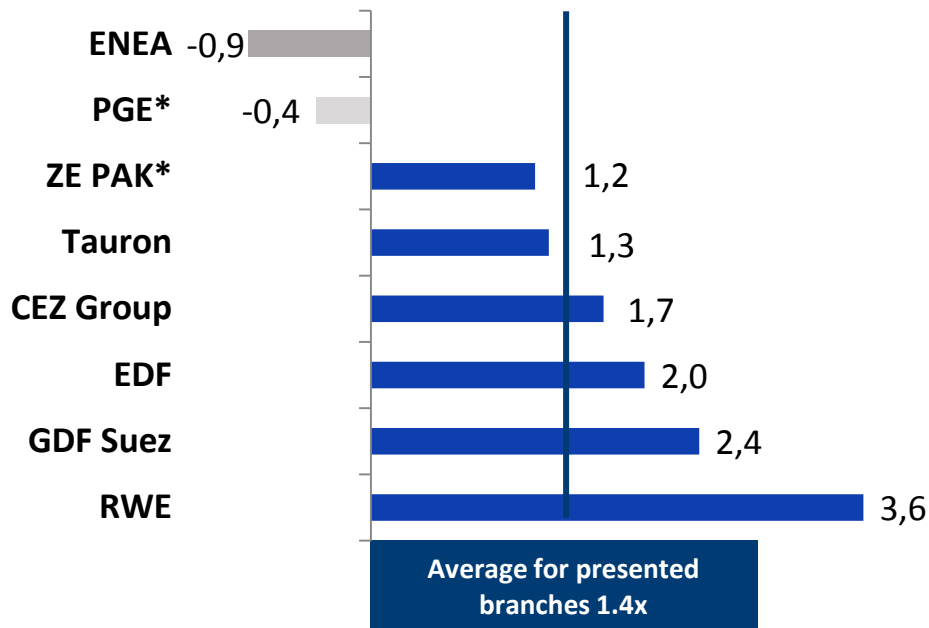
Drop of EBITDA by PLN 93.8 mln (27.8%)

- Decrease in energy market prices by ca. 10%
- Drop in revenues from certificates of origin by ca. 50%
- Lower allocation of allowances to CO₂ emissions

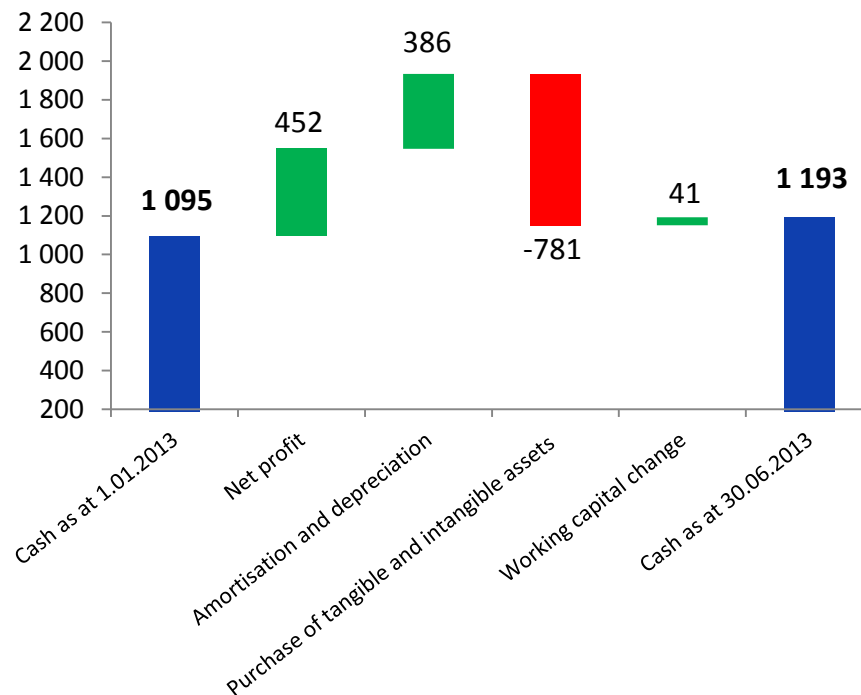
Other activity

Growth of EBITDA by PLN 3 mln (8.9%) ✓

ENEA CG is ready for investments - favourable value of net debt / LTM EBITDA ratio



- Low debt level
- Low debt cost
- Strong possibilities of further funding



* Data for Q1 because of the publication date of the report for H1 2013

Despite disadvantageous situation on the energy market ENEA CG generated good financial results in H1 2013



Fitch Ratings agency maintained the long term rating for ENEA on the level of BBB (on the international scale) and A (on the domestic scale) with a stable outlook.



