



Polish Energy Partners

Polish Energy Partners SA
Q1 2009 Performance

April 2009
Warsaw



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Business Review



Business Review - Metrics

- ☒ YTD 2009 Revenues of PLN 36.5 mil. above 2008 by PLN 9.8 mil.

- ☒ YTD 2009 adjusted EBITDA of PLN 37.6 mil. above 2008 level by PLN 17.7 mil.

- ☒ YTD 2009 Net Profit of PLN 24.1 mil. above 2008 level by PLN 13.1 mil.

- ☒ YTD 2009 Net Profit excluding FX on balance sheet valuation of PLN 26.7 mil. above 2008 level by PLN 16.2 mil.



Business Review - Highlights

- ☒ WF Jarogniew/Mottowo sold as planned
- ☒ WF Suwałki & WF Tychowo sold to realize shareholders value on these projects
- ☒ Lower WF Puck performance due to wind conditions
- ☒ Wind Development Pipeline for 2009 on track
- ☒ Implementation of Tytan project progressing well
- ☒ Timing difference in CFB overhaul - March instead of April
- ☒ Other IEO sites on budget
- ☒ Biomass plant in GPBE Północ in testing stage, production start up in May
- ☒ Start up of GPBE Południe scheduled for Q2 2010
- ☒ Third biomass contract in negotiations

Existing Businesses



Industrial Energy Outsourcing Business

- ☒ EC Saturn:
 - × Higher settlement for Green Energy for 2008
 - × Green Energy production lower than in Q1 2008 due to CFB routine maintenance in Q1 2009
 - × Red Energy revenues recognized

- ☒ EC Zakrzów at the level of last year and on budget,

- ☒ EC Jeziorna at the level of last year and on budget

- ☒ EC Mercury lower than last year as a result of lower gas supply from the Coke Plant

- ☒ EC Wizów:
 - × additional remaining proceeds from sale of real estate, encumbered for the benefit of EC Wizów, which has to be performed by the Z.Ch. Wizów receiver are expected in last quarter of 2009



Wind Farm Puck

- ❌ Lower production on last year and budget due to poorer wind conditions
- ❌ Poor wind conditions prevailing in all Northern Europe in Q1 2009

Projects in Progress

Project in Progress - Wind Energy



Progress in Wind Farms Implementation

WF Jarogniew/Mołtowo Wind Farm - [10 turbines; 20 MW];

- ☒ Turbine and Balance of Plant to be signed by Q3 2009
- ☒ Debt financing to be agreed by Q3 2009
- ☒ Applications for EU funds filed; result of the process expected in July 2009
- ☒ Start of production Q2/Q3 2010

WF Modlikowice [12 turbines; 24 MW] ; **WF Łukaszów** - [17 turbines; 34 MW]

- ☒ Execution of grid connection agreement in progress - grid modernisation assessment started
- ☒ Possibility to expand the project in future up to 85 MW (maximum capacity provided for in the grid connection agreements)
- ☒ Turbine and Balance of Plant to be signed by Jan 2010
- ☒ Debt financing to be agreed by the end of January 2010
- ☒ Applications for EU funds filed; result of the process expected in July 2009
- ☒ Start of production Q1 2011



Wind Farms Sales

WF Jarogniew/Mottowo - 70% stake;

- ⊗ Development completed at the beginning of January 2009
- ⊗ Majority stake sold to Electrabel
- ⊗ Net Profit impact of PLN 8.9 mil

WF Suwałki & WF Tychowo - remaining 30% stakes

- ⊗ Remaining minority stakes sold to RWE Renewables Polska in line with PEP strategy
- ⊗ Net Profit impact of PLN 9.8 mil
- ⊗ Inflow of returned equity, including interest, of PLN 31.9 mil for WF Suwałki
- ⊗ Post balance sheet date of March 31, 2009; inflow of returned equity, including interest, of PLN 2.4 mil for WF Tychowo

Project in Progress - IEO



Projects in Progress in Industrial Energy Outsourcing

- Saturn Management (SM) extension - Project Tytan
 - × Equipment delivery: February - April 2009
 - × Construction: February - July 2009
 - × Start of Operations: September/October 2009
 - × Debt financing organization in progress to be finalized by June 2009

