



Estimates of selected financials for year 2014 and information on non-cash one-off items' impact on the consolidated results of PGE Group for year 2014

No. of the report: 1/2015

Report date: 29.01.2015

Report legal ground: Art. 56 section 1 p. 1 of Act on Public Offering – confidential information

Contents of the report

The Management Board of PGE Polska Grupa Energetyczna S.A. ("PGE") publicly discloses initial consolidated financial results for year 2014.

According to preliminary estimates, consolidated EBITDA in 2014 will amount to approx. PLN 8.1 billion while net profit attributable to equity holders of the parent company will amount to approx. PLN 3.6 billion.

The above estimates include significant non-cash one-off items that were recognized in 2014:

- Revenues due to termination of long term contracts for sale of capacity and electricity (so-called „LTC compensations”) in amount of approx. PLN 1,539 million, accordingly increasing reported EBITDA,
- Reversal of provision as a result of the favourable verdicts of the Court of Appeal regarding the disputes on LTC compensations in amount of approx. PLN 246 million, accordingly increasing EBITDA,
- Reversal of provision for CO2 emission rights for 2013 granted free of charge in amount of approx. PLN 751 million, accordingly increasing reported EBITDA,
- Provision raised for costs of Voluntary Leave Programs in amount of approx. PLN 404 million, accordingly decreasing reported EBITDA,
- Impairment loss on financial instruments due to estimated loss of value in amount of approx. PLN 386 million, accordingly decreasing reported net profit.

Consolidated financial results of PGE were also significantly affected by change in accounting policy with regard to reclamation provision in open-pit mines involving capitalisation of future reclamation costs of excavation created through overburden extraction.

Disclaimer: consolidated financial statements of PGE Group are still being audited by the professional auditor. The data presented above are estimated and may change.

The annual consolidated report for 2014 shall be published on February 17, 2015.

Legal ground: Art. 56 section 1 point 1 of the Act on public offering, conditions governing the introduction of financial instruments to organised trading, and public companies (Dziennik Ustaw 2009 no 185, item 1439, as amended).

Signatures of persons representing the company

Date	Name	Position and function
29.01.2015	Marek Woszczyk	President of the Management Board

Date	Name	Position and function
29.01.2015	Magdalena Bartoś	Prokurent