Construction of unit No. 11 proceeds as planned



Operating CF improved by 39% to PLN 880 mln in H1 2013



Stable financial results



The Board of ENEA works over the adaptation of the Group and field strategies to a dynamically changing market situation

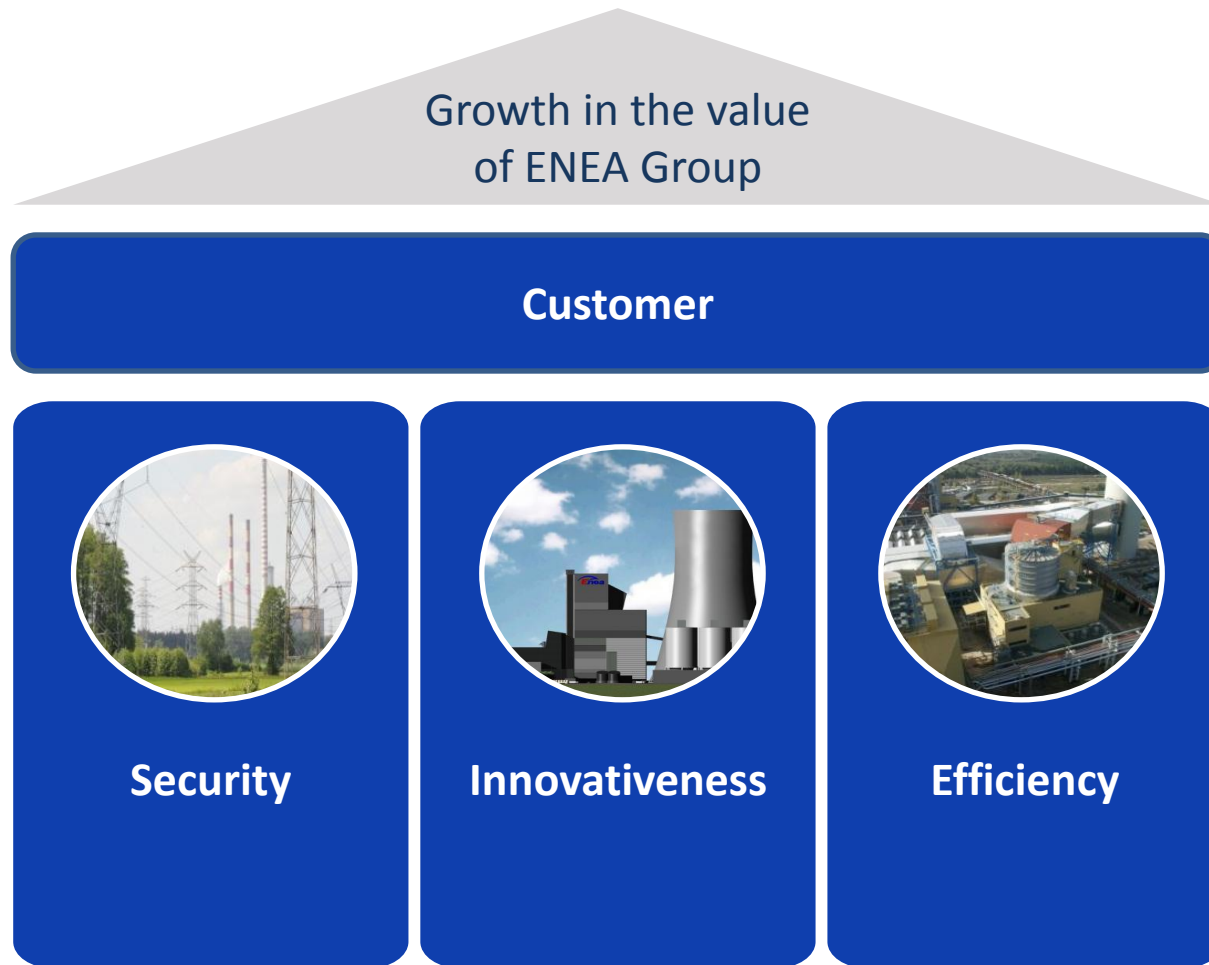
Krzysztof Zamasz

CEO

Identified directions of strategic activities
will enable strengthening the value
of ENEA CG



