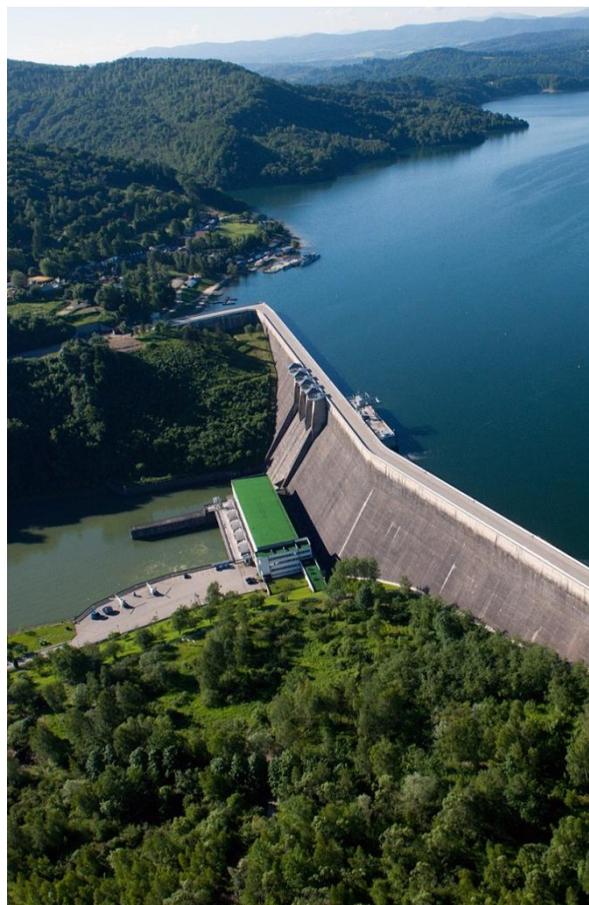


August 28, 2013



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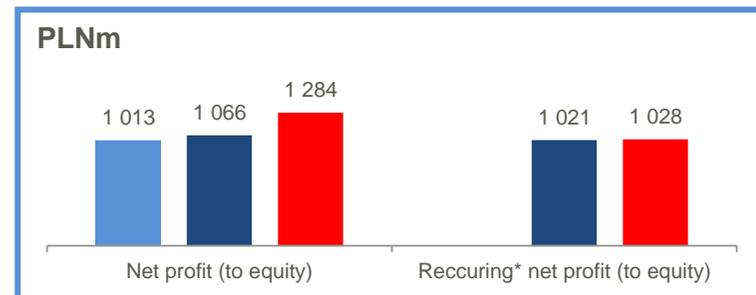
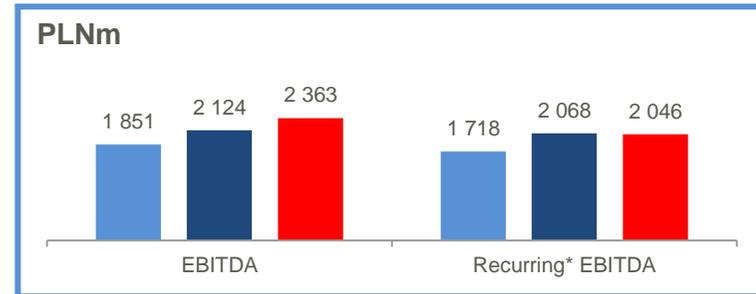
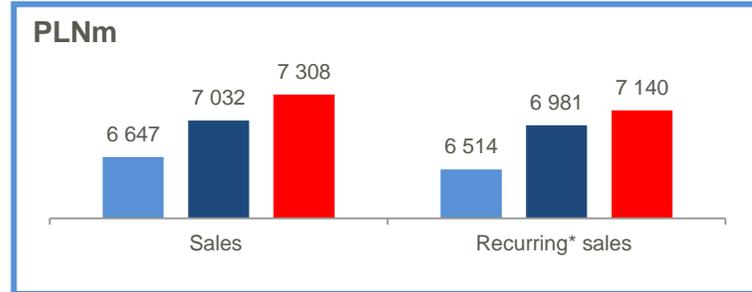
- Key achievements and developments



Krzysztof Kilian, President and CEO

Key financial results of Q2 2013

- Sales revenues amounted to PLN 7.3 bn, 4% increase y-o-y.
- EBITDA increased by 11% y-o-y to PLN 2.36bn
 - As one of few utilities in Europe we are **improving results**
- EBITDA margin went up and reached 32%
 - we remain **one of the most profitable** utilities in Europe
- Net profit (to equity) amounted to PLN 1.28bn
 - it is **the highest Q2 result** of all Polish listed companies
- Net cash/EBITDA reached 0.43x
 - We are still **least leveraged** of large European utilities



■ Q2 2011 ■ Q2 2012 ■ Q2 2013

Recurring = excluding key one-off items

Key operating results of Q2 2013

- We have increased share in a retail market with volumes of electricity sold to final customers growing by 16% y-o-y to 8.9 TWh
- Generation volume reached 13.57 TWh, 3% less y-o-y, however with generation structure improved:
 - We have maintained level of lignite production, despite decommissioning of unit no. 9 in Turów
 - Output from hard-coal fired power plants lower by 7% mostly due to margin optimization
 - Production in gas fired CHPs reduced by 2/3 due to lack of support regulations. Gas co-generation profitable only in Gorzow CHP where we utilise gas from a direct supply
 - Renewables production (ex. biomass co-combustion) increased by 10% y-o-y. Co-combustion lower, mainly due to deteriorated economics.

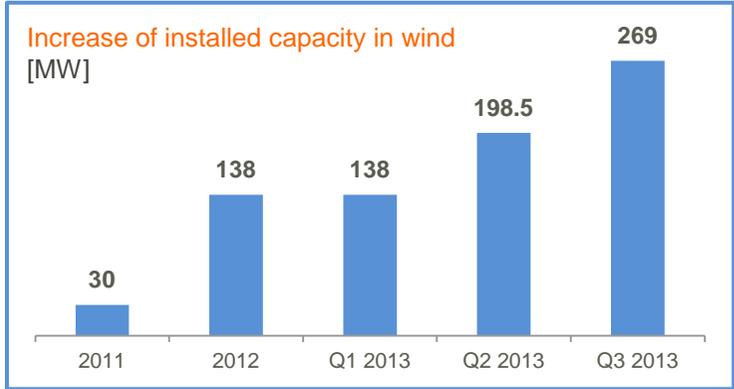
		Q2 2013	H1 2013
Deteriorated economy growth impacts consumption of electricity	Domestic Electricity Consumption Growth y-o-y (%)	0.1	-1.0
	Domestic Electricity Production Growth y-o-y (%)	-0.3	-0.4

		Q2 2013	H1 2013
PGE increased retail market share and reduced production from the most expensive sources	PGE Net Generation Growth y-o-y (%)	-2.9	-3.9
	PGE Retail Sales Volume Growth y-o-y (%)	16.5	10.3

Progress of the investment programme

Project	Status
• Opole II - 2x900 MW hard coal	• Project re-launched
• Turów 460 MW lignite	• Tender restarted
• Gorzów 100-140 MW gas CHP	• Tender at the final stage
• Bydgoszcz 240-430 MW gas CHP • Pomorzany 240 MW gas CHP • Puławy 800 MW gas CHP	• Tenders in progress
• Upgrades and retrofits	• Retrofits of Belchatow units 7 and 8 completed • Retrofits of Belchatów units 11 and 12 planned for 2014 • DeNOx and desulphurization installations at various locations under construction
• Renewable Energy Sources	• Two large M&A transactions completed, our wind capacity increased to 269 MW

The largest wind power producer in Poland



- After acquisition of wind farms from DONG Energy (June 28) and Iberdrola (July 31) we are the largest wind power producer in Poland
- Transactions' Enterprise Value amounted to ca. PLN 683m and ca. PLN 366m, respectively
- Following acquisitions a new company PGE Energia Natury S.A. was established, which will be responsible for development of wind energy portfolio

Acquired assets: operating wind farms

Previous owner	Location	Capacity	Output (2012)	Average load factor (2012)	Contracted off-take of electricity and certificates
DONG	Karnice	30 MW	146 GWh	27.5%	2020
	Jagniątkowo	30.5 MW			2017
Iberdrola	Kisielice	40.5 MW	143 GWh	23.2%	2029
	Malbork	18 MW			2029
	Galicja	12 MW			2029



Acquired assets: portfolio of investment projects

Previous owner	Capacity	Expected commissioning date
DONG	130 MW	2014-2016
	425 MW	2017-2018
Iberdrola	36 MW	2014-2016

