



***Additional information to
the extended consolidated
report of TAURON Polska Energia S.A. Capital Group
for the First Quarter of 2015***

14 May 2015

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1. Organisation of TAURON Capital Group

1.1 Basic Information on TAURON Capital Group

As at 31 March 2015, TAURON Polska Energia S.A. Capital Group (TAURON Capital Group) consisted of the parent company, TAURON Polska Energia S.A. (hereinafter referred to as TAURON, the Company or the Issuer) and 15 subsidiaries subject to consolidation. Moreover, the Capital Group consisted of 11 other subsidiaries as well as 10 companies with the capital share between 50% - 20% and 22 companies with the capital share below 20%.

The main companies subject to consolidation included the following companies: TAURON Wydobycie S.A. dealing with hard coal mining, TAURON Wytwarzanie S.A. dealing with generation of energy from conventional sources and biomass co-burning, TAURON Ekoenergia sp. z o.o. dealing with generation of electric energy from renewable sources, TAURON Dystrybucja S.A. providing electric energy distribution services, TAURON Sprzedaż sp. z o.o. and TAURON Sprzedaż GZE sp. z o.o. dealing with supply of electric energy to retail customers, TAURON Obsługa Klienta sp. z o.o., dealing with customer service as well as rendering intra-group services in the area of accounting and IT, and TAURON Ciepło S.A. dealing with the generation, distribution and sale of heat. Moreover, TAURON Capital Group consisted of seven other subsidiaries, subject to consolidation, dealing, among others, with electric energy trading as well as extraction of limestone and stone for construction needs.

On 12 October 2010, in order to ensure performance of TAURON Group, perceived as a homogeneous business entity consisting of autonomous commercial law companies, the Management Board of TAURON Polska Energia S.A. established TAURON Group, comprising the companies listed hereunder and TAURON Polska Energia S.A., as the parent company, and adopted the TAURON Group Code as the underlying normative act of TAURON Group operations. The Code of TAURON Group regulates the performance of the Group, providing for implementation of the goals through the dedicated solutions in the scope of managing TAURON Group entities.

As at 31 March 2015, the following subsidiaries were included in TAURON Group:

Table no. 1 List of subsidiaries included in TAURON Group

No.	Company enterprise	Date of accession to TAURON Group
1.	TAURON Sprzedaż sp. z o.o.	26.10.2010
2.	TAURON Obsługa Klienta sp. z o.o.	26.10.2010
3.	TAURON EKOENERGIA sp. z o.o.	26.10.2010
4.	TAURON Wytwarzanie S.A.	28.10.2010
5.	TAURON Czech Energy s.r.o.	10.11.2010
6.	TAURON Dystrybucja S.A.	06.12.2010
7.	Kopalnia Wapienia "Czatkowice" sp. z o.o.	05.01.2011
8.	TAURON Wydobycie S.A.	13.01.2011
9.	TAURON Sprzedaż GZE sp. z o.o.	24.01.2012
10.	TAURON Wytwarzanie GZE sp. z o.o.	24.01.2012
11.	TAURON Ubezpieczenia sp. z o.o.	17.09.2013
12.	TAURON Ciepło sp. z o.o.	16.10.2013
13.	TAURON Dystrybucja Pomiary sp. z o.o.	19.11.2013

No.	Company enterprise	Date of accession to TAURON Group
14.	Biomasa Grupa TAURON sp. z o.o.	19.11.2013
15.	TAURON Ekoserwis sp. z o.o.	19.11.2013
16.	Spółka Usług Górniczych sp. z o.o.	04.12.2013
17.	TAURON Dystrybucja Serwis S.A.	17.12.2013
18.	TAURON Wytwarzanie Serwis sp. z o.o.	26.02.2014
19.	SCE Jaworzno III sp. z o.o.	19.12.2014

An essential element enabling the operational decision-making within TAURON Group, is the existence of advisory and quasi-supervisory bodies of the Group - the four Committees of TAURON Group:

1. Project Assessment Committee,
2. TAURON Group Management Committee,
3. TAURON Group Compliance Committee,
4. TAURON Group Risk Committee.

The Committees fulfil the following functions:

1. opinion-making function for TAURON Management Board,
2. decision-making function,
3. supervisory function for management boards of the subsidiaries.

The basic task of the Committees is to supervise the implementation of coherent actions by all participants of the Group, compliant with the TAURON Group Code and in the interest of TAURON Group. The specific functions of the Committees have been specifically defined in their by-laws adopted by the Management Board of TAURON Polska Energia S.A.

1.2 Entities subject to consolidation

As at 31 March 2015, the following subsidiaries of TAURON Polska Energia S.A. were covered by consolidation:

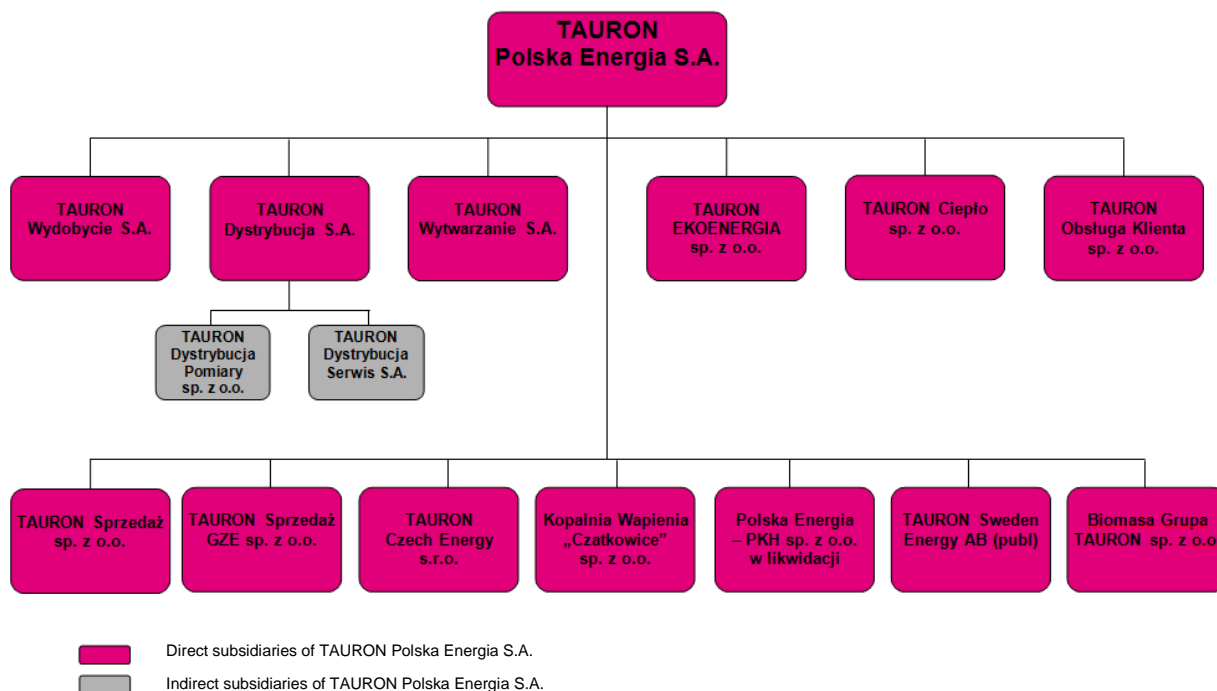
1. TAURON Wydobycie S.A.
2. TAURON Wytwarzanie S.A.
3. TAURON Ekoenergia sp. z o.o.
4. TAURON Ciepło sp. z o.o.
5. TAURON Dystrybucja S.A.
6. TAURON Dystrybucja Serwis S.A.
7. TAURON Dystrybucja Pomiary sp. z o.o.
8. TAURON Sprzedaż sp. z o.o.
9. TAURON Sprzedaż GZE sp. z o.o.
10. TAURON Czech Energy s.r.o
11. TAURON Obsługa Klienta sp. z o.o.
12. Kopalnia Wapienia "Czatkowice" sp. z o.o.
13. Polska Energia Pierwsza Kompania Handlowa sp. z o.o. w likwidacji
14. TAURON Sweden Energy AB (publ)
15. Biomasa Grupa TAURON sp. z o.o.

In addition, TAURON Polska Energia S.A. Capital Group holds investments in joint projects: Elektrociepłownia Stalowa Wola S.A., Elektrownia Blachownia Nowa sp. z o.o., TAMEH HOLDING sp. z o.o., TAMEH POLSKA sp. z o.o. and TAMEH Czech s.r.o., evaluated by equity method in the consolidated financial statements.

1.3 Structure of TAURON Capital Group and significant changes in its structure

The chart below presents companies whose results are consolidated within TAURON Capital Group, as at 31 March 2015.

Figure no. 1. Consolidated companies of TAURON Capital Group



Below, significant changes in the structure of TAURON Capital Group subsidiaries are described, including the effects of changes which have occurred since 1 January 2015:

Transfer of ownership of Biomasa Grupa TAURON sp. z o.o. company to TAURON Polska Energia S.A.

On 14 January 2015, in connection with concluding of the agreement between TAURON Polska Energia S.A. and TAURON Wytwarzanie S.A., consisting in the transfer of shares of Biomasa Grupa TAURON sp. z o.o. company to TAURON Polska Energia S.A., constituting the ownership of TAURON Wytwarzanie S.A., in exchange for discharging TAURON Wytwarzanie S.A. from the obligation towards TAURON Polska Energia S.A. due to the redemption of a part of bonds, TAURON Polska Energia S.A. became the sole owner of the formerly used 4,267 shares in the share capital of the company Biomasa Grupa TAURON sp. z o.o. with its seat in Stalowa Wola, with the total nominal value of PLN 237,885.25, constituting 100% of interest in the share capital of this company.

The transfer of ownership of the company Biomasa Grupa TAURON sp. z o.o. to the benefit of TAURON Polska Energia S.A. is the first stage of the process associated with the planned inclusion of this company in the Tax Capital Group (PGK). The prerequisite for inclusion of the company in the PGK is direct holding of at least 95% of interest in the share capital by TAURON Polska Energia S.A. At the next stage the merger of the company Biomasa Grupa TAURON sp. z o.o. with Energopower sp. z o.o. is planned, where Biomasa Grupa TAURON sp. z o.o. will be the acquired company.

The process of dividing the company TAURON EKOENERGIA sp. z o.o. through the separation and transfer of the separated components of assets to the company Marselwind sp. z o.o.

On 22 September 2014 the District Court Katowice - Wschód in Katowice, 8th Commercial Department of the National Court Register issued the decision on registering of a limited liability company, Marselwind sp. z o.o. with its seat in Katowice (Marselwind), in the Register of Entrepreneurs, established on 3 September 2014 by TAURON which, as the sole shareholder, took over all 100 shares with the total nominal value of PLN 5 thousand. The company was established in order to enable the implementation of the project comprising the division of the company TAURON EKOENERGIA, through the separation of an organised part of the enterprise in the form of wind farms and its contribution to the Marselwind company.

On 8 October 2014 the Extraordinary Meeting of Shareholders of the Marselwind company adopted the resolution on increasing of the share capital by the amount of PLN 100 thousand, from the amount of PLN 5 thousand to the amount of PLN 105 thousand, and TAURON, as the sole shareholder, took over 2 thousand new shares with the nominal value of PLN 50 each.

On 3 November 2014 the division plan of the subsidiary, TAURON EKOENERGIA, was announced, according to which the division shall be performed pursuant to Article 529 § 1 item 4 of the Code of Commercial Companies, through the separation and assignment to the acquiring company, Marselwind, of the separated part of TAURON EKOENERGIA assets in the form of wind farms, constituting an organised part of the enterprise, in exchange for the acquiring company shares to be fully taken over by TAURON.

On 9 February 2015 the Extraordinary Meetings of Shareholders of companies TAURON EKOENERGIA sp. z o.o. and Marselwind sp. z o.o. adopted the resolutions concerning the division of the company TAURON EKOENERGIA sp. z o.o. with its registered office in Jelenia Góra (the Divided Company) through the separation and the transfer of the separated components of assets, constituting an organised part of the enterprise, to the company Marselwind sp. z o.o. with its registered office in Katowice (the Acquiring Company). The division of the Divided Company shall be performed pursuant to Article 529 § 1 item 4 of the Code of Commercial Companies, i.e. through the transfer of a part of the Divided Company assets, constituting an organised part of the enterprise, consisting of fixed assets and intangible assets associated with electric energy generation in renewable energy sources – wind farms, to the Acquiring Company, in exchange for the interest in the increased share capital of the Acquiring Company, to be taken over by the sole shareholder of the Divided Company, i.e. TAURON Polska Energia S.A. with its registered office in Katowice (division through separation).

On 19 February 2015 the District Court for Wrocław-Fabryczna in Wrocław, 9th Commercial Department of the National Court Register, registered the reduction of the share capital of the Divided Company from the amount of PLN 573,423,000 by the amount of 128,535,000, i.e. to the amount of PLN 444,888,000, through the redemption of 128,535 shares with the nominal value of PLN 1,000 each. At the moment of completion of this report, the competent registry court has not executed the said entry.

Until the date of submission of this report, the separation of wind assets from TAURON EKOENERGIA and their transfer to the Marselwind special purpose vehicle has not taken place. The final decision in this scope has not been made yet due to the on-going negotiation process.

2. Basic information concerning TAURON Polska Energia

2.1 Composition of the Management Board and Supervisory Board of TAURON Polska Energia

Composition of the Management Board as at 31 March 2015 and as at the day of this report:

- | | | |
|----|---------------------|--------------------------------------------------------------------------------|
| 1. | Dariusz Lubera | - President of the Board |
| 2. | Aleksander Grad | - Vice President of the Board, Chief Officer for Corporate Matters |
| 3. | Katarzyna Rozenfeld | - Vice President of the Board, Chief Commercial Officer |
| 4. | Stanisław Tokarski | - Vice President of the Board, Chief Strategy and Business Development Officer |

5. Krzysztof Zawadzki - Vice President of the Board, Chief Financial Officer

In the period covered by this report, no changes in the composition of the Management Board of the Company occurred.

Composition of the Supervisory Board as at 31 March 2015 and as at the date of this report:

- | | |
|-----------------------|--------------------------------------------|
| 1. Antoni Tajduś | - Chairman of the Supervisory Board, |
| 2. Agnieszka Woś | - Deputy Chairman of the Supervisory Board |
| 3. Jacek Szyke | - Secretary of the Supervisory Board, |
| 4. Andrzej Gorgol | - Member of the Supervisory Board |
| 5. Maciej Koński | - Member of the Supervisory Board, |
| 6. Leszek Koziarowski | - Member of the Supervisory Board, |
| 7. Michał Michalewski | - Member of the Supervisory Board, |
| 8. Marek Ściążko | - Member of the Supervisory Board |
| 9. Maciej Tybura | - Member of the Supervisory Board. |

In the period covered by this report, no changes in the composition of the Supervisory Board of the Company occurred.

2.2 Structure of share capital

As at 31 March 2015 and as at the day of submission of this report, the share capital of TAURON Polska Energia, in accordance with the entry to the National Court Register, amounted to PLN 8,762,746,970.00 and it was divided into 1,752,549,394 shares with the nominal value of PLN 5.00 each, including 1,589,438,762 of ordinary bearer shares of AA series and 163,110,632 of ordinary registered shares of BB series.