Identified directions of strategic activities will enable strengthening the value of ENEA CG



Paweł Orlof

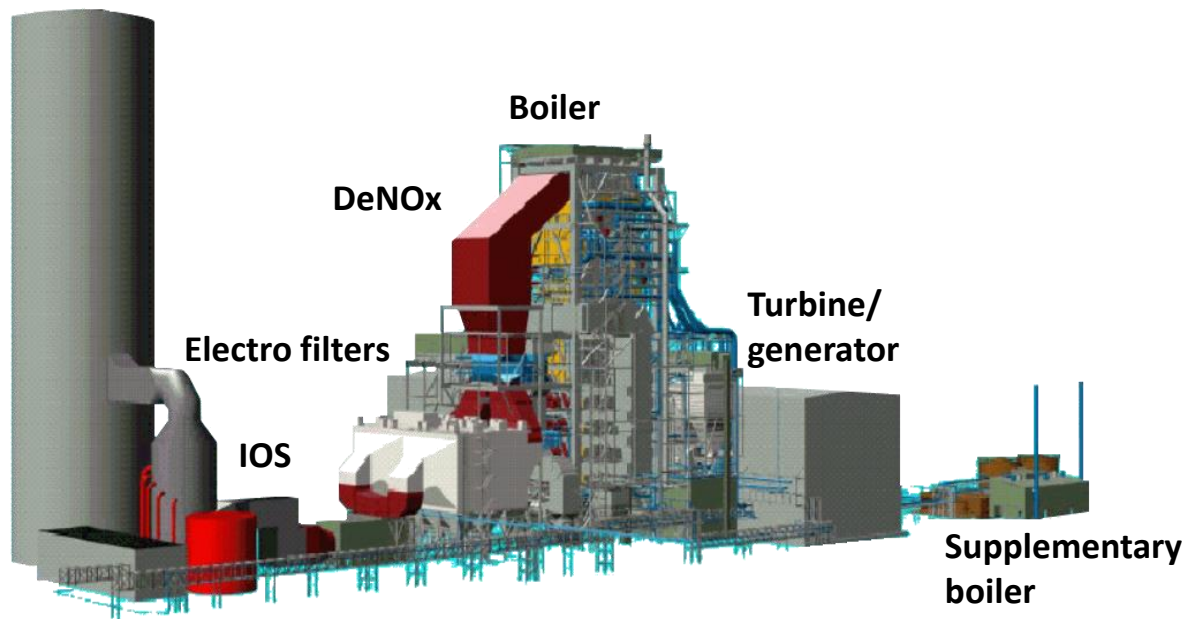
Member of the Management Board for Corporate Affairs

**New power unit in Kozenice will enhance
ENEA Group's capacities**



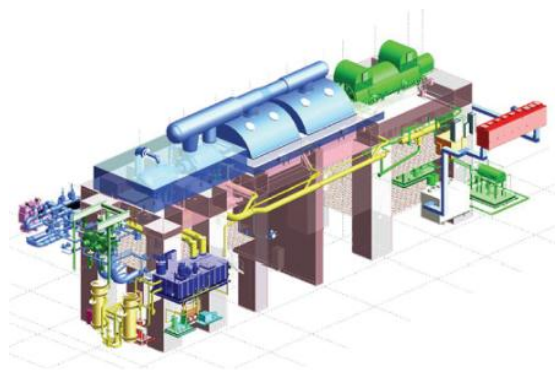
Power unit is designed in an innovative and highly efficient technology

Parametr	SPOT	Unit 11
Net efficiency	34.1%	45.59%
Availability	86.7%	> 92%
Availability	~5 948 h	8 000 h
NO _x emissions	500 mg/Nm ³	≤ 100 mg/Nm ³
SO ₂ emissions	400 -800 mg/Nm ³	≤ 100 mg/Nm ³
CO ₂ emissions	900 kg/MWh	<700 kg/MWh

