



**TAURON Polska Energia S.A. Supervisory Board's report  
on evaluation of consolidated financial statements of TAURON Polska Energia S.A. Capital  
Group and the Management Board's report on operations of TAURON Polska Energia S.A.  
Capital Group for the financial year 2015**

Katowice, March 2016

**CONTENTS:**

1. Introduction .....	3
2. Evaluation of consolidated financial statements of TAURON Polska Energia S.A. Capital Group prepared in accordance with International Financial Reporting Standards for the year ended 31 December 2015. ....	3
3. Evaluation of Management Board's report on operations of TAURON Polska Energia S.A. Capital Group for the financial year 2015 .....	5
4. Summary.....	6

## 1. Introduction

Acting pursuant to Article 382 § 3 of Commercial Companies Code and § 20 section 1 item 3) of the Company's Articles of Association, the Supervisory Board of TAURON Polska Energia S.A. (hereinafter referred to as Supervisory Board) presents to the General Meeting the *Supervisory Board's report on evaluation of consolidated financial statements of TAURON Polska Energia S.A. Capital Group and the Management Board's report on operations of TAURON Polska Energia S.A. Capital Group for the financial year ended 31 December 2015* which includes the results of evaluation of the following documents:

- 1) Consolidated financial statements of TAURON Polska Energia S.A. Capital Group prepared in accordance with International Financial Reporting Standards for the year ended 31 December 2015,
- 2) Report of the Management Board on the operation of TAURON Polska Energia S.A. Capital Group for the financial year 2015.

Examination of the abovementioned statements of TAURON Polska Energia S.A. Capital Group was carried out by Deloitte Polska Spółka z ograniczoną odpowiedzialnością Spółka komandytowa with its registered office in Warsaw (hereinafter certified auditor), appointed by the Supervisory Board to examine standalone financial statements of TAURON Polska Energia S.A. and consolidated financial statements of TAURON Polska Energia S.A. Capital Group for the financial years 2013, 2014 and 2015.

The task of the certified auditor was to examine and present opinion on compliance of the consolidated financial statements for the financial year 2015 with the accounting principles adopted by the TAURON Polska Energia S.A. Capital Group, as well as whether the financial standing, assets and financial results of TAURON Polska Energia S.A. Capital Group are presented in an accurate and clear manner in all relevant aspects.

The results of the examination are presented herein.

## 2. Evaluation of consolidated financial statements of TAURON Polska Energia S.A. Capital Group prepared in accordance with International Financial Reporting Standards for the year ended 31 December 2015.

The Supervisory Board have read and analyzed the consolidated financial statements of TAURON Polska Energia S.A. Capital Group prepared in accordance with International Financial Reporting Standards for the year ended 31 December 2015, covering:

- 1) Consolidated statement of comprehensive income for the year ended 31 December 2015 showing negative comprehensive income in the amount of PLN 1,682,139 thousand and net loss for the financial year 2015 in the amount of PLN 1,804,215 thousand,
- 2) Consolidated statement of financial position for the year ended 31 December 2015, which shows assets and liabilities in the amount of PLN 32,071,433 thousand,
- 3) Consolidated statement of changes in equity for the year ended 31 December 2015 showing equity decrease of PLN 1,948,407 thousand,
- 4) Consolidated statement of cash flows for the year ended 31 December 2015 showing net cash flow decrease of PLN 1,080,356 thousand,
- 5) Accounting policies (regulations) and other explanatory notes.

### Consolidated statement of comprehensive income for the year ended 31 December 2015.

The table below presents consolidated statement of comprehensive income.

**Table No. 1. Consolidated statement of comprehensive income (in PLN thousand).**

Consolidated statement of comprehensive income	As of 31 December 2015	As of 31 December 2014
Sales revenue	18,375,224	18,577,479
Profit (loss) on sale	(765,551)	2,928,700
Operating profit (loss)	(1,901,141)	1,830,113
Profit (loss) before tax	(2,187,771)	1,498,215
Net profit (loss)	(1,804,215)	1,185,560

Charges on the financial result have been determined correctly.

### Consolidated statement of financial position as of 31 December 2015.

The table below presents consolidated statement of financial position.

**Table No. 2. Consolidated statement of financial position (in PLN thousand).**

Consolidated statement of financial position	As of 31 December 2015	As of 31 December 2014
<b>ASSETS</b>		
Non-current assets	28,124,185	28,162,749
Current assets	3,947,248	6,396,444
<b>TOTAL ASSETS</b>	<b>32,071,433</b>	<b>34,559,193</b>
<b>EQUITY AND LIABILITIES</b>		
Total equity	16,048,157	17,996,564
Non-current liabilities	8,583,950	11,744,092
Current liabilities	7,439,326	4,818,537
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>32,071,433</b>	<b>34,559,193</b>

The level of liabilities and their settlement cycle do not raise any concerns.

### Consolidated statement of changes in equity for the year ended 31 December 2015.

The table below presents consolidated statement of changes in equity.

**Table No. 3. Consolidated statement of changes in equity (in PLN thousand).**

Consolidated statement of changes in equity	As of 31 December 2015	As of 31 December 2014
Equity at the beginning of the period	17,966,564	17,793,499
Equity at the end of the period	16,048,157	17,996,564

The data presented in the consolidated statement of changes in equity for the year ended 31 December 2015 is complete and reflect the actual state of affairs.

#### **Consolidated statement of cash flows for the year ended 31 December 2015.**

The table below presents consolidated statement of cash flows.

**Table No. 4. Consolidated statement of cash flows (in PLN thousand).**

Consolidated statement of cash flows	Year ended on 31 December 2015	Year ended on 31 December 2014
Net cash from operating activities	3,387,458	2,617,907
Net cash from investing activities	(3,942,122)	(3,386,733)
Net cash from financing activities	(525,692)	1,635,749
Net increase (decrease) in cash and cash equivalents	(1,080,356)	866,923
<b>Cash at the beginning of the period</b>	<b>1,408,071</b>	<b>541,148</b>
<b>Cash at the end of the period</b>	<b>327,715</b>	<b>1,408,071</b>

Supervisory Board has no objections or reservations to the presented consolidated statement of cash flows.

Having carefully analyzed the consolidated financial statements of TAURON Polska Energia S.A. Capital Group prepared in accordance with International Financial Reporting Standards for the year ended 31 December 2015 and having read the opinion and the report of the certified auditor, the Supervisor Board positively evaluates the said financial statements in terms of compliance with the ledgers, documents and actual state of affairs.

At the same time, the Supervisory Board declares that the abovementioned financial statements was prepared within the time specified in relevant regulations and in compliance with International Financial Reporting Standards approved by the European Union. Compliance of the consolidated financial statements with ledgers, documents and actual state of affairs does not raise any objections and is confirmed by positive opinion of the certified auditor.

According to the opinion of the certified auditor, the consolidated financial statements of TAURON Polska Energia S.A. Capital Group in all material aspects reflect in a clear and adequate manner all information necessary to evaluate the financial result on the operations, as well as assets and financial standing of the TAURON Group and has been prepared correctly and in accordance with applicable laws.

Taking the above into account, the Supervisory Board recommends that the Ordinary General Meeting approve the presented consolidated financial statements of TAURON Polska Energia S.A. Capital Group for the year ended 31 December 2015.

### **3. Evaluation of Management Board's report on operations of TAURON Polska Energia S.A. Capital Group for the financial year 2015**

Having carefully analyzed the Management Board's report on operations of TAURON Polska Energia S.A. Capital Group for the financial year 2015 the Supervisory Board positively evaluates the said report in terms of its compliance with the ledgers, documents and actual state of affairs. The said report presents in a clear and accurate manner the assets and the financial standing as well as development of TAURON Polska Energia S.A. Capital Group and its compliance as to the scope of information disclosed therein has been confirmed by a certified auditor.

At the same time, the Supervisory Board declares that the abovementioned financial statements were prepared in compliance with applicable provisions of the Accounting Act of 29 September 1994 and the Decree of the Minister of Finance dated 19 February 2009 on current and periodic information disclosed by issuers of securities.

In consequence, the Supervisory Board recommends that the Ordinary General Meeting approve the Management Board's report on the operations of TAURON Polska Energia S.A. Capital Group for the financial year 2015.

#### **4. Summary**

Following the evaluation, the Supervisory Board is of the opinion that the financial statements of TAURON Polska Energia S.A. Capital Group for the financial year 2015 in all relevant aspects:

- 1) present in a clear and accurate manner all information necessary to evaluate the assets, financial standing and financial result on the operations of the TAURON Polska Energia S.A. Capital Group in financial year 2015;
- 2) comply with applicable laws and regulations that define their form and contents;
- 3) were prepared based on properly maintained ledgers in accordance with applicable accounting principles.

Following the results of evaluation presented herein and the positive opinion of the certified auditor, the Supervisory Board recommends to the Ordinary General Meeting to approve the consolidated financial statements of TAURON Polska Energia S.A. Capital Group prepared in accordance with International Financial Reporting Standards for the year ended 31 December 2015 and the Management Board's report on operations of TAURON Polska Energia S.A. Capital Group for the financial year 2015.

***Katowice, 8 March 2016***

Chairwoman of the Supervisory Board	-	Beata Chłodzińska	.....
Deputy Chairwoman of the Supervisory Board	-	Anna Mańk	.....
Secretary of the Supervisory Board	-	Jacek Szyke	.....
Member of the Supervisory Board	-	Anna Biesialska	.....

Member of the Supervisory Board	-	Michał Czarnik .....
Member of the Supervisory Board	-	Maciej Koński .....
Member of the Supervisory Board	-	Leszek Koziński .....
Member of the Supervisory Board	-	Wojciech Myślecki .....
Member of the Supervisory Board	-	Renata Wiernik-Gizicka.....