PGE

Polska Grupa Energetyczna

Corporate Presentation

January 2010

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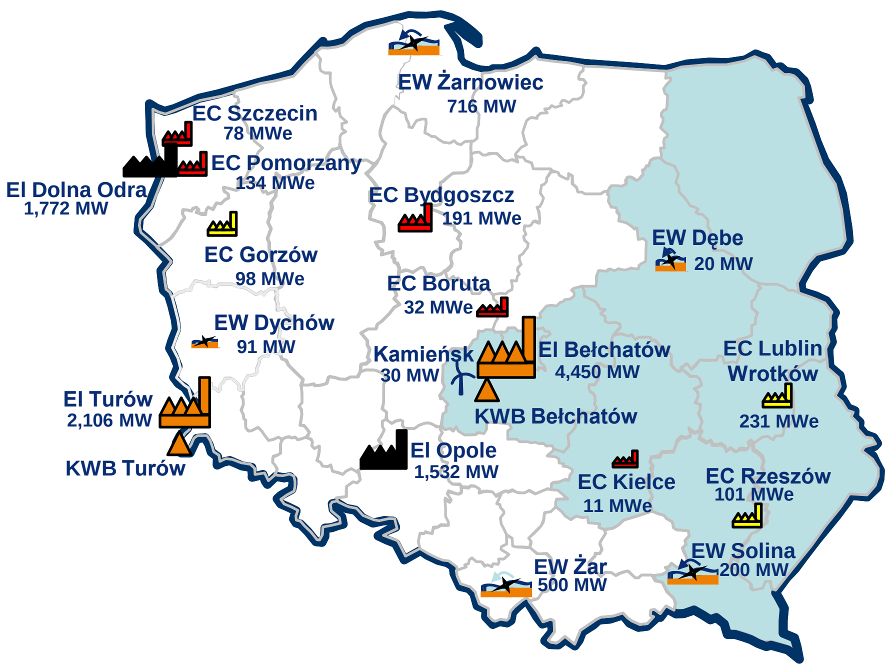
Agenda

I. Overview

PGE at a Glance

Key Assets / Locations

- 2 lignite power plants
- 2 lignite mines
- 2 hard coal power plants
- 10 CHP plants
- 36 hydroelectric power plants
- 1 wind farm
- 8 distribution and 8 retail sales companies

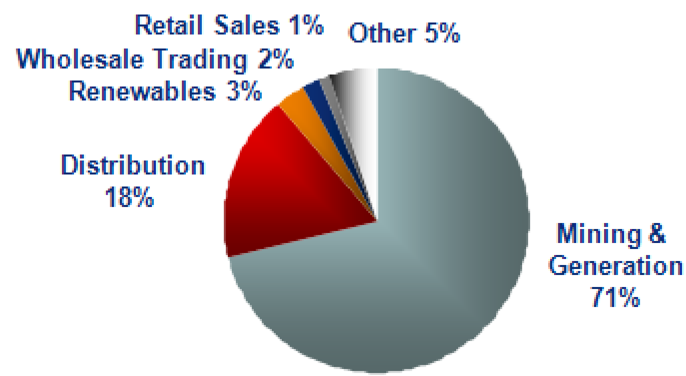


- Lignite Mines
- Lignite Power Plants
- Coal Power Plants
- Coal CHP
- Distribution and retail sales companies
- Gas CHP
- Hydroelectric Power Plants
- Wind farm

Key Operating and Financial Data [a]

	2008	9M 2009
Installed capacity	12.4 GW	12.4 GW
Net electricity production	56 TWh	39.6 TWh
Lignite production	45.1 Mt	32 Mt
Sales	PLN 20.6bn *(EUR 5.9bn)*	PLN 15.9bn *(EUR 3.61bn)*
EBITDA	PLN 5.8bn *(EUR 1.7bn)*	PLN 5.96bn *(EUR 1.4bn)*
EBITDA margin	28.4%	37.6%
Net Debt / EBITDA	0.87 x	0.51x
Distribution lines		ca. 270,000 km
Customers		ca. 5m
Employees		ca. 46,000

2008 EBITDA Split [a]



Source: Issuer; Note: (a) Consolidated audited IFRS data, EUR /PLN average rate: 3.5166 (2008) 4.3993 (9M 2009) source National Bank of Poland; Net debt/EBITDA for 9M 2009 calculated on the basis of Net Debt as of 30Sept 2009/LTMEBITDA

Transformation of PGE

Recent Past | *Now* | *Future*

1

MINING AND GENERATION:

3 power plants
2 lignite mines

CHPs,

DISTRIBUTION AND RETAIL:

8 regional companies unbundled later into 8 distribution and 8 retail sale companies

ZEDO PP & CHPs

Gorzów CHP

ESP (mainly hydro assets)

The incumbent wholesale company and Poland's transmission system operator

Unbundling of
the Transmission System Operator

Polskie Sieci Elektroenergetyczne
Operator S.A.

2

Polska Grupa Energetyczna

Basic integration

Management re-establishment

3

Polska Grupa Energetyczna

INTEGRATED

FOCUSED ON CORE OPERATIONS

REALIZING COST EFFICIENCIES

TRANSPARENT AND EASIER TO MANAGE

II. Investment Highlights

PGE Offers a Unique Investment Opportunity

▸One of the fastest growing large economies in the EU

▸ 2008: >28% EBITDA margin, <0.9x net debt / EBITDA

▸9M 2009: EBITDA margin up to ~38%, debt down to ~0.5x

▸42% market share in net electricity generation

▸Combination of leadership excellence and industry expertise

▸Sound investment plan, including development of nuclear power plants

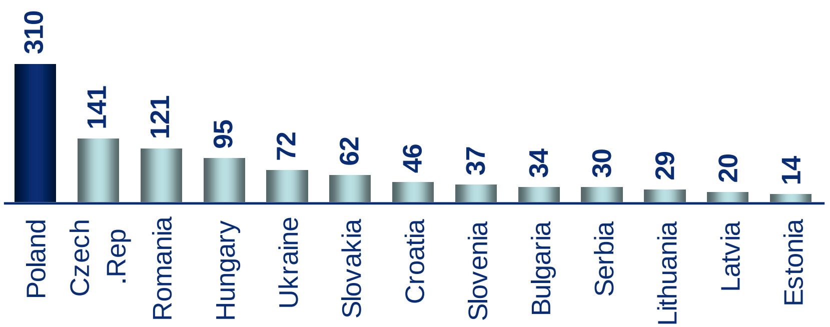
▸Restructuring soon to accelerate 2009/10

1 Operates in a Highly Attractive Domestic Market

Poland is One of the Strongest Markets in CEE...