2.3 Shareholders holding at least 5 per cent in the total number of votes

In accordance with the notifications received by the Company and according to the best knowledge of the Company, the structure of shareholders holding at least per cent of the total number of votes at the General Meeting of the Company, either directly or indirectly, through subsidiaries, as at the date of publication of this periodical report, i.e. 14 May 2015, was as follows:

Table no. 2 Structure of the shareholding of TAURON Polska Energia

Shareholders	Number of shares held	Percentage interest in share capital	Number of votes held	Percentage interest in the general number of votes
State Treasury*	526,848,384	30.06%	526,848,384	30.06%
KGHM Polska Miedź S.A.**	182,110,566	10.39%	182,110,566	10.39%
ING Otwarty Fundusz Emerytalny***	88,742,929	5.06%	88,742,929	5.06%
Other shareholders	954,847,515	54.49%	954,847,515	54.49%

*in accordance with the shareholder's notification of 28 February 2013

**in accordance with the shareholder's notification of 23 March 2011

***in accordance with the shareholder's notification of 28 December 2011

Since the day of submission of the previous periodical report, i.e. 13 November 2014, until the date of publication of this quarterly report, no changes in the proprietary structure of significant blocks of shares of the Issuer have occurred.

2.4 Specification of the status of shares held by members of the management and supervisory bodies

Managing persons:

The status of holding TAURON Polska Energia shares, or authorisation to hold the shares by persons managing the Company in the period from date of submission of the report for the third quarter of 2014, i.e. from 13 November 2014, until 14 May 2015 (the date of publication of this quarterly report) was as follows:

Table no. 3 Proprietary status of TAURON Polska Energia shares - managing persons

Name and surname:	Number of shares as at 13 November 2014 (publication of the report for the 3rd quarter 2014)	Change in number of shares held	Number of shares as at 14 May 2015
Dariusz Lubera	6,576	no change	6,576
Aleksander Grad	0	no change	0
Katarzyna Rozenfeld	0	no change	0
Stanisław Tokarski	30,000	no change	30,000
Krzysztof Zawadzki	27,337	no change	27,337

no change - lack of any changes

Supervising persons:

According to the Company's best knowledge, in the period from date of submission of the report for the third quarter of 2014, i.e. from 13 November 2014, until 14 May 2015, Members of the Supervisory Board did not hold any Company shares.

2.5 Scope of business operations of TAURON Polska Energia

The core business of TAURON Polska Energia covers:

- 1) activity of central companies (head offices) and holdings, excluding financial holdings (PKD 70.10 Z),
- 2) electric energy trade (PKD 35.14 Z),
- 3) wholesale of fuel and derivative products (coal, gas and biomass trading) (PKD 46.71 Z),
- 4) gas fuel trade (PKD 35.23 Z).

As the parent entity TAURON fulfils the consolidating and governing function in TAURON Capital Group. Besides the governing function, the core business of the Company involves wholesale electric energy trading on the territory of the Republic of Poland, based on the concession on electric energy trading (OEE/508/18516/W/2/2008/MZn), issued by the President of the Energy Regulatory Office (ERO) for the period from 1 June 2008 until 31 May 2018.

The Company is involved in energy trading, i.e. purchase and sales of energy on the wholesale market in the country and abroad. The activities are conducted on the spot market and forward market, both in the scope of financial contracts and in contracts with physical delivery. In Poland, the Company is an active participant of the TGE (Power Exchange) and OTC (over the counter) platforms maintained by London energy brokers (TFS and GFI). TAURON actively participates in auctions of the interconnector exchange of energy transmission capacity on the Polish-Czech, Polish-German and Polish-Slovakian border, managed by the CAO auction office. The trade on the German market mainly takes place through the EPEX Spot and EEX exchange in the scope of trading of financial instruments of futures type, besides, transactions on the OTC market are also concluded. On the Czech market, through its subsidiary - TAURON Czech Energy, the Company operates on the Prague Power Exchange - PXE a.s., comprising the Czech, Slovak and Hungarian markets as well as on the OTE a.s. exchange. Trading in the Slovak market is carried out through the OKTE a.s. exchange.

It should be indicated that the competence of the Company involves management of certificates of origin for the needs of the TAURON Capital Group, constituting the confirmation of generation of electric energy in renewable sources, in high-performance co-generation, in gas fuel fired co-generation, in mining methane fired or biomass burning co-generation, from sources using agricultural biogas. This activity is based on active controlling of demand for certificates of origin in TAURON Capital Group and on purchase and sales of these units, for the needs of companies of Generation Business Area, as well as companies selling electric energy to end consumers, consequently, being subject to the obligation of certificates of origin redemption.

The Company also acts as the competence centre in the area of CO₂ emission allowances for the companies of the TAURON Capital Group and for the needs of external customers. Since January 2011, the so-called Installation Group has been operating in the area of CO₂ emission allowances, administered by TAURON. The Installation Group has been established for the purpose of common settlement of emission allowances within facilities belonging to TAURON Capital Group. Due to the centralisation of emission trading, the synergy effect was obtained, based on increasing the effectiveness and efficiency as well as optimising the exploitation costs of the existing resources of the entities included in TAURON Capital Group. Parallel to the centralisation of this function in TAURON, the Company is in charge of settlement of CO₂ emission allowances of individual companies, cost-effective management of the allowances granted, provision of the subsidiaries' emission needs, support in negotiating the future emission allowances limits as well as introducing the companies into the new EU ETS (European Union Emission Trading System) in the years 2013-2020. While implementing the above goals in the area of CO₂ emission allowances trading, the Company actively participates in trading on the European Climate Exchange (the ICE), the EEX exchange in Leipzig and the European over the counter (OTC) market.

TAURON acts as the Market Operator for companies of TAURON Capital Group and for external customers. Trade balancing is carried out on the basis of the transmission Agreement of 21 August 2008 concluded with the Transmission System Operator (TSO) – the PSE S.A. company. The Company acts as the Scheduling Agent for companies of TAURON Capital Group representing the Generation Area. In accordance with the Instruction on Transmission Grid Operation and Maintenance, the Company currently holds exclusive generation capacity in the scope of technical scheduling coordination in the area of Balancing Market, it is responsible for optimisation of generation, i.e. the selection of generation units for maintenance as well as the relevant distribution of loads in order to execute the contracts concluded, taking into consideration technical conditions of the generation units, network curtailment and other factors, within various horizons. Within the services provided to the Generation Area, the Company participates in preparation of renovation plans, plans of dispatching power as well as production plans for generation units, in various time horizons, as well as in their arrangement with the TSO and the Distribution System Operator (DSO).

TAURON fulfils the governance function in the scope of production fuel procurement management, i.e. coal, biomass and gas, for the needs of generation entities included in TAURON Capital Group. In this scope, it is responsible for negotiating the contracts with fuel suppliers and for optimisation of the delivery process to individual power plants.

3. Operations of TAURON Capital Group

3.1 The core business areas of TAURON Capital Group

TAURON Capital Group is a vertically integrated energy utility enterprise holding the leading position in generation, distribution and supply of electric energy in Poland and in Central and Eastern Europe. TAURON Capital Group conducts its operations within the following Core Areas (hereinafter also referred to as Segments):



Mining Area, comprising mainly mining, preparation and sale of hard coal in Poland, provided by TAURON Wydobycie.



Generation Area, comprising mainly generation of electric energy in conventional sources, including co-generation, as well as generation of electric energy from renewable energy sources, including burning and co-burning of biomass, and in hydroelectric power plants and wind farms. The Area also comprises the generation, distribution and sales of heat. The basic fuels used by the Generation Area comprise hard coal, biomass and gas. This activity is provided by TAURON Wytwarzanie, TAURON Ciepło and TAURON Ekoenergia. Until the end of 2014 TAURON Ciepło and TAURON Ekoenergia companies were assigned to the separately operating Segments, respectively: Heat and Renewable Energy Sources, in 2015 the Group adopted the decision on their merger with the Generation Segment.



Distribution Area, comprising the distribution of electric energy using distribution grids located in southern Poland. The activity is carried out by the TAURON Dystrybucja company. This area also comprises companies: TAURON Dystrybucja Serwis and TAURON Dystrybucja Pomiary.



Sales Area, comprising sales of electric energy to end customers and wholesale trade of electric energy, as well as trading and management of CO₂ emission allowances and the property rights arising from the energy certificates of origin and fuels. Operations in this area are carried out by the companies: TAURON, TAURON Sprzedaż, TAURON Sprzedaż GZE and TAURON Czech Energy.

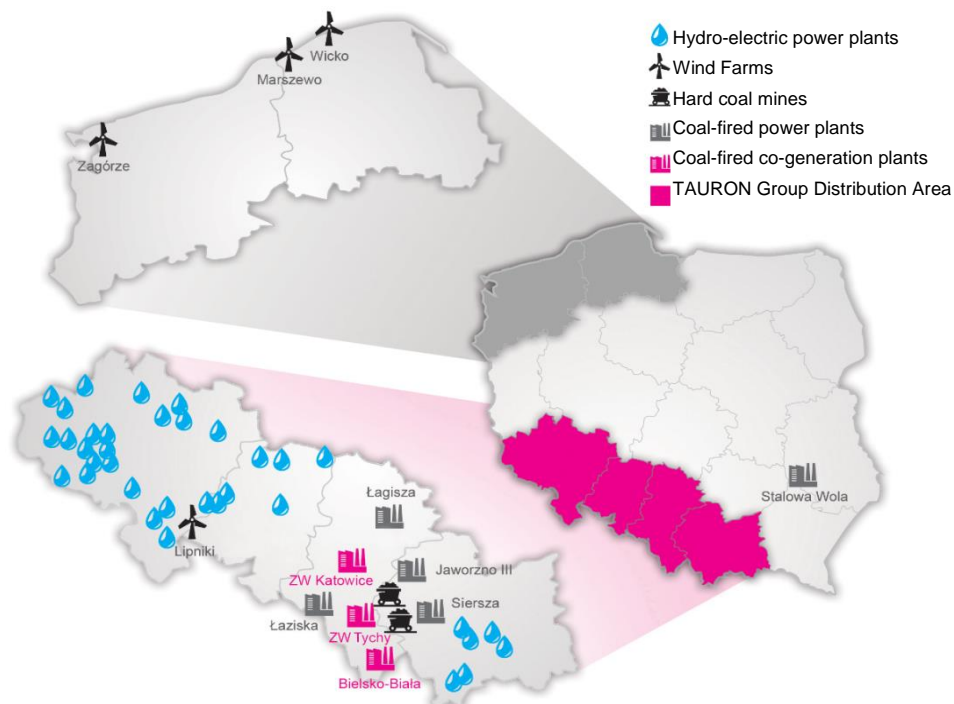


Other Area, comprising the activities in the area of customer service of TAURON Capital Group clients (provided by the TAURON Obsługa Klienta company), extraction of stone, including limestone, for the needs of power engineering industry, metallurgy, construction and road building as well as production of sorbing agents designed for installations of flue gas desulphurisation using the wet method and for the use in the fluidized bed boilers (activity carried out by the KW Czatkowice company). The Other Area also comprises the activity of the company: TAURON Sweden Energy AB (publ), dealing with financial activities, Biomasa Grupa TAURON, dealing mainly with biomass supplies and Polska Energia Pierwsza Kompania Handlowa under liquidation. Until the end of 2014 the TAURON Obsługa Klienta company was assigned to the separately operating the Customer Service Segment; the Group made the decision on merging this Segment with the Other Segment as of January 2015.

TAURON Capital Group conducts its operations and acquires its revenues mainly from sales and distribution of electric energy and heat, generation of electric energy and heat, as well as from sales of hard coal.

The figure below shows the location of key assets of TAURON Capital Group as well as the distribution area where TAURON Dystrybucja operates, as the Distribution System Operator (DSO).

Figure no. 2. Location of key assets of TAURON Capital Group



3.2 Implementation of TAURON Capital Group investment programme

In the first quarter of 2015, the following activities associated with the major strategic investment projects were carried out in TAURON Capital Group:

- 1) construction of a power unit with the capacity of 910 MW at supercritical parameters on the premises of Elektrownia Jaworzno III (TAURON Wytwarzanie). The new unit shall be equipped with a pulverised fuel boiler at supercritical parameters. The unit will demonstrate high efficiency and availability as well as low levels of emissions of NO_x, SO₂, CO₂ and particulate matter. In November 2014 RAFAKO submitted the basic design of the unit. TAURON Wytwarzanie made the site available and handed it over to the General Contractor; in March this year earthworks were commenced. Currently, the excavations are performed for the foundations of the boiler room building, the engine room including the electrical nave and the cooling tower. Moreover, works are executed in the scope of installations and auxiliary management of the unit - the technologies and the contractor of the first stage of external carburisation have been selected. The procedures in the scope of consecutive auxiliary management and auxiliary systems are on-going, including ash removal, wastewater treatment plant, kindling oil, water supply. The completion of the investment is scheduled in 2019,
- 2) construction of a CCGT unit with 449 MW_e capacity, including the heat generation component with 240 MW_t heating capacity at Stalowa Wola. The investment is implemented by a special purpose vehicle, with participation of the strategic partner - the Polskie Górnictwo Naftowe i Gazownictwo S.A. company. The general contractor is Abener Energia S.A. In the framework of the project, the major part of construction works and the assembly of the main elements of the unit have been completed. The pressure tests of the heat recovery boiler and the steam turbine capacitor have been successfully performed. The project entered into the phase of tests and trials of individual technological systems of

the unit The acceptance procedure related to the modernisation of the retaining dam on the San river is in progress. The completion of the investment is scheduled in 2015,

- 3) construction of the CCGT unit with the capacity of 413 MW_e at Elektrownia Łagisza, including the heat generation unit with the capacity of 266 MW_t. The conditions of connecting to the gas transmission system have been obtained for the needs of the project. The negotiations concerning the terms and conditions of cooperation with Polskie Inwestycje Rozwojowe (Polish Development Investments) are in progress. In November 2014 the sectoral contract notice was published in order to select the General Contractor of the unit. 10 potential contractors submitted their expression of readiness to implement the investment project. The analysis and evaluation of the submitted tenders is on-going. The documentation required to obtain the building permit is under preparation, design works in the scope of the generation unit are in progress. The Contract Engineer has also been selected. The completion of the investment is scheduled at the end of 2018,
- 4) the construction of the installation for flue gas de-nitrification for ten blocks at Elektrownia Jaworzno III and at Elektrownia Łaziska belonging to TAURON Wytwarzanie. The implementation of the project is aimed at abatement of nitrogen oxides emission of 200 MW class units to the level of 200 mg/Nm³, to be binding as of 2018. In the scope of the catalytic method of NO_x reduction, in February this year the modernisation of the last of four boilers at Elektrownia Łaziska was completed. In Elektrownia Jaworzno III tender proceedings are executed and works are performed at units 1 and 5. The completion of the modernisation works of 200 MW units is planned in 2016.
- 5) the construction of the co-generation unit with the capacity of 50 MW_e and 86 MW_t at Elektrociepłownia Tychy (TAURON Ciepło). The construction and contractor works within the new unit are continued. The water test of the boiler was conducted. The delivery of the turbine to the site was completed. The assembly of the pressure part and the technological equipment of the boiler as well as the installation of the turbine set elements is performed. The fan cooling tower is under construction. The completion of the investment is scheduled in 2016,
- 6) the construction of the wind farm with the capacity of 18 MW in Marszewo (stage II of the Marszewo farm construction, with the planned total capacity of 100 MW). Geotechnical surveys of ground for towers were performed. The supplier of steel and concrete for construction purposes was selected. Tree logging on the farm area was performed in accordance with the permits obtained. The construction of access roads as well as medium voltage lines for EW1 and EW2 wind farms was commenced. Anchoring elements for 9 of 18 planned wind farm towers were delivered to the site. The completion of the investment is scheduled in 2015,
- 7) construction of "Grzegorz" shaft (TAURON Wydobycie), including the infrastructure (surface and underground) and the accompanying excavation voids. The investment will have strategic importance for activity of TAURON Wydobycie - it shall provide the resource base for the consecutive years, eliminating the sublevel excavation. Works associated with the preparation of the complex technical design are almost completed - the building plan and the geological documentation have been accepted. The development of detailed designs is in progress. Preparations to the tender procedure for the selection of the General Contractor have been commenced. The construction of the GSZ 20/6kV electrical switching station and cable lines is in progress. Delivery of the project is scheduled in 2022,
- 8) construction of a 800 m level, including the commissioning of the fourth wall in Zakład Górniczy Janina (TAURON Wydobycie). The investment will enable to acquire additional coal production in relation to the current level. The scope of the project comprises the performance of the required excavation voids, purchase of machines, equipment and installations, shaft deepening, execution of construction works and implementation of projects of organisational nature. Works related to shaft deepening and drilling of access excavation voids are almost completed. The modernisation of the mechanic coal processing plant is in progress - construction of the steel structure of the stone storage tank and the conveyor bridge. Completion of the project is scheduled in 2019.