Q2 2013 Financial and Operating Results

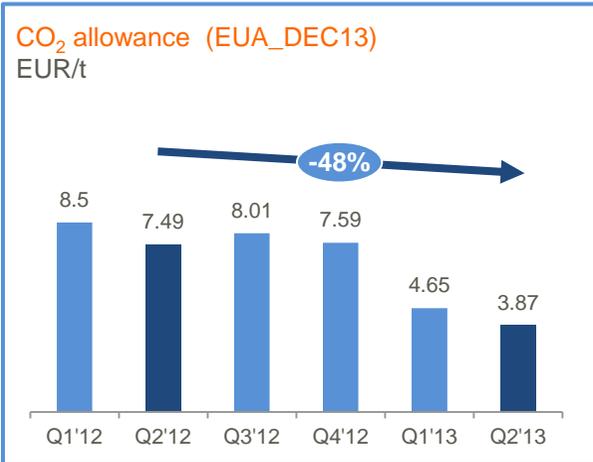


Detailed financial and operating results



Wojciech Ostrowski, CFO

Power prices reflect supply/demand situation and trends on commodities markets



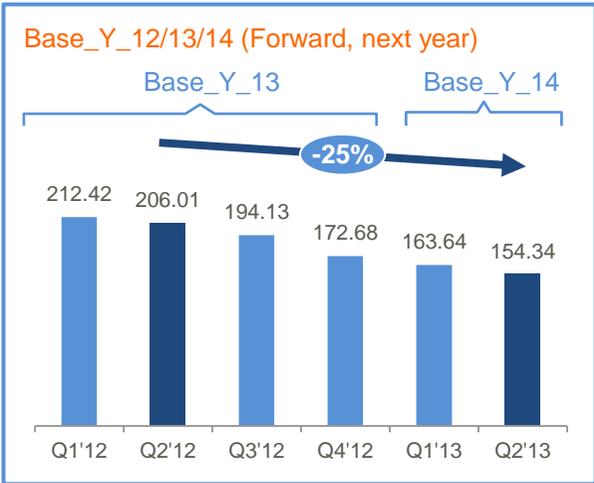
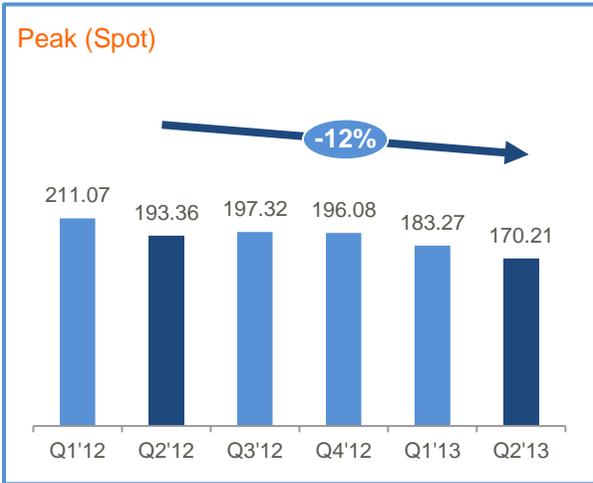
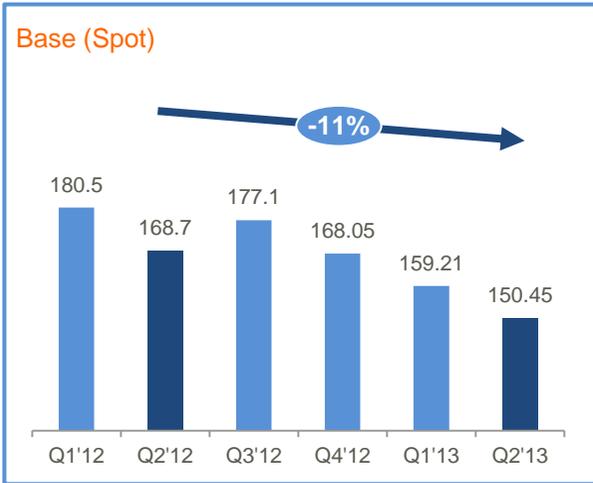
Source: Bloomberg



Source: www.wnp.pl

- PGE average wholesale price of electricity amounted to PLN 177 in Q2 2013 vs. PLN 202 in Q2 2012
- Lower energy prices reflect decrease of hard coal and CO₂ allowances prices

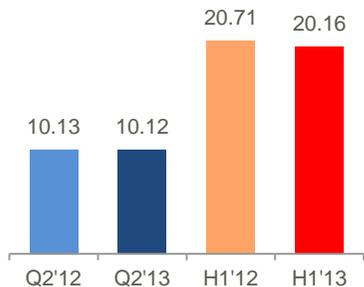
Average quarterly TGE Electricity Prices in 2013 and 2012
PLN/MWh



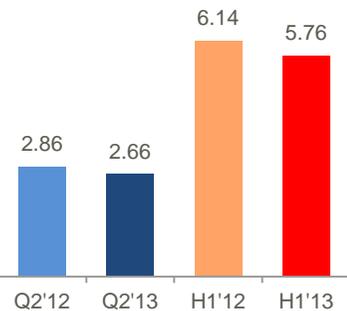
¹ An average price on global COAL DES ARA Index

Key Operating Data (TWh)

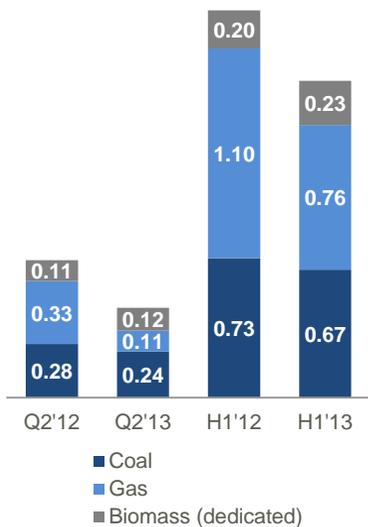
Lignite-fired power plants



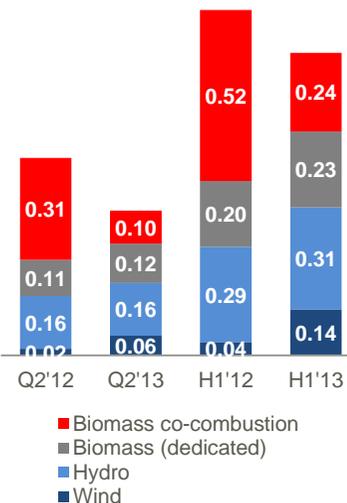
Hard coal-fired power plants



Combined Heat and Power Plants



Renewable Energy Sources



- Total net electricity generation amounted to 13.57 TWh in Q2 2013 (down by 3% yoy)
 - Level of lignite based generation maintained despite decommissioning of unit no. 9 at Turów Power Plant.
 - Lower output from hard-coal fired power plants mostly due to margin optimization
 - Lower output in gas CHPs due to ceasing production – lack of support regulations (yellow certificates) what prohibits gas co-generation from being profitable, except for our Gorzow CHP which consumes gas from direct supply.
 - Generation from renewable energy sources decreased by 27%, mostly due to lower biomass co-firing, as low prices of green certificates made biomass co-combustion unprofitable in certain installations
 - Increase of wind production by 250% due to acquisition of Pelplin and Żuromin wind farms

	[TWh]	Q2 2012	Q2 2013	Q2'13 vs Q2'12	H1 2012	H1 2013	H1'13 vs H1'12
Net generation volume		13.97	13.57	-3%	29.38	28.24	-4%
Sales on the wholesale market		15.01	17.01	13%	30.86	34.67	12%
Sales to end-users		7.63	8.89	16%	16.18	17.84	10%
Electricity distribution volume		7.47	7.62	2%	15.62	15.60	0%

Key Financials

Selected consolidated financial data, IFRS

	Q2 2012 PLN m not audited	Q2 2013 PLN m not audited	Q2'13 vs. Q2'12	H1 2012 PLN m reviewed	H1 2013 PLN m reviewed	H1'13 vs. H1'12
Sales	7031.7	7308.3	4%	14914.1	15100.8	1%
<i>including LTC compensations</i>	51.2	168.7	229%	107.5	370.2	244%
Recurring* Sales	6980.5	7139.6	2%	14806.6	14730.6	-1%
EBITDA	2124.5	2362.7	11%	4798.5	4643.8	-3%
Recurring* EBITDA	2068.4	2045.9	-1%	4647.7	4181.7	-10%
EBIT	1404.7	1620.0	15%	3365.3	3167.3	-6%
Recurring* EBIT	1348.7	1303.2	-3%	3214.5	2705.2	-16%
Net profit (to equity)	1065.7	1283.8	20%	2703.6	2511.2	-7%
Recurring* net profit (to equity)	1020.9	1027.9	1%	2583.3	2142.0	-17%
CAPEX (incl. adj.)	1075.3	864.4	-20%	1812.4	1659.6	-8%
Net cash from operating activities	2020.1	1888.0	-7%	4396.7	3264.5	-26%
Net cash from investing activities	1151.0	-1474.2	-228%	-100.2	-2772.0	
EBITDA margin	0.3	0.3		0.3	0.3	
Recurring* EBITDA margin	0.3	0.3		0.3	0.3	
Net Working Capital				4209.8	5497.0	
Net Debt/LTM EBITDA				-0.6x	-0.4x	