Projects in Progress - Biomass Fuels



Projects in Progress in Biomass Fuels

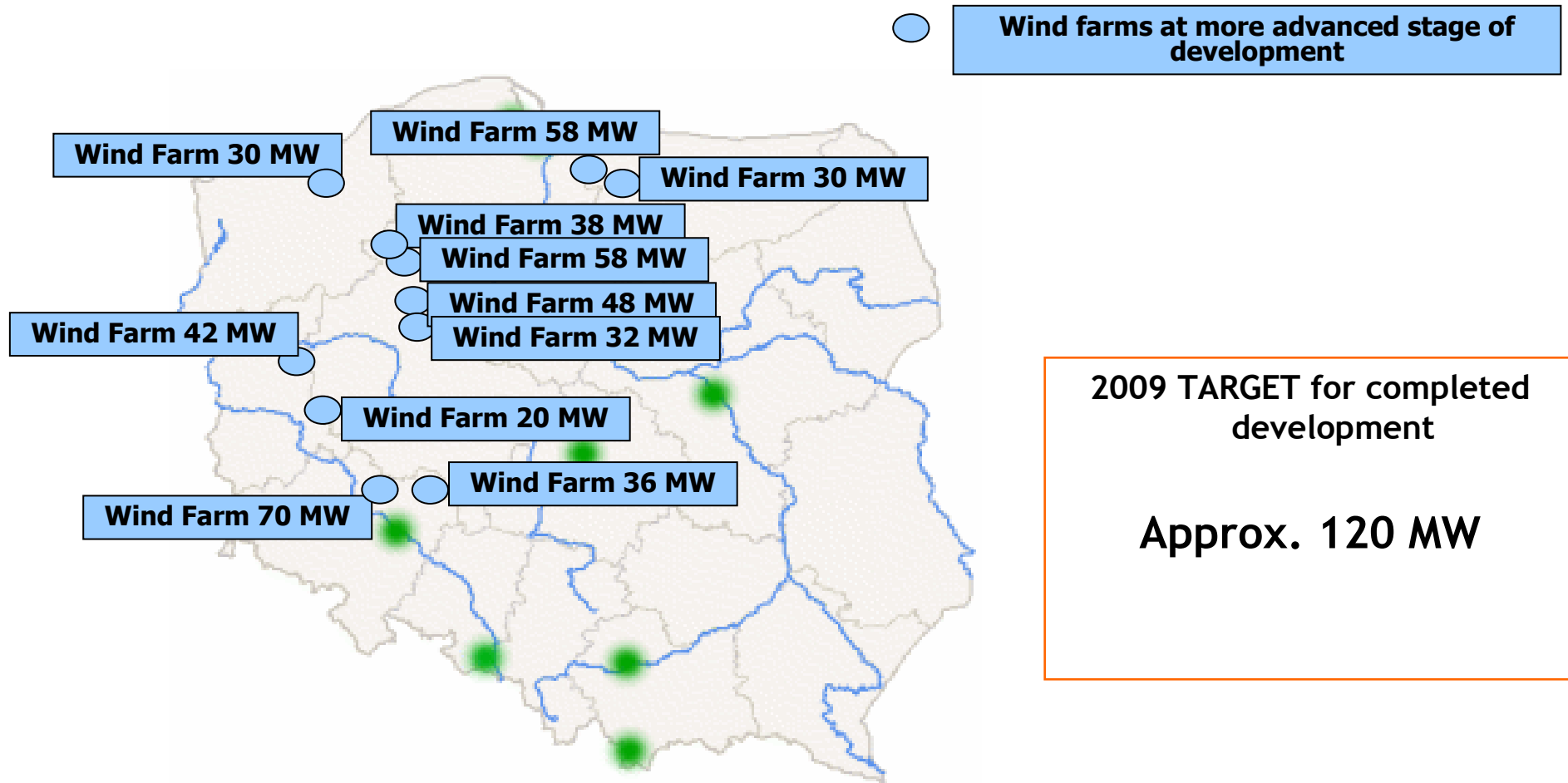
- ❑ GPBE Północ - pellets production facility for Dalkia Contract:
 - ❑ Installation of the production line in progress
 - ❑ Test production already started in March 2009
 - ❑ First sales expected in April 2009

- ❑ GPBE Południe - pellets production facility for EDF Contract
 - ❑ Localization selected
 - ❑ Localization securing in progress
 - ❑ Selection of technology and balance of plant suppliers started
 - ❑ Building permit expected by August 2009
 - ❑ Start up planned for May 2010