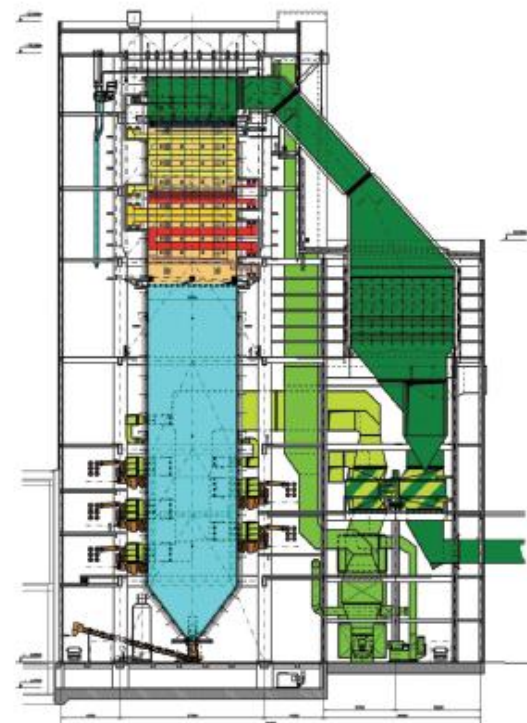


Power unit complies with EU's most rigid criteria of environmental protection

- NO_x emissions ≤100 mg/Nm³
- SO₂ emissions ≤100 mg/Nm³
- Use of combustion by-products (gypsum, ash, slag)



39 m. total length of turbine set



93 m. boiler height

Works over the construction of the new unit are on schedule

Current physical state of the project realisation:

Approval of the construction design and obtaining a building permit for the unit construction

✓

Conclusion of a long-term agreement with LW Bogdanka for coal supplies for the unit

✓

Obtaining a connection agreement to KSE (Public Power System)