Largest Economy in CEE

Nominal GDP among the CEE countries, 2009E (EUR bn) [(a)]

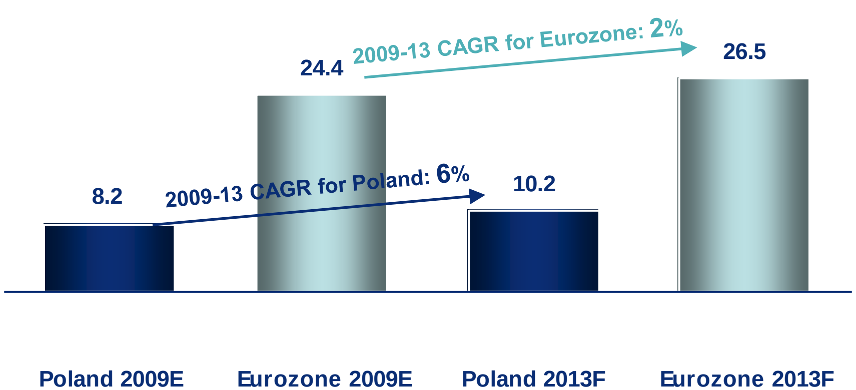


Comments

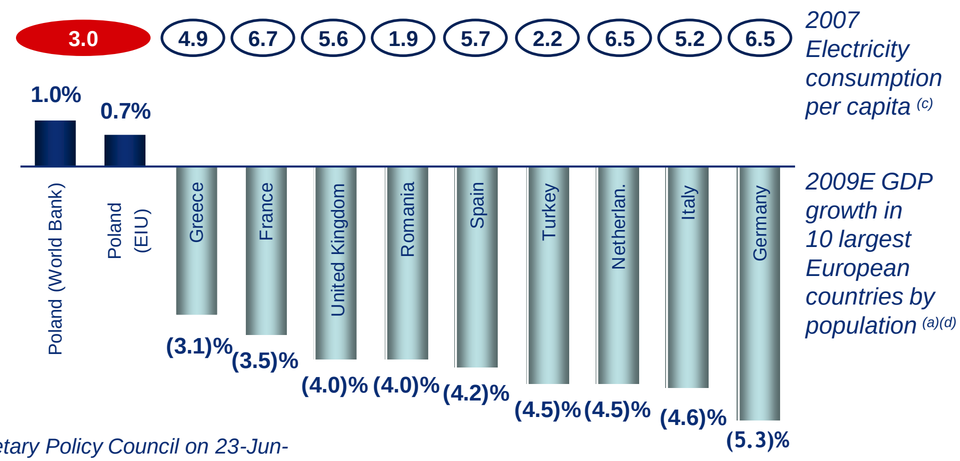
- Since entering the European Union, Poland has enjoyed four years of rapid growth and low inflation
  - Polish companies have and will benefit from increased access to European markets
- Additionally, adoption of the euro in Poland (expected in year 2014) [(b)] is expected to be a strong driver for further integration, while joining ERM II system will increase FX rates stability

Significant Growth Potential vis-à-vis the Eurozone

GDP per capita (EUR '000, nominal terms) [(a)]



Poland as One of the Most Crisis Proof Economy, with Vast Potential to Increase Power Consumption



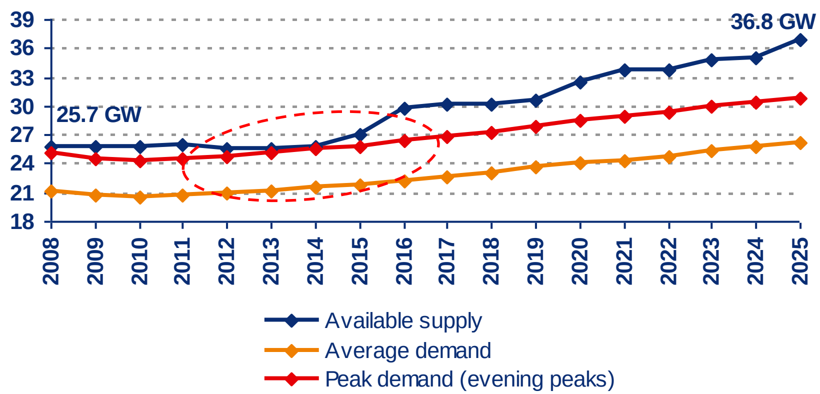
Source: (a) EIU, Euromonitor, 03-Sep-2009; (b) declared by Marian Noga a Member of Monetary Policy Council on 23-Jun-2009, PAP; (c) Eurostat, final consumption of electricity (excl. own use and network losses); (d) World Bank 21-May-09

1 Operates in a Highly Attractive Domestic Market

... and Power Market Fundamentals to Remain Strong

Demand-Supply Balance Expectation Tighten [(a)]

Power supply and demand gap in Poland (GW)

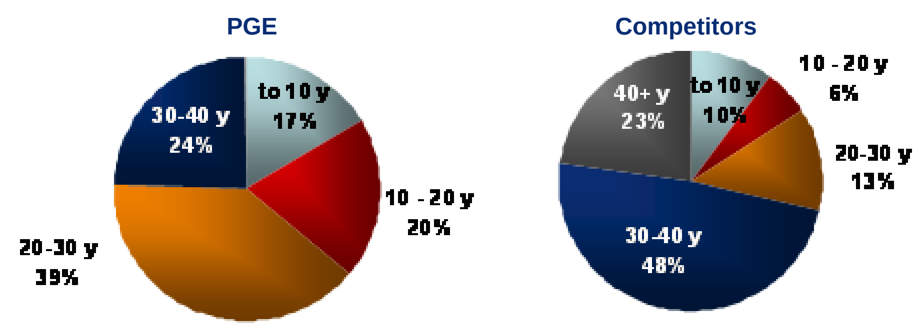


Government Policy for Polish Energy Market until 2030

- Demand expected to grow with **2010-2030 CAGR of 2.2%**
  - Current financial and economic slow-down expected to affect near-term future, but long term growth outlook remains positive
- 14.9 GW of generation capacity expected to be decommissioned between 2008-2030
- Nuclear capacities to be introduced by 2020
- Currently limited reserve margin likely to disappear in the nearest future
- Development of interconnections to achieve capacity of 15% of electricity demand till 2015, 20% till 2020 and 25% till 2030
- Price liberalization to progress