Projects in Development



2009 Wind Farms Development Plan





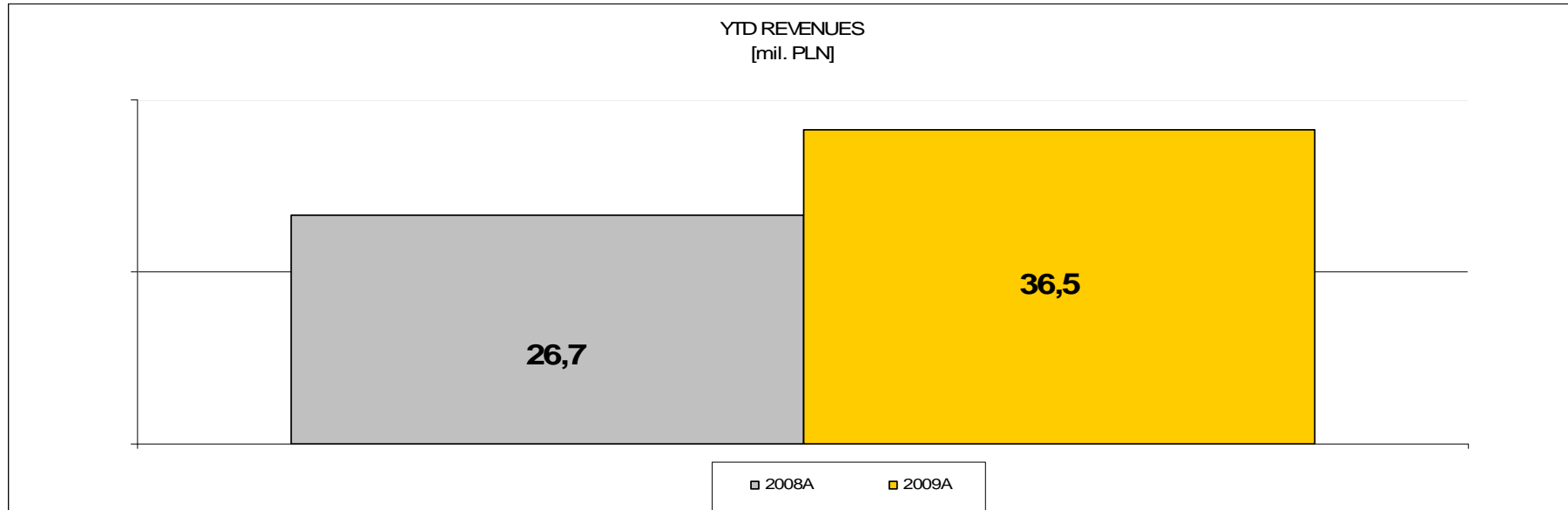
Progress in Wind Farm Development Plan

- ❑ Annex to agreement with EPA signed securing rights to the development of additional 300MW, resulting in total 600 MW to be developed by EPA, at the favourable price
- ❑ Projects in 2009 development pipeline progressing well to secure development of 120MW in 2009
- ❑ 2 new sites added by PEP development team