Recurring = excluding key one-off items in Q2 2013:

- **Sales:** LTC compensations (PLN -168.7m)
- **EBITDA / EBIT:** LTC compensations (PLN -168.7m); LTC adjustment (PLN -148.2m); Voluntary Redundancy Programme (PLN +0.19m)
- **Net profit (to equity):** LTC compensations (PLN -137.7m); LTC adjustment (PLN -118.4m); Voluntary Redundancy Programme (PLN +0.15m)

Recurring = excluding key one-off items in Q2 2012:

- **Sales:** LTC compensations (PLN -51.2m)
- **EBITDA / EBIT:** LTC compensations (PLN -51.2m); Voluntary Redundancy Programme (PLN -4.8m)
- **Net profit (to equity):** LTC compensations (PLN -41m); Voluntary Redundancy Programme (PLN -3.9m)

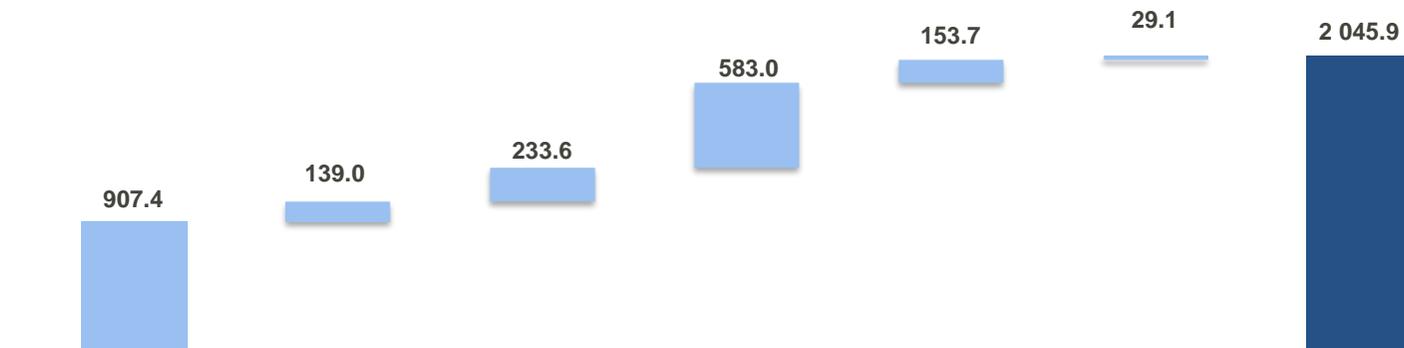
Recurring = excluding key one-off items in H1 2013:

- **Sales:** LTC compensations (PLN -370.2m)
- **EBITDA / EBIT:** LTC compensations (PLN-370.2m); LTC adjustment (PLN -148.2m); Voluntary Redundancy Programme (PLN +0.34m); Impairment of Opole II investment project (PLN +55,9m)
- **Net profit (to equity):** LTC compensations (PLN -295.7m); LTC adjustment (PLN -118.4m); Voluntary Redundancy Programme (PLN +0.28m); Impairment of Opole II investment project (PLN +44.5m)

Recurring = excluding key one-off items in H1 2012:

- **Sales:** LTC compensations (PLN -107.5m)
- **EBITDA / EBIT:** LTC compensations (PLN -107.5m); LTC adjustment (PLN -130.3m); Voluntary Redundancy Programme (PLN +86.9m)
- **Net profit (to equity):** LTC compensations (PLN -85.8m); LTC adjustment (PLN -104m); Voluntary Redundancy Programme (PLN +69.6m)

Recurring* Q2 2013 EBITDA – composition and development



	Conventional	Renewables	Wholesale	Distribution	Retail	Other +Adj.	EBITDA
2013	907,4	139,0	233,6	583,0	153,7	29,1	2 045,9
2012	1 363,9	72,5	83,3	560,5	3,9	-15,8	2 068,4
Change (PLNm)	-456,5	66,5	150,3	22,5	149,8	44,9	-22,5
Change (%)	-33,5%	91,7%	180,3%	4,0%	3819,0%		-1,1%

Decrease impacted by following factors:

- Lower electricity prices (PLN -333m)
- Lower revenues from certificates of origin (PLN -114m)
- Higher cost of CO2 allowances (PLN -129m)

Partially compensated by lower cost of fuel (PLN +178m)

Increase of EBITDA due to higher result on sale of electricity (PLN +129m)

Increase due to lower cost of certificates of origin (PLN +127m) and better margin on energy sales (+28m)

Better result mostly due to higher revenues from certificates of origin (green) (PLN +58m)

EBITDA increased due to lower operating cost and higher revenues from distribution service, approved in tariff for 2013

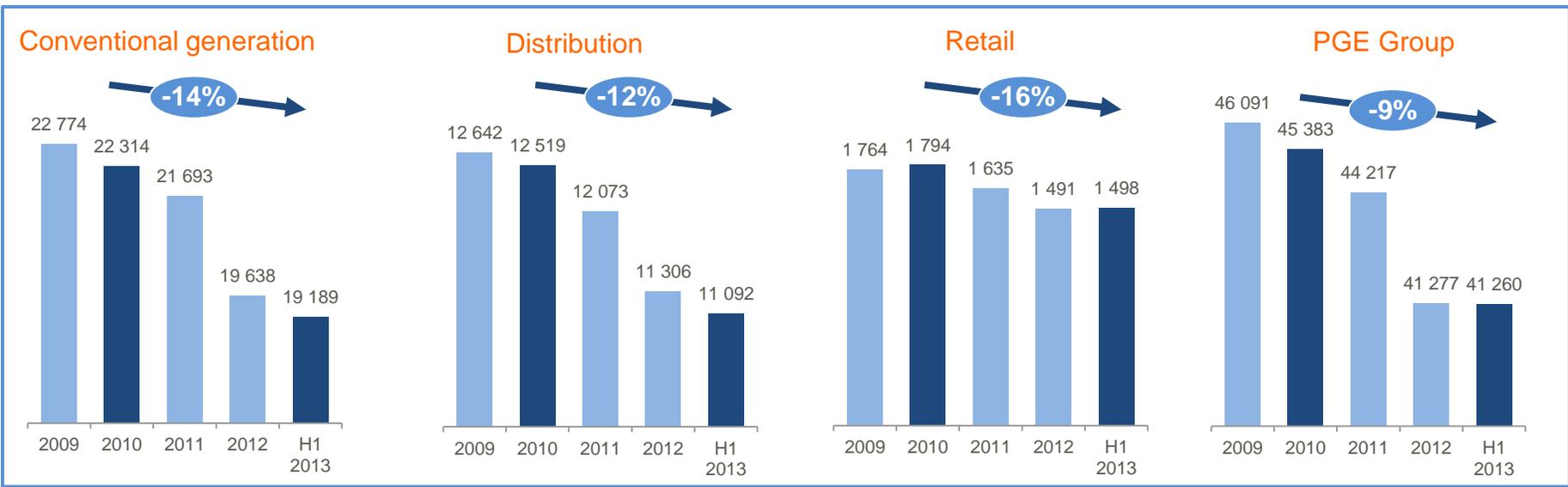
* Recurring = excluding significant one-off items

Effects of the Efficiency Improvement Programme and decreased employment

[PLNm]	Conventional generation	Distribution	Retail	Total
Costs (Voluntary Leaves Programme)	0	-4	0	-4
Cost initiatives	176	28	6	210
Revenues initiatives	0	0	3	3
Total	176	28	9	213

- Positive results of the EIP achieved earlier than expected due to faster process of employment restructurization
- Net effect of the EIP after H1 2013 amounted to PLN +213m
- Headcount decreased from over 46k in 2009 to ca. 41 k at the end of H1 2013

Employment [full time]



Issue of domestic bonds by PGE

First domestic bond issue under PLN 5 billion programme

- In June 2013 PGE issued domestic bonds with a nominal value of PLN 1 billion. Offer was over 3 times oversubscribed and PGE achieved record terms of financing.
- Bonds issue was settled on June 23, 2013. Bonds maturity is 5 years with semi-annual coupon based on floating WIBOR 6M plus 70 basis points, which is the best price for corporate debt of a Polish company, when compared to government bonds of similar maturity.
- Fitch Ratings assigned the above bonds issue a final senior unsecured National Rating of 'AA-(pol)' – it means that a bond issue represents very low risk in comparison with other bond issues in Poland.
- The funds obtained from bonds issue were used for purchase of wind farms from DONG and Iberdrola.
- Bonds will be introduced to trading in alternative trading systems managed by BondSpot S.A. and GPW S.A.