Polish Wholesale Prices on the Rise, Forward Contracts in PLN-terms at a Discount to European (PLN/MWh) [(b)]

Relatively Old Age Structure of the Overall Generation Fleet in Poland [(c)]



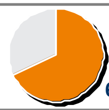
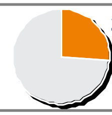
PGE has the competitive advantage of using one of the youngest / most modern units in Poland

Average age of PGE units - 21.5 years
Average age of other units in Poland - ca. 31 years

Source: (a) TSO 2008, Elmark; (b) EEX, PXE, Polish market electricity forward prices as at 04.01.2010; (c) ARE, age of turbine units in operation at the end of 2008 weighted by capacity

2 The Undisputed Leader in the Polish Market

PGE has an undisputed leadership position in the Polish utility market by capacity, generation and number of customers, and is the only Polish integrated utility long in generation

	PGE	TAURON POLSKA ENERGIA	Enea	Energa	Other Players incl. Foreign
Installed Capacity	12.4 GW	5.3 GW	2.8 GW	1.3 GW	13.6 GW
% of Own Fuels	 68	 26	0%	0%	NA
Market Share in Net Generation	42%	14%	8%	3%	33%
Position in Generation	Long	Short	Short	Short	NA
Number of End Customers	5.0m	4.0m	2.3m	2.8m	ca. 2.0m
Market Share Distribution	26%	27%	14%	17%	16%
2008 Sales in PLN	20.6bn (15.9bn 9M 2009)	12.6bn	6.2bn (5.2bn 9M 2009)	8.8bn	NA
2008 EBITDA Margin	28% (37.6% 9M 2009)	9%(2008E)	14% (17.6% 9M 2009)	15%	NA

Data for 2008 unless otherwise stated; Source: Issuer, Companies, URE, Press releases

3 Attractive Organic and External Growth Opportunities

Realistic Investment Plan to Achieve Growth Targets and Transform PGE into one of the Major European Utility Players

Capex Plan Composition (2009–2012)

Investment Item	Approximate[a] amount PLN bn	%
Construction of new conventional, fossil-fuel-fired power stations	8.2	21.1%
Construction of renewable energy sources	8.9	22.9%
Investments in new technologies and nuclear	2.0	5.1%
Investments in distribution assets	5.5	14.1%
Modernisation of existing mining and generation assets	9.5	24.4%
Other (incl. acquisitions)	4.8	12.3%
Total	**38.9**	**100.0%**

Key Highlights

- **Discretionary profile** of the investment programme
  - Limited amount of committed capex
- **Modernisation and efficiency improvement** of the generation portfolio
  - Thermal efficiency of new coal units up to 47% compared to 36% for our older units
  - Improved environmental performance with reduced CO_2 emissions
  - Modernisation of distribution infrastructure to limit network losses
- **Capacity expansion**
  - Construction of the new Bełchatów unit ongoing
  - Further expansion projects in Opole and Turów
- **Expansion into new technologies**
  - Selective development of renewables position
  - Analysis of nuclear options under way
  - Carbon-capture technology (CCS) initiative

Source: (a) PGE - according to the investment plan; Subject to further changes and updates; Figures indicate potential capex amounts

4 Significant Scope for Efficiency Improvements

Efficiency Improvement

Integration synergies and benefits from restructuring

- Cost synergies and higher investment efficiency based on economies of scale and shared resources
- Increased management efficiency and coordination of operating activities
- Better use of centralized functions
- Optimization of recourse to external financing

Cost reduction and efficiency savings in operations

- Improvement of availability of generation units
- Reduction of network losses in distribution companies
- Implementation of cost saving initiatives and optimization programs

Optimisa-tion of investments

- Integrated planning and centralized investment strategy
- Implementation of strict evaluation criteria for proposed investment projects

Restructuring Processes

Phase I – years 2009 – 2010:

- Legal Restructuring aimed at a simplification of the PGE Group structure and functional organisation of core business lines
- Continued implementation of the Kontegra, Integracja and Optima programs

Phase II – post 2011 (3-5 years):

- Cost base restructuring

Key goals:

- Cost savings from integration of generation, distribution and retail sales businesses
- Focus on operating cost improvements through efficiency enhancements and synergies
- PLN **1bn** of savings expected within 3 years after the end of consolidation process

5 Strong Management Team

Demonstrating Initiative and Leadership

Strong and Highly Skilled Senior Management Team… | **…with Successful Track Record**

Ability to…	PGE has…
Identify appropriate growth opportunities	► Taken initiative on nuclear programme and achieved important milestone ► Engaged in reviews of several acquisition opportunities

Restructure and streamline the group	► Wealth of in-house knowledge and experience - Nearly 2/3 of subsidiaries key MD members exceeding 20 years experience
	  ► Initiated a deep integration programme
	  ► Adjusted strategy to focus on more profitable and fast growing segments

Increase the Company's profitability by implementing operating improvements	► Initiated a deep integration programme ► Adjusted strategy to focus on more profitable and fast growing segments
Successfully undertake expansion and modernisation of existing facilities	► Ongoing construction of the Bełchatów unit ► CCS (a full-scope demonstration unit approved) ► Revised the investment plan ► New projects in Opole and Turów approved by Investment Committee ► Accelerated renewables development

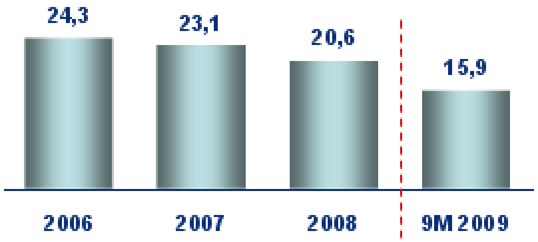
Skilled and experienced senior management team with 2/3 of subsidiaries key MD members exceeding 20 years experience have already made significant achievements