Q1 2009 Financial Performance



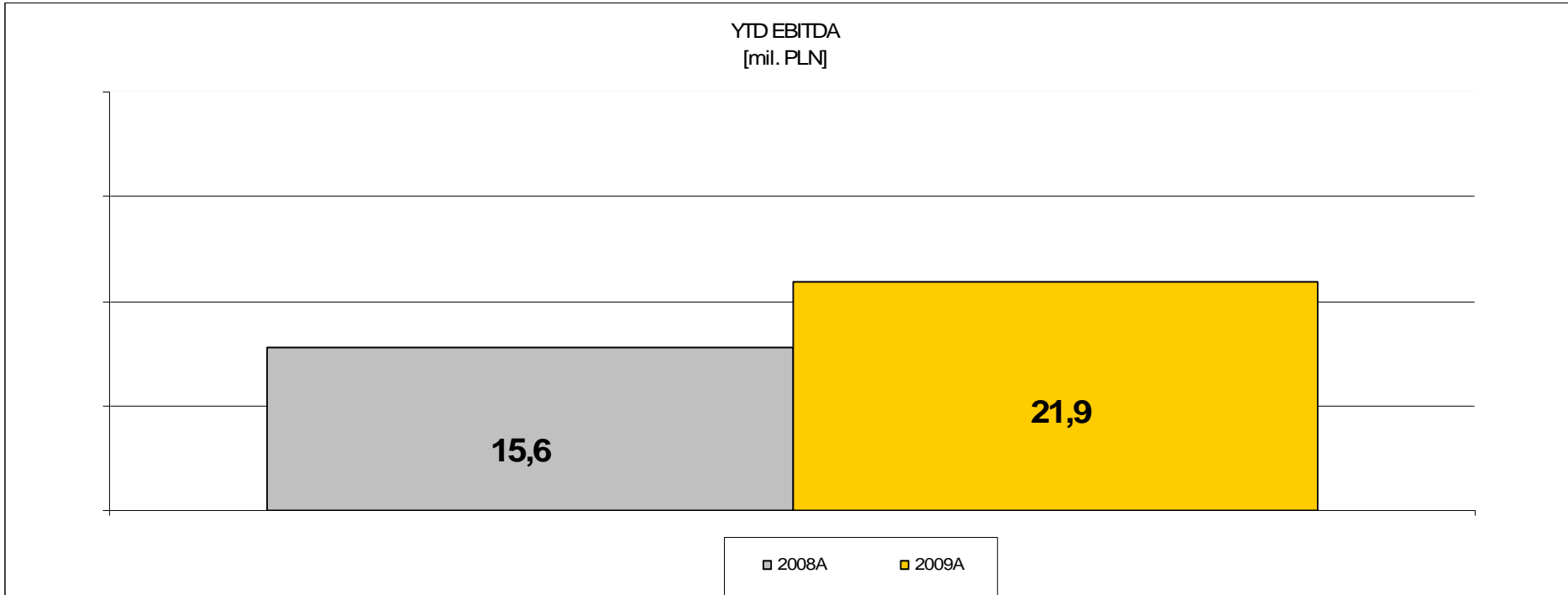
2009 Q1 Performance - Revenues



- ⊗ Revenues higher:
 - ⊗ due to sale of Jarogniew/Mołotowo project
 - ⊗ red energy revenues recognition
 - ⊗ higher GE settlement for 2008
- ⊗ Revenues lower as a result of:
 - ⊗ lower performance of WF Puck and EL Mercury
 - ⊗ CFB routine maintenance in Q1 2009 which did not occur in Q1 2008