In the first quarter of 2015, companies: ENEA S.A. (ENEA), PGE Polska Grupa Energetyczna S.A. (PGE), TAURON and KGHM Polska Miedź S.A. (KGHM), which initialled the draft Shareholders' Agreement of

PGE EJ1 sp. z o.o. on 23 September 2013 (PGE EJ1), continued their works under the project on preparation for the construction of a nuclear power plant in Poland. On 15 April 2015 TAURON and PGE, KGHM and ENEA concluded the agreement for the purchase of shares in PGE EJ1 – a special purpose vehicle responsible for development and execution of investment covering construction and operation of the first Polish nuclear power plant of approximately 3,000 MW capacity. TAURON, KGHM and ENEA purchased from PGE 10% of shares each (30% of shares in total) in PGE EJ 1. The price at which TAURON purchased 10% of the shares in PGE EJ1 amounts to PLN 16 million.

In the first quarter of 2015, the capital expenditures of TAURON Capital Group amounted to approximately PLN 792 million and they were higher by ab. 40% as compared to the expenditures incurred in the corresponding period of the previous year (in the 1st quarter of 2014, they amounted to PLN 565 million). It results mainly from the growth of expenditures in the Generation Area (the construction of the 910 MW unit at Elektrownia Jaworzno III and the construction of the flue gas de-nitrification installation at Elektrownia Jaworzno III and Łaziska in TAURON Wytwarzanie as well as the construction of the BC-50 co-generation unit at Zakład Wytwarzania Tychy in TAURON Ciepło) and in the Mining Area. At the same time, the expenditures in TAURON Ekoenergia as well as in the Distribution Area have decreased.

The capital expenditures attributable to the first quarter of 2015 were mainly incurred for the implementation of the following tasks:

- the construction of the 910 MW unit at Elektrownia Jaworzno III (capital expenditures: PLN 163 million),
- the construction of the NO_x emission abatement installation (capital expenditures: PLN 53 million),
- the construction of stage II of Marszewo wind farm with the capacity of 18 MW (capital expenditures: PLN 5 million) and the modernisation of hydroelectric power plants (capital expenditures: PLN 18 million),
- the construction of new connections (capital expenditures: PLN 94 million), as well as the modernisation and replacement of grid assets (capital expenditures: PLN 169 million) in the Distribution Area,
- the replacement of the capacity in ZW Tychy, including the construction of the BC-50 unit (capital expenditures: PLN 118 million), investments connected with the maintenance and development of heat networks (PLN 13 million), installation of the supply for the western and southern bus system from the ELCHO source (PLN 2 million),
- the construction of a 800 m level at Zakład Górniczy Janina (capital expenditures: PLN 25 million) and the purchase of the additional set of the enclosure and equipment for Zakład Górniczy Janina (PLN 25 million).

4. Analysis of the economic and financial situation of TAURON Capital Group

4.1 Selected financial data of TAURON Polska Energia and TAURON Capital Group

The selected financial data of TAURON Polska Energia and TAURON Polska Energia Capital Group are included in the table below.

Table no. 4 Selected financial data

SELECTED FINANCIAL DATA	in thousand PLN		in thousand EUR	
	2015 period from 1.01.2015 to 31.03.2015	2014 period from 1.01.2014 to 31.03.2014	2015 period from 1.01.2015 to 31.03.2015	2014 period from 1.01.2014 to 31.03.2014
Selected consolidated financial data of TAURON Polska Energia S.A. Capital Group				
Revenue on sales	4,753,816	4,887,264	1,145,802	1,166,579
Operating profit	585,571	632,434	141,139	150,961
Gross profit	574,373	557,590	138,440	133,095
Net profit	502,730	398,686	121,172	95,165
Net profit attributable to shareholders of the parent company	502,043	395,930	121,006	94,507
Net profit attributable to non-controlling interests	687	2,756	166	658
Other total income	14,178	13,992	3,417	3,340
Aggregate total income	516,908	412,678	124,589	98,505
Aggregate total income attributable to shareholders of the parent company	516,213	409,901	124,422	97,842
Aggregate total income attributable to non-controlling interests	695	2,777	167	663
Profit per share (in PLN/EUR) (basic and diluted)	0.29	0.23	0.07	0.05
Weighted average number of shares (in pcs) (basic and diluted)	1,752,549,394	1,752,549,394	1,752,549,394	1,752,549,394
Net cash flows from operating activities	681,859	106,243	164,347	25,360
Net cash from investment activities	(887,783)	(905,346)	(213,980)	(216,104)
Net cash flows due to financial activities	(191,516)	466,263	(46,161)	111,296
Increase/(decrease) in net cash and equivalents	(397,440)	(332,840)	(95,794)	(79,448)
	Status as at 31.03.2015	Status as at 31.12.2014	Status as at 31.03.2015	Status as at 31.12.2014
Fixed assets	28,199,905	28,162,749	6,896,528	6,607,407
Current assets	5,973,087	6,396,444	1,460,770	1,500,702
Total Assets	34,172,992	34,559,193	8,357,298	8,108,109
Share capital	8,762,747	8,762,747	2,143,005	2,055,873
Equity attributable to shareholders of the parent company	18,482,673	17,966,448	4,520,096	4,215,200
Equity attributable to non-controlling interests	30,662	30,116	7,499	7,066
Total equity	18,513,335	17,996,564	4,527,595	4,222,266
Long-term liabilities	11,656,205	11,744,092	2,850,625	2,755,341
Short-term liabilities	4,003,452	4,818,537	979,078	1,130,502
Total liabilities	15,659,657	16,562,629	3,829,703	3,885,843
Selected stand-alone financial data of TAURON Polska Energia S.A.				
	in thousand PLN		in thousand EUR	

	2015 period from 1.01.2015 to 31.03.2015	2014 period from 1.01.2014 to 31.03.2014	2015 period from 1.01.2015 to 31.03.2015	2014 period from 1.01.2014 to 31.03.2014
Revenue on sales	2,436,550	2,389,317	587,276	570,324
Operating profit	24,188	18,109	5,830	4,323
Gross profit	88,666	14,394	21,371	3,436
Net profit	85,812	1,755	20,683	419
Other total income	12,572	6,181	3,030	1,475
Aggregate total income	98,384	7,936	23,713	1,894
Profit per share (in PLN/EUR) (basic and diluted)	0.05	0.00	0.01	0.00
Weighted average number of shares (in pcs) (basic and diluted)	1,752,549,394	1,752,549,394	1,752,549,394	1,752,549,394
Net cash flows from operating activities	109,134	(20,407)	26,304	(4,871)
Net cash from investment activities	(328,171)	(565,298)	(79,098)	(134,935)
Net cash flows due to financial activities	(187,457)	562,058	(45,182)	134,162
Increase/(decrease) in net cash and equivalents	(406,494)	(23,647)	(97,976)	(5,644)
	Status as at 31.03.2015	Status as at 31.12.2014	Status as at 31.03.2015	Status as at 31.12.2014
Fixed assets	26,740,966	26,617,011	6,539,733	6,244,753
Current assets	3,660,495	3,723,519	895,205	873,594
Total Assets	30,401,461	30,340,530	7,434,938	7,118,347
Share capital	8,762,747	8,762,747	2,143,005	2,055,873
Equity	20,337,951	20,239,567	4,973,820	4,748,508
Long-term liabilities	7,463,789	7,511,096	1,825,334	1,762,217
Short-term liabilities	2,599,721	2,589,867	635,784	607,622
Total liabilities	10,063,510	10,100,963	2,461,118	2,369,839

The above financial data was converted into EUR, cumulatively for the 1st quarter of 2015 and 2014, according to the following principles:

- individual items of the statement of financial standing - according to the average NBP exchange rate announced as at 31 March 2015 - PLN/EUR 4.0890 (as at 31 December 2014 - PLN/EUR 4.2623),
- individual items of the statement of comprehensive income and the statement of cash flows - according to the exchange rate representing the arithmetic means of average NBP exchange rates announced on the last day of each month of the financial period from 1 January 2015 to 31 March 2015 - PLN/EUR 4.1489 (for the period from 1 January 2014 to 31 March 2014 - PLN/EUR 4.1894).

4.2 Key operating data of TAURON Capital Group

In the first quarter of 2015, TAURON Group reached the following key operating parameters.

Table no. 5 Key operating parameters - the 1st quarter of 2015 as compared to the 1st quarter of 2014.

Key operating parameters	unit	Q 1 in 2015.	Q 1 in 2014.	Dynamics Q 1 2015/ Q 1 2014
Commercial coal production	M Mg	0.97	1.25	77.6%
Generation of electric energy	TWh	3.93	3.69	106.5%

Key operating parameters	unit	Q 1 in 2015.	Q 1 in 2014.	Dynamics Q 1 2015/ Q 1 2014
(net production), including:				
generation of electric energy from renewable sources	TWh	0.53	0.47	112.8%
Heat generation	PJ	5.17	5.92	87.3%
Distribution of electric energy	TWh	12.50	12.25	102.0%
Retail sales of electric energy (total, by Areas: Sales and Generation)	TWh	9.05	10.17	89.0%
Number of clients - Distribution	thous.	5,383	5,354	100.5%

4.3 Sales structure according to core business areas

The table below shows the volumes and structure of sales of TAURON Capital Group, divided into individual Core Business Areas (Segments) for the 1st quarter of 2015, compared to the 1st quarter of 2014.

Table no. 6 Structure of sales, divided into Areas of operations for the 1st quarter of 2015 as compared to the 1st quarter of 2014.

Specification	unit	Q 1 2015	Q 1 2014	Dynamics Q 1 2015/ Q 1 2014
Sales of coal by the Mining Area	M Mg	1.14	1.01	112.9%
Sales of electric energy and heat by Generation Area	TWh	5.70	3.97	143.6%
	PJ	6.94	7.10	97.7%
Sales of electric energy distribution services by Distribution Area	TWh	12.50	12.25	102.0%
Retail sales of electric energy by Sales Area	TWh	9.05	10.07	89.9%

Mining Area

The basic activity conducted by TAURON Capital Group within the Mining Business Area covers mining, preparation and sales of hard coal. Through TAURON Wydobycie, TAURON Capital Group indirectly owns and operates Zakład Górniczy Sobieski and Zakład Górniczy Janina. The Mining Plants are producers of coal offered for sale on the market in coarse, medium coal assortments and as power coal dust.

TAURON Wydobycie conducts the sales of coal in two directions:

- 1) sales of fine coal and coal sludge to power plants and co-generation plants,
- 2) sales of thick, medium and limited amount of fine coal sizes through the organized sales network all over the country.

Sales of coal from TAURON Wydobycie is mainly executed in the region of southern and central Poland, in particular, the following provinces: Śląskie, Małopolskie, Podkarpackie, Świętokrzyskie and Dolnośląskie.

The volume of coal sales in the 1st quarter of 2015 amounted to approximately 1.14 million t, which means an increase by about 12.8%, as compared to the corresponding period of 2014 as a result of the increased demand of consumers for fine coal.

Generation Area

The basic activity of the Generation Area within TAURON Capital Group comprises generation of electric energy and heat in:

- coal-fired and biomass burning power plants and co-generation plants,
- hydroelectric power plants,
- wind farms.

The total capacity of the generation units of the Generation Area at the end of March 2015 amounted to 5.1 GW of electric capacity and 2.6 GW of heat capacity.

In the 1st quarter of 2015, the Generation Area produced about 3.9 TWh of net electric energy (including about 0.53 TWh from RES), i.e. by about 6.3% more than in the corresponding period of 2014 when the production of net electric energy reached approximately 3.7 TWh (including 0.47 TWh from RES). Sales of electric energy from own production, including energy purchased for trading purposes in the 1st quarter of 2015 reached approximately 5.7 TWh, which means the increase by ab. 44%, in relation to the corresponding period of the previous year. It is mainly the consequence of the higher resale of energy purchased in relation to the corresponding period of the previous year (1.7 TWh in the 1st quarter of 2015; 0.2 TWh in the 1st quarter of 2014).

The higher production of electric energy results mainly from the favourable market trends and hydrological conditions. In relation to the analogical period of the previous year, the following trends occurred: increased power demand in the National Power System by 1.3%; growth in total electric energy production by approximately 2.7%; change in the direction of interconnector exchange from import to export. In the 1st quarter of 2015 the total balance of foreign trade of electric energy amounted to -252 GWh (export from Poland), as compared to 327 GWh (import to Poland) in the analogical period of 2014.

Heat production by the Generation Area in the 1st quarter of 2015 reached 6.9 PJ and it was lower by ab. 2% in relation to the corresponding period of 2014 (7.1 PJ), which resulted from the reduced demand for heat due to consecutive year with air temperatures higher than average in the winter season.

Distribution Area

TAURON Capital Group is the largest electric energy distributor in Poland, both in terms of the volume of the electric energy supplied and the revenue gained from distribution activity. The Distribution Area exploits distribution grids of considerable range, located in the southern part of Poland.

In the 1st quarter of 2015, the Distribution Area supplied the total of 12.5 TWh of electric energy, including almost 11.9 TWh to the end consumers. During this period, the Distribution Area provided distribution services in favour of 5.38 million of consumers. In the corresponding period of the previous year, the Distribution Area supplied, in total, approximately 12.2 TWh of electric energy to about 5.35 million consumers, including 11.7 TWh to the end consumers. The increased volume of supplies results from the growth in energy demand among the biggest consumers in B tariff group, with the simultaneous decline in energy uptake by households due to the increased effectiveness of energy use.

Sales Area

Sales Area comprises activities in the scope of electric energy sales and wholesale trading of electric energy and other products of the energy market. Operations in the area of sales cover sales of electric energy to end customers, including key accounts. On the other hand, operations within wholesale trading cover mainly wholesale trade of electric energy, trade and management of CO₂ emission allowances and the property rights arising from the electric energy certificates of origin, and trading of fuels.

In the 1st quarter of 2015 retail sales of electric energy performed by the Sales Area to approximately 5.3 million clients, amounted to over 9.0 TWh, i.e. approximately 90% of the level reached in the corresponding period of 2014. The decline in the volume of sales mainly results from the change of designation of energy purchased by some part of consumers from retail to wholesale trade (in the 1st quarter of 2014 the volume of energy sales to such clients was recognised in retail sales), as well as lower average consumption in the group of individual clients and the slowdown of expansion rate on the external area, caused by aggressive

pricing policy of competitive companies in the scope of business clients acquisition. On the distribution area of TAURON Group the deceleration of clients' resignations is noticeable in the 1st quarter of 2015.

For companies of the Sales Area of TAURON Group, the first quarter of 2015 demonstrated similar diversification of the competitiveness level in individual market segments as in 2014. In the 1st quarter of 2015, the market of households (individual client), despite numerous announcements concerning its liberalisation, was still covered by the obligation imposing the approval of sales prices by the President of the Energy Regulatory Office (ERO). The effect of this situation is a very low competitiveness in this market area. In the first two months of 2015 the number of households which changed the energy supplier slightly exceeded 20.5 thousand. However, taking into account the potential of this segment, i.e. the total number of households in Poland, this figure makes only a limited percentage and shows only the beginning of the liberalisation process of this market segment.

