



Enea Group is changing for Customers

Q1 2015

Agenda

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Energy market and key operating data

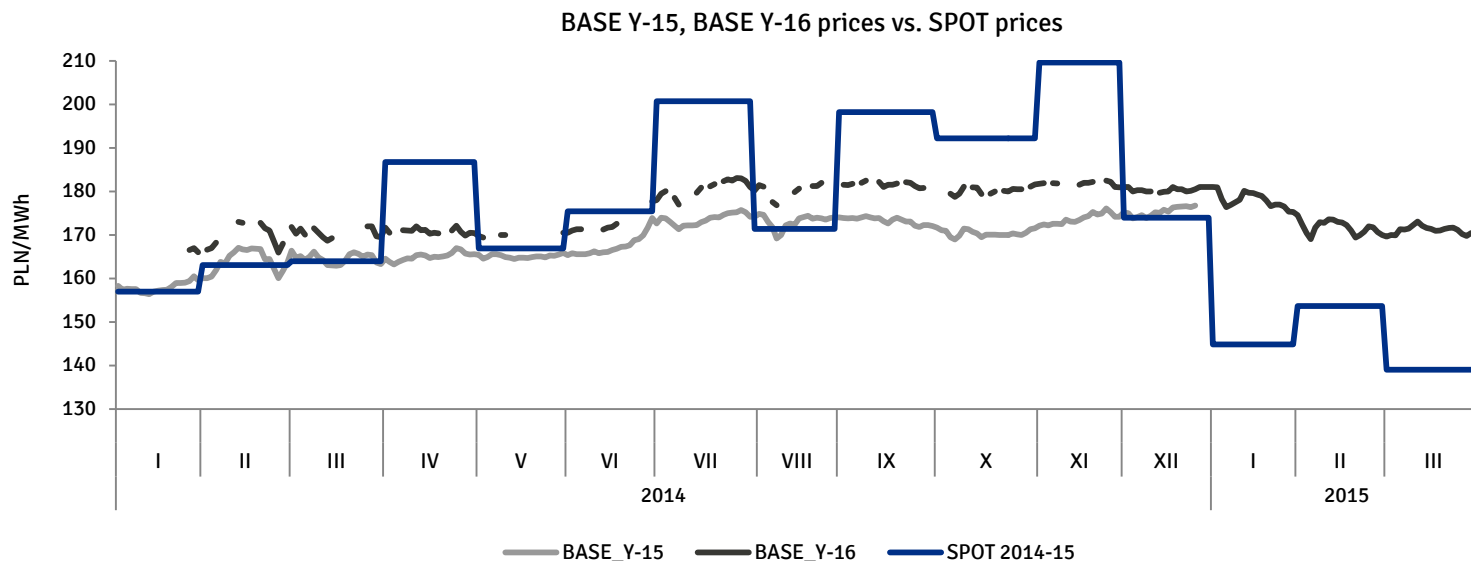
Enea CG's financial results in Q1 2015

Enea Group invests and grows for Customers



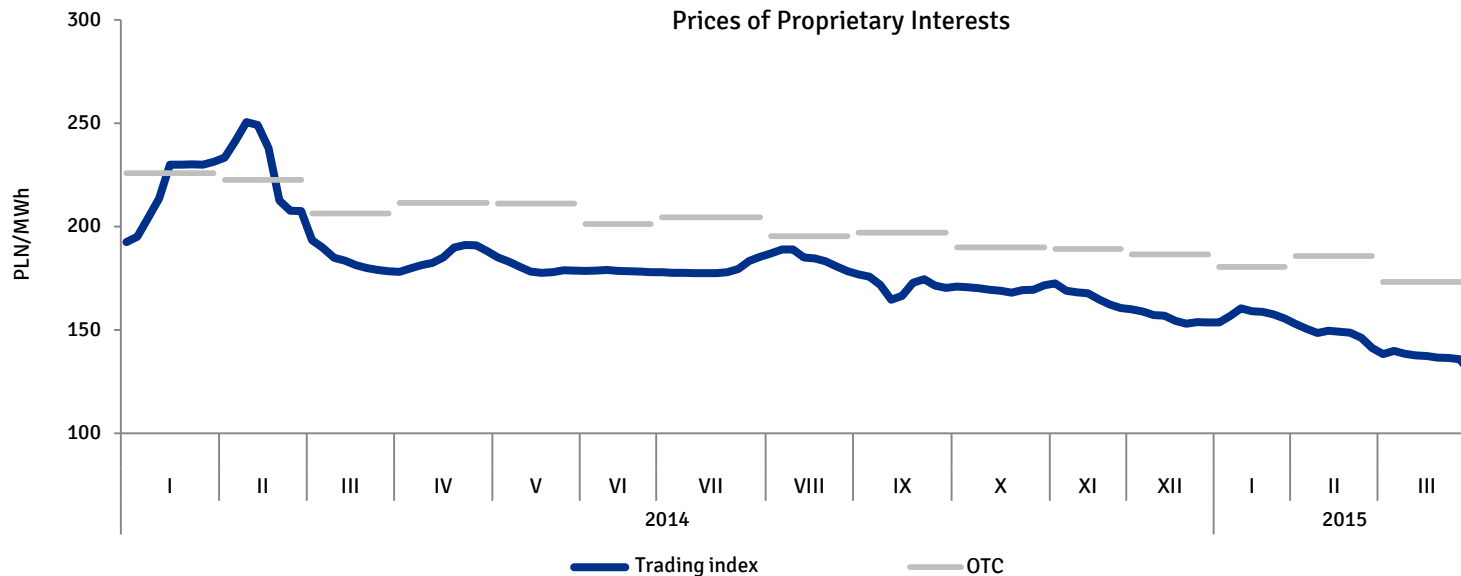
**Enea Group holds a stronger and stronger position
on a difficult energy market**