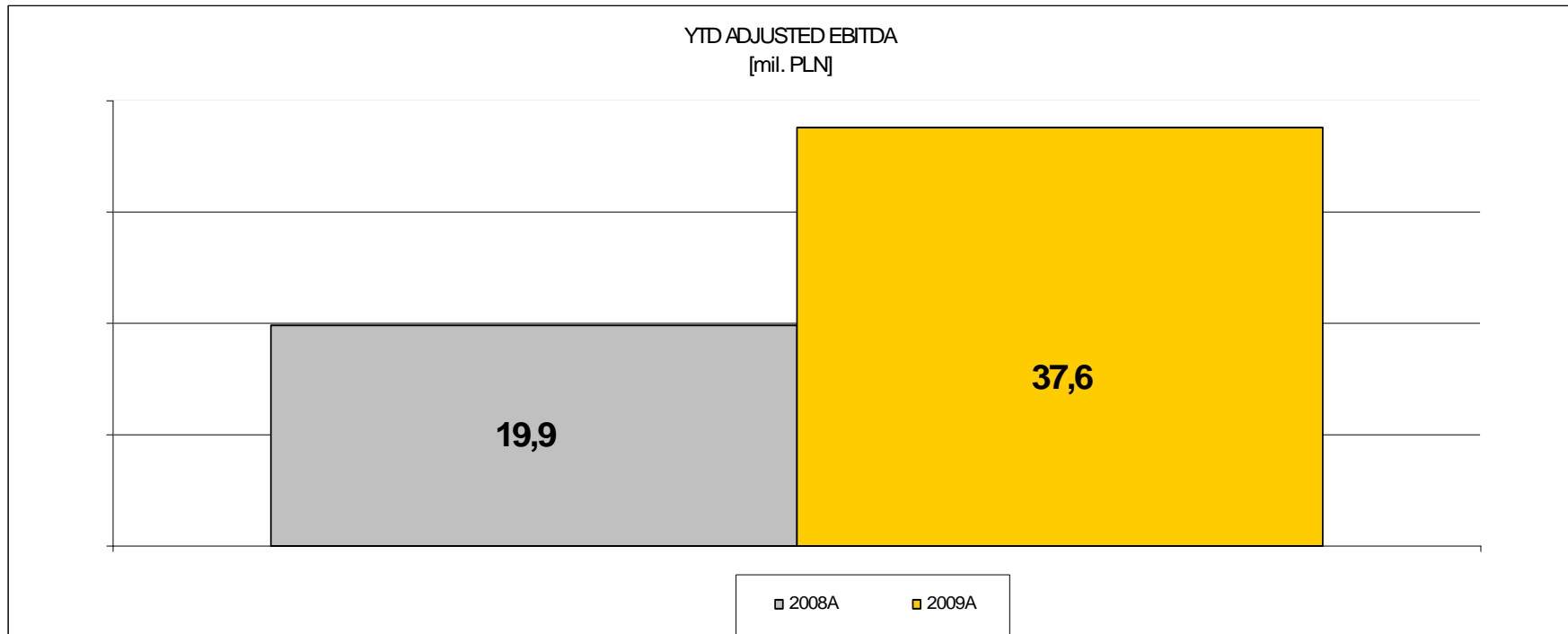
2009 Q1 Performance EBITDA



☒ Impact of revenues



2009 Q1 Performance - Adjusted EBITDA *

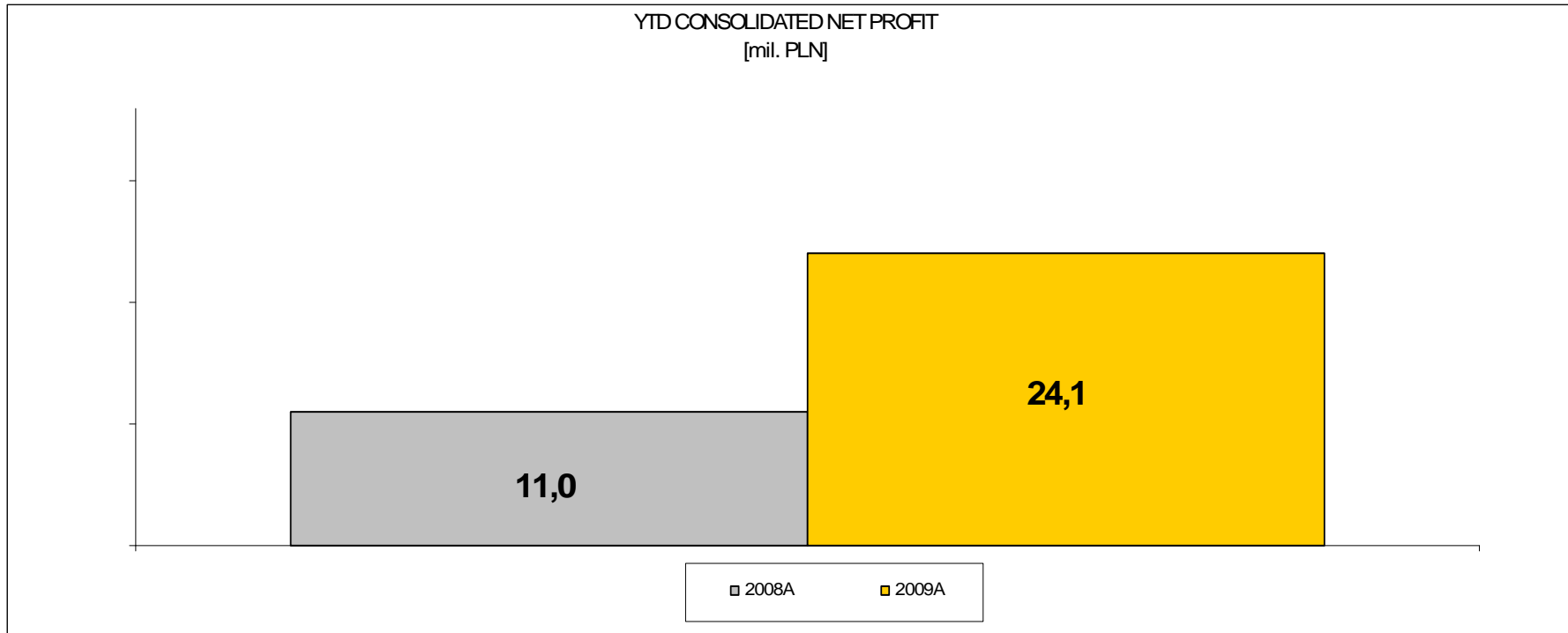


- ⊗ Impact of EBITDA
- ⊗ Impact of WF Jarogniew/Mottowo profit on sale recognition
- ⊗ Impact of WF Suwałki & WF Tychowo profit on sale recognition

* Adjusted for reclassification of lease interest and profits on WF business from financial income