✓

Conclusion of a programme agreement relating to bond issue programme

✓

Conclusion of an insurance agreement for the construction of the power unit

✓

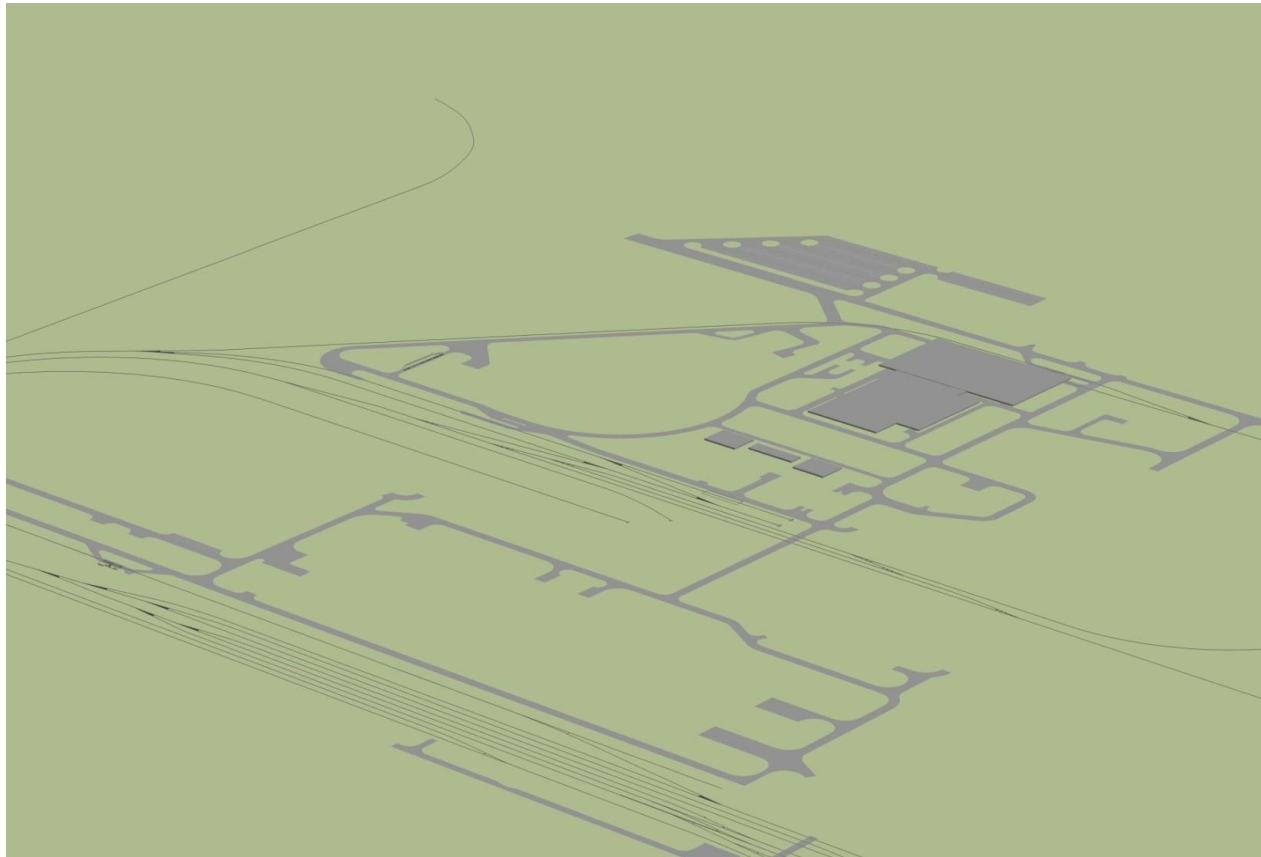
Selection of contract engineer

✓

Closing of funding

✓

On the turn of 2013/2014 - excavations and foundation works