Energy prices are under pressure of unfavourable market environment



- Lower average price of baseload in Q1 by 9.7% yoy
- SPOT market was influenced by:
 - relatively high level of power available for OTSs
 - high level of wind generation
 - mild winter
 - high level of market participants' contracting
- Baseload price for 2016 dropped from 181 PLN/MWh at the beginning of January to slightly below 170 PLN/MWh at the end of March
- Decreases in electricity prices stemmed from:
 - difficult situation on fuel market reflected in low coal prices
 - planned increases in capacity in wind power plants
 - planned growth in possibilities of importing energy to Poland in conjunction with low energy prices on foreign markets

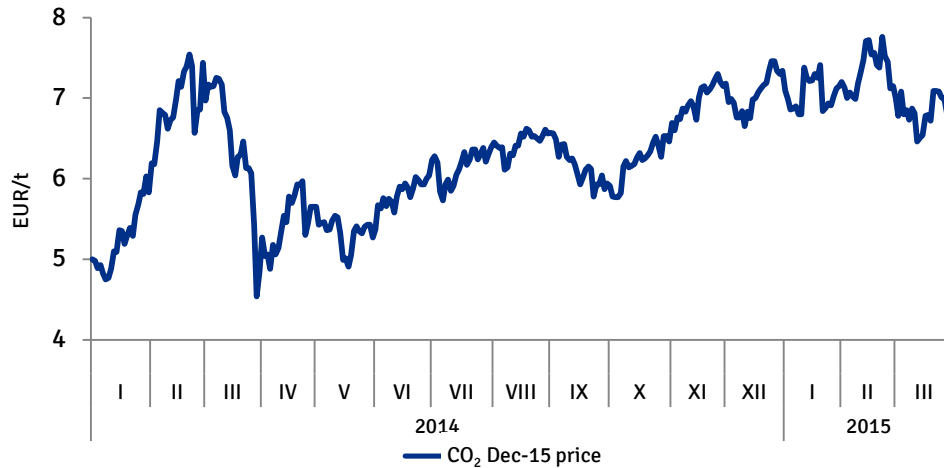
Prices of proprietary interests are changing in a downward trend



- The changes in the prices of PMOZE_A in Q1 2015 were affected mainly by:
 - legislative works over the RES act
 - growing surplus of allowances in the register resulting from an intensive issue of certificates of origin by ERO - in Q1 almost 7 TWh allowances entered the market which resulted in the estimated growth in the oversupply of allowances to 17 TWh (as at 31 March 2015)
- In Q1 the average weighted value of the index dropped by 9.2% amounting to 147.63 PLN/MWh
- Currently, there are no fundamental grounds for the situation to improve on the PMOZE_A market

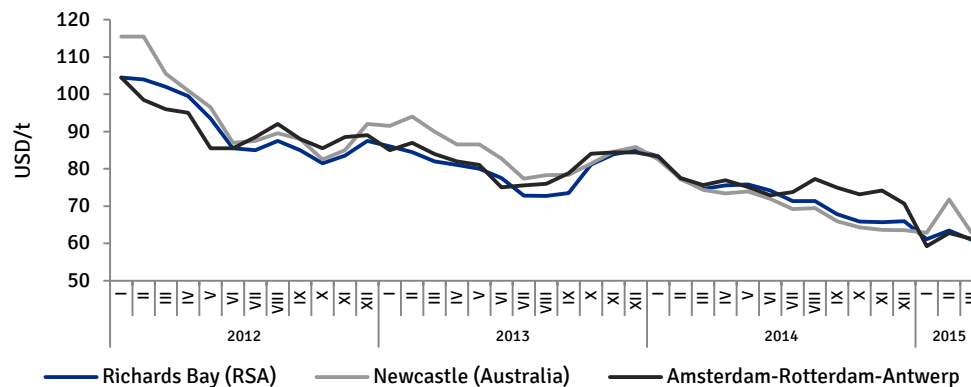
Global prices of coal decrease invariably