6 Robust Profitability and Solid Financial Position

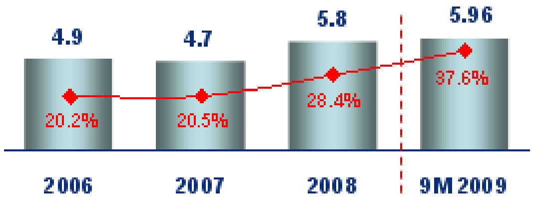
- PGE has a strong track record of robust profitability and margins
- In 2008, EBITDA margin has increased to 28.4%
- 9M 09 saw even stronger performance with EBITDA margin of 37.6%

Development of Key Financials

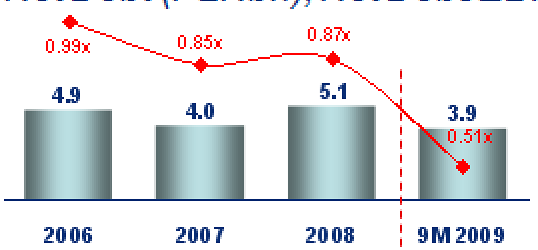
Revenues (PLNbn)



EBITDA (PLNbn), EBITDA margin (%)



Net Debt (PLNbn), Net Debt/EBITDA (x)



Revenue decline between 2006-2008

- Lower electricity purchased under LTCs[(a)] resulting in lower sales
- Lower volume of exported electricity
- Decrease in revenues from supplementary services rendered to PSE Operator

EBITDA growth mainly due to higher power prices

Net Debt to EBITDA:

- At significantly lower level than industry average
- Potential for further debt financing
- Moody's assigned PGE an A3 rating with stable outlook. Fitch assigned PGE a BBB+ rating with stable outlook as well as an A- unsecured senior debt rating

Source: Issuer; Note: Consolidated audited IFRS data; (a) Long-term contracts on the purchase of capacity and electricity entered into between Polskie Sieci Energetyczne S.A. and electricity generators in the years 1994-2001

III. Strategy and Investment Programme

PGE's Strategy

A primary goal of PGE Group is to increase the Company's value and satisfy customer's demand for electricity and heat in Poland and abroad

1 Development of an Integrated Utility Business	2 Efficiency Improvement	3 Enhancement of Competitive Strengths and Regulatory Environment	4 Domestic and Foreign Growth
► Implementation of an optimal management structure ► Reorganisation of the capital structure ► Centralization of selected functions	► Realization of significant integration synergies ► Realization of potential for cost reductions in mining, generation and distribution areas ► Optimization of capital expenditures	► Increased activity on the wholesale energy market ► Strengthening of trading functions ► Promotion of positive changes in the regulatory environment both at the domestic and international level	► Development of new generation units based on conventional fuels, renewable sources and nuclear power ► Development of distribution network and cross-border connections ► Domestic and foreign acquisitions ► Ownership of sizeable own fuel resources

Human Capital Development

Attractive Organic and External Growth Opportunities

Selected Investment Projects

Renewables Projects

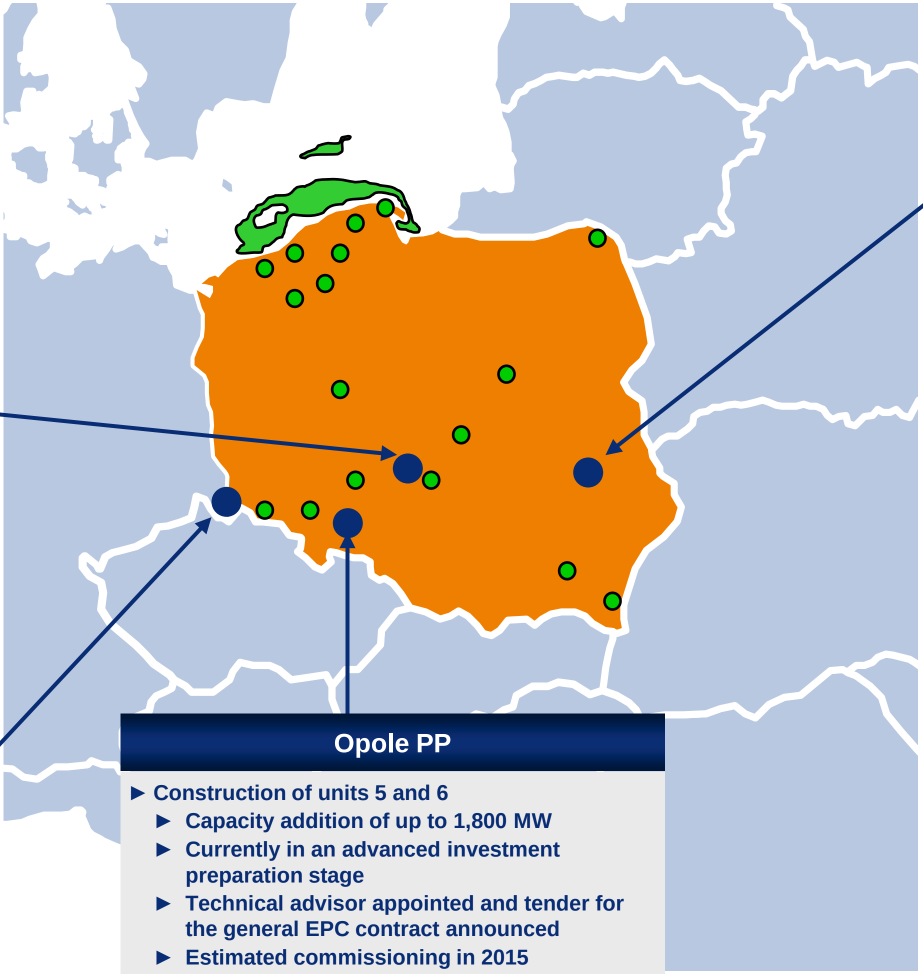
- ▶ Construction of onshore and offshore wind generation units
  - ▶ Total capacity of approx. 2,000 MW
  - ▶ Projects in the preparatory stage

Bełchatów PP

- ▶ Construction of a new power unit
  - ▶ Capacity of 858 MW
  - ▶ With the CCS installation (capture of 1/3 of CO_2 emissions)
  - ▶ Estimated commissioning in 2011
  - ▶ Work progress on schedule

