

Current report 7/2013

Subject: Motion by the Management Board regarding 2012 financial year profit distribution

The Management Board of Zespół Elektrociepłowni Wrocławskich KOGENERACJA S.A., pursuant to § 38 section 1 item 11 of the Ordinance by the Minister of Finance of 19 February 2009 on current and interim information communicated by issuers of securities and on the conditions for regarding as equivalent the information required by the provisions of law in force in a non-Member State (Dz. U. [Journal of Laws] No. 33 of 28 February 2009 item 259) hereby reports that at the meeting held on April 15 2013, a resolution was passed regarding submission of the motion by the Management Board to the Ordinary General Meeting of Shareholders of KOGENERACJA S.A. regarding distribution of profit for 2012.

The motion regarding distribution of profit for 2012, which amounted to PLN 69,283,854.21, provides for allocation of the entire profit amount to the reserve capital, which may be used in future for financing of strategic investments significant to the Company, such as construction of the DeSox and DeNox installations in EC Wrocław as well as construction of the new installations in EC Czechnica or for potential future dividend payment.

The proposed maintenance of the whole financial result in KOGENERACJA S.A. shall facilitate provision of KOGENERACJA S.A.'s own contribution necessary in order to finance the investments, which are strategic for the Company. In particular, the construction of the DeSox and DeNox installations in EC Wrocław is indispensable in order for the CHP plant to continue production after the new, tightened emission standards have come into effect on 1 January 2016; whereas, the planned construction of the new installations in EC Czechnica is KOGENERACJA S.A.'s developmental investment, which shall determine the future of the plant for many successive years.

It is worth emphasising that currently different possible versions of financing of the above-mentioned investments are taken into consideration. In the case in which the selected solution would not require a significant engagement of KOGENERACJA S.A.'s own contribution, there would be a possibility to consider the decisions regarding using a part of the income for 2012 allocated to the reserve capital for the dividend payments for the shareholders once again. The final decision on the matter depends on the selection of specific investment financing model.

Retention of the entire financial result in KOGENERACJA S.A., as suggested, will allow financing the scheduled strategic investment of the Company in 2013; particularly financing construction of the DeSox and DeNox installations in EC Wrocław as well as constructing new installations in EC Czechnica.

In line with article 382 § 3 of the Code of Commercial Companies, the motion was submitted by the Management Board to the Supervisory Board for the purpose of its review at the Supervisory Board meeting to be held on 25 April 2013.

The final decision regarding net profit distribution for the financial year 2012 will be made by the Ordinary General Meeting of Shareholders of KOGENERACJA S.A.

Legal basis: Article 56 section 1 item 2 of the Public Offering Act – current and interim information, § 38 section 1 item 11 of the Ordinance on current and interim information