EUA price



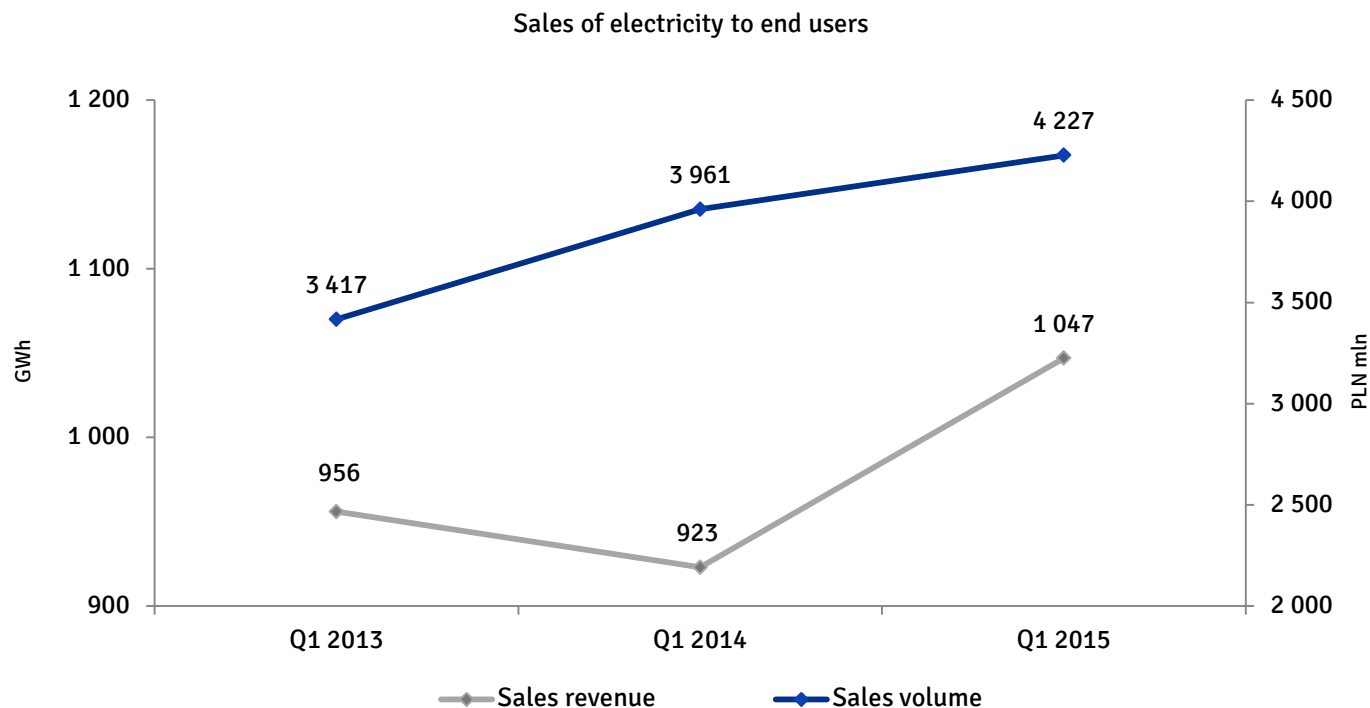
- The emission allowance market was affected by:
 - fundamental factors - a significant oversupply of allowances on the market
 - activities performed on the European Union's political scene, mainly as regards the market stabilisation reserve (MSR)
- EUA allowance price on the forward market with delivery in December 2015 dropped by 1.7% in Q1 2015

Monthly indices of coal prices (globalCOAL)



- Upholding the downturn trend of coal prices on foreign markets
- Prices reported at the end of Q1 2015:
 - Amsterdam-Rotterdam-Antwerp: 61.20 USD/t
 - Richards Bay: 60.95 USD/t
 - Newcastle: 62.87 USD/t

In Q1 2015 we continued the reconstruction of the electricity sales portfolio



In Q1 2015, due to alternative activities in the area of trade Enea Group increased the volumes of electricity sold to retail users by 7% and revenue from sales of energy - by over 13%

In Q1 2015 Enea Group produced almost 3 TWh energy

[GWh]	Q1 2014	Q1 2015	Change
Total generation of energy, including:	3 142	2 963	-5.7%
Conventional generation	2 866	2 692	-6.1%
RES generation	276	271	-1.8%



Conventional generation - lower volumes of energy sales stemming from a drop in energy market prices



Generation from RES - low flows in rivers resulting from unfavourable hydrological conditions in Q1 2015