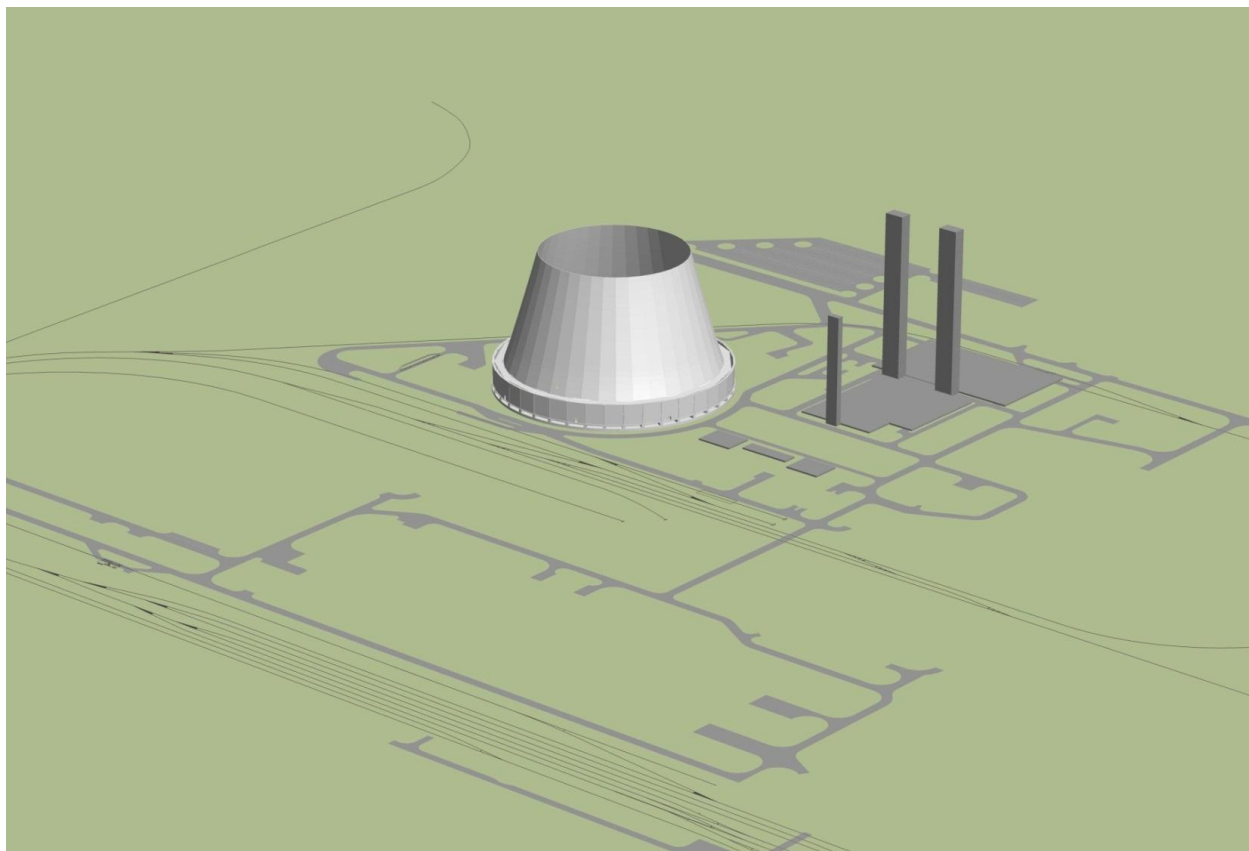


2008

2013/2014

2017

In 2014 - construction of an evaporating tower and main boiler structure

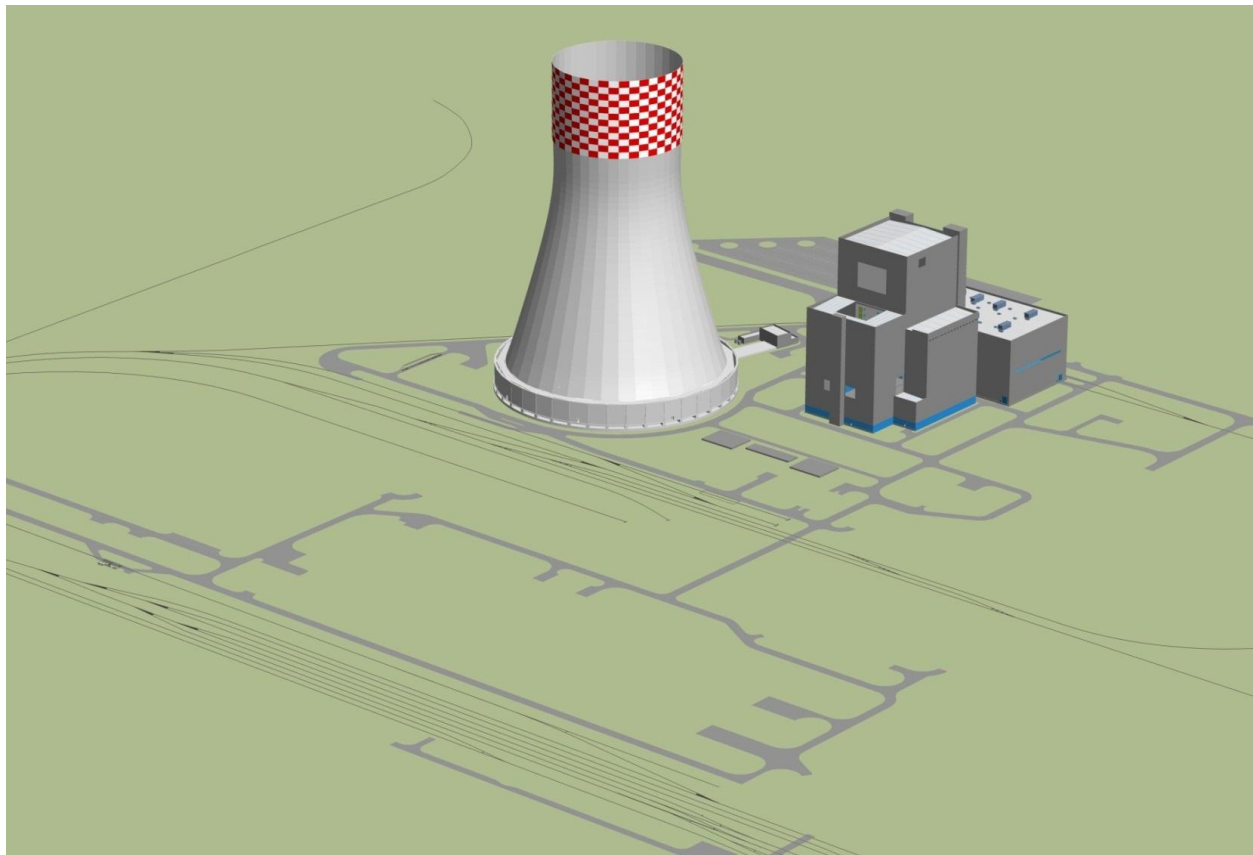


2008

2014

2017

On the turn of 2014/2015 - evaporating tower, boiler and engine room steel structure