In the segment of institutions and economic operators (business client), where the competition is high and companies have already used the liberalisation of electric energy prices for several years, the progress of the liberalisation has caused that the increasingly aware clients expect competitive solutions. The intensified sales activity of energy companies exerts increasing price pressure; new entities competing for a client appeared and the transparency of the mechanisms of the energy market is a must in any activities in this segment. However, even in this group of clients, significant slowdown in the growth of seller change can be noted. In January and February 2015 over 11.6 thousand of industrial clients decided to change the seller.

In connection with the partial liberalisation of the energy market, offers tailored to individual clients' needs appeared. TAURON Capital Group creates products, sales channels and marketing communication taking into account the activities of the competition. Moreover, the Group initiates innovative solutions adapted to the level of market development and expectations of a given segment of clients.

4.4 Financial situation of TAURON Capital Group after the first quarter of 2015.

4.4.1 Consolidated statement of comprehensive income

The table below presents the selected items of the consolidated statement of comprehensive income of TAURON Capital Group for the period of 3 months, ended on 31 March 2015, as well as the comparative data for the period of 3 months ended on 31 March 2014. These items are quoted in accordance with the interim condensed consolidated financial report compliant with the IFRS (International Financial Reporting Standards) for the period of 3 months ended on 31 March 2015, where statements for the 1st quarter of 2015 are included, as compared to the first quarter of 2014.

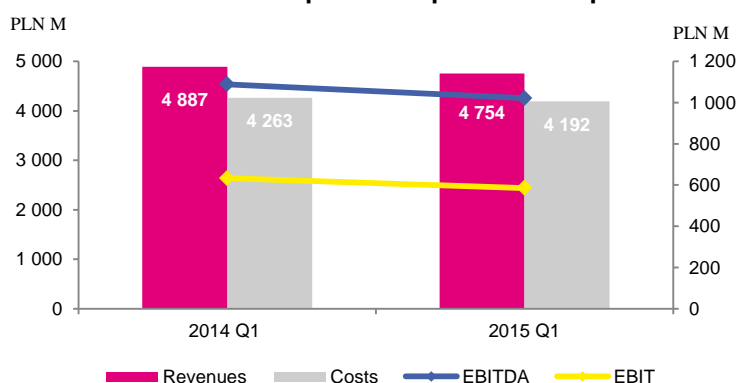
Table no. 7 Consolidated statement of comprehensive income

Specification (PLN thousand)	Q 1 2015 (unaudited)	Q 1 2014 (unaudited)	Dynamics (Q 1 2015/ Q 1 2014)
Revenue on sales	4,753,816	4,887,264	97.3%
Own cost of sales	(3,927,945)	(3,972,141)	98.9%
Gross profit on sales	825,871	915,123	90.2%
Other operating revenue	42,808	34,668	123.5%
Costs of sales	(107,668)	(123,000)	87.5%
Overheads	(156,212)	(167,391)	93.3%
Other operating expenses	(19,228)	(26,966)	71.3%
Operating profit	585,571	632,434	92.6%
<i>Operating profit margin (%)</i>	12.3%	12.9%	95.2%
Financial revenue	59,058	13,071	451.8%
Financial expenses	(90,656)	(87,509)	103.6%
Share in profit of the affiliate	20,400	(406)	-

Specification (PLN thousand)	Q 1 2015 (unaudited)	Q 1 2014 (unaudited)	Dynamics (Q 1 2015/ Q 1 2014)
Gross profit	574,373	557,590	103.0%
<i>Gross profit margin (%)</i>	12.1%	11.4%	105.9%
Income Tax	(71,643)	(158,904)	45.1%
Net profit (loss) for the period	502,730	398,686	126.1%
<i>Net profit margin (%)</i>	10.6%	8.2%	129.6%
Other comprehensive income for the financial year including tax	14,178	13,992	101.3%
Total revenue for the period	516,908	412,678	125.3%
Profit attributable to:			
Shareholders of the parent company	502,043	395,930	126.8%
Non-controlling interests	687	2,756	24.9%
Total income attributable to:			
Shareholders of the parent company	516,213	409,901	125.9%
Non-controlling interests	695	2,777	25.0%
EBIT and EBITDA			
EBIT	585,571	632,434	92.6%
EBITDA	1,020,856	1,088,208	93.8%

The figure below shows the financial results of TAURON Capital Group for the 1st quarter of 2015 as compared to the 1st quarter of 2014.

Figure no. 3 Financial results of TAURON Capital Group for the 1st quarter of 2014 and 2015.



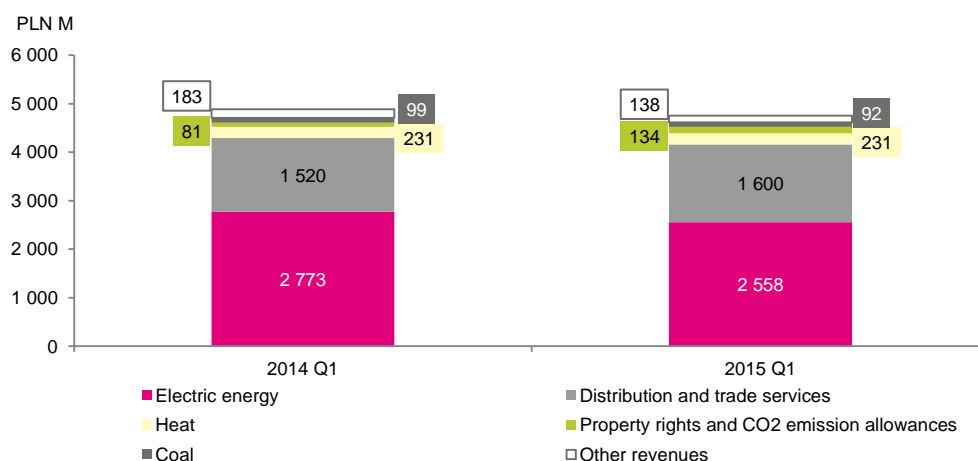
In the 1st quarter of 2015 TAURON Group recognised revenue on sales at the level of about PLN 4.8 billion as compared to about PLN 4.9 billion reached in the 1st quarter of 2014, which means the decrease by 2.7%. The main factors influencing the decline in the revenues include: lower revenues on electric energy sales and no sales of wind of blast furnace and compressed air in the 1st quarter of 2015, which results from the exclusion of Zakład Wytwórczy Nowa and Elektrownia Blachownia from the structure of TAURON Capital Group and their transfer to TAMEH Polska sp. z o.o. Besides the aforementioned factors, the decline in revenues is also the result of low revenue on operating power reserve and lower volume of coal sales (as a result of production limitation). The declines described above were partly mitigated by gaining higher revenues on sales of distribution services (increased volume of sales of services and higher rate for end consumers), property rights (higher production of energy from RES by 12.5%) and CO₂ emission allowances.

In relation to the revenues outside TAURON Capital Group, the highest growth, in relation to the analogical period of the previous year (by 14.3%) was reached by the Distribution Segment, due to sales of the higher

volume of services rendered with the simultaneous growth in the rate for end consumers. On the other hand, the highest decline was noted by the Generation Segment (by 20.5%), which results from the lower volume of electric energy sales and lower revenues from operating power reserve.

The figure below shows the structure of revenues of TAURON Capital Group for the 1st quarter of 2015 as compared to the 1st quarter of 2014.

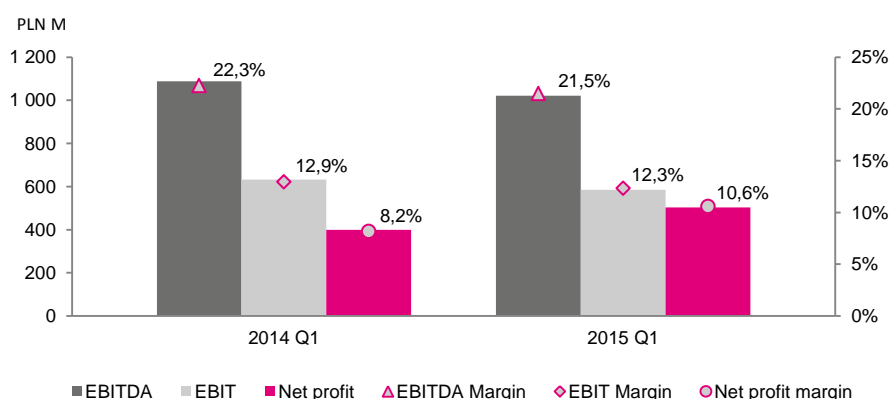
Figure no. 4. Structure of revenues of TAURON Capital Group for the 1st quarter of 2014 and 2015.



The decline in the costs of operating activity in the 1st quarter of 2015 in relation to the corresponding period of the previous year is associated, among others, with the separation of the generating assets from the structures of TAURON Ciepło sp. z o.o. and TAURON Wytwarzanie S.A. to the TAMEH Polska company, which caused the decline of the costs of consumption of materials and energy, external services and depreciation. The decrease in costs of the conducted activities of the Group was also affected by the lower volume of electric energy purchase.

The figure below shows the financial results of TAURON Capital Group and the level of margins achieved.

Figure no. 5. Financial results of TAURON Capital Group and the level of margins achieved



4.4.2 Financial results according to business areas

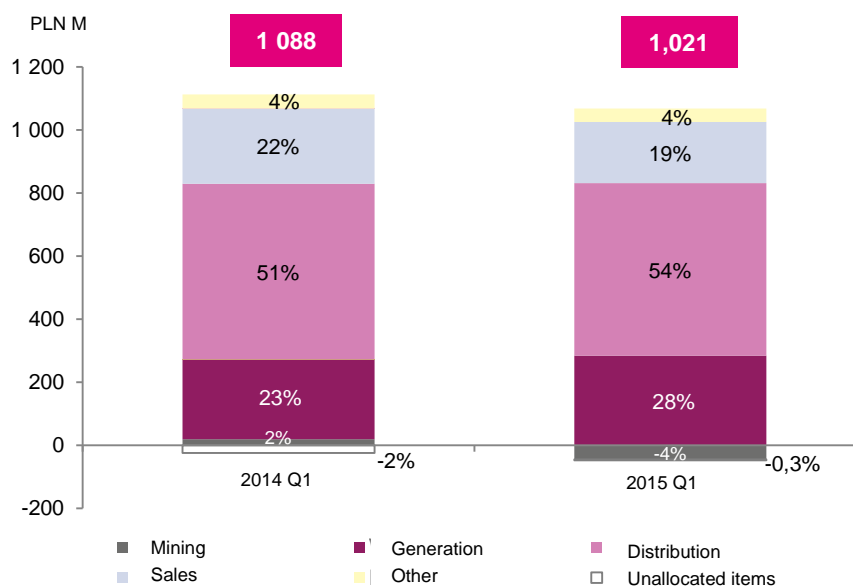
The table below shows EBITDA results of TAURON Capital Group, divided into individual areas of operations for the period of the 1st quarter of 2015 as compared to the 1st quarter of 2014. The data for individual areas do not include consolidation exclusions.

Table no. 8 EBITDA results of TAURON Capital Group, divided into business areas

EBITDA (thousand PLN)	Q 1 2015	Q 1 2014	Dynamics Q 1 2015/ Q 1 2014
Mining	(44,186)	19,703	-
Generation	284,341	252,439	112.6%
Distribution	546,740	557,688	98.0%
Sales	193,771	238,344	81.3%
Other	43,339	44,538	97.3%
Non-attributable items and exemptions	(3,149)	(24,504)	12.9%
Total EBITDA	1,020,856	1,088,208	93.8%

The figure below shows EBITDA structure of TAURON Capital Group

Figure no. 6. EBITDA structure of TAURON Capital Group



The Distribution Area and the Generation Area have the highest share in EBITDA of TAURON Capital Group. As compared to the corresponding period of 2014, in those areas the growth of share in the EBITDA structure occurred, due to the change in the structure caused by better results gained in the 1st quarter of 2015 by the Generation Area and the deterioration of results in the Mining Area.

Mining Area

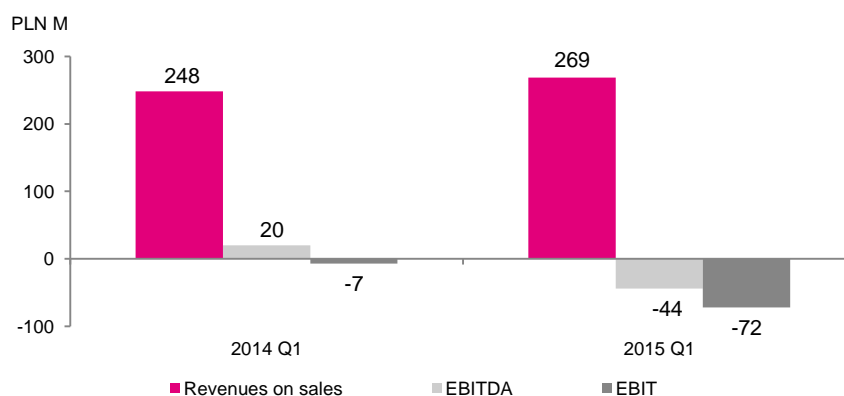
The table below shows the results of the Mining Area for the period of the 1st quarter of 2015 as compared to the 1st quarter of 2014.

Table no. 9 Results of Mining Area

Specification (thous. PLN)	Q 1 2015	Q 1 2014	Dynamics Q 1 2015 / Q 1 2014	Change (Q 1 2015 Q 1 2014)
Mining				
Revenue on sales	268,759	248,165	108.3%	20,594
<i>coal - coarse and medium assortments</i>	<i>65,889</i>	<i>79,549</i>	<i>82.8%</i>	<i>(13,660)</i>
<i>power coal</i>	<i>197,487</i>	<i>160,545</i>	<i>123.0%</i>	<i>36,942</i>
<i>other products, materials and services</i>	<i>5,383</i>	<i>8,071</i>	<i>66.7%</i>	<i>(2,688)</i>
Operating profit	(72,045)	(6,959)	-	(65,086)
Amortisation and depreciation	27,859	26,662	104.5%	1,197
EBITDA	(44,186)	19,703	-	(63,889)

The figure below shows the financial data of the Mining Area for the period of the 1st quarter of 2014 and 2015.

Figure no. 7. Financial results of the Mining Area for the 1st quarter of 2014 and 2015.

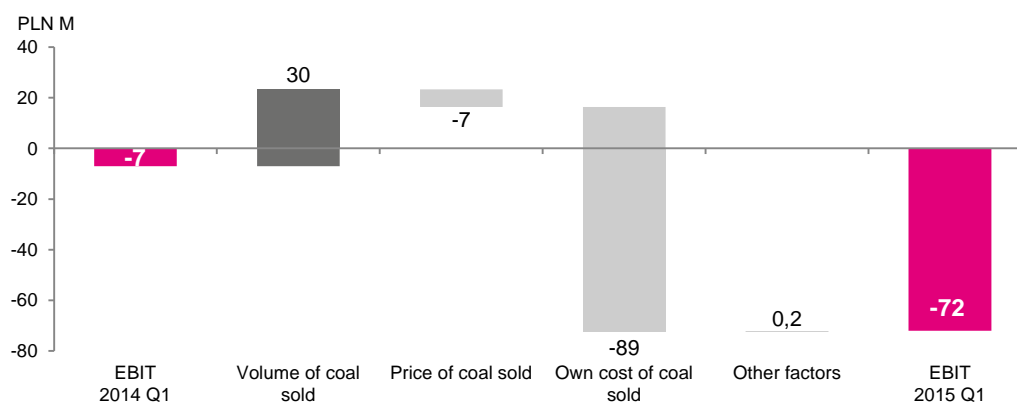


EBITDA and EBIT results of the Mining Segment in the 1st quarter of 2015 reached a lower level than in the analogical period of 2014, which arises from the following factors:

- growth of own cost of sold coal as a result of the unfavourable relation of coal production and sales and the settlement of the preparatory works. The aforementioned factors were partly mitigated by savings generated by the company of the Mining Area in the scope of consumption costs of materials, energy and external services,
- the growth in the volume of coal sales by 12.8%, which results from higher sales of fine coal (by 21.8%), with the simultaneous decline in the volume of sales of coarse assortments (by 16.4%),
- lower prices of coal sales, on average, by 2.8%, mainly as a result of the decline in coarse and medium assortments (by 8.0%) and the increased share of cheaper fine coal in the structure of sales.