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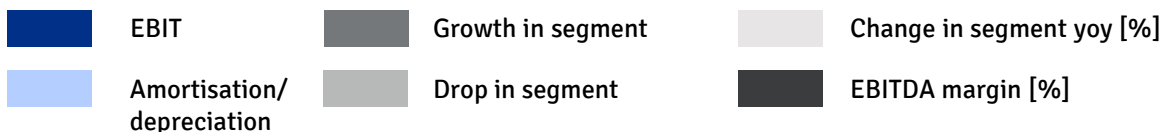
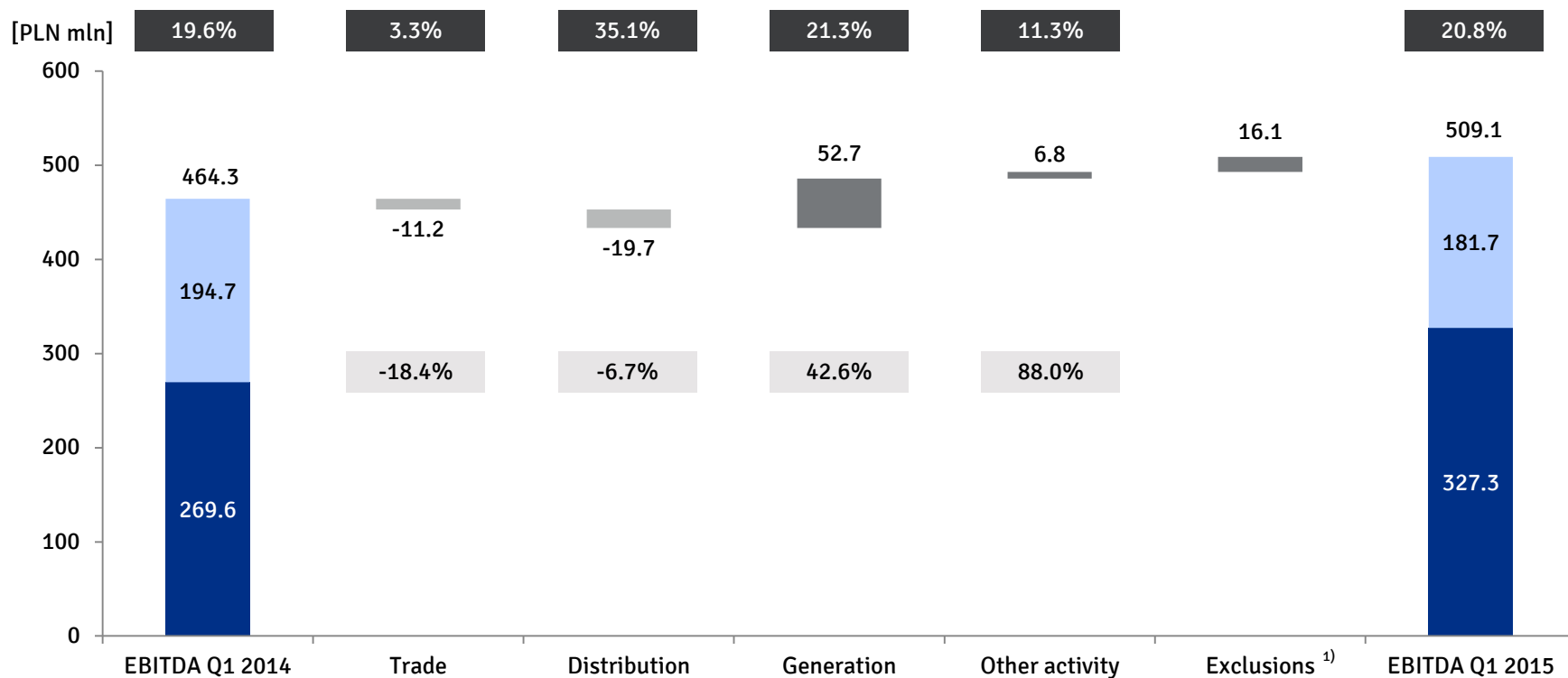


**A consistently realised reconstruction of the Group
allows for a regular improvement in financial results**

Enea Group improved financial results in Q1 2015

[PLN mln]	Q1 2014	Q1 2015	Change
Net sales revenue	2 373.7	2 446.4	+3.1% ✓
EBITDA	464.3	509.1	+9.6% ✓
Net profit	211.7	265.3	+25.4% ✓
Net debt/EBITDA	-0.36	0.69	1.04

In Q1 2015 Enea Group reported the highest EBITDA on distribution, and the greatest growth in EBITDA result on generation



¹⁾ Includes undistributed expenses of the whole Group and exclusions

In Q1 2015 Enea Group reported the highest EBITDA on distribution, and the greatest growth in EBITDA result on generation

[PLN mln]	Q1 2014	Q1 2015	Change
Trade	61.1	49.9	-18.4%

Segment of trade

Drop of EBITDA by PLN 11.2 mln (18.4%)

- higher volumes of sales of electricity to retail customers by 266 GWh with average selling price higher by 6.3% ✓
- lower volumes of electricity sold in the wholesale trading by 887 GWh
- higher average purchase price of energy by 12%
- higher costs of ecological and cogeneration obligations by PLN 52 mln

