
Details of the webcast from the meeting with CEO & CFO

August 9, 2017 (Wednesday), 10.00 AM CEST

Link to the webcast: www.gkpge.pl/en

Questions for Q&A session allowed via email: pgeresults@gkpge.pl

Investor relations contact:

Jakub Frejlich, Head of IR

tel.: +48-22-340-1032

mob: +48-695-883-902

e: jakub.frejlich@gkpge.pl

Financials: Continued sound operational performance drove EBITDA result

Generation: Growing volumes from lignite – higher utilisation of brown coal in the system

CAPEX: Opole II with above 80% of overall progress, further milestones of Turów project

Heating: Conditional contract for the purchase of local EDF assets

- Group H1 EBITDA of PLN 3.45 bn (+10% y/y); Group recurring H1 EBITDA of PLN 3.37 bn (+17% y/y)
- Generation with +10% y/y growth of volumes, lignite volumes approx. 20% higher y/y
- Update from construction sites: overall progress in Opole exceeding 80%, Turów with over 30% of completed construction works
- Purchase of EDF assets in Poland conditional under approval of appropriate authorities

Solid EBITDA boosted mostly by lignite-fired generation

H1 EBITDA shaped mainly by operating performance of conventional volumes and very good results of Supply and Distribution segments. Continued effect of the completion of comprehensive modernization in Bełchatów power plant – volumes from lignite approx. 20% higher than a year ago along with higher usage of PGE lignite fired assets in the system. Overall H1 generation growth of 27.9 TWh (+10% y/y). Reflection in recurring EBITDA of Conventional Generation of PLN 1 533 m (+17% y/y). Revised retail strategy with the main focus on margin and low property right redemption costs (mainly green certificates) doubled over the year the result of Supply Segment with EBITDA of PLN 422 m.

CAPEX: Further milestones achieved

Overall progress of works at Opole II project exceeded 80% - approaching start-up run phase of the unit 5, within the unit 6 the assembly of the turboset is continued. Completed technological start-up run of equipment of the greatest task accompanying the investment - water treatment plant to be commissioned by the end of August this year.

Progress of construction works in Turów exceeded 30 percent - first components of the turboset already delivered on the building site. Ongoing construction of the cooling tower shell.

Distribution infrastructure - final phase of smart metering implementation in Łódź and Augustów and further modernisations of existing assets along with further connection of new off-takers.

Plans for the development of heating business

Conditional agreement to acquire EDF assets in Poland signed in the second half of May. Transaction to be completed upon the approvals of the Antimonopoly Office and the Minister of Energy. Thanks to the independent acquisition of 8 CHP plants in the biggest Polish agglomerations along with heating network and Rybnik power station, PGE Group will strengthen its leading position on the Polish electricity market and will become the largest supplier of the system heat. Ongoing works on PGE strategy for district heating and cogeneration in Poland.

August 8, 2017

Key Financials

PLNm	Q2 2017	Q2 2016	y/y [%]	H1 2017	H1 2016	y/y [%]
Sales	4 879	6 533	-25%	10 620	13 666	-22%
Sales recurring*	4 879	6 410	-24%	10 620	13 413	-21%
EBITDA	1 497	1 321	13%	3 445	3 143	10%
EBITDA recurring**	1 486	1 318	13%	3 366	2 881	17%
EBIT	731	-171	n.a.	1 932	952	103%
EBIT recurring**	755	624	21%	1 895	1 497	27%
Net profit (to equity)	533	-324	n.a.	1 497	546	174%
Net profit (to equity) ex. Impairments ***	561	389	44%	1 531	1 267	21%

*adjusted for LTC compensations, **one-off items summary presented at pg. 22 of H1'17 presentation, ***adjusted for net impairments only

EBITDA by segments

PLNm	Q2 2017	Q2 2016	y/y [%]	H1 2017	H1 2016	y/y [%]
Conventional Generation	620	568	9%	1 612	1 568	3%
Renewables	78	91	-14%	169	205	-18%
Distribution	604	562	7%	1 222	1 117	9%
Supply	179	69	159%	422	208	103%

EBIT by segments

PLNm	Q2 2017	Q2 2016	y/y [%]	H1 2017	H1 2016	y/y [%]
Conventional Generation	225	235	-4%	855	915	-7%
Renewables	12	-769	n.a.	37	-720	n.a.
Distribution	316	284	11%	642	557	15%
Supply	172	63	173%	409	195	110%

Key operating data

TWh	Q2 2017	Q2 2016	y/y [%]	H1 2017	H1 2016	y/y [%]
Net Generation Volume	12,88	12,26	5%	27,88	25,42	10%
Sales on the Wholesale Market	4,51	13,85	-67%	10,80	28,12	-62%
Sales to End-users	9,74	10,75	-9%	19,80	21,46	-8%
Electricity Distribution Volume	8,54	8,27	3%	17,50	16,91	4%

Electricity generation by source

TWh	Q2 2017	Q2 2016	y/y [%]	H1 2017	H1 2016	y/y [%]
Lignite-fired power plants	9,36	8,35	12%	19,93	16,85	18%
Hard coal-fired power plants	2,30	2,73	-16%	4,81	5,47	-12%
Coal-fired CHPs	0,14	0,14	0%	0,52	0,53	-2%
Gas-fired CHPs	0,51	0,51	0%	1,46	1,31	11%
Biomass-fired CHPs	0,05	0,12	-58%	0,10	0,24	-58%
Pumped-storage	0,08	0,08	0%	0,18	0,26	-31%
Hydro	0,14	0,11	27%	0,26	0,24	8%
Wind	0,30	0,22	36%	0,62	0,52	19%
TOTAL	12,88	12,26	5%	27,88	25,42	10%
Renewable generation	0,51	0,54	-6%	1,04	1,18	-12%
incl. biomass co-combustion	0,02	0,09	-78%	0,06	0,18	-67%

Details of the webcast from the meeting with CEO

August 9, 2017 (Wednesday), 10.00 AM CEST

Link to the webcast: www.gkpge.pl/en

Questions for Q&A session allowed via email: pgeresults@gkpge.pl

Further information:

Jakub Frejlich, Head of IR

tel: +48-22-340-1032

mob: +48-695-883-902

e: jakub.frejlich@gkpge.pl