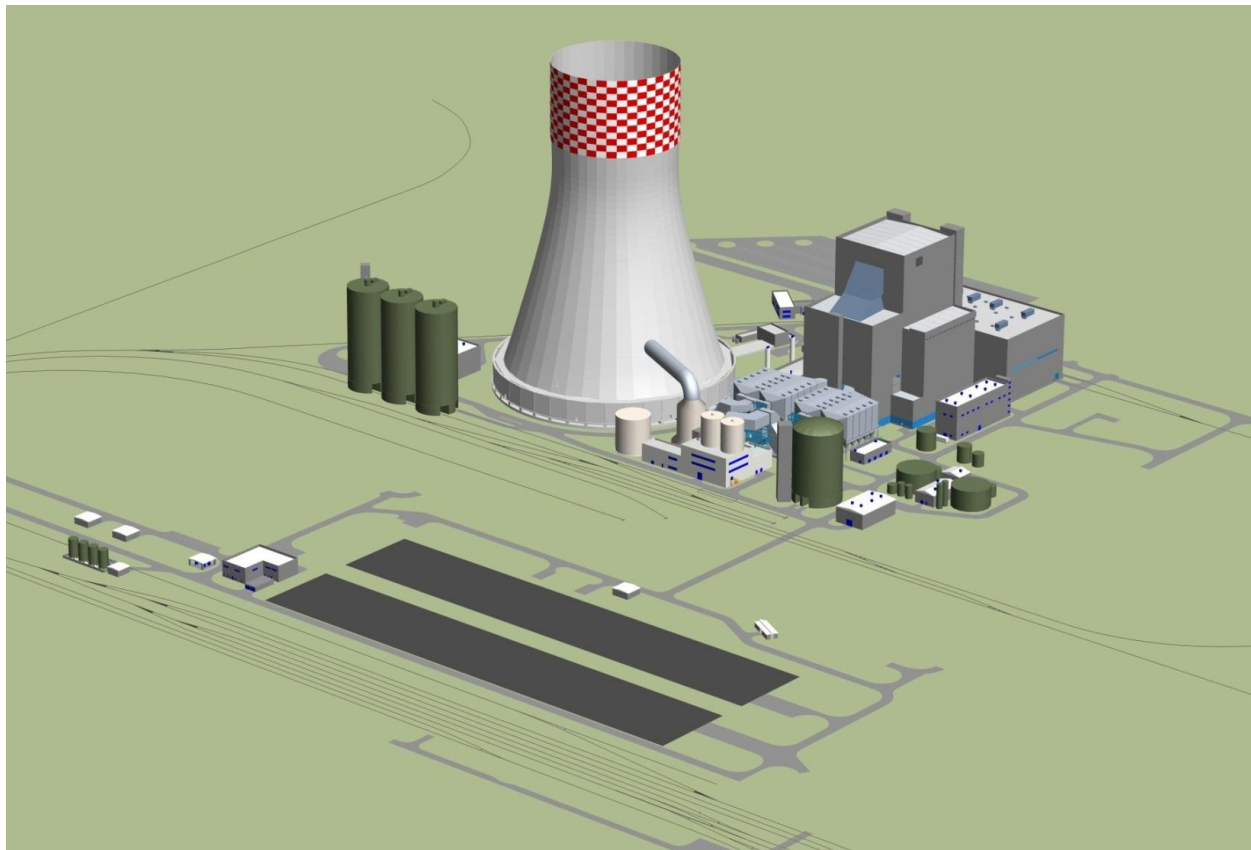


2008

2014/2015

2017

During 2015-2017 - air quality control systems, carburising site, out-of-unit management and electrical part