[PLN mln]	Q1 2014	Q1 2015	Change
Distribution	292.5	272.8	-6.7%

Segment of distribution

Drop of EBITDA by PLN 19.7 mln (6.7%)

- higher volumes of sales of distribution services to end users by 94 GWh with concurrently higher fees in 2015 Tariff vs. 2014 Tariff by 2.5% ✓
- employment and exploitation process optimisation ✓
- recognition in Q1 2014 of the final settlement of electricity purchases for covering the book-tax difference relating to 2013 (PLN 32 mln)
- higher costs of legal regulations relating to the grid assets (by PLN 11.7 mln) and lower revenue from removal of collisions on grid assets (by PLN 7 mln)

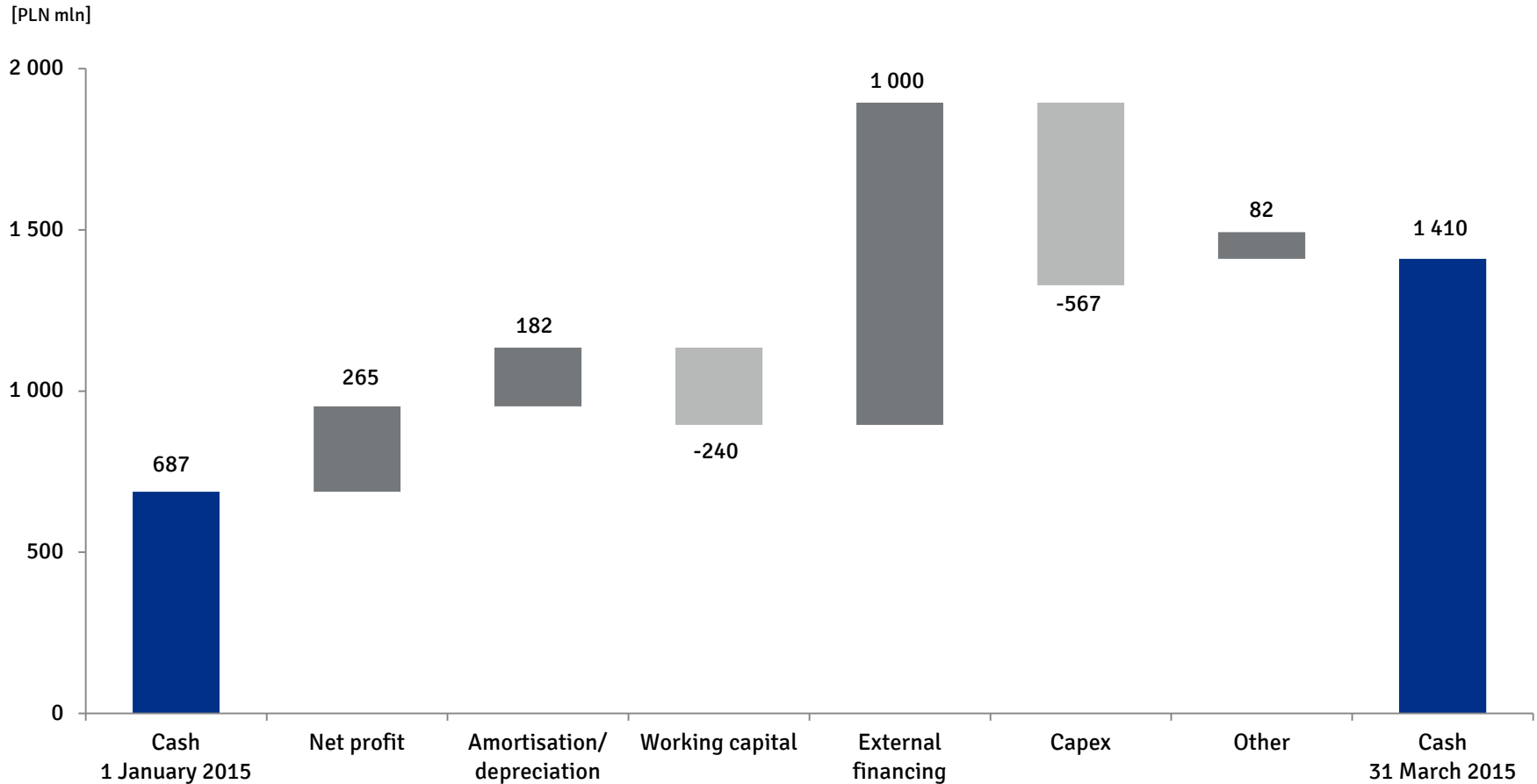
[PLN mln]	Q1 2014	Q1 2015	Change
Generation	123.7	176.4	42.6%

Segment of generation

Increase of EBITDA by PLN 52.7 mln (42.6%)

- higher margin on trade and balancing market (by PLN 20 mln) and margin on generation (by PLN 19 mln) ✓
- higher volumes of sales of heat energy ✓