Turów PP

- ▶ Construction of unit 11
  - ▶ Capacity of approx. 460 MW
  - ▶ Project in the investment preparation stage
  - ▶ Estimated commissioning in 2016



Opole PP

- ▶ Construction of units 5 and 6
  - ▶ Capacity addition of up to 1,800 MW
  - ▶ Currently in an advanced investment preparation stage
  - ▶ Technical advisor appointed and tender for the general EPC contract announced
  - ▶ Estimated commissioning in 2015

Lublin PP

- ▶ Construction of a new coal-fired power station
  - ▶ Capacity of approx. 1,600 MW
  - ▶ Project is in an investment preparation stage
  - ▶ Required cooperation commitments from coal suppliers
  - ▶ Estimated commissioning in 2016-18

New co-generation units at PGE's CHPs

- ▶ EC Gorzów – gas (126MWe)
- ▶ EC Gorzów – biomass co-combustion(20-25MWe)
- ▶ ZEC Bydgoszcz - gas (240MWe and 180 MWt)
- ▶ EC Rzeszów – biooil (25MWe)
- ▶ EC Kielce – biomass combustion (30MWe)
- ▶ Projects are in a preparation stage
- ▶ Estimated commissioning in 2012-2018

Investment in distribution

- ▶ New 110kV distribution lines
- ▶ Smart metering

● Potential location of new renewable energy sources (incl. offshore)

Attractive Organic and External Growth Opportunities

Selected Investment Projects

Nuclear Generation Set to Become a Major Growth Opportunity for PGE in the Medium-Term

Background Information

- In 2009 the **Polish government passed important documents** to prepare the way to the development of new nuclear generation in Poland
- **PGE is referenced as the key player** and asked to cooperate with the government commissioner in developing the Polish nuclear power plan (PNPP) and in the implementation of the program
  - The program is to specify the number, size and possible locations of nuclear power plants in Poland
  - The government obligated the Minister of State Treasury to ensure PGE's co-operation in the preparation and carrying out of the Program
- PGE is considering the **construction of two nuclear power plants** with the output of 3,000 MW each, with the first plant being commissioned by the end of 2020
- PGE envisages the construction of a nuclear power plant with the participation of a special purpose vehicle or vehicles with **PGE's share of at least 51%**

Key Features

Installed Capacity	6,000 MW – 2 plants of approx. 3,000 MW each
Capex	estimated EUR3bn per 1,000 MW
Date of Launch	First unit in 2020, second in 2022/23
Technology	Under discussion, to be determined
Possible Sites	Several potential locations currently under review
Current Status	• Ongoing internal discussions on the nuclear technology to be selected • Potential partnership opportunities under review • Preparation for the construction phase include in particular (i) working with government and regulator to include nuclear power development into the energy law; (ii) analyses of solutions for implementing nuclear plant construction projects in EU; (iii) support training staff; (iv) communication with social partners

Project Milestones [(a)]

By end of 2010	PNPP and other necessary legislation coming into force
By end of 2013	Conducting tendering process for selection of technology and location
By end of 2015	Obtaining necessary consents and approvals for construction
2016 - 2020	Construction period
2020	Commissioning of the first unit of the first plant

Source: (a) From the "Framework Timetable of Actions for Nuclear Energy", as adopted by the Council of Ministers on 11-Aug-2009

IV. Corporate Restructuring

PGE has just commenced the first out of two phases of the deep functional and operational restructuring plan …

- Significant optimisation potential based on
  - Creation of PGE by simple asset contributions into one capital group without restructuring measures
  - Lack of restructuring of the power sector in Poland
- PGE committed to become a leader in terms of business efficiency improvement through a 2-step plan
  - Phase 1 (2009-2010): increase in transparency, flow of information, flow of business decision and manageability of the organisation
  - Phase 2 (post 2011): increase in efficiency

Ongoing efficiency projects:
Integracja, Optima, Kontegra

Started!

Functional and legal consolidation
(**1st** stage restructuring)

Segment heads to be appointed

Integrating companies for business lines chosen

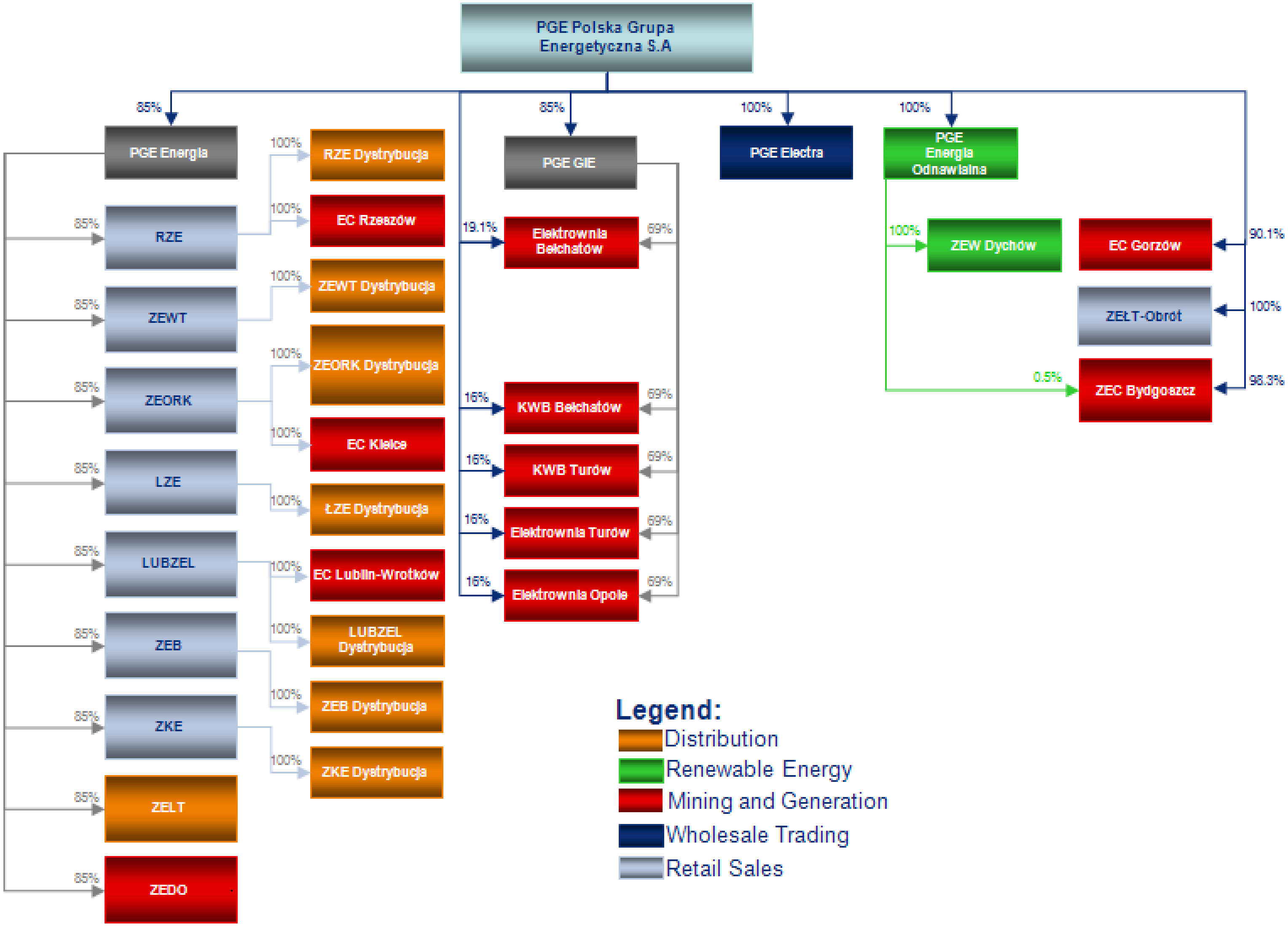
NEW, 3-5 YEAR EFFICIENCY BOOST PLAN
(**2nd** stage restructuring)