General information about the bond issue

Value of issue	PLN 1,000,000,000
Maturity	5 years
Coupon	WIBOR 6M+0,70%
Rating of issue – Fitch	AA-(pol)
Date of issue	June 27, 2013
Planned trading markets	BondSpot S.A. GPW S.A.
Expected admission to trading	August 29, 2013

Questions and Answers Session

H1 & Q2 2013 Financial and Operating Results
August 28, 2013



Q2 2013 Financial Results



[Additional information](#)

Key Operating Data

Net electricity generation by sources (TWh)

	Q2 2012	Q2 2013	Q2'13 vs Q2'12	H1 2012	H1 2013	H1'13 vs H1'12
Lignite-fired power plants	10.13	10.12	0%	20.71	20.16	-3%
Hard coal-fired power plants	2.86	2.66	-7%	6.14	5.76	-6%
Coal-fired CHPs	0.28	0.24	-14%	0.73	0.67	-8%
Gas-fired CHPs	0.33	0.11	-67%	1.10	0.76	-31%
Biomass-fired CHP	0.11	0.12	9%	0.20	0.23	15%
Pump storage	0.08	0.1	25%	0.17	0.21	24%
Hydro	0.16	0.16	0%	0.29	0.31	7%
Wind	0.02	0.06	200%	0.04	0.14	250%
TOTAL	13.97	13.57	-3%	29.38	28.24	-4%
Renewable generation	0.60	0.44	-27%	1.05	0.92	-12%
Incl. biomass co-combustion	0.31	0.10	-68%	0.52	0.24	-54%

Detailed segmental revenues and costs

Conventional Generation (PLN m)

	Q2 2012	Q2 2013	Q2'13 vs Q2'12	H1 2012	H1 2013	H1'13 vs H1'12
Sales, including	3287.6	2917.7	-11%	7206.2	6281.7	-13%
Sale of electricity	2892.9	2474.2	-14%	6202.1	5219.6	-16%
LTC compensations	51.2	168.7	229%	107.5	370.2	244%
Sale of heat	113.3	113.7	0%	367.7	393.8	7%
Sale of certificates of origin	164.0	49.8	-70%	385.6	82.3	-79%
Cost by kind, including	2439	2381.3	-2%	5092.8	5156.4	1%
D&A	424.7	429.8	1%	847.6	848.6	0%
Materials	851.1	659.6	-23%	1888.8	1628.5	-14%
Energy	17.7	12.6	-29%	34.2	28.3	-17%
External services	291.1	311.7	7%	531.9	639.1	20%
Taxes and charges	191.6	326.1	70%	432.3	724	67%
Personnel expenses	611.4	587.7	-4%	1259.9	1186.8	-6%
Other cost	51.4	53.9	5%	98.2	101.1	3%
EBIT	994.1	794.6	-20%	2487	1469.9	-41%
EBITDA	1418.8	1224.4	-14%	3334.5	2318.6	-30%

Detailed segmental revenues and costs

Renewables (PLN m)

	Q2 2012	Q2 2013	Q2'13 vs Q2'12	H1 2012	H1 2013	H1'13 vs H1'12
Sales, including	146,1	217,4	49%	287,5	375,8	31%
Sale of electricity	57,6	65,5	14%	108,9	130,4	20%
Sale of certificates of origin	35,3	93,7	165%	67,2	125,5	87%
Cost by kind, including	109,2	127,7	17%	211,7	246,6	16%
D&A	34,6	47,3	37%	67,3	89,7	33%
Materials	2	2,1	5%	4,6	4,4	-4%
Energy	32	33,3	4%	61,1	65,5	7%
External services	11,7	13,5	15%	20,9	23,8	14%
Taxes and charges	10	10,9	9%	19,4	22,3	15%
Personnel expenses	17,3	17,9	3%	33,4	35	5%
Other cost	1,6	2,7	69%	5,1	6	18%
EBIT	37,9	91,7	142%	78,9	127,4	61%
EBITDA	72,5	139	92%	146,2	217,1	48%

Detailed segmental revenues and costs

Wholesale (PLN m)

	Q2 2012	Q2 2013	Q2'13 vs Q2'12	H1 2012	H1 2013	H1'13 vs H1'12
Sales, including	2296.2	2761.6	20%	5101.6	6172.9	21%
Sale of electricity	1943.6	2464.1	27%	4149.2	5088.1	23%
Sale of certificates of origin	170.0	25.3	-85%	677.5	443.9	-34%
Cost by kind. including	62.8	62.1	-1%	120.4	130.4	8%
D&A	4.9	3.6	-27%	9.9	7.2	-27%
Materials	0.4	0.5	25%	0.7	0.8	14%
Energy	0.4	0.7	75%	1.0	1.4	40%
External services	19.3	12.9	-33%	31.0	30.4	-2%
Taxes and charges	2.1	2.1	0%	4.6	5.1	11%
Personnel expenses	17.6	20.7	18%	34.2	42.3	24%
Other cost	18.1	21.7	20%	39.1	43.2	10%
EBIT	78.4	230.0	193%	153.2	478.8	213%
EBITDA	83.3	233.6	180%	163.1	486	198%

Detailed segmental revenues and costs

Distribution (PLN m)

	Q2 2012	Q2 2013	Q2'13 vs Q2'12	H1 2012	H1 2013	H1'13 vs H1'12
Sales, including	1228.4	1256.7	2%	2763.5	2786.2	1%
Revenues from distribution services	60.1	56.9	-5%	2583.4	2609.6	1%
Other operating revenues	1320.7	1351.0	2%	116.6	108.8	-7%
Cost by kind, including	1075.1	1017.5	-5%	2248.9	2157.1	-4%
D&A	232.8	239.4	3%	464.8	487.3	5%
Materials	24.2	22.2	-8%	46.9	43.4	-7%
Energy	99.1	83.9	-15%	277.8	273.7	-1%
External services	374	324.3	-13%	747.4	648.3	-13%
Taxes and charges	73.3	78.0	6%	152.6	162.4	6%
Personnel expenses	263.9	264.2	0%	546.3	532.8	-2%
Other cost	7.8	5.4	-31%	13.1	9.2	-30%
EBIT	328.9	343.4	4%	607.3	648.6	7%
EBITDA	561.7	582.9	4%	1072.1	1136	6%

Detailed segmental revenues and costs

Retail (PLN m)

	Q2 2012	Q2 2013	Q2'13 vs Q2'12	H1 2012	H1 2013	H1'13 vs H1'12
Sales, including	2977.0	3121.7	5%	6398.9	6486.3	1%
Sale of electricity	1951.6	2122.2	9%	4222.7	4399.7	4%
Revenues from distribution services	1001.6	983.6	-2%	2135.8	2054.4	-4%
Cost by kind, including	347.2	226.3	-35%	757.7	430.8	-43%
D&A	2.1	2.1	0%	4.3	4.2	-2%
Materials	1.1	1	-9%	2.2	2.1	-5%
Energy	0.2	0.2	0%	0.5	0.6	20%
External services	22.9	24.3	6%	46.8	46.8	0%
Taxes and charges	284.4	157.7	-45%	626	295.3	-53%
Personnel expenses	31.8	33.9	7%	66	67.6	2%
Other cost	4.8	7.2	50%	11.9	14.3	20%
EBIT	1.8	151.6	8322%	58.3	413.9	610%
EBITDA	3.9	153.7	3841%	62.6	418.1	568%