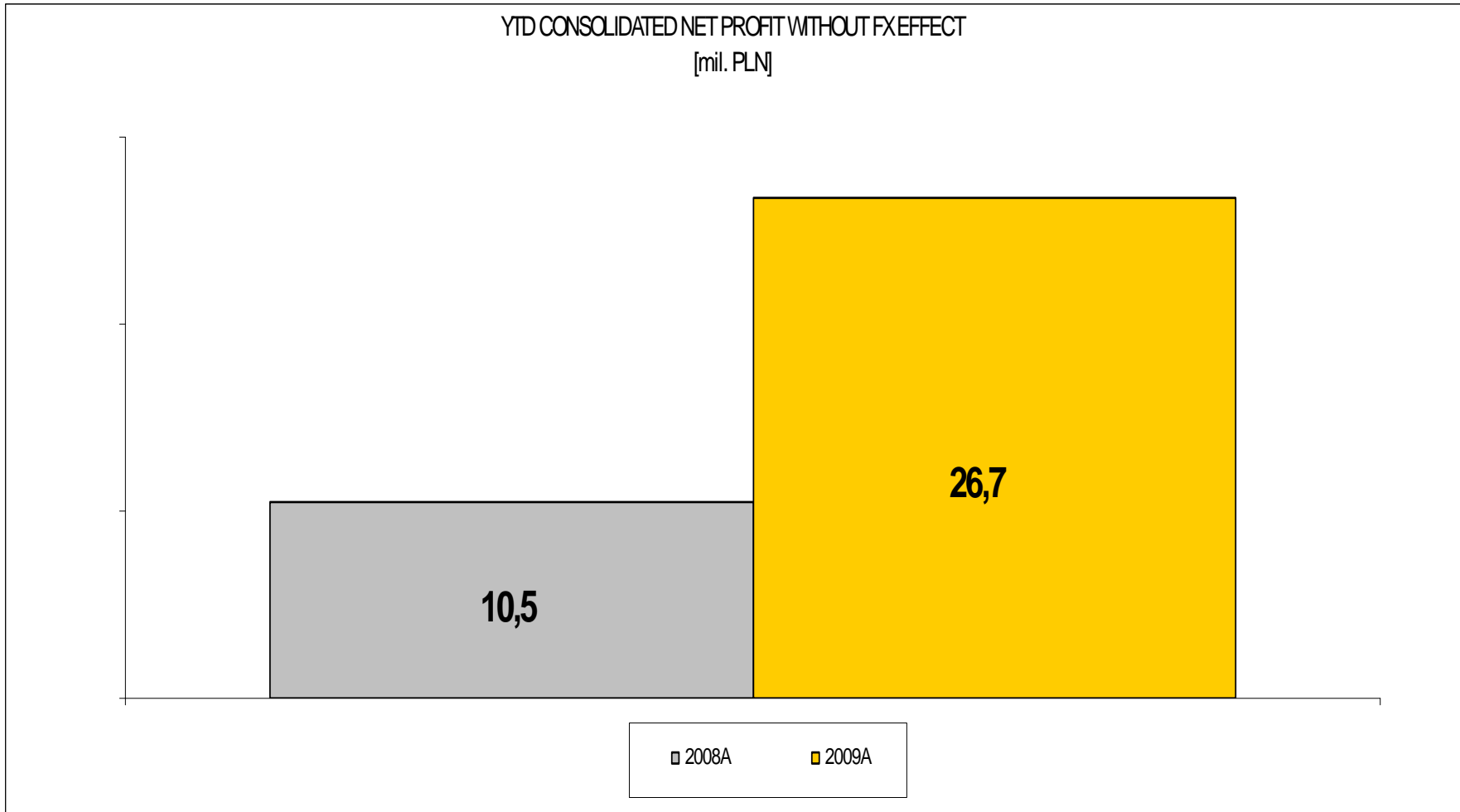
2009 Q1 Performance - Net Profit



- ⊗ Impact of Adjusted EBITDA
- ⊗ Total Q1 2009 negative balance sheet FX - PLN 3.3 mil while in 2008 positive balance sheet FX + PLN 0.6 mil
- ⊗ Lack of revenues from cash deposits in Q1 2009 at the level from Q1 2008



2009 Q1 Performance - Net Profit without FX effect



Summary



Summary

- × 60% of Forecast Net Profit (excluding FX on balance sheet valuation)
- × 53% of EBITDA achieved after Q1
- × Tytan Project on time and budget
- × Straw Pellets Facility in test phase
- × Good progress in wind development; additional 300 MW secured at favorable price