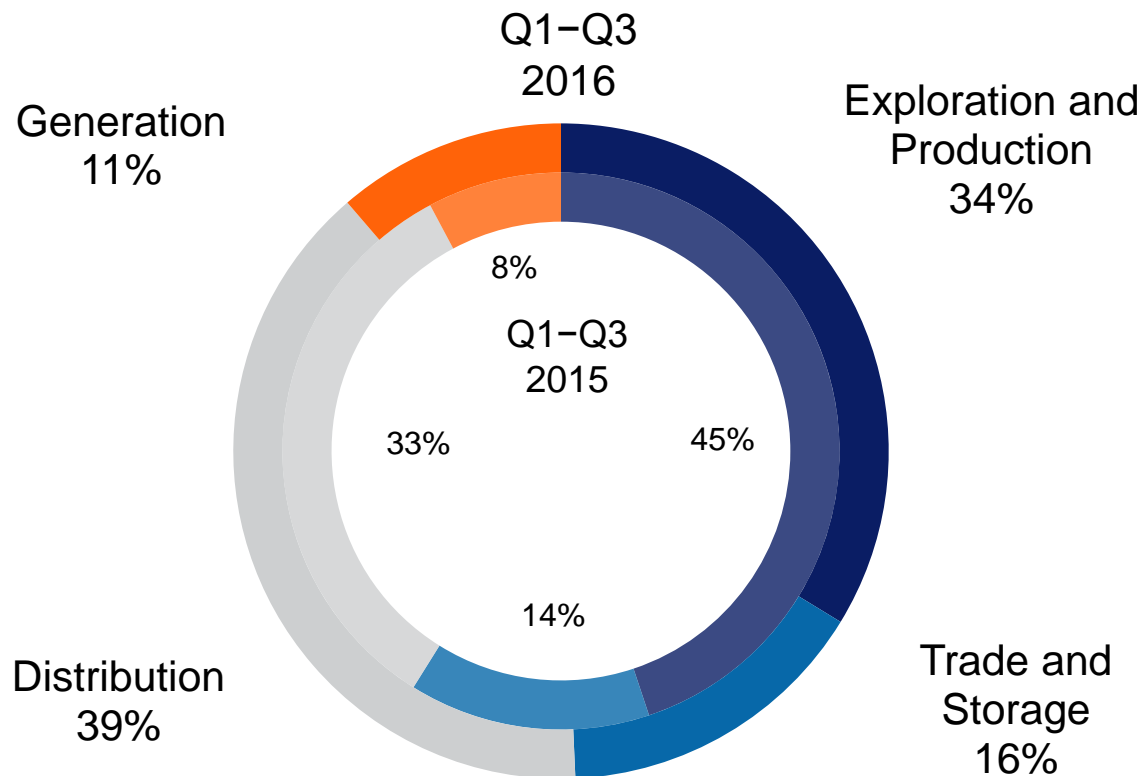


# Press conference

November 9th 2016

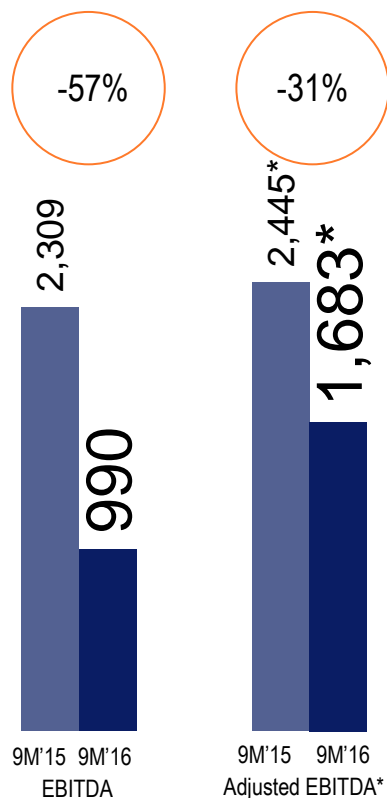


# Segments' contribution to adjusted EBITDA\*



# Financial performance

## Exploration and Production



Crude oil sales yoy  
1,076 / 1,021 thousand tonnes  
**-5.1%**

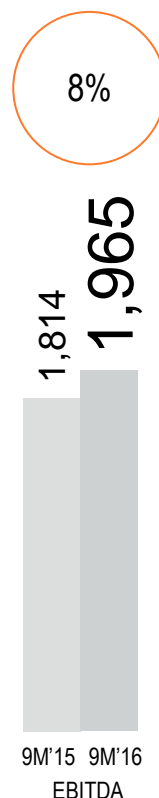
## Trade and Storage



Gas sales yoy  
16.5 / 17.0 bcm

**+3%**

## Distribution



Gas distribution yoy  
6.9 / 7.4 bcm  
**+7%**

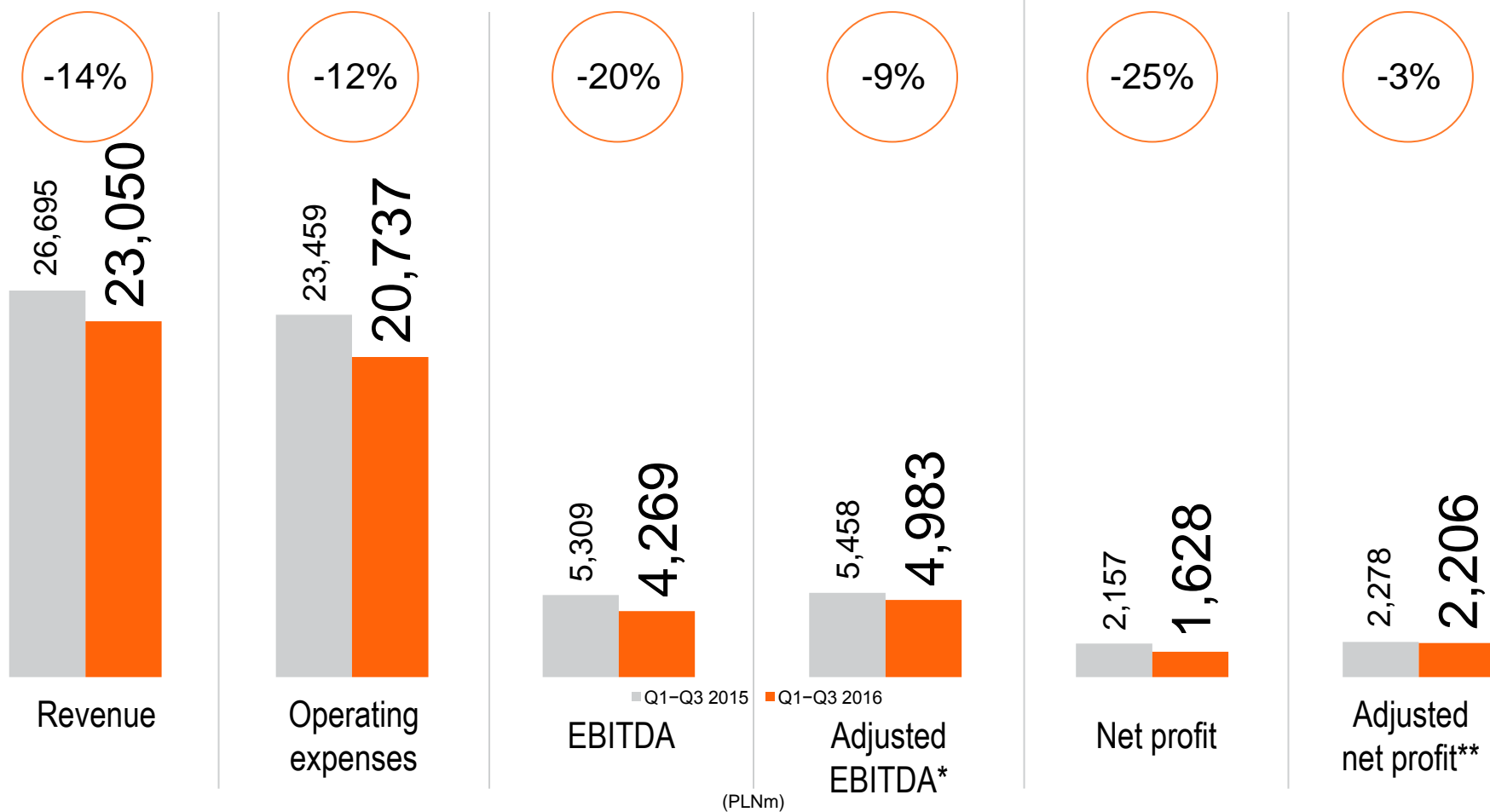
## Generation



Heat sales yoy  
23.6 / 24.5 PJ  
**+3.8%**

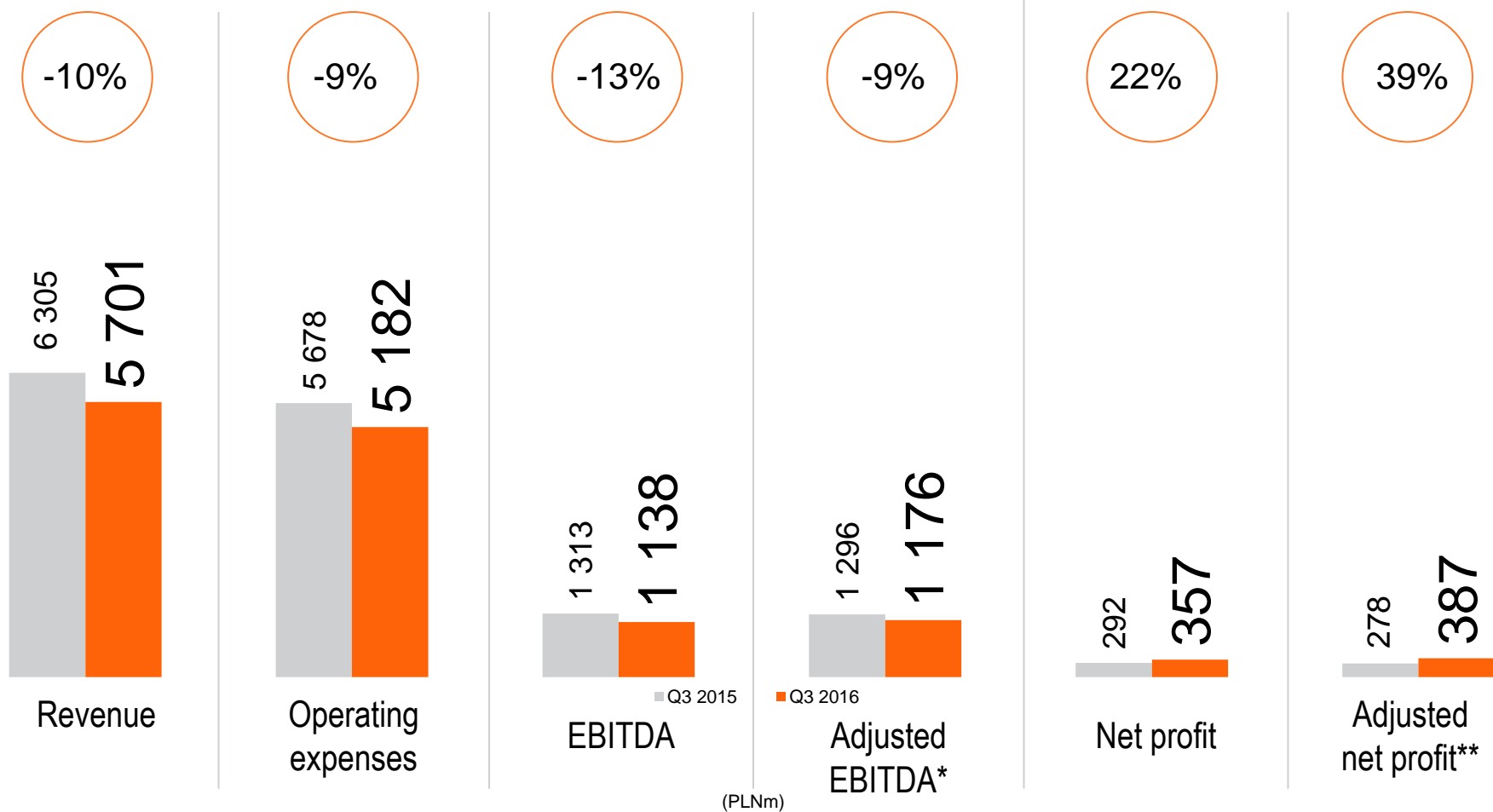
# Financial performance

Major impact of falling hydrocarbon prices on operating performance



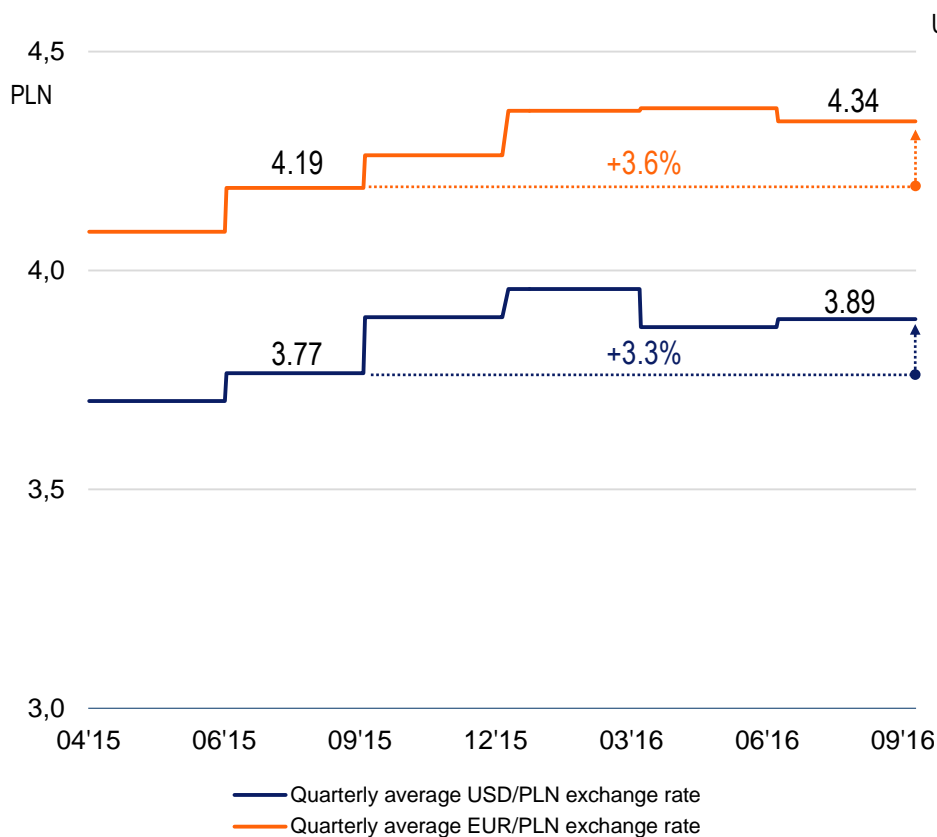
# Financial performance

Major impact of falling hydrocarbon prices on operating performance