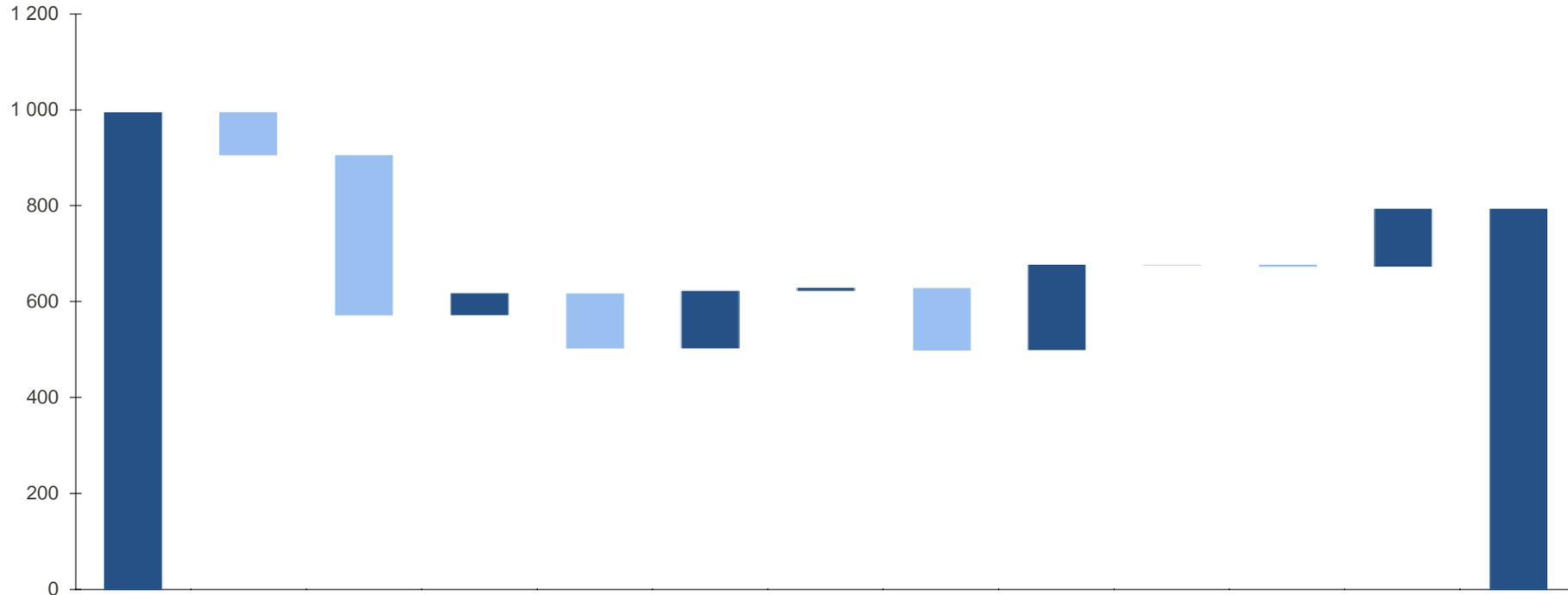
Capital expenditures

CAPEX for Q2 and H1 (PLN m)

Segment	Q2 2012	Q2 2013	Q2'13 vs Q2'12	H1 2012	H1 2013	H1'13 vs H1'12
Conventional Generation	763.4	566.3	-26%	1287.3	1107.7	-14%
Distribution	313.8	285.5	-9%	504.5	467.3	-7%
• New clients connection	144.8	123.4	-15%	235.9	206.7	-12%
• Distribution grid	100	93.8	-6%	158.8	156.2	-2%
Renewables	16.2	-3.2	-120%	23.4	61.5	163%
• Modernization and replacement	13.1	9.5	-27%	16.8	11.2	-33%
Retail. Wholesale, Others	19.1	33.9	77%	59.2	69.0	17%
TOTAL	1112.5	882.5	-21%	1874.4	1705.5	-9%
TOTAL (incl. adjustments)	1052.9	836.6	-21%	1814.8	1659.6	-9%

Conventional Generation – EBIT Q2 2013

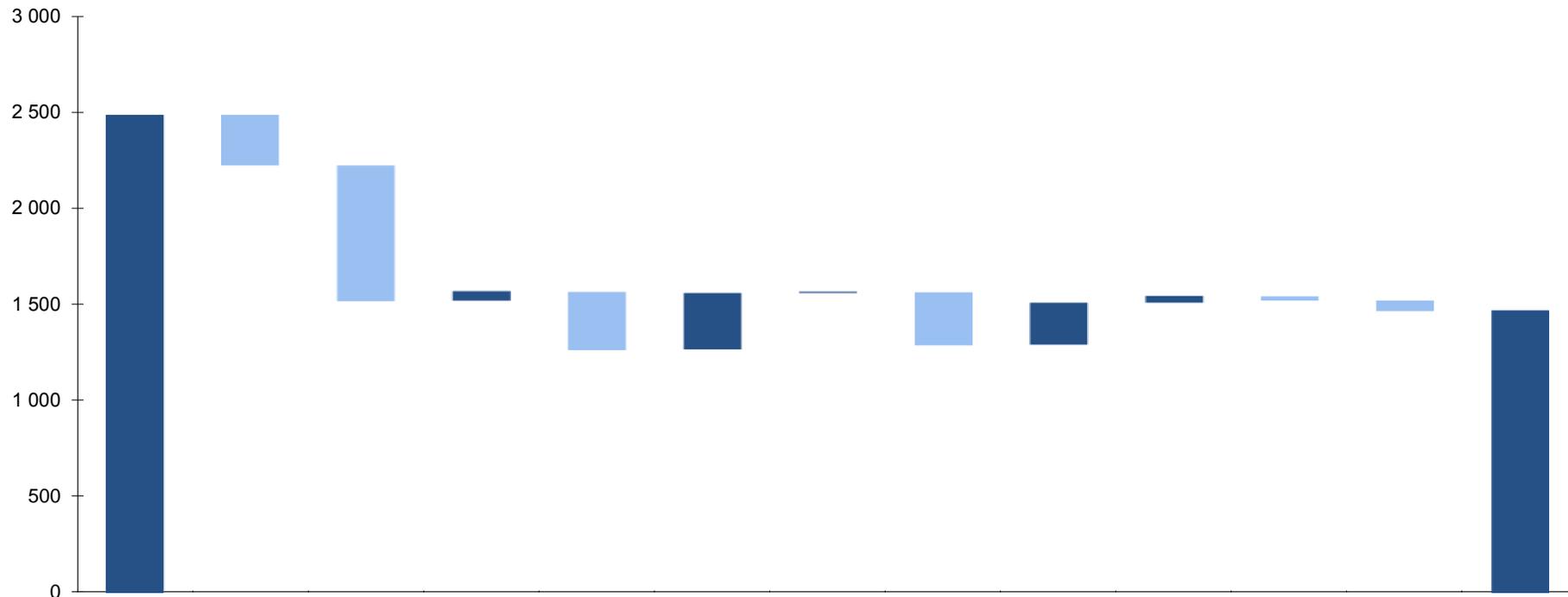
Key Changes in EBIT (PLN m)



	Result 2012	Sale of electricity – difference in volume	Sale of electricity – difference in price	Revenues from regul. serv. and bal. market	Revenues from cert. of origin	Other revenues	Electricity consumption	Cost of CO ₂	Cost of fuel	Cost of merchandise and materials sold	Other costs	Result on other oper. activities	Result 2013
Change		-88.6	-332.7	45.5	-114.1	120.0	5.1	-129.4	177.6	0.0	-4.2	121.1	
2012	994.1			60.9	164.0	211.1	17.7	13.7	678.9	122.8	1 498.9	38.5	
2013				106.4	49.8	331.1	12.6	143.1	501.3	122.8	1 503.1	159.7	794.6

Conventional Generation – EBIT H1 2013

Key Changes in EBIT (PLN m)



	Result 2012	Sale of electricity – difference in volume	Sale of electricity – difference in price	Revenues from regul. serv. and bal. market	Revenues from cert. of origin	Other revenues	Electricity consumption	Cost of CO ₂	Cost of fuel	Cost of merchandise and materials sold	Other costs	Result on other oper. activities	Result 2013
Change		-262.7	-701.6	48.7	-303.3	294.4	5.9	-277.5	219.2	35.2	-19.5	-55.9	
2012	2 487.0			131.6	385.6	581.1	34.2	76.9	1 549.2	307.1	2 954.7	202.9	
2013				180.3	82.3	875.5	28.3	354.4	1 330.0	271.9	2 974.3	147.0	1 469.9

Renewable Generation – EBIT Q2 2013

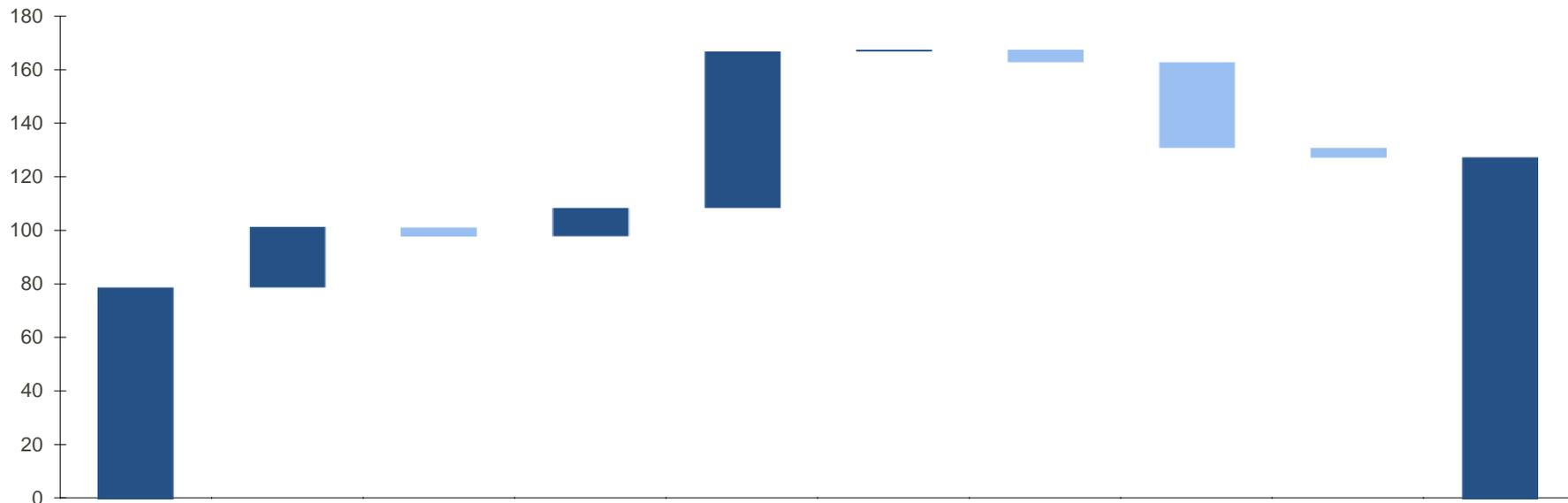
Key Changes in EBIT (PLN m)