PGE to significantly improve its efficiency parameters across all the functional areas

2008 *2009* *2010* *2011* *2012* *2013*

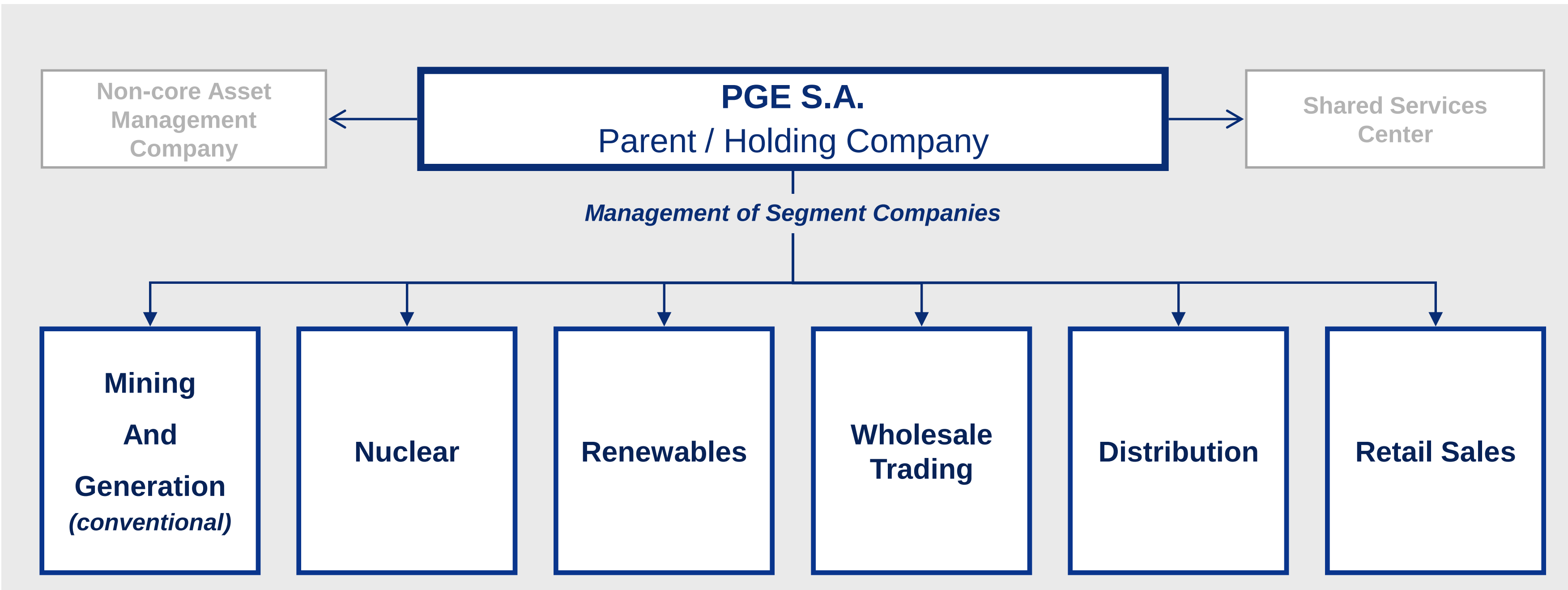
Functional & Legal Restructuring

Current Business Structure is Aimed To Be Streamlined Soon …



Functional & Legal Restructuring

… into a Transparent and Manageable Organisation…



Key goals and benefits

- ✓ *Improved management and integration*
- ✓ *Cost savings*

Simplified timeline of our restructuring process:

Planning and legal

3 months

Completed

Supervisory Board approval

1 month

Completed

Execution - 18 months

Step 0 – buy-out of the State's minority stakes in key operating companies – completed

Step 1 – Merger of consolidated entities

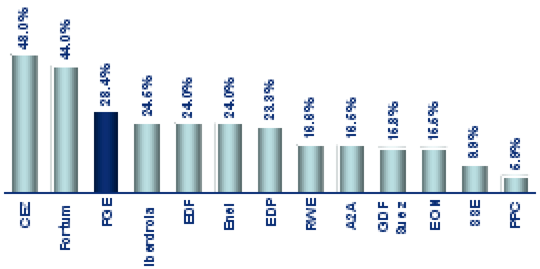
Step 2 - Merger of consolidating entities

V. Financial Indicators

Consolidated P&L

Strong EBITDA Margin [b]

EBITDA margin among selected European peers, 2008A (%)



- ► Track record of consistent improvement in profitability
- ► H1 ‘09 results not distorted by various one-offs or other factors which impacted 2007 and 1H 2008