The figure below shows the EBIT result of the Mining Area, including the significant factors influencing the change in relation to the 1st quarter of the previous year.

Figure no. 8. EBIT result of Mining Area



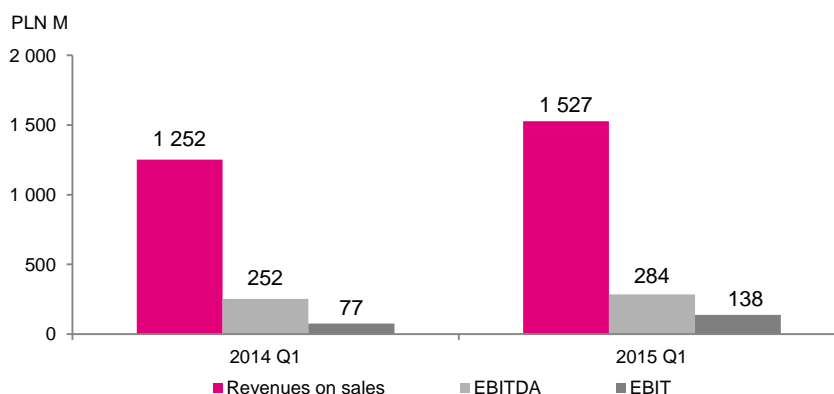
Generation Area

The table below shows the results of the Mining Area for the period of the 1st quarter of 2015 as compared to the 1st quarter of 2014.

Table no. 10 Results of the Generation Area

Specification (thous. PLN)	Q 1 2015	Q 1 2014	Dynamics Q 1 2015/ Q 1 2014	Change (Q 1 2015 - Q 1 2014)
Generation				
Revenue on sales	1,527,101	1,252,366	121.9%	274,735
<i>electric energy</i>	1,052,587	748,549	140.6%	304,038
<i>heat (including heat transmission)</i>	300,673	296,155	101.5%	4,518
<i>property rights arising from certificates of electric energy origin</i>	162,143	133,964	121.0%	28,179
<i>wind of blast furnace</i>	0	41,938	-	(41,938)
<i>compressed air</i>	12	18,091	0.1%	(18,079)
<i>other</i>	11,686	13,669	85.5%	(1,983)
Operating profit	137,560	76,611	179.6%	60,949
Amortisation and depreciation	146,781	175,828	83.5%	(29,047)
EBITDA	284,341	252,439	112.6%	31,902

The figure below shows the financial data of the Generation Area for the period of the 1st quarter of 2014 and 2015.

Figure no. 9. Financial results of the Generation Area for the 1st quarter of 2014 and 2015.

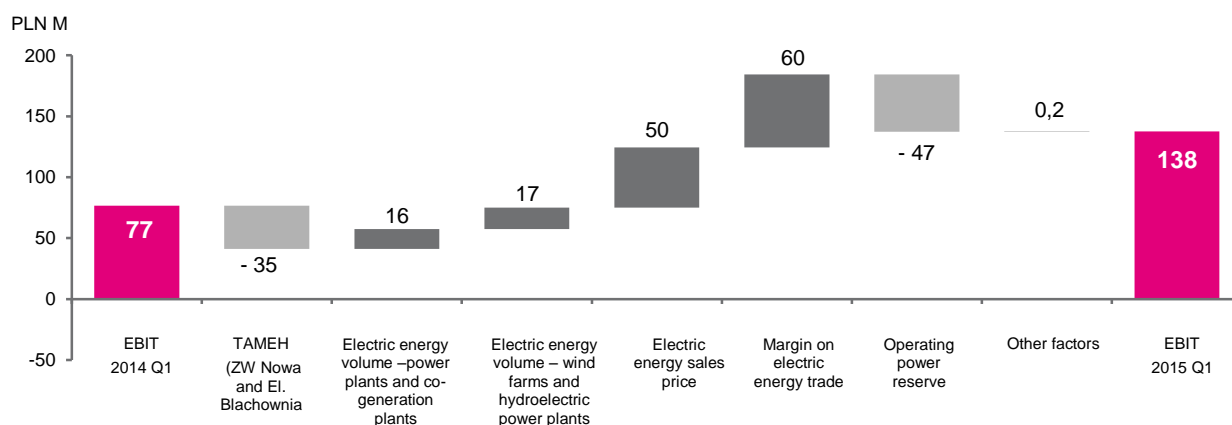
In the 1st quarter of 2015, the revenues on sales in the Generation Segment were higher by approximately 22% as compared to the corresponding period of the previous year, mainly due to higher revenue on electric energy sales (higher volume and sales price) and higher revenue on sales of property rights of electric energy certificates of origin (higher volume of production from RES and the support of co-generation in the form of "red" and "yellow" certificated of origin, which did not occur in the 1st quarter of 2014). The revenues of the Generation Segment in the 1st quarter of 2014 additionally included revenues on sales of wind of blast furnace and compressed air, accomplished by Zakład Wytwarzania Nowa, transferred as a contribution in-kind in December 2014 to the TAMEH Polska company (the joint enterprise included in the consolidated financial statement by the equity method).

EBITDA and EBIT results of the Generation Segment in the 1st quarter of 2015 reached a higher level than in the analogical period of 2014, which arises from the following factors:

- higher margin on electric energy trading – as a result of both higher volume of trading and higher unit margin; the higher volume of sales of electric energy within the turnover of the 1st quarter of 2015 arises from the adopted sales strategies,
- lower average price of electric energy sales YoY,
- higher volume of electric energy sales from production of power plants and conventional co-generation plants,
- higher volume of electric energy sales from production of hydroelectric plants and wind farms, mainly due to the favourable hydrological conditions and excessive flows in the 1st quarter of 2015 (in the 1st quarter of 2014 the hydrological situation was less favourable),
- lower revenues from operating power reserve – the consequence of higher volume of contracted sales in relation to the previous year, lower availability level of generating units and the lower level of prices of this service in January and March 2015, as compared to 2014,
- separation of assets of ZW Nowa and Elektrownia Blachownia to the TAMEH company (share in the EBIT result in the 1st quarter of 2014: approximately PLN 35 million).

The figure below shows the EBIT result of the Generation Area, including the significant factors influencing the change in relation to the 1st quarter of the previous year.

Figure no. 10. EBIT result of the Generation Area



Distribution Area

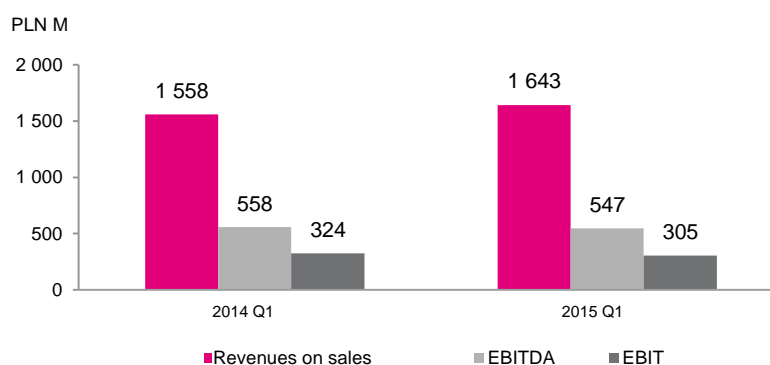
The table below shows the results of the Distribution Area for the period of the 1st quarter of 2015 as compared to the 1st quarter of 2014.

Table no. 11 Results of Distribution Area

Specification (thous. PLN)	Q 1 2015	Q 1 2014	Dynamics Q 1 2015/ Q 1 2014	Change (Q 1 2015 Q 1 2014)
Distribution				
Revenue on sales	1,642,972	1,558,337	105.4%	84,635
<i>distribution services</i>	1,539,612	1,463,889	105.2%	75,723
<i>connection fees</i>	32,362	29,040	111.4%	3,322
<i>maintenance of street lightning</i>	28,300	27,151	104.2%	1,149
<i>other services</i>	42,698	38,257	111.6%	4,441
Operating profit	305,053	324,005	94.2%	(18,952)
Amortisation and depreciation	241,687	233,683	103.4%	8,004
EBITDA	546,740	557,688	98.0%	(10,948)

The figure below shows the financial data of the Distribution Area for the period of the 1st quarter of 2014 and 2015.

Figure no. 11. Financial results of the Distribution Area for the 1st quarter of 2014 and 2015.



In the 1st quarter of 2015, as compared to the 1st quarter of 2014, the Distribution Segment achieved growth in revenues by about 5.4%, whereas the decline of results at the EBIT and EBITDA level reached 5.8% and 2.0%, respectively.

The most important factors influencing the growth in revenues:

- increase of the average rate of the distribution service sales to end consumers (by 3.7%),
- growth in supplies in groups B, C2, C1, O, R, in particular, among the biggest consumers in group B,
- the decline in energy uptake by households due to the increase in effectiveness of its use,
- growth in revenues from connecting fees – as a result of postponing to 2015 of some connections which could not have been implemented in the previous year and due to the earlier connection of new facilities.

The most important factors influencing the growth of variable costs:

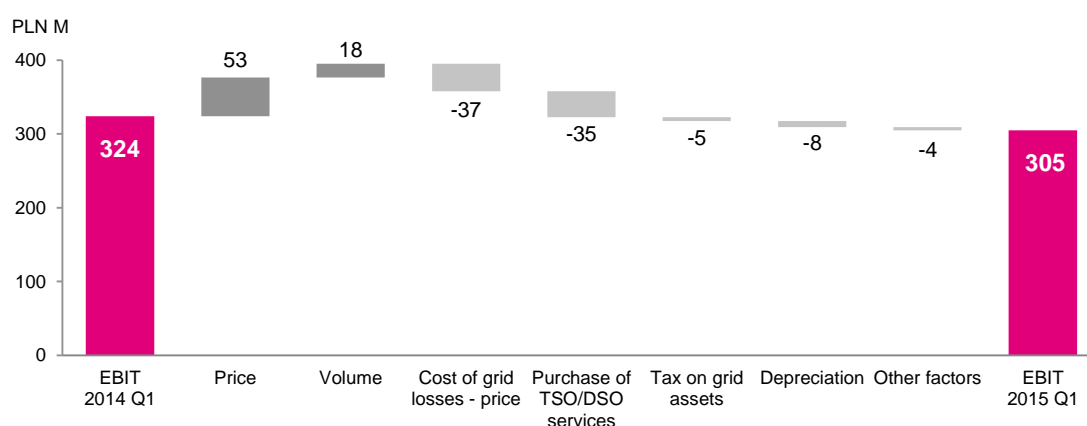
- higher rate of the transitional and qualitative TSO fee,
- higher volume of purchase of transmission services in relation to the volume of supplies - decline in the local generation,
- higher level of balance sheet difference in relation to the volume of supplies,
- significantly lower price of balancing energy losses, as the resultant of prices of energy purchase and resale in the Group.

Other results influencing the achieved results:

- growth of depreciation costs and tax on grid assets as a result of the implemented investment projects,
- growth in the rate of taxes on real property of municipalities,
- higher result on other operating activities (favourable balance of reversal / creation of provisions, higher result on sales of tangible fixed assets),
- higher result on services in the framework of other core activities, mainly on street lighting.

The figure below shows the EBIT result of the Distribution Area, including the significant factors influencing the change in relation to the 1st quarter of the previous year.

Figure no. 12. EBIT result of the Distribution Area



Sales Area

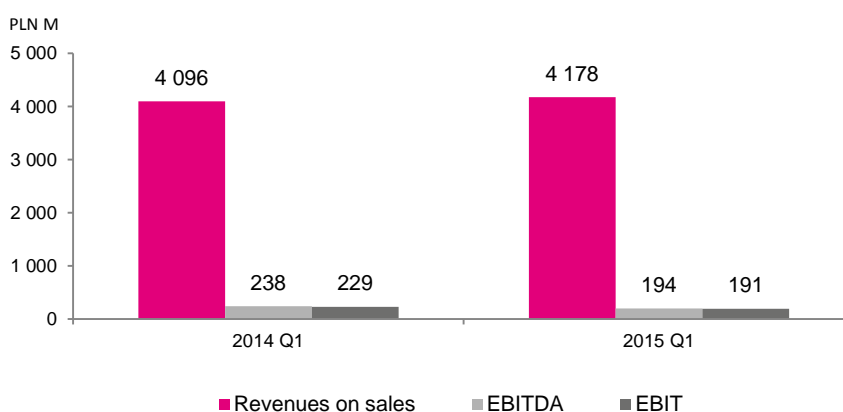
The table below shows the results of the Sales Area for the period of the 1st quarter of 2015 as compared to the 1st quarter of 2014.

Table no. 12 Results of Sales Area

Specification (thous. PLN)	Q 1 2015	Q 1 2014	Dynamics Q 1 2015/ Q 1 2014	Change (Q 1 2015 - Q 1 2014)
Sales				
Revenue on sales	4,178,282	4,096,001	102.0%	82,281
<i>electric energy, including:</i>	<i>2,776,189</i>	<i>2,651,352</i>	<i>104.7%</i>	<i>124,837</i>
<i>revenue from retail sales of electric energy</i>	<i>2,066,871</i>	<i>2,204,016</i>	<i>93.8%</i>	<i>(137,145)</i>
<i>greenhouse gas emission allowances</i>	<i>46,259</i>	<i>73,565</i>	<i>62.9%</i>	<i>(27,306)</i>
<i>fuels</i>	<i>464,702</i>	<i>455,101</i>	<i>102.1%</i>	<i>9,601</i>
<i>distribution service (transferred)</i>	<i>870,154</i>	<i>880,833</i>	<i>98.8%</i>	<i>(10,679)</i>
<i>other services, including commercial services</i>	<i>20,978</i>	<i>35,150</i>	<i>59.7%</i>	<i>(14,172)</i>
Operating profit	191,045	228,965	83.4%	(37,920)
Amortisation and depreciation	2,726	9,379	29.1%	(6,653)
EBITDA	193,771	238,344	81.3%	(44,573)

The figure below shows the financial data of the Sales Area for the period of the 1st quarter of 2014 and 2015.

Figure no. 13. Financial results of the Sales Area for the 1st quarter of 2014 and 2015.