	Result 2012	Sale of electricity – difference in volume	Sale of electricity – difference in price	Revenues from regul. serv. and bal. market	Revenues from cert. of origin.	Other revenues	Energy consumption	Operating expenses	Result on other oper. activities	Result 2013
Change		8,9	-2,1	5,4	58,4	0,7	-1,3	-18,3	2,1	
2012	37,9			79,0	35,3	3,6	32,0	76,0	-0,2	
2013				84,5	93,7	4,2	33,3	94,2	1,9	91,7

Renewable Generation – EBIT H1 2013

Key Changes in EBIT (PLN m)



	Result 2012	Sale of electricity – difference in volume	Sale of electricity – difference in price	Revenues from regul. serv. and bal. market	Revenues from cert. of origin.	Other revenues	Energy consumption	Operating expenses	Result on other oper. activities	Result 2013
Change		22,5	-3,4	10,4	58,3	0,6	-4,5	-31,9	-3,6	
2012	78,9			161,5	67,2	7,1	61,1	148,5	1,1	
2013				171,9	125,5	7,7	65,5	180,4	-2,5	127,4

Wholesale – EBIT Q2 2013

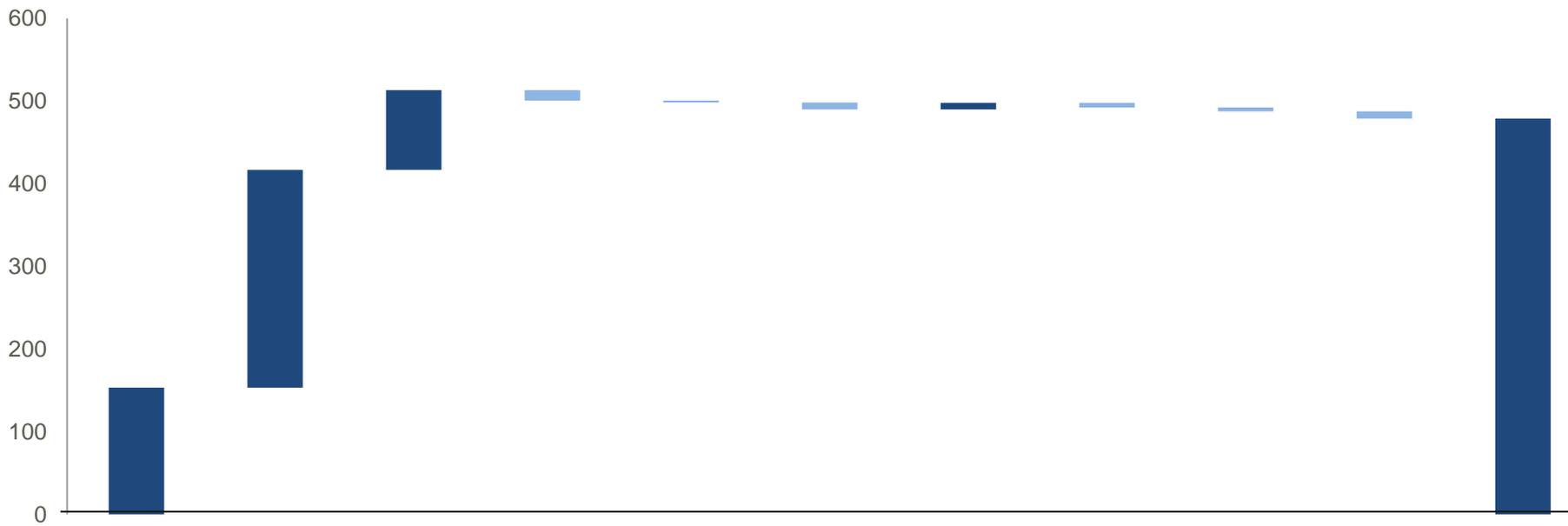
Key Changes in EBIT (PLN m)



	Result 2012	Sale of electricity	Management service	Revenues from cert. of origin	Revenues from CO ₂ allowances	Other revenues	Cost of products and services	Selling expenses	General and administrative costs	Result on other oper. Activities	Result 2013
Change		129,4	15,0	-4,8	-3,0	2,6	-0,3	-0,2	1,0	9,7	149,5
2012	79,9	25,2	94,1	4,9	2,3	15,9	10,6	6,6	38,0	-7,4	
2013		154,7	109,1	0,1	-0,6	18,5	10,9	6,8	37,0	2,3	229,4

Wholesale – EBIT H1 2013

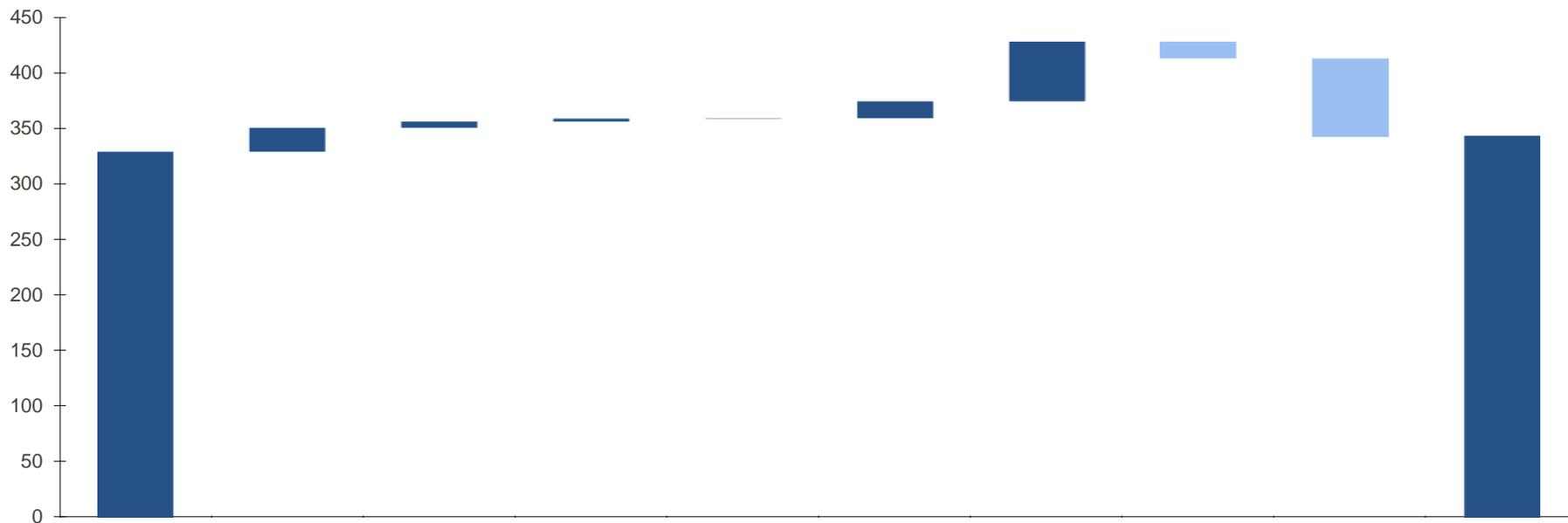
Key Changes in EBIT (PLN m)



	Result 2012	Sale of electricity	Management service	Revenues from cert. of origin	Revenues from CO ₂ allowances	Other revenues	Cost of products and services	Selling expenses	General and administrative costs	Result on other oper. Activities	Result 2013
Change		263,4	96,3	-12,5	-2,3	-8,3	7,9	-5,8	-4,5	-8,7	325,5
2012	153,2	51,2	134,2	16,5	2,6	44,1	27,7	13,4	67,5	13,2	
2013		314,6	230,4	3,9	0,3	35,9	19,7	19,2	72,0	4,5	478,8

Distribution – EBIT Q2 2013

Key Changes in EBIT (PLN m)



	Result 2012	Revenue from distrib. service – difference in volume	Revenue from distrib. service – difference in price	Other distribution related revenues	Other revenues	Energy consumption	Transmission services	Cost of merchandise and materials sold+ opex	Result on other oper. activities	Result 2013
Change		21,4	5,5	3,0	0,4	15,2	53,3	-14,5	-69,9	
2012	328,9			108,4	32,2	99,1	304,1	661,1	72,6	
2013				111,4	32,6	83,9	250,8	675,6	2,7	343,4