	Year Ended 31 December (IFRS) [a]							
	2006	**2007**	**2008**	**9M 2009**	**2006**	**2007**	**2008**	**9M 2009**
	PLNm *Audited*	**PLNm** *Audited*	**PLNm** *Audited*	**PLNm** *Reviewed*	**EURm**	**EURm**	**EURm**	**EURm**
Sales	24,344	23,091	20,598	15,870	6,250	6,104	5,857	3,607
EBITDA	4,913	4,743	5,847	5,963	1,261	1,254	1,663	1,355
EBITDA margin	20.2%	20.5%	28.4%	37.6%	20.2%	20.5%	28.4%	37.6%
EBIT	2,323	2,134	3,262	4,026	596	564	928	915
EBIT margin	9.5%	9.2%	15.8%	25.4%	9.5%	9.2%	15.8%	25.4%
Profit before tax	2,197	1,978	3,170	4,016	564	523	901	913
Net profit	2,086	4,771	2,670	3,234	536	1,261	759	735
Minority interest	364	803	750	712	93	212	213	162
Net profit (to equity)	1,723	3,968	1,920	2,522	442	1,049	546	573

Source: PGE; Note: (a) consolidated audited IFRS data, ca. 90 companies consolidated directly and indirectly

(b) IBES from Company filings; PGE consolidated audited IFRS data; For SSE FY ended 31-Mar

EUR /PLN average rate used: 3.8951 (2006), 3.7829 (2007), 3.5166 (2008), 4.3993 (9M 2009); source National Bank of Poland

Consolidated Balance Sheet

► Strong balance sheet with low leverage positions PGE well to undertake its investment program

As at 31 December (IFRS) [a]								
	2006	2007	2008	9M 2009	2006	2007	2008	9M 2009
	PLNm *Audited*	PLNm *Audited*	PLNm *Audited*	PLNm *Reviewed*	EURm	EURm	EURm	EURm
Non-current assets	47,169	38,420	40,701	41,438	12,312	10,726	9,755	9,813
Current assets	7,818	6,889	6,491	6,643	2,041	1,923	1,556	1,573
Total assets	**54,988**	**45,309**	**47,192**	**48,081**	**14,353**	**12,649**	**11,311**	**11,387**
Shareholder equity	27,302	21,252	22,810	24,217	7,126	5,933	5,467	5,735
Minority interest	7,415	8,168	7,366	7,919	1,935	2,280	1,765	1,875
Non-current liabilities	14,157	10,470	9,520	9,967	3,695	2,923	2,282	2,360
Current liabilities	6,114	5,419	7,497	5,978	1,596	1,513	1,797	1,416
Total equity and liabilities	**54,988**	**45,309**	**47,192**	**48,081**	**14,353**	**12,649**	**11,311**	**11,387**
Net Financial Debt	4,875	4,029	5,115	3,864	1,272	1,125	1,226	915
Net Financial Debt to EBITDA	0.99x	0.85x	0.87x	0.51x				

Source: PGE; Note: (a) consolidated audited IFRS data, ca. 90 companies consolidated directly and indirectly

EUR /PLN period end rate: 3.8312 (2006), 3.5820 (2007), 4.1724 (2008), 4.2226 (9M 2009); source National Bank of Poland

Mid 2009 Moody's assigned PGE an A3 rating with stable outlook. Fitch assigned PGE a BBB+ rating with stable outlook as well as an A- unsecured senior debt rating

Polska Grupa Energetyczna

Thank you

Investor Relations

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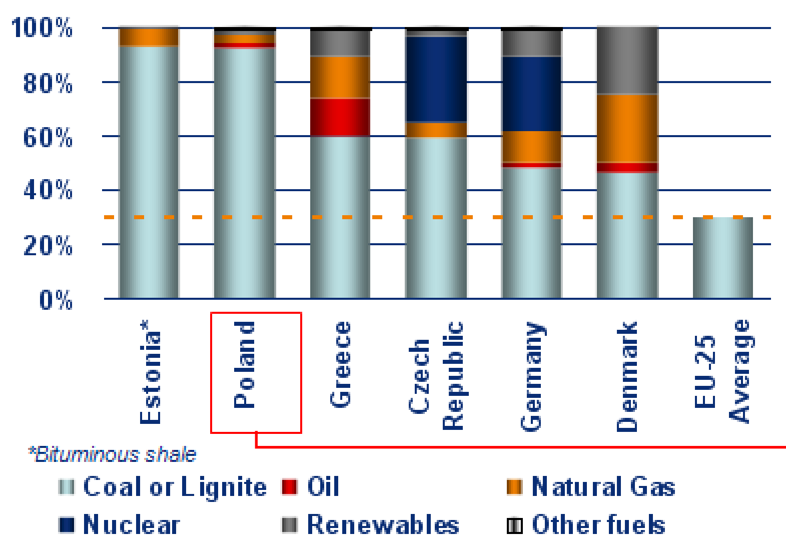
VI. Appendix

CO_2 Allocation and Derogation of Phase III

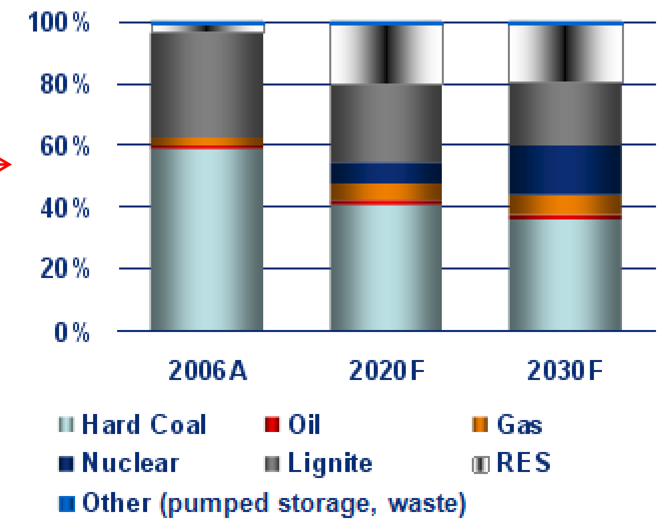
2008 Fuel Mix of European Power Sectors (%) [(a)]