In February, we successfully performed the issue of the first series of bonds totalling to PLN 1 billion



Enea Group generated good quarterly financial results in the difficult market environment



Enea CG's financial results above market expectations



Higher level of margins generated in Q1 2015:



EBIT margin grew yoy by 2.2 p.p. to 13.4%



EBITA margin grew yoy by 1.4 p.p. to 20.8%




Net profitability grew yoy by 1.9 p.p. to 10.8%



Debut of the Company's corporate bonds totalling to PLN 1 billion on Catalyst market

**Enea Group has been consistently realising an ambitious investment programme
- in Q1 2015 the Group's CAPEX amounted to PLN 597 mln (growth by 86% yoy)
with a low value of net debt/EBITDA ratio totalling to 0.7**

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Enea Group invests and grows for Customers

Enea Group, as the first one, will obtain benefits from new generating capacities

Investments completed in Q1 2015

-  Modernisation of unit No. 7 in Kozenice
-  Assembly of 6 kV switching station for IOS IV in Kozenice
-  Completion of the flue gases denitrification installation - SCR for 200 MW unit No. 7 in Kozenice
-  Completion of the construction of the heat recovery installation from K6 boiler's flue gases in Białystok
-  Completion of the construction of a gaseous cogeneration unit in Piła









1,075 MW unit - tasks completed in Q1 2015

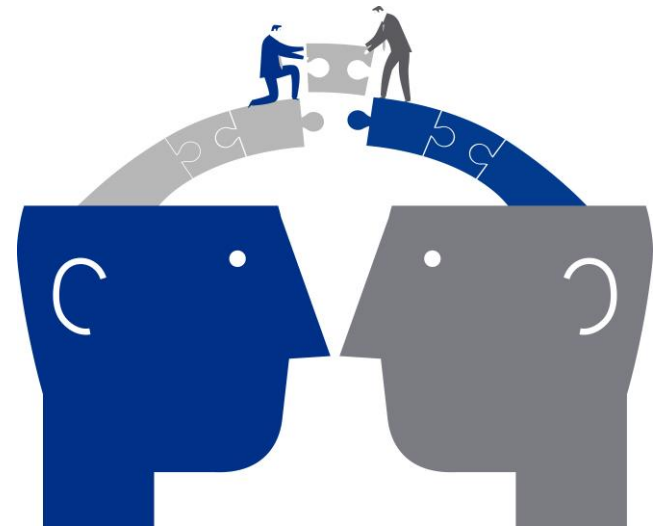
-  Performance of the main steel structure of engine room building
-  Performance of the post and beam skeleton for electrical devices building
-  Installation of four coal bunkers
-  Delivery of: feeding water tank and pumps, low-speed and high-speed heaters
-  Generator start-up trials at producer's



Enea becomes a modern and efficient energy company





Initiatives completed in Q1 2015

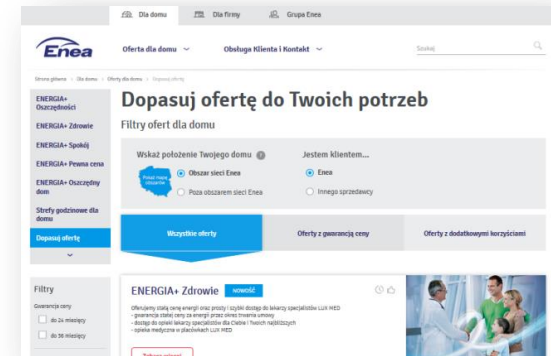
-  Launching sales of products by Call Centre
-  Completion of works over the new website
-  Implementation of a central billing system
-  Development of gaseous fuel sales on the wholesale and retail markets
-  Commencement of sales within GDA-C
-  Development of custom, structured origination products
-  Extension of the trading system and implementation of advanced IT tools supporting the trading functions
-  Modernisation and extension of power grid



The Group develops a uniform economic body under Enea brand

Initiatives completed in Q1 2015

-  Standardisation of companies' names: name of "Enea" + an element describing the scope of operations
-  Logotype refreshment - underlining the brand professionalism and making the Group's image more modern
-  Launching the new internet portal designed with the thought of the comfort of existing and future Customers
-  Standardisation of trade marks of the Group companies – all companies (except Enea Operator) use the Enea's logotype



Enea introduces new attractive products

Initiatives completed in Q1 2015



Introduction of new products for individual Customers:

- ENERGY+ Health
- ENERGY+ Peace of Mind
- ENERGY+ Fixed Price



Development of the platform for the promotion of new products and services - energiaplus.pl - promotional actions:

- ENERGY+ Power of Prizes
- ENERGY+ Power of Excitements



Development of the product and service range for business Customers:

- New product: "Enea INDEX DIMINISHING OPTION"
- Building relations based on the dedicated offer - "Always cheaper+"

The image displays three promotional posters for Enea's 'ENERGIA+' products. The top poster, 'ENERGIA+ Pewna cena', features a lightbulb with a '3 lata' (3 years) tag and a red banner stating 'Ceny trzymamy zamknięte!' (Prices are locked!). The middle poster, 'ENERGIA+ Spokój', shows a couple on a beach with a red banner saying 'Nawet 600 zł od ENEA!' (Even 600 zł from ENEA!). The bottom poster, 'ENERGIA+ Moc nagród', has a blue background with 'ROK ENERGII ZA DARMO!' (Year of Energy for Free!) and a red banner for 'Wielka loteria!' (Big lottery!). Each poster includes the Enea logo and website information.