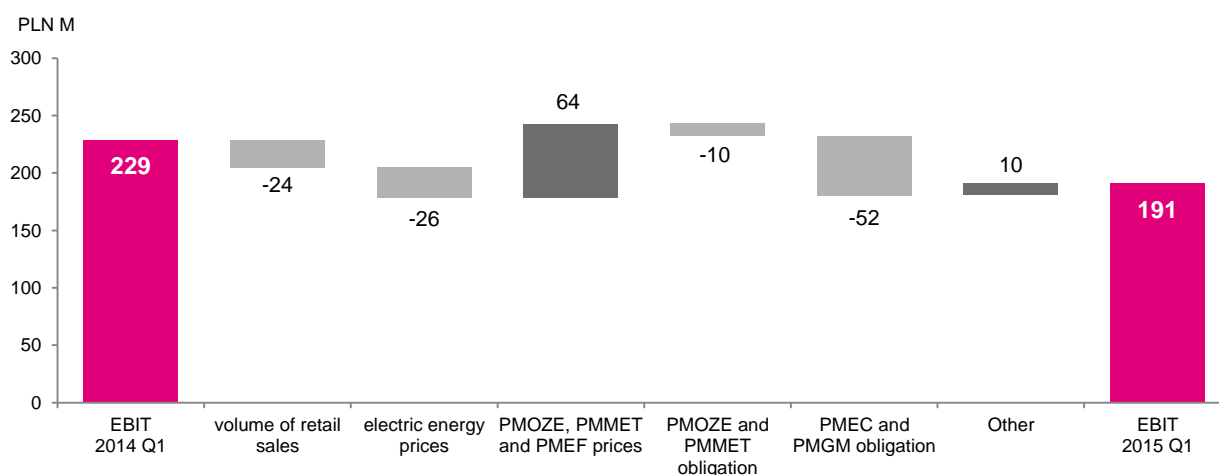
The revenue on sales of the Sales Segment in the 1st quarter of 2015 reached a level higher by approximately 2% against the corresponding period of 2014. In the analysed period, revenues on retail sales of electric energy were lower due to the decline in volume (by approximately 10% in relation to the level of sales in the 1st quarter of last year). The quantitative decline in sales was mainly caused by the change of designation of electric energy purchased by some part of consumers from retail to wholesale trade (in the 1st quarter of 2014 the volume of energy sales to such clients was recognised in retail sales), as well as the decreased energy consumption in the mass client segment. It should be noted that the marketing and loyalty actions undertaken by sales companies generate the expected result - in the 1st quarter of this year, the deceleration of clients' resignations was observed and the number of clients in relation to the 1st quarter of 2014 slightly increased.

In the 1st quarter of 2015 the Segment recorded a decrease of results at a level of EBIT (by 16.6%) and EBITDA (by 18.7%), as compared to the corresponding period of the previous year. The factor of adverse

impact on the result was the increased obligation of redemption of property rights for "green" certificates (growth from 13% to 14%), for "violet" certificates (growth from 1.1% to 1.3%) and the recovery of the obligation to redeem property rights from co-generation (for "red" certificates - 23.2% and for "yellow" certificates - 4.9%). The factors indicated above were partly mitigated by lower costs of purchase of "green", "violet" and "white" property rights and electric energy.

The figure below shows the EBIT result of the Sales Area, including the significant factors influencing the change in relation to the 1st quarter of the previous year.

Figure no. 14. EBIT result of the Sales Area



Other Area

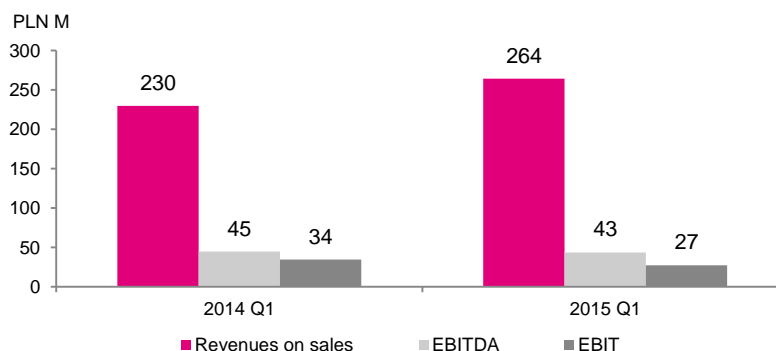
The table below shows the results of the Other Area for the period of the 1st quarter of 2015 as compared to the 1st quarter of 2014.

Table no. 13 Results of Other Area

Specification (thous. PLN)	Q 1 2015	Q 1 2014	Dynamics Q 1 2015/ Q 1 2014	Change (Q 1 2015 - Q 1 2014)
Other				
Revenue on sales	264,140	229,563	115.1%	34,577
<i>customer service, accounting and IT</i>	154,517	161,468	95.7%	(6,951)
<i>electric energy and property rights arising from certificates of origin of electric energy</i>	46,441	48,544	95.6%	(2,103)
<i>biomass</i>	40,160	-	-	40,160
<i>aggregates</i>	21,183	18,422	115.0%	2,761
<i>other revenues</i>	1,839	1,129	162.9%	710
Operating profit	27,107	34,316	79.0%	(7,209)
Amortisation and depreciation	16,232	10,222	158.8%	6,010
EBITDA	43,339	44,538	97.3%	(1,199)

The figure below shows the financial data of the Other Area for the period of the 1st quarter of 2014 and 2015.

Figure no. 15. Financial results of the Other Area for the 1st quarter of 2014 and 2015.



Revenues on sales of the Other Area increased by approximately 15% in relation to the corresponding period of the previous year, which is mainly the result of capturing of the financial data of the Biomasa Grupa TAURON company as of 1 January 2015, due to increase of its turnover and significance level in the Group. The decline in the level of revenues from services provided by TAURON Obsługa Klienta arises from better adjustment of their structure to the needs of consumers.

The results of the Other Area remain at a comparable, stable level. The increase of costs of the conducted activity of the area results from recognising of costs associated with biomass trading, which did not occur in the corresponding period of the previous year.

4.4.3 Status of assets

Consolidated statement of financial situation

The table below presents the selected items of the consolidated statement of comprehensive income of TAURON Capital Group according to the status as at 31 March 2015, as well as the comparative data as at 31 December 2014. These items are quoted in accordance with the interim condensed consolidated financial report compliant with the IFRS (International Financial Reporting Standards) for the period of 3 months ended on 31 March 2015.

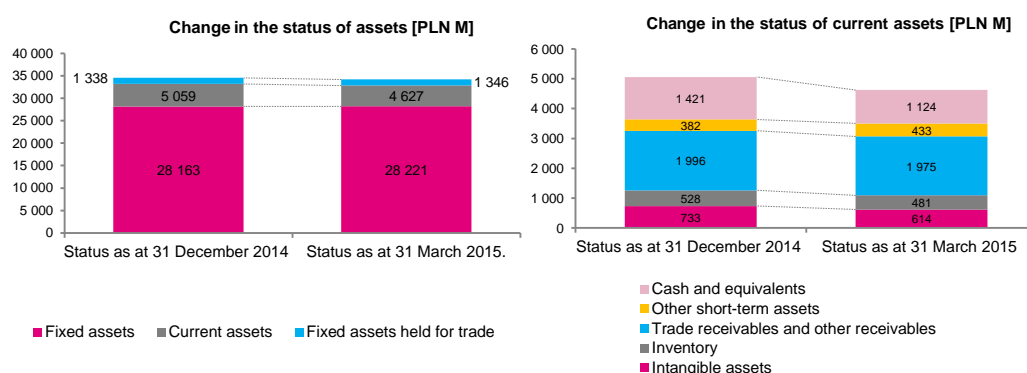
Table no. 14. Consolidated statement of financial standing - assets

Statement of financial standing (PLN thousand)	Status as at 31 March 2015 (unaudited)	Status as at 31 December 2014	Dynamics (2015 / 2014)
ASSETS			
Fixed assets	28,199,905	28,162,749	100.1%
Tangible fixed assets	25,198,531	24,850,942	101.4%
Goodwill	195,155	195,155	100.0%
Intangible assets	1,247,088	1,604,634	77.7%
Shares and stocks in joint ventures	434,010	414,584	104.7%
Other financial assets	397,611	377,383	105.4%
Other non-financial assets	692,424	657,943	105.2%
Assets due to deferred tax	35,086	62,108	56.5%
Current assets	5,973,087	6,396,444	93.4%
Intangible assets	613,984	733,048	83.8%
Inventory	481,059	527,596	91.2%
Receivables due to income tax	5,410	26,489	20.4%
Trade receivables and other receivables	1,969,398	1,969,169	100.0%

Statement of financial standing (PLN thousand)	Status as at 31 March 2015 (unaudited)	Status as at 31 December 2014	Dynamics (2015 / 2014)
Other financial assets	27,458	27,539	99.7%
Other non-financial assets	405,087	353,989	114.4%
Cash and equivalents	1,124,268	1,420,909	79.1%
Fixed assets and assets of the Group for disposal, classified as held for trade	1,346,423	1,337,705	100.7%
TOTAL ASSETS	34,172,992	34,559,193	98.9%

As at 31 March 2015 the statement of financial situation of TAURON Capital Group indicates balance sheet total lower by 0.1% which results from the decline in current assets.

Figure no. 16. Change in the status of assets and current assets



Tangible fixed assets represent the biggest item of assets of TAURON Capital Group, the value of which increased slightly in the reporting period, mainly as a result of investment under implementation in the Generation and Distribution Segments.

The total fixed assets did not change significantly in the 1st quarter of 2015 (growth by 0.2%). Changes in analytical items resulted from the following factors:

- 1) tangible fixed assets – increase by 1.4% as a result of conducted investments, implemented in the Group companies,
- 2) intangible assets – decline by 22.3% arising from re-classification of electric energy certificates of origin as current assets in connection with the fulfilment of the statutory obligation of their redemption,
- 3) value of stocks and shares in joint ventures – increase by 4.7% arising from the share of TAURON Capital Group in the profit generated by TAMEH Holding sp. z o.o. in the 1st quarter of 2015,
- 4) other long-term financial assets – growth by 5.4% resulting from the positive valuation of a long-term part of the CCIRS derivative instruments (detailed information in Note 27 of the consolidated financial statement),
- 5) other long-term non-financial assets – increase by 5.2% arising from consecutive instalments of advance payments transferred by TAURON Wytwarzanie S.A. for the implementation of the project executed at Elektrownia Jaworzno.

The following factors had an impact on the growth in the value of current assets by 6.6%:

- 1) decline in cash and equivalents by 20.9% – the reasons of the change are described in item no. 4.4.4 concerning the cash flow account,
- 2) decline in intangible assets by 16.2%, which results from the settlement of the obligation to redeem certificates of origin of electric energy for 2014,

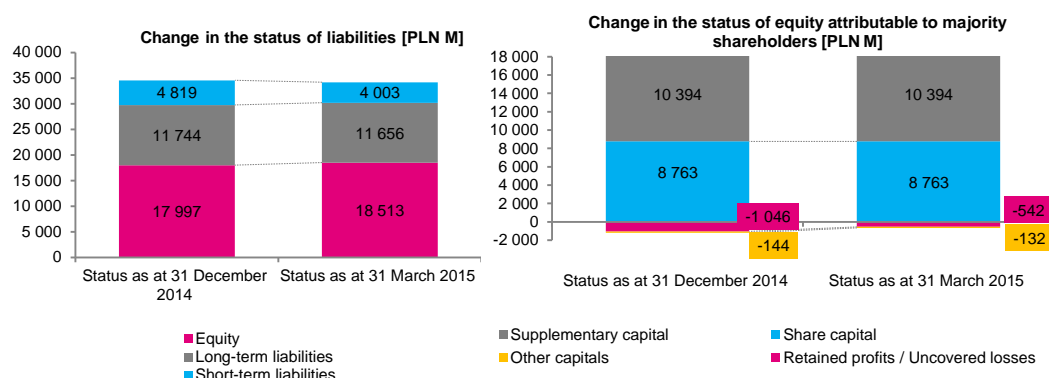
- 3) the decline in inventory by 8.8% as a result of partial liquidation of coal stocks due to the increased demand of the Group's customers, lower coal production by the company of the Mining Segment and the increased consumption by companies of the Generation Segment, in connection with the growth in electric energy production.

The value of tangible fixed assets and Group's assets for disposal, classified as held for trade, results from the separation of wind farms from TAURON EKOENERGIA structures, in connection with the change of presentation in the statement of financial situation, and in relation to the end of 2014, it has not changed.

Table no. 15 Consolidated statement of financial standing - liabilities

Statement of financial standing (PLN thousand)	Status as at 31 March 2015 (<i>unaudited</i>)	Status as at 31 December 2014	Dynamics (2015 / 2014)
LIABILITIES			
Equity attributable to shareholders of the parent company			
Share capital	8,762,747	8,762,747	100.0%
Supplementary capital	10,393,686	10,393,686	100.0%
Hedging instruments revaluation reserve	(130,453)	(143,019)	91.2%
Currency Exchange differences due to translation of foreign units	(1,894)	(1,386)	136.7%
Retained profits / Uncovered losses	(541,413)	(1,045,580)	51.8%
Non-controlling shares	30,662	30,116	101.8%
Total equity	18,513,335	17,996,564	102.9%
Long-term liabilities	11,656,205	11,744,092	99.3%
Loans, credits and debt securities	7,371,792	7,422,332	99.3%
Liabilities due to financial leasing	41,961	46,443	90.3%
Trade liabilities and other financial liabilities	53,148	48,986	108.5%
Derivatives	95,096	93,501	101.7%
Provisions for employee benefits	1,952,636	1,948,323	100.2%
Other provisions	166,363	165,278	100.7%
Accruals and governmental subsidies	648,602	662,072	98.0%
Provision due to deferred income tax	1,326,607	1,357,157	97.7%
Short-term liabilities	4,003,452	4,818,537	83.1%
Current portion of interest-bearing credits, loans and debt securities	636,493	631,530	100.8%
Current part of liabilities due to financial leasing	13,300	13,461	98.8%
Trade liabilities and other liabilities	1,500,099	1,866,865	80.4%
Derivatives	106,007	102,615	103.3%
Provisions for employee benefits	133,955	158,954	84.3%
Other provisions	530,278	1,081,415	49.0%
Accruals and governmental subsidies	220,344	245,520	89.7%
Liabilities due to income tax	68,526	13,518	506.9%
Other non-financial liabilities	710,168	619,689	114.6%
Liabilities of the group for disposal, classified as held for trade	84,282	84,970	99.2%
Total liabilities	15,659,657	16,562,629	94.5%
TOTAL LIABILITIES	34,172,992	34,559,193	98.9%

Figure no. 17. Change in liabilities and equity



The dominating source of assets financing in the 1st quarter of 2015, as in the previous years, was the equity, and its share in the balance sheet total increased to the level of 54.1%.

The value of long-term liabilities of TAURON Capital Group in the 1st quarter of 2015 has not changed significantly, and the values of the analytical items reached levels similar to those noted as at 31 December 2014.

The value of short-term liabilities of TAURON Capital Group decreased by 16.9%, due to the following factors:

- 1) decline of other provisions by 51% due to the use of the provision established in 2014 for the fulfilment of the obligation to submit electric energy certificates of origin for redemption, arising from the provisions of the Energy Law,
- 2) decline in trade liabilities and other liabilities by 19.6%,
- 3) growth of other non-financial liabilities by 14.6%, which results from application of monthly write-offs by companies of TAURON Group, in accordance with the provisions of the Act on Company Social Benefits Fund,
- 4) growth of income tax liabilities by 406.9%, which results from the increase of the current tax of the Tax Capital Group (PGK), as a consequence of the failure to recognise the value of redeemed electric energy certificates of origin in tax costs. In accordance with the interpretation held, the aforementioned values shall constitute tax deductible cost at the moment of receiving the decision of the ERO President, which will take place in April 2015, i.e., following the closing of the settlement period.