Poland is very rich on coal as a fuel

- Poland is world's no. 7 producer of lignite and world's no. 8 producer of hard coal [(b)]
- **Lignite**: 2008 extraction of 59.6m tons; proved reserves of ca. 13.6 bn tons [(b)]; equivalent to 250 years of the current consumption
- **Hard coal**: 2008 extraction of 84.3m tons (the largest in Europe excl. Russia); proved reserves of ca. 43.1bn tons [(b)]; equivalent to 500 years of the current consumption

Poland's Targeted Fuel Mix % [(c)] and CO_2 Emission National Allocation Plan II (NAP)



Coal-fired units to remain at the relatively stable capacity; increase in RES and nuclear capacity will impact the projected fuel mix

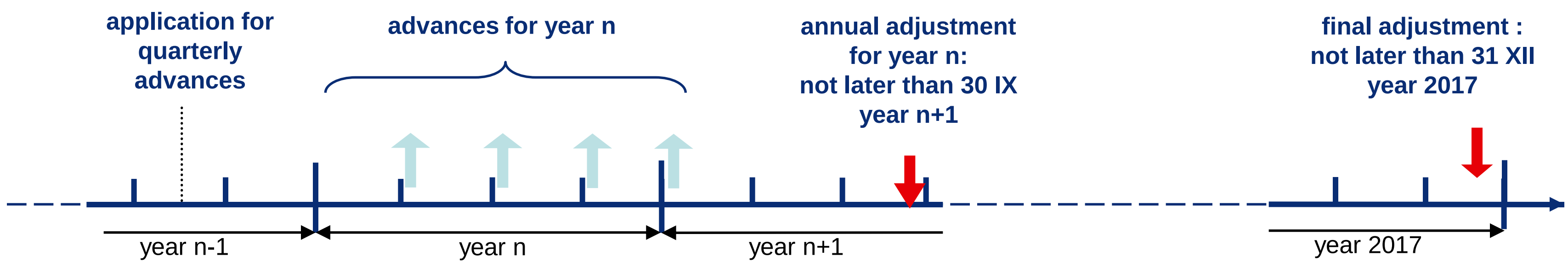
Recent CO_2 decisions favourable for existing units

- NAP II during 2008-2012 allocates less CO_2 emission certificates than required; shortfall for PGE in NAP II estimated to amount to ca. 6-7m tons annually
- As per the Directive 2009/29/EC, free CO2 emission allowances for the Polish energy sector (existing units and units under construction – "physically initiated" investment process [(d)]) to gradually reduce from 70% (of the emission baseline) in 2013 to zero by 2020
- PGE is the leader in development of Carbon Capture and Storage technology (a full scale demonstration unit to start in 2015)

Source: (a) Eurostat; (b) Central Statistical Office 2009 (c) Draft of Energy Policy until 2030, Ministry of Economy; (d) the industry expects additional clarification of the proposed scope

Cancellation of LTCs [a]

Cashflows for generators as defined by LTC Act [b]



- As the European Commission deemed LTCs a prohibited state aid for of generating companies, the Polish Govt went on to terminate LTCs. All LTCs were terminated as at 1-Apr-2008 and according to the LTC Act the generators would be eligible for compensation for their stranded costs [c]
- Compensation payments are made to generators on a quarterly basis
- The sum of quarterly payments for the year **n** is than adjusted next year upon audited financials are available
- After the end of the compensation period the final value of stranded costs is calculated and adjustment of all earlier payments is made
- Assuming positive final adjustment of all payments attributable until year **n** (4 quarterly advances + annual adjustment) are recognised as revenues for the year
- Assuming alternative scenario, part of the payments received for the year in the amount that is to be refunded in the final adjustment should be presented as a liability, so there is no impact on P&L during the settlement of the final adjustment

Maximum amount of stranded costs for PGE PP

	PLNm
Elektrownia Opole (till 2012)	1,966
Elektrownia Turów (till 2016)	2,571
ZEDO (till 2010 while EC Pomorzany till 2009)	633
EC Gorzów (till 2009)	108
EC Lublin – Wrotków (till 2010)	617
EC Rzeszów (till 2012)	422
TOTAL	6,317

Note: (a) Long-term contracts on the purchase of capacity and electricity entered into between Polskie Sieci Energetyczne S.A. and electricity generators in the years 1994-2001; (b) Act of June 29, 2007 on coverage of stranded costs resulting at generators in relation to accelerated termination of long-term contracts; (c) stranded costs are defined as existing investments of an incumbent company before the liberalization of its market which may become unrecoverable for the incumbent company from revenues earned on the market after its liberalization

Strong Management Team

The PGE Management Board

Tomasz Zadroga, President & CEO

- Track record of senior positions held in the past, including power (ABB), industrial and consumer related
- Extensive operating and restructuring experience

Wojciech Topolnicki, VP Investments & CFO

- Significant experience in corporate finance, finance and audit, gained in international corporations (EADS)
- Experience in restructuring in manufacturing sector

Marek Trawiński, VP & COO

- Past experience include CEO or other senior positions in infrastructure, power manufacturing, electricity distribution and power-related construction

Marek Szostek, VP in charge of disposal of non-core assets

- Several years of C-level experience, held responsibility for key areas in various companies incl. international branches of multinational corporations and country-wide food sector capital group

Piotr Szymanek, VP Corporate Affairs

- Formerly held senior positions in legal departments in infrastructure, power (including PSE, predecessor of PGE) and insurance conglomerates

Operates in a Highly Attractive Domestic Market

... as well as Improving Regulatory Environment

Milestones on the Polish Power Market Regulatory Changes

Completed

- ☑ Introduction of the Third Party Access rule (eligibility of all customers to choose their suppliers)
- ☑ Liberalization of electricity prices for non-household tariff groups
- ☑ Cancellation of Long Term Power Purchase Agreements and introduction of the compensation scheme in place
- ☑ Introduction of a number of mechanisms to foster co-generation and generation based on renewable sources
- ☑ Relatively transparent tariff regulations that are to allow RAB step-up from book to fair value

Pending

- ☐ **Introduction of active electricity trading market**
  - source of reliable, objective reference price for the market participants
  - development of more advanced products (i.e. forwards)
  - possibility to achieve desirable margins on household clients
- ☐ **Utilization of electricity prices for households**
  - possibility to achieve desirable margins on household clients