Distribution – EBIT H1 2013

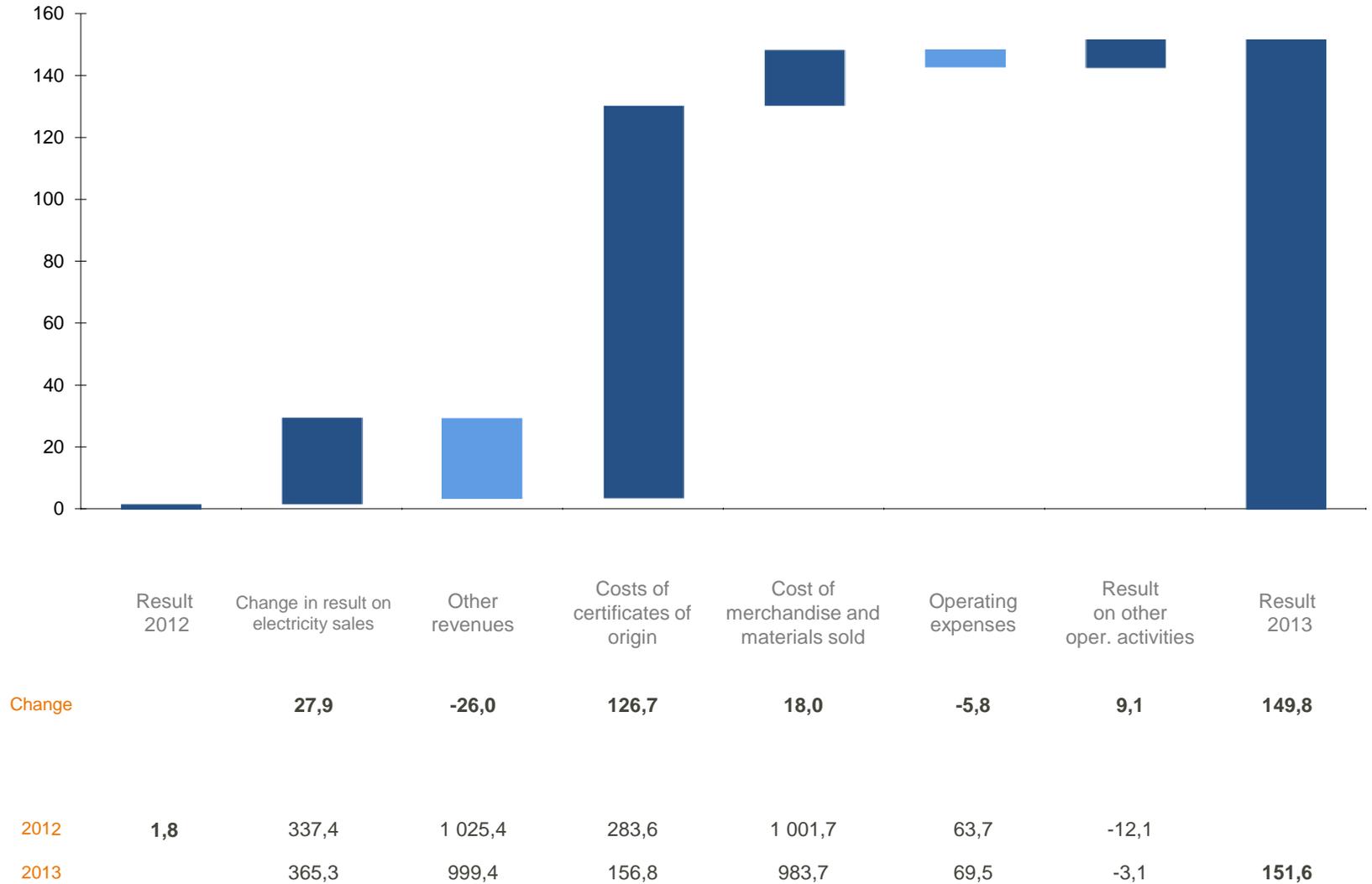
Key Changes in EBIT (PLN m)



	Result 2012	Revenue from distrib. service – difference in volume	Revenue from distrib. service – difference in price	Other distribution related revenues	Other revenues	Energy consumption	Transmission services	Cost of merchandise and materials sold+ opex	Result on other oper. activities	Result 2013
Change		-3,9	32,2	-5,3	-0,3	4,1	98,3	-12,5	-71,3	
2012	607,3			214,2	63,5	277,8	608,4	1 343,5	73,3	
2013				208,9	63,2	273,7	510,1	1 355,9	2,1	648,6

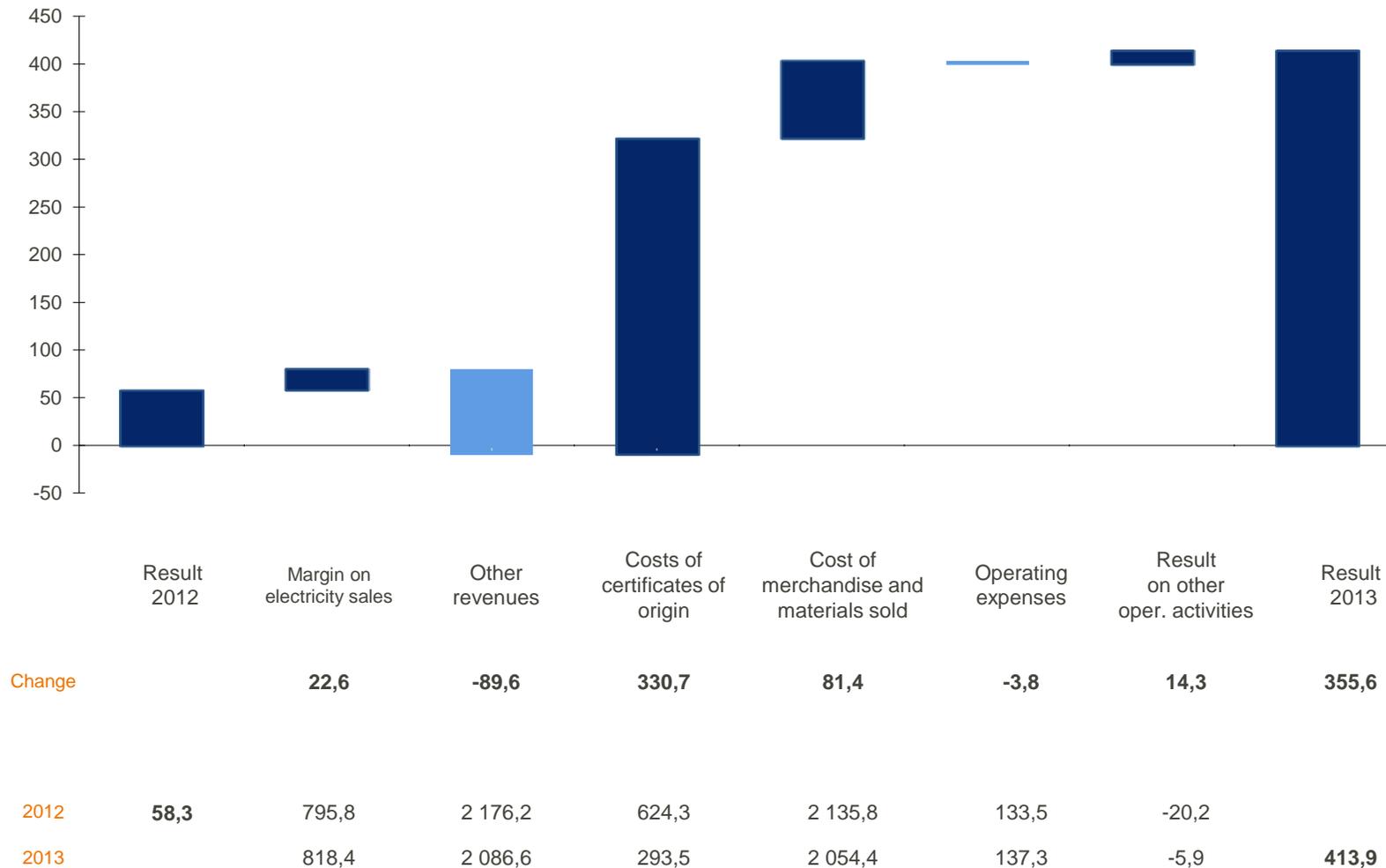
Retail – EBIT Q2 2013

Key Changes in EBIT (PLN m)



Retail – EBIT H1 2013

Key Changes in EBIT (PLN m)



PGE cash position provides...