In 2015 Enea Group implements next initiatives



Growth in the value of Enea Group

Key initiatives planned for 2015

- Introduction of new bundle products
- Launching sales within GDA-C in the whole of Poland
- Completion of the central billing system implementation
- Launching new channels of Customer Service - e-CSC, e-Invoice
- Launching the e-commerce platform
- CSC network optimisation
- Opening new CSCs
- Developing origination product operations
- Entry into foreign energy markets - EEX and EPEX SPOT
- Developing prop-trading operations
- Integration of the sales and hedging portfolio management
- Dynamic development of gaseous fuel sales
- Continuation of the construction of the unit No. 11
- Modernisation of generating units
- Construction of installations limiting emissions of SO₂, NO_x and dust
- Developing and modernising the distribution network
- Management Information Model
- Further non-core companies restructuring



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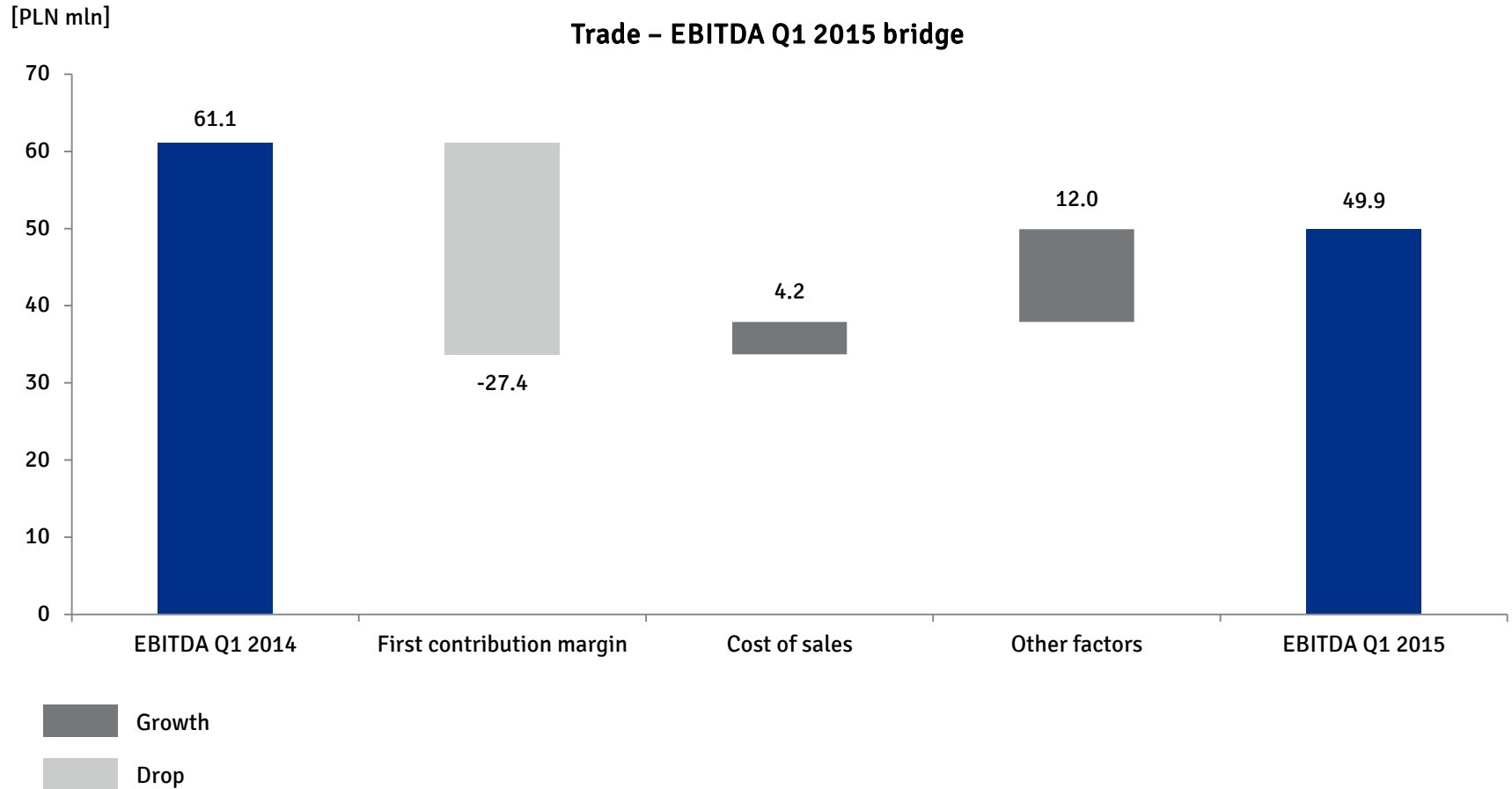
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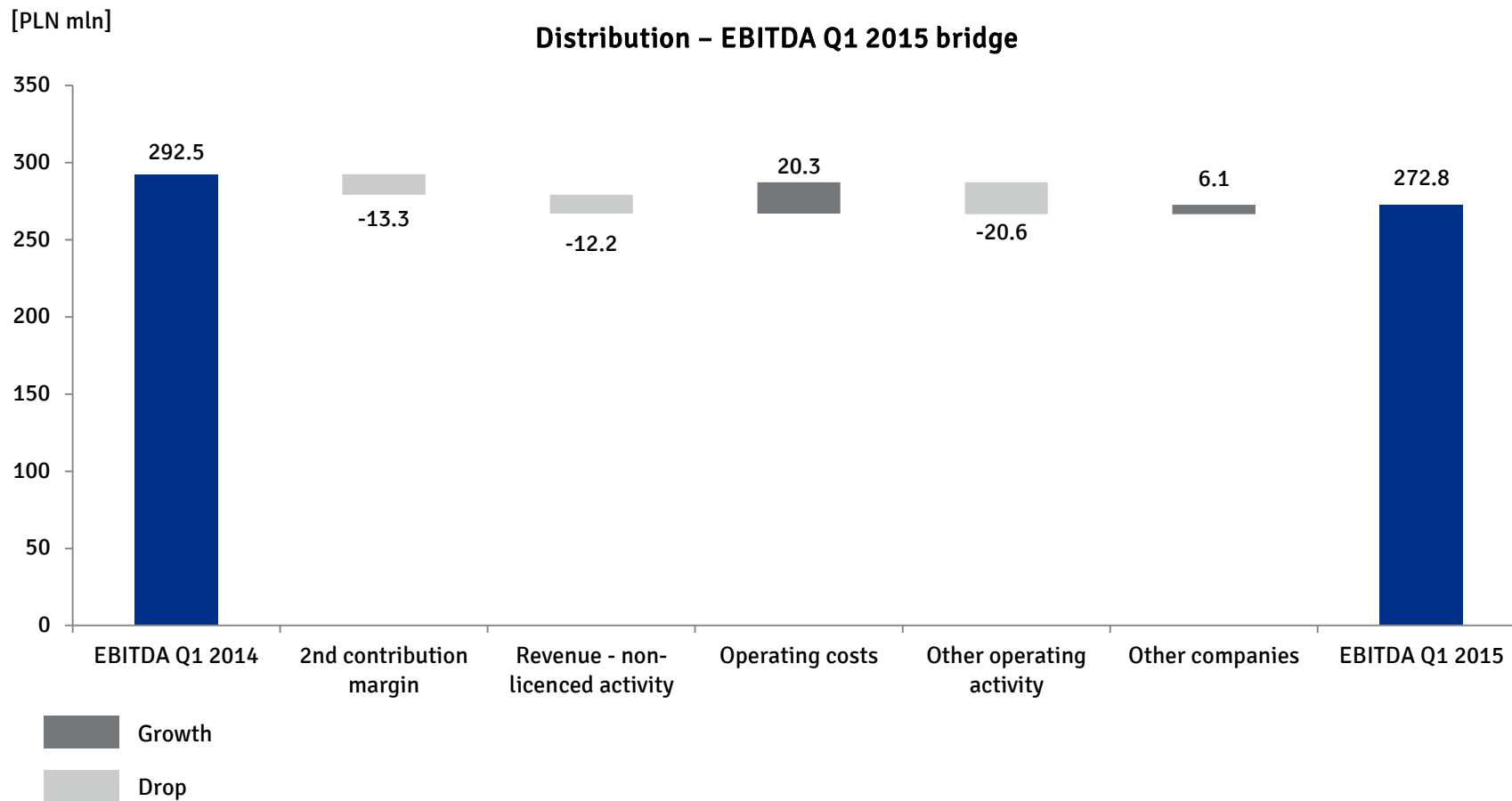


Additional information

Attachment No. 1 – Lower first contribution margin charged the results of the segment of trade in Q1 2015



Attachment No. 2 – High base Q1 2014 (settlement of the purchase of electricity for covering the book-tax difference relating to 2013) and growth in the costs of legal regulations under grid assets affected lower EBITDA on distribution yoy



Attachment No. 3 - Higher margin on trade, balancing market and margin on generation and higher revenue in the area of heat affected higher EBITDA in the segment of generation in Q1 2015