4.4.4 Cash Flows

Consolidated statement of Cash Flow

The table below presents cash flows of TAURON Capital Group for the period of three months ended, respectively: 2015 and 2014

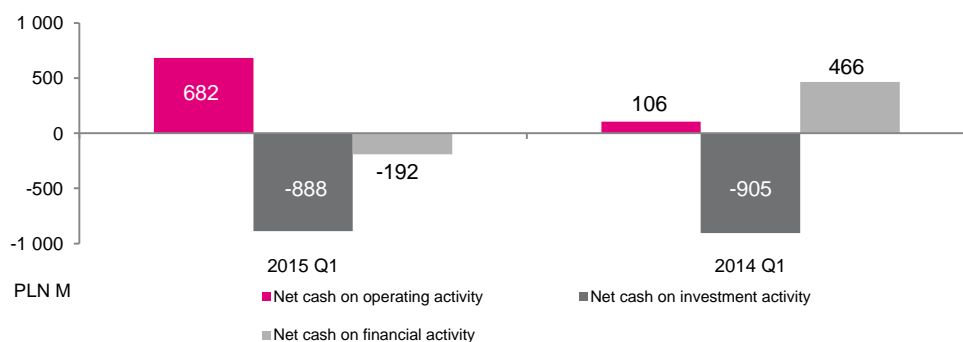
Table no. 16 Statement of Cash Flow (data in thousand PLN)

Statement of Cash Flows (PLN thousand)	Q 1 2015 (unaudited)	Q 1 2014 (unaudited)	Dynamics (Q 1 2015/ Q 1 2014)
Cash flows from operating activities			
Gross profit / (loss)	574,373	557,590	103.0%
Adjustments	107,486	(451,347)	-
Net cash from operating activities	681,859	106,243	641.8%
Cash flows from investment activities			
Sales of tangible fixed assets and intangible assets	7,465	23,411	31.9%

Statement of Cash Flows (PLN thousand)	Q 1 2015 (<i>unaudited</i>)	Q 1 2014 (<i>unaudited</i>)	Dynamics (Q 1 2015/ Q 1 2014)
Purchase of tangible fixed assets and intangible assets	(900,356)	(919,039)	98.0%
Sales of financial assets	1,109	84	1,320.2%
Purchase of financial assets	(5,332)	(4,109)	129.8%
Dividends received	0	146	0.0%
Interest received	5,281	11	48,009.1%
Repayment of loans granted	12,200	0	-
Loans granted	(8,150)	(5,850)	139.3%
Net cash from investment activities	(887,783)	(905,346)	98.1%
Cash flows from financial activities			
Repayment of liabilities due to financial leasing	(4,946)	(5,541)	89.3%
Repayment of loans/credits	(22,353)	(30,340)	73.7%
Issue of debt securities	0	800,000	0.0%
Redemption of debt securities	(150,000)	(200,000)	75.0%
Dividends paid to non-controlling shareholders	(8)	(32)	25.0%
Interest paid	(11,710)	(13,933)	84.0%
Purchase of non-controlling shares	(26)	(104,504)	0.0%
Subsidies received	2,888	24,748	11.7%
Commissions paid	(5,361)	(4,135)	129.6%
Net cash from financial activities	(191,516)	466,263	-
Increase/(decrease) in net cash and equivalents	(397,440)	(332,840)	119.4%
Net exchange differences	(696)	(14)	4,971.4%
Cash opening balance	1,408,071	541,148	260.2%
Cash closing balance	1,010,631	208,308	485.2%

TAURON Capital Group recorded negative result on the total value of net cash flows on operating, investment and financial activities. The sum of all cash streams in the 1st quarter of 2015 amounted to about PLN (397.4) million.

Figure no. 18. Cash Flows



The value of cash flows on operating activities accomplished in the reporting period was lower by approximately 542% than the cash stream acquired in the corresponding period of the previous year. The following factors had the most noticeable impact on the change in this position of cash flows account:

- 1) incurring expenses on the purchase of electric energy certificates of origin, lower by approx. PLN 166 million in the 1st quarter of 2015, which is associated with the delays in issuance of certificates of origin by the ERO President in 2013, and the accumulation of the implementation of deliveries in the 1st quarter of 2014,

- 2) expenditure on income tax, lower by approx. PLN 125 million, which resulted from the surplus generated as at 31 March 2014 due to the settlement of the Tax Capital Group and the resulting liability as at the balance sheet day of the current year,
- 3) liquidation and consumption of some part of coal stocks by companies of the Mining and Generation Areas, which results on the positive change of the status of inventory by approx. PLN 43 million,
- 4) financial result higher by approx. PLN 17 million,
- 5) positive change on the status of trade liabilities (increase by PLN approx. 283 million).

Expenditures due to purchase of tangible fixed assets made the factor of the highest impact on the development of cash stream of investment nature, which were lower by approximately 2% than the expenditures incurred in the corresponding period of 2014. In the current period, the highest expenditures were incurred by the Distribution, Mining and Generation Segments, and the highest growth of expenditures was recorded in the Generation Segment (increase by 232.8% YoY).

The negative value of cash of financial nature arises from the repayments of financial liabilities executed in the reporting period, through redemption of debt securities and the loans incurred. In the 1st quarter of 2015, TAURON Capital Group did not acquire any additional external financing.

Irrespective of the negative value of cash flows it can be stated that TAURON Group has been continuing the development process and strengthening of its market position. It should be stressed that the value of operating flows shows a positive balance, thus enabling TAURON Capital Group to finance its current operations independently. In the analysed period, the Group did not incur any external financial resources. The ratio of current liquidity and the net debt to EBITDA ratio are maintained at a safe level.

TAURON Capital Group effectively manages cash flows, using the centrally implemented model of financing and the central policy of financial risk management. In order to minimise the potential disturbances in cash flows and the risk of loss of liquidity, the cash pooling mechanism was used. TAURON Capital Group uses various sources of funding, such as, e.g., overdraft, bank facilities, loans from environmental funds, issue of bonds, financial leasing agreements and lease agreements with the purchase option.

4.5 Factors and events, particularly of unusual nature, significantly affecting the financial results achieved

During the period under analysis, no factors and events of unusual character occurred, which would significantly affect the financial results achieved.

4.6 Factors which, according to the opinion of the Issuer, may have impact on the financial results achieved by it in the perspective of at least the next quarter

Results of activities of TAURON Capital Group will be affected mainly, as it happened in the past, by the following external factors:

- the macroeconomic situation, especially in Poland, as well as the economic situation of the area where TAURON Capital Group operates, at the European Union and global economy level, including changes in interest rates and currency exchange rates, etc., influencing the valuation of assets and liabilities recognised by the Company in the statement of financial standing,
- political environment, especially in Poland as well as at the European Union level, including the positions and decisions of public administration institutions and authorities, for example: Office for Competition and Consumer Protection (UOKiK), Energy Regulatory Office (ERO) and the European Commission,
- changes in regulations concerning the energy sector as well as changes in the legal environment, including: tax law, commercial law, environmental protection law, in particular: the announced

liberalisation of electric energy prices for households, the announcement of the ERO President related to the application of maximum prices in tariffs for G group (instead of fixed prices), in order to protect consumers against rapid changes of prices upon full liberalisation,

- resumption of the support system for electric energy generation in high-performance co-generation, resulting, on the one hand, in the growth of redemption costs of "red" and "yellow" certificates of electric energy sellers to end consumers, and, on the other hand, in the growth of revenues on sales of "red" and "yellow" certificates of energy generation in co-generation,
- situation in electricity sector, including the activity and measures undertaken by competition in the energy market,
- the number of CO₂ emission allowances allocated free of charge, as well as the price of the allowances purchased - under the circumstances of the deficit in free allowances,
- electric energy prices on the wholesale market;
- sales prices of electric energy and coal as well as distribution tariffs, as factors influencing the level of revenues,
- prices of certificates of origin of energy from renewable sources and co-generation,
- prices of energy resources,
- geological and mining conditions,
- environmental protection requirements,
- scientific and technical progress,
- potential failures of equipment, installations and grid owned by TAURON Group,
- demand for electric energy and other products of the energy market, including changes arising from seasonality and weather conditions.

The activity of TAURON Capital Group demonstrates seasonality which refers, in particular, to production, distribution and sales of heat, distribution and sales of electric energy to individual consumers and sales of coal to individual consumers for heating purposes. Sales of heat depends on the atmospheric conditions, in particular, on the air temperature, and it is higher in the autumn and winter season. The level of electric energy sales to individual consumers depends on the length of a day, which usually makes electric energy sales in this group of consumers lower in the spring and summer season and higher in the autumn and winter season.

Sales of coal to individual consumers is higher in the autumn and winter season. The seasonality of the remaining areas of TAURON Capital Group operations is limited.

The following internal factors affecting the result of TAURON Capital Group activity are most significant:

- implementation of OPEX effectiveness improvement programme in TAURON Capital Group, including the consolidation and restructuring programmes, voluntary redundancy programmes,
- implementation of key investment projects, in particular, in the scope of construction of new and modernisation of the existing generation capacity, building new connections and modernisation of the existing distribution grids, heating networks, construction of underground excavations,
- marketing actions in the scope of acquisition of new clients and loyalty activities in terms of maintaining existing clients,
- centralising the financial management area in TAURON Capital Group, supported by such tools as: central model of financing, cash flow management policy with the cash pool, risk management policy in the financial area, insurance policy,
- activity of the Tax Capital Group, aimed mainly at optimising the implementation of the obligations associated with the settlement of corporate income tax by key companies of TAURON Capital Group,
- management of purchases by the TAURON Polska Energia S.A. Company, in particular, fuel purchases for the needs of generation entities included in TAURON Capital Group.

Impact of the aforementioned factors on the financial result achieved in the 1st quarter of 2015 is described in item 4.4 of this Information. Effects of this impact are visible both in a short-term and long-term perspective.

4.7 Position of the Management Board concerning a possibility to implement forecasts of results for a given year, published earlier

TAURON Capital Group has not published forecasts of financial results for 2015. The financial situation of TAURON Capital Group is stable and no negative events occurred which would cause any threat to its business continuity or significant deterioration of its financial standing. The detailed description of the financial standing understood as the provision of financial resources for both the operating and the investment activity is included in item 4 of this document.

5. Other information and events which occurred in the first quarter of 2015

5.1 Significant events which occurred in the first quarter of 2015

Initial interest in buying assets of Brzeszcze coal mine

On 16 January 2015 - in response to the inquiry from Kompania Węglowa S.A. and Spółka Restrukturyzacji Kopalń S.A. regarding possible purchase of all or a part of mining assets belonging now to Kompania Węglowa S.A., - the Management Board of TAURON Polska Energia S.A. expressed initial interest in buying all or a part of KWK Brzeszcze assets. The final decision regarding the purchase of all or a part of KWK Brzeszcze mining assets will be taken following a detailed analysis, including economic and technical analyses, that would confirm the possibility of economically viable coal mining.

In March 2015, the team of technical and economic advisers appointed for the analysis of the Brzeszcze coal mine assets, based on the conducted first stage of analyses, recommended the path for the purchase of these assets, in accordance with the variant assuming their takeover from Spółka Restrukturyzacji Kopalń (Mine Restructuring Company). The Management Board of TAURON Polska Energia has approved the direction of this recommendation. Until mid-May the works under stage II of the comprehensive analysis of technical, geological, legal and economic-business aspects will be continued. Within the framework of the team's work, the opportunities of potential cooperation with the financial or infrastructural partner are also analysed, including the terms of such cooperation supported by the conducted market research. Moreover, the analysis also focuses on the structure of the transaction based on the special purpose vehicle (SPV), assuming the lack of consolidation of assets purchased and, at the same time, the elimination of risk associated with the potential deterioration of financial indicators of TAURON Capital Group, in particular, the net debt to EBITDA ratio.

The Company informed of the initial interest in buying assets of Brzeszcze coal mine in the current report No. 2/2015 of 16 January 2015.

Information concerning the impact of non-monetary one-off events on the results of TAURON Group for Q4 2014

On 18 February 2015, the Management Board of TAURON Polska Energia S.A. publicly informed about the forecast impact of non-monetary one-off events that will consist in recognising provisions and write downs in the amount of approximately PLN 150 million as Q4 2014 costs, on consolidated financial result of TAURON Group. The main reason behind increasing the provisions for employee benefits was the reduction of market interest rates, as a result of which the Company decided to reduce the discount rate. The amount of actuarial gains and losses related to jubilee bonuses in the amount of approximately PLN 114 million has reduced the financial result of TAURON Group for Q4 2014, whereas the amount of

approximately PLN 322 million has been charged to "other comprehensive income", with no impact on the financial result of the Group.

The Company informed of the aforementioned event in the current report No. 3/2015 of 18 February 2015.

Listing of TAURON Polska Energia S.A. bonds on the Catalyst market

On 18 February 2015 the Management Board of BondSpot S.A. took the decision on listing 17,500 TPEA1119 series TAURON Polska Energia S.A. bearer bonds with the total nominal value of PLN 1,750,000.000 thousand and the unit nominal value of PLN 100,000, on the alternative trading system on the Catalyst market. 12 March 2015 was set as the first day of listing of the bonds on the Catalyst market. The bonds were assigned code PLTAURN00037 by the Central Securities Depository of Poland.

The following details were also defined for the said bonds:

- last day of listing – 22 October 2019
- trading unit – 1 bond
- obligatory unit – 1 bond
- symbol - TPE1119.

The Company informed of the decisions of the Management Board of BondSpot S.A. in the current reports No. 4/2015 of 18 February 2015 and No. 5/2015 of 10 March 2015.

Recommendation of the Management Board on dividend pay-out

On 16 March 2015 the Management Board of the Company decided to address the Company Ordinary General Meeting with a recommendation on the level of dividend to be paid to the Company shareholders in the amount of PLN 262,882,409.10, from the net profit generated in 2014 (PLN 0.15 per single share). Simultaneously, the Management Board decided to address the Company Ordinary General Meeting with a recommendation to define:

- 1) 22 July 2015 as the dividend record day,
- 2) 12 August 2015 as the dividend payment day.

The recommendation of the Management Board takes into account the current TAURON Capital Group development plan comprising the implementation of the adopted investment programme requiring significant financial resources exceeding the current cash flows from TAURON Group operating activities. The funds to remain in the Company will be used in total for the execution of the investments, at the same time, reducing the demand for further financing, at the same time, limiting the increase in the debt ratio. On 23 March 2015 the Supervisory Board approved the aforementioned recommendation of the Management Board related to the dividend.

The Company informed of the recommendation of the Management Board and evaluation of the recommendation by the Supervisory Board in the current reports No. 4/2015 of 18 February 2015 and No. 5/2015 of 10 March 2015.

Termination of contracts for purchase of electricity and property rights by a subsidiary

On 18 March 2015 the subsidiary, Polska Energia – Pierwsza Kompania Handlowa sp. z o.o. in liquidation ("PE-PKH") filed notices to terminate long-term contracts for the purchase of electricity and property rights to Renewable Energy Certificates by PE-PKH ("Contracts"). The Contracts were signed in the years 2009-2010 with the below listed partners who own wind farms ("Partners"):

- "in.ventus spółka z ograniczoną odpowiedzialnością Mogilno I" Sp. k.,
- "in.ventus spółka z ograniczoną odpowiedzialnością Mogilno II" Sp. k.,
- "in.ventus spółka z ograniczoną odpowiedzialnością Mogilno III" Sp. k.,
- "in.ventus spółka z ograniczoną odpowiedzialnością Mogilno IV" Sp. k.,
- "in.ventus spółka z ograniczoną odpowiedzialnością Mogilno V" Sp. k.,
- "in.ventus spółka z ograniczoną odpowiedzialnością Mogilno VI" Sp. k.,
- Amon sp. z o.o.,
- Talia sp. z o.o.,

- Dobiesław Wind Invest Sp. z o.o.,
- Gorzyca Wind Invest Sp. z o.o.,
- Pękanino Wind Invest Sp. z o.o.,
- Nowy Jarosław Wind Invest Sp. z o.o.

The reason behind the termination of the Contracts by PE-PKH was the breach of contractual provisions by Partners which consisted in the refusal to enter into renegotiations of the terms of Contracts in good faith.