...plenty
of headroom
in the balance
sheet

	Q1 2013	HY 2013
Gross Debt (PLNm)	1,585.6	2,706.2
Net Cash (PLNm)	2,530.3	2,921.6
Net Debt/LTM EBITDA	- 0.39x	- 0.43x
Net Debt/Equity	- 0.06x	- 0.07x

Financial strength
has been
confirmed by
rating agencies

	Moody's	Fitch
Long-term company rating (IDR)	A3	BBB+
Rating outlook	Stable	Stable
Date of rating assignment	September 2, 2009	September 2, 2009
Date of the latest rating confirmation	December 16, 2011	August 9, 2013
Senior unsecured rating		BBB+
Date of the latest rating change		August 4, 2011
Date of the latest rating confirmation		August 9, 2013
Long-term national rating		AA- (pol)
Date of rating assignment		August 10, 2012
Date of latest rating confirmation		August 9, 2013

CO₂ allowances in PGE books

Free EUA recognized at a fair value (exchange spot price from day of recognition) – note 15 of the H1 2013 consolidated FS

Free EUA are recognized in deferred income and are settled pro rata

	EUA		CER/ERU		Total value (PLN m)
	Quantity (th)	Value (PLN m)	Quantity (th)	Value (PLN m)	
As at Jan 1, 2013	76,303	2,696	5,787	194	2,891
Purchased	17,804	367	-	-	367
Allocated in NAP for 2013	33,196	873			873
Redeemed	54,954	1,818	5,763	193	2,011
As at June 30, 2013	72,349	2,118	-	-	2,118

Gross impact of PLN (355m) recognized in conventional generation segment in costs by kind – note 11.2

Costs by kind (PLN m)	H1 ended June 30, 2013
Depreciation/amortization	1,476
Materials and energy	1,859
External services	1,085
Taxes and charges	1,221
Personnel expenses	2,147
Other costs by kind	166

In H1 2013 PGE installations emitted 30.4m tonnes of CO₂.

Provision for CO₂ liabilities is created reflecting total emissions in a given period – note 18

Provisions for redeemable CO ₂ allowances (PLN m)	
As at Jan 1, 2013	2,132
Redeemed	2,011
Created in the reporting period (H1 2013)	791
As at June 30, 2013	912

1/2 pro
rata

1/2 pro
rata

Recognized in deferred
income – note 19

P&L situation (illustrative)

H1 ended June 30, 2013 (PLN m)	
Compensation of costs after H1 2013 (revenues)	436
Costs	791
Impact on P&L	-355

In April 2013
certificates
for 2012
60.7m
tonnes of
CO₂ were
redeemed

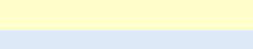
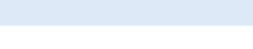
LTC compensations – an update

Generators from the PGE Capital Group are in disputes with the ERO President regarding stranded cost compensations in years 2008-2012.

Status of court cases:

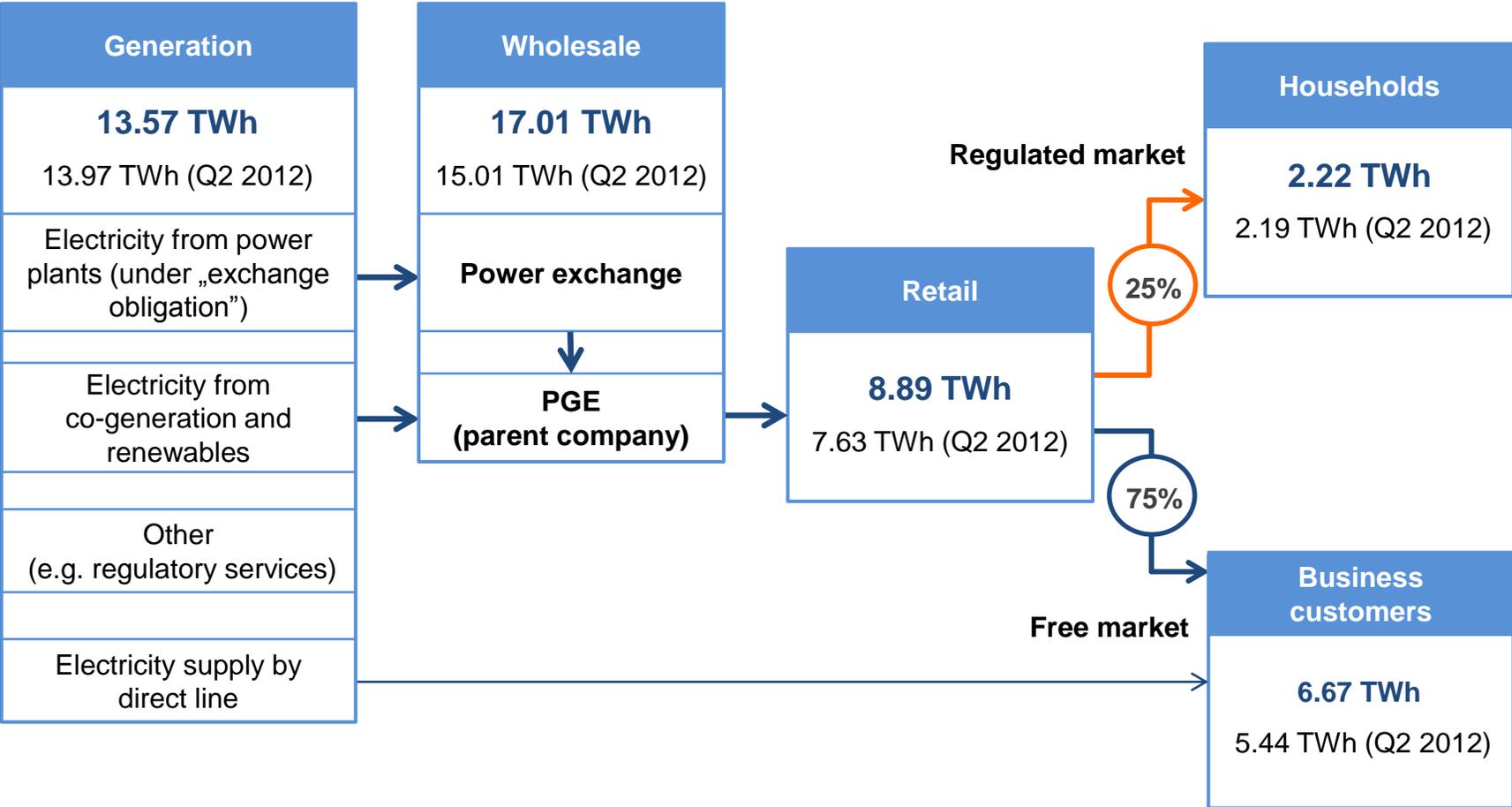
Year	Opole PP	Turów PP	Gorzów CHP	Rzeszów CHP	Lublin-Wrotków CHP	ZEDO PP
2008	Court of Appeal verdict	Case closed	Case closed	Case closed	To be re-examined	CCCP verdict
2009	CCCP verdict	CCCP verdict	Court of Appeal verdict	CCCP verdict	CCCP verdict	Court of Appeal verdict
2010	No verdict	CCCP verdict*	n/a	CCCP verdict*	CCCP verdict*	CCCP verdict*
2011	No dispute	No dispute	n/a	No verdict PLN 7m dispute	n/a	n/a
2012	No dispute	No dispute	n/a	No verdict PLN 11m dispute	n/a	n/a

* One verdict jointly for PGE GiEK S.A. as a legal successor of the merged companies from generation segment

	Case closed – favourable verdict
	Court of Appeal – favourable verdict, ERO President entitled to cassation appeal
	Court of Competition and Consumer Protection – favourable verdict
	Supreme Court remitted the case for re-examination by the Court of Appeal
	Not a subject to LTC compensations
	No dispute

Q2 2013 Key business flows

Key business flows (illustrative only)



SOURCE: PGE; Some business flows incl. balancing market, international trade and own consumption are not shown; Volumes shown after intra-group eliminations

Sell-side analysts covering PGE

Domestic analysts

Institution	Analyst
• BRE Bank	• Kamil Kliszcz
• BZ WBK	• Paweł Puchalski
• Citigroup	• Piotr Dzięciołowski
• Deutsche Bank	• Tomasz Krukowski
• Espirito Santo	• Maciej Hebda
• IDM	• Sylwia Jaśkiewicz
• ING Securities	• Milena Olszewska
• Millennium DM	• Maciej Krefta
• PKO BP	• Stanisław Ozga
• UniCredit CAIB	• Flawiusz Pawluk

Foreign analysts

Institution	Analyst
• Erste Group	• Petr Bartek
• Goldman Sachs	• Fred Barasi
• HSBC	• Dmytro Konovalov
• JP Morgan	• Sarah Laitung
• Morgan Stanley	• Igor Kuzmin
• Raiffeisen Centrobank	• Teresa Schinwald
• Societe Generale	• Leszek Iwaszko
• UBS	• Patrick Hummel

Investor relations contacts



Head of IR

Przemysław Wasilewski

Tel: (+48) 22 340 19 46

Mob: +48 723 189 235

IR Officers

Krzysztof Dragan

Tel: (+48) 22 340 15 13

Mob: +48 601 334 290

Jakub Frejlich

Tel: (+48) 22 340 10 32

Mob: +48 695 883 902

Agata Milewska

Tel: (+48) 22 340 10 35

Mob: +48 723 996 513

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