2008

2015

2017

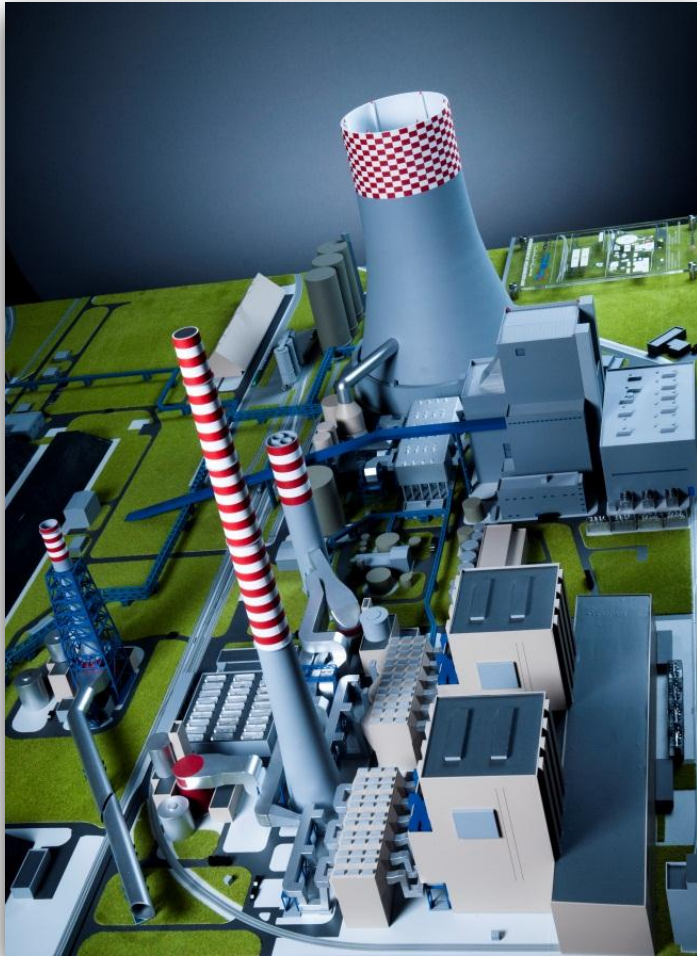
On the turn of 2016/2017 - start-up and test run



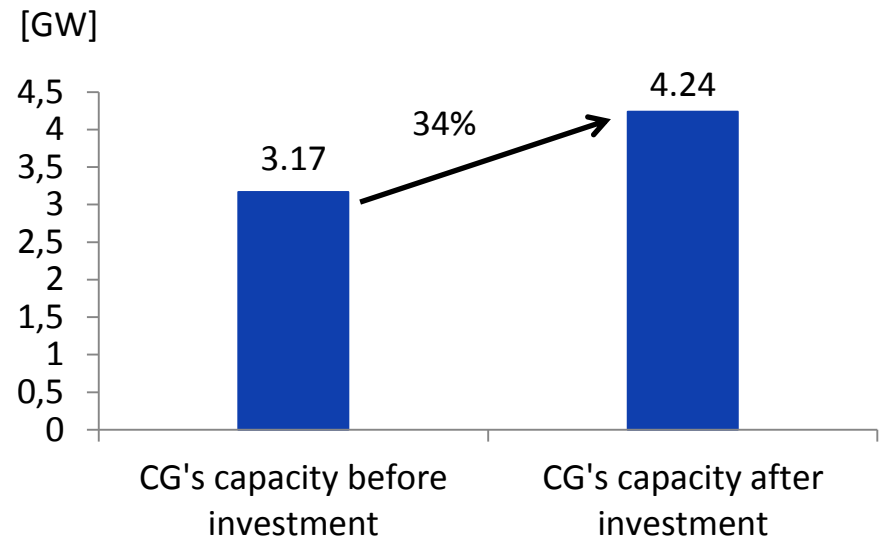
2008

2016/2017

Investment will considerably increase ENEA's capacities



The most modern generating unit in Poland



Investment is important for the region development



Labour market development:

- 2,500 workers constructing the new unit
- around 200 people operating the new unit



Development of urban infrastructure:

- hotel and restaurant base
- service sector in the region of the power plant



Investment is important for development of Poland



- Maintaining energy security of the Polish Power System
- Continuity of energy supplies to over 2.4 mln Customers, including Warsaw agglomeration
- Balancing power in relation to unstable RES sources

The new unit in Kozenice is an important investment in the Polish power sector



Uses highly efficient and innovative technology



Works are precisely planned and realised in a timely fashion



Investment is important for the development of ENEA Group, region and Poland



Results for H1 2013 identify
key directions of strategic operations

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