The Company informed of the aforementioned event in the current report No. 7/2015 of 16 March 2015.

Convening of the Ordinary General Meeting

On 26 March 2015, the Management Board of TAURON Polska Energia, acting pursuant to Article 395 § 1, Article 399 § 1 and Article 402(1) of the Commercial Companies Code and § 30 item 1 of the Company Articles of Association, convened the Ordinary General Meeting of the Company for 23 April 2015 at 11 a.m. in Novotel Katowice Centrum Hotel in Katowice at Al. Roździeńskiego 16.

The Company informed of the aforementioned event in the current report No. 9/2015 of 26 March 2015. The texts of draft resolutions of the Ordinary General Meeting was provided in the current report No. 10/2015 of 26 March 2015.

5.2 Other significant events which occurred in the first quarter of 2015

The project associated with the planned separation of wind assets

Since August 2014 the project concerning the separation of wind assets from TAURON EKOENERGIA and their transfer to the Marselwind special purpose vehicle has been implemented. The project is aimed at ensuring the off-balance sheet financing for the purchase of wind assets. Detailed information on the implementation of the project is included in item 1.3 hereof.

5.3 Market situation

Situation in the energy market

In the first quarter of 2015 energy consumption in the National Power System (KSE) amounted to 41,757 GWh and it was higher by 1.29% as compared to the corresponding period of the previous year. The average temperature in this period was by 0.21°C lower than a year ago, reaching 2.59°C. Temperature fluctuations contributed to the growth of windiness, resulting in significantly higher production in wind sources. Energy production in wind farms reached 2,715 GWh and it was higher by 15.24% than in the 1st quarter of 2014. The capacity installed in wind farms at the end of March of 2015 amounted to 3,883 MW. It means the growth by 363 MW year-on-year. The decline in the growth of newly added wind capacities resulted from the regulatory instability and the perspective decrease of revenues associated with the designed support mechanisms.

The national growth of energy demand and the change in the relations from imports to exports resulted in the increase of total electric energy production in Poland by 2.72%, reaching the level of 42,010 GWh in the 1st quarter of the current year. The highest quantity of energy, i.e. 21,293 GWh, was produced by coal-fired professional power plants, although their output dropped by 0.21% in relation to the 1st quarter of 2014. Other generation sources increased their production year-on-year: lignite-fired power plants produced 13,657 GWh in the 1st quarter of 2015 (+2.59%), and hydroelectric power plants - 736 GWh (+5.90%). The changeable situation in the KSE (National Power System) and the lower gas prices had an impact on the growth of the volumes generated in gas-fired power plants, reaching the level of 1,342 GWh (+89.01%). In the 1st quarter of 2015 Poland was the net energy exporter, and the surplus of exports over imports reached 252 GWh. This situation is opposite to the previous year when the surplus of imports over exports amounted to 327 GWh. The change was mainly attributable to lower energy prices on the spot market in Poland and the volatile energy spot prices in countries bordering Poland. The change in the rules of payment for the Operating Power Reserve has also contributed to the decline in market energy prices.

Electric energy prices on the wholesale market

The average price of electric energy on the Day-Ahead Market (RDN) of TGE in the 1st quarter of 2015 reached PLN 145.55/MWh and it was lower by PLN 15.72/MWh year-on-year. For the hours of peak demand, the price reached PLN 173.70/MWh on average and it was lower by PLN 21.45/MWh than in the 1st quarter of 2014. The fundamental factors had major impact on the low market prices, i.e.: the relatively mild winter, the high level of generation from wind sources, the over-supply of hard coal in the market, resulting in the decline of its prices. In addition, the change in the rules of payment for the Operating Power Reserve and the associated change in the strategy on energy sales by its generators resulted in significantly lower energy prices on peak hours. Similarly to prices on the Polish Power Exchange prices on the balancing market were quoted, where the average CRO in the 1st quarter of 2015 reached PLN 146.19/MWh for the base band and PLN 174.41/MWh for the peak band.

In the neighbouring markets of Poland spot prices were also lower than in the 1st quarter of 2014, however, the decline was not so significant. The average on the German EPEX spot reached EUR 31.48/MWh and it was lower by EUR 1.39/MWh year-on-year. Similar situation occurred on the Czech OTE market, where the decline amounted to EUR 1.56/MWh and the average prices reached EUR 31.95/MWh. The low prices result mainly from the growing generation from renewable sources, particularly, from wind farms. Spot prices demonstrated high volatility and oscillated from negative values to almost EUR 100/MWh. As a result, energy export from Poland on many hours have become profitable in the 1st quarter of 2015.

In the 1st quarter of 2015 – due to the low spot prices, the growing share of renewable energy sources, the stable prices of CO₂ emission allowances and the considerable over-supply and declining prices of steam coal - the forward market also demonstrated downward trends. At the beginning of the year, annual Base Y-2016 contracts were traded at the levels of PLN 181/MWh, to decline to the level of PLN 169/MWh by the beginning of February. By the end of March, prices stabilised in the range of PLN 170-172/MWh. Prices of Peak Y-2016 contracts decreased from January to March from PLN 235 to PLN 221/MWh. The low spot prices in the first quarter of the current year have become an indicator for the following part of the year, resulting in the decline of prices in monthly and quarterly contracts. At the end of March, Base contracts for the following quarters of 2015 had the following costs, respectively: PLN 160, 170 and 163/MWh.

Prices on the Balancing Market / Operating Power Reserve

In accordance with the PSE data, the average weighted price of energy sold freely on the Balancing Market in the 1st quarter of 2015 was by almost PLN 36/MWh lower than the price in the 1st quarter of 2014, which was, among others, attributable to the following factors:

- 1) growth of generation in sources with low variable costs,
- 2) adjustment of behaviours of market participants trying to minimise balancing energy volumes on the Balancing Market due to the significant volatility of these prices in 2014.

Due to the modification of the payment mechanism for the Operating Power Reserve as of January this year, the average weighted price for this reserve decreased in the 1st quarter of 2015 in relation to the 1st quarter of 2014 by almost PLN 7/MWh, which has also stimulated the decline in energy prices.

Prices of CO₂ emission allowances and property rights

The events associated with the European Commission activities aimed at establishment of a Market Stability Reserve constituted the main driving factor of CO₂ emission allowances prices in the 1st quarter of 2015. This mechanism, aimed at reducing the allowances surplus in the EU ETS system shall cause that CO₂ prices will enforce emission reduction to the greater extent than now, increasing the economic viability of investment in low-emission sources. In the 1st quarter of 2015, the average cost of CO₂ emission allowances for the EUA DEC-15 contract amounted to EUR 7.06 /MgCO₂. The price of allowances in the analysed period was stable.

The termination of the work concerning the Act on Renewable Energy Sources which took place in the 1st quarter of 2015 has not brought significant changes on the current market of green certificates (PMOZE_A). In the analysed period, significant over-supply of green certificates continued, confirming energy generation from renewable sources. The balance of the system at the end of March demonstrated the surplus of over 17 TWh, resulting in the decline of prices to PLN 129.75 during the last session of the

1st quarter. In January, the price paid for PMOZE_A exceeded PLN 160.50/MWh, and the average price in the analysed quarter reached PLN 147.62/MWh. The level of the substitution fee determined for 2015 amounts to PLN 300.03/MWh, and the obligation to submit PMOZE_A certificates is 14%.

Prices of property rights confirming electric energy generation in 2014 in high-performance coal co-generation (PMEC-2014, the so-called red certificates), gas co-generation (PMGM-2014, the so-called yellow certificates) and during methane removal in coal mines (PMMET-2014, the so-called violet certificates) in the 1st quarter of 2015 remained at a level close to substitution fees. Analyses of the property rights market confirm that no threat of surplus in co-generation allowances of property rights exists, since their significant deficit occurs.

The average price for PMEC-2014 in the 1st quarter of 2015 reached PLN 10.75/MWh, with the substitution fee at a level of PLN 11.00/MWh. The average price for PMGM-2014 in the 1st quarter of 2015 reached PLN 107.32/MWh, with the substitution fee at a level of PLN 110.00/MWh. On the other hand, PMMET-2014 was traded, on average, at PLN 61.79/MWh, with the substitution fee at a level of PLN 63.26/MWh.

Similar situation as in case of co-generation rights occurred on the market of property rights arising from certificates of energy effectiveness - PMEF (the so-called white certificates). The average price of white certificates in the 1st quarter of 2015 reached PLN 968.46/toe, with the substitution fee at a level of PLN 1000/toe.

6. Information and events which occurred after the balance sheet day

6.1 Significant information and events after the balance sheet day

Exceeding of the 10% equity threshold within the trading turnover between TAURON Capital Group companies and PSE S.A. Group companies

On 10 April 2015 TAURON Polska Energia informed that the net turnover generated from the date of the above mentioned current report No. 30/2014, i.e. from 8 July 2014 between TAURON Group companies and companies of Polskie Sieci Elektroenergetyczne S.A. Group ("PSE") amounted to approximately PLN 2,025 million (out of which approximately PLN 1,272 million constitute costs for companies of TAURON Group and approximately PLN 753 million constitute income), consequently exceeding 10% of the Issuer's equity.

The turnover of the highest value, i.e. about PLN 1,170 million net, was generated under the agreement no. UPE/OSD/TAUD/2014 of 16 December 2013, concluded between TAURON Dystrybucja S.A. and PSE (the "Agreement"). The subject of the Agreement is the provision of transmission services by PSE Operator, understood as transport of electric energy via the transmission grid. The agreement has been concluded for indefinite period of time. The estimated value of this Agreement during the period of 5 years following its conclusion, is approximately PLN 7,478 million. The services are cleared in accordance with the terms and conditions and charges approved by the President of the Energy Regulatory Office, defined in the tariff, and considering the provisions of the Instruction for Transmission System Operation and Maintenance (IRIESP). The Agreement does not stipulate any liquidated damages. The Agreement does not include conditions precedent or subsequent.

The Company informed of the aforementioned event in the current report No. 11/2015 of 10 April 2015.

Involvement in the nuclear power plant construction project

In the 1st quarter of 2015 TAURON Polska Energia continued works associated with the project on construction of the first Polish nuclear power plant (the "Project"). On 15 April 2015, TAURON and Polska Grupa Energetyczna S.A. (PGE), KGHM Polska Miedź S.A. (KGHM) and ENEA S.A. ("ENEA") concluded the agreement for purchase of shares ("Agreement") in PGE EJ1 sp. z o.o. (PGE EJ1) - the special purpose vehicle which is responsible for preparation and execution of the investment comprising the construction and operation of the first Polish nuclear power plant of approximately 3,000 MW_e capacity (the

"Project"). TAURON, KGHM and ENEA purchased from PGE 10% of shares each (30 % of shares in total) in PGE EJ 1. TAURON has paid the amount of PLN 16 million for the shares.

Pursuant to the Shareholders' Agreement, the Parties undertake jointly, proportionally to the number of shares they hold, to finance the activities falling for years 2014-2016 within the preliminary stage of the Project (the "Preliminary Stage"). The purpose of the Preliminary Stage is to define such elements as prospective partners, including the strategic partner, technology supplier, EPC (Engineering, Procurement, Construction) contractor, nuclear fuel supplier and obtaining funds for the Project, as well as organisational and competence related preparation of PGE EJ 1 to the role of the future operator of the nuclear power plant responsible for its safe and efficient operation (the "Integrated Procedure"). Parties to the Shareholders' Agreement estimate that further decisions concerning the Project, including the decision on declaring continued participation of individual Parties (including TAURON) in further stages of the Project, will be taken after the completion of the Preliminary Stage, directly before settlement of the Integrated Procedure.

The Company informed of the aforementioned event in the current report No. 12/2015 of 15 April 2015.

Decisions of the Ordinary General Meeting of TAURON

On 23 April 2015 the Ordinary General Meeting of the Company was held, which, among others, adopted the resolutions on approval of the Consolidated financial statements of TAURON Capital Group and the Report of the Management Board on Activities of the TAURON Capital Group for the financial year 2014, financial statements of TAURON and the Report of the Management Board on activities of the Company for the financial year 2014, on acknowledgement of the fulfilment of duties by members of the Management Board and the Supervisory Board of the Company, on profit distribution for the financial year 2014 and determination of the amount of the dividend for shareholders as well as defining the dividend record day and dividend payment day.

The Ordinary General Meeting decided to allocate the amount PLN 262,882,409.10 for payment of the dividend for shareholders from the net profit for 2014, which means that the amount of the dividend per share is PLN 0.15. Simultaneously, the General Meeting determined the dividend record day on 22 July 2015 (dividend record day) and the date of the dividend payment on 12 August 2015 (dividend payment day).

The Company informed of the aforementioned events in the current reports No. 6/2015 of 16 March 2015, No. 8/2015 of 23 March 2015, No. 13/2015 of 23 April 2015 and No. 14/2015 of 24 April 2015.

6.2 Other events after the balance sheet day

Entry into force of the Act on Renewable Energy Sources

On 20 February 2015 the Act on Renewable Energy Sources (RES) was adopted. The Act was published on 3 April 2015 and entered into force as of 3 May 2015. The exception is the entry into force of chapter 4 of the aforementioned Act, defining new rules on support for RES installations, to be effective as of 1 January 2016. The new rules on support envisage introduction of the auction system with access for newly constructed RES installations. Installations which started energy production before 1 January 2016 will be entitled to continue using of the certificate system, or to transfer to the auction system. The duration of the support in both cases has been limited to the period of 15 years following the first production of electric energy in RES, for which the aid was received.

The RES Act has also verified the former rules concerning the acquisition of certificates of origin, which will result in the acquisition of lower volumes of property rights by energy generators (including TAURON Group). The new Act has eliminated the support for hydroelectric power plants with the installed capacity over 5 MW. The support for multi-fuel combustion installations has been also limited. Such installations may acquire certificates of origin in the amount corresponding to the average quantity of electricity generated in the years 2011-2013. In addition, the certificates of origin issued to such installations will be adjusted by applying the 0.5 coefficient. The aforementioned provisions may result in significant decline of energy production based on co-firing. At the same time, due to the introduction of the lower redemption

obligation for industrial consumers, the demand for property rights redeemed by sales companies in the Group will decrease.

7. Proceedings pending before the court, competent arbitration authority or public administration authority

In the first quarter of 2015 no proceedings were pending in TAURON Capital Group (in relation to the Issuer or its subsidiaries) concerning liabilities and receivables whose single or aggregate value would exceed 10% of the equity of TAURON Polska Energia.

8. Information on transactions with affiliated entities

All transactions with affiliated entities are concluded on arm's length basis. Detailed information on significant transactions with affiliated entities has been provided in note 36 of the Consolidated interim financial statement for the period of three months, ended on 31 March 2015.

9. Information on granted guarantees, loan or credit sureties

In the 1st quarter of 2015, neither TAURON Polska Energia, nor its subsidiaries granted any loan or credit sureties or guaranties – jointly to one entity or this entity's subsidiary, at the aggregate value equivalent to the value of at least 10% of TAURON Polska Energia equity.

10. Other information which, according to the Issuer's opinion, could be essential for the evaluation of the human resources, assets, financial situation, financial result and their changes, and which is essential to assess the possibility of fulfilment of the obligations by the Capital Group of the Issuer

Besides the reported events indicated above in this document, from 1 January 2015 until the day of submission of this report, no other events occurred which are significant for the assessment of the possibility of fulfilment of the obligations by TAURON Polska Energia Capital Group.

According to the position of the Management Board of TAURON Polska Energia S.A., the information presented in this report describes the human resources, material and financial situation of the Company in a comprehensive manner, and confirms that no other events occurred, undisclosed by the Company, which could be relevant for the assessment of the situation.