

Details of the webcast from the meeting with CEO & CFO
November 8, 2017 (Wednesday), 10.00 AM CET

Link to the webcast: www.gkpge.pl/en
Questions for Q&A session allowed via email: pgeresults@gkpge.pl

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Financials: positive dynamics of operating and financial results

Generation: Q3 slightly influenced by periodic overhaul of "858" lignite unit, growth in 9M

CAPEX: Opole project above 86% of progress – contractor notice on possible shifts in commissioning

EDF update: fulfilled conditions precedent the conditional agreement, closing on November 13

- Group 9M EBITDA of PLN 6.11 bn (+28% y/y); Group recurring 9M EBITDA of PLN 4.89 bn (+11% y/y)
- Generation in 9M with +6% y/y growth of volumes, lignite volumes approx. 10% higher y/y
- Update from construction sites: overall progress in Opole above 86% - General Contractor notified us on change of the investment realization schedule, Turów with over 40% of completed construction works, ongoing modernisations
- Last condition precedent the conditional agreement fulfilled – purchase of EDF assets in Poland to be closed soon

EBITDA boosted mostly on LTC settlement, recurring result supported by lignite-fired generation

Reported 9M EBITDA shaped by LTC final settlement - final adjustment of + PLN 1.2 bn. Recurring result grew mainly on operating performance of conventional volumes and very good results of Supply and Distribution segments. Increase in Conventional Generation mostly due to higher generation volumes in lignite despite the periodic overhaul of "858" unit in Bełchatów power plant in Q3. Volumes from lignite higher by approx. 10% y/y. Overall cumulative generation grew to 41.46 TWh (+6% y/y) in 9M. Reflection in recurring EBITDA of Conventional Generation of PLN 4 889 m (+6% y/y). Change of trading model and low prices of green certificates supported margins realised by Supply segment – EBITDA grew over the year by 92% to PLN 614 m. Distribution with growing volumes of distributed electricity and reduced network losses – 9M EBITDA stands at PLN 1.8 bn (+7% y/y).

CAPEX: Opole schedule under analysis, further milestones in other projects and modernisations

Overall progress of works at Opole II project exceeded 86%. Regardless the ongoing construction, the General Contractor presented us a preliminary proposal for the new commissioning dates of both units. The schedule proposed by the contractor assumes postponing of planned commissioning by 5 months (unit 5) and 4 months (unit 6). PGE analyses the submitted documentation and in parallel talks with the General Contractor about the optimal schedule.

Progress of construction works in Turów exceeded 40% – ongoing works around the cooling tower - targeted height to be reached in Q4 2017.

Distribution infrastructure - new power station in the area of Warsaw suburbs along with modernised power grid will enable the connection of new facilities in this rapidly developing region. Individual and business clients will certainly benefit from this investment.

Approaching closing of EDF transaction

Q3 intensive works aiming at successful completion of the acquisition of EDF assets in Poland. The deal will close on November 13. At the end of October all conditions precedent to the transaction fulfilled. Acquisition of EDF assets is a strategic investment, not only for the Group. It means the security of supply, especially heat, to Polish homes. It is also the expression of PGE's environmental responsibility. By investing in district heating PGE will contribute to the improvement of air quality in Polish cities.

November 7, 2017

Key Financials

PLNm	Q3 2017	Q3 2016	y/y [%]	9M 2017	9M 2016	y/y [%]
Sales	6 073	6 897	-12%	16 693	20 563	-19%
Sales recurring*	4 862	6 766	-28%	15 482	20 179	-23%
EBITDA	2 663	1 643	62%	6 108	4 786	28%
EBITDA recurring**	1 523	1 520	0%	4 889	4 401	11%
EBIT	1 883	895	110%	3 815	1 847	107%
EBIT recurring**	780	805	-3%	2 675	2 302	16%
Net profit (to equity)	1 463	656	123%	2 960	1 202	146%
Net profit (to equity) ex. Impairments ***	1 493	682	119%	3 024	1 949	55%

*adjusted for LTC compensations, **one-off items summary presented at pg. 22 of 9M'17 presentation, ***adjusted for net impairments only

EBITDA by segments

PLNm	Q3 2017	Q3 2016	y/y [%]	9M 2017	9M 2016	y/y [%]
Conventional Generation	1 789	878	104%	3 401	2 446	39%
Renewables	70	51	37%	239	256	-7%
Distribution	585	568	3%	1807	1685	7%
Supply	192	112	71%	614	320	92%

EBIT by segments

PLNm	Q3 2017	Q3 2016	y/y [%]	9M 2017	9M 2016	y/y [%]
Conventional Generation	1 378	500	176%	2 233	1 415	58%
Renewables	4	-13	-131%	41	-733	-106%
Distribution	297	289	3%	939	846	11%
Supply	185	105	76%	594	300	98%

Key operating data

TWh	Q3 2017	Q3 2016	y/y [%]	9M 2017	9M 2016	y/y [%]
Net Generation Volume	13,58	13,62	0%	41,46	39,04	6%
Sales on the Wholesale Market	4,72	15,27	-69%	15,52	43,39	-64%
Sales to End-users	9,93	10,48	-5%	29,73	31,94	-7%
Electricity Distribution Volume	8,7	8,52	2%	26,2	25,43	3%

Electricity generation by source

TWh	Q3 2017	Q3 2016	y/y [%]	9M 2017	9M 2016	y/y [%]
Lignite-fired power plants	9,83	10,3	-5%	29,76	27,15	10%
Hard coal-fired power plants	3,02	2,6	16%	7,83	8,07	-3%
Coal-fired CHPs	0,08	0,09	-11%	0,6	0,62	-3%
Gas-fired CHPs	0,23	0,19	21%	1,69	1,5	13%
Biomass-fired CHPs	0,04	0,13	-69%	0,14	0,37	-62%
Pumped-storage	0,08	0,06	33%	0,26	0,32	-19%
Hydro	0,07	0,07	0%	0,33	0,31	6%
Wind	0,23	0,18	28%	0,85	0,7	21%
TOTAL	13,58	13,62	0%	41,46	39,04	6%
Renewable generation	0,38	0,48	-21%	1,42	1,66	-14%
incl. biomass co-combustion	0,04	0,1	-60%	0,1	0,28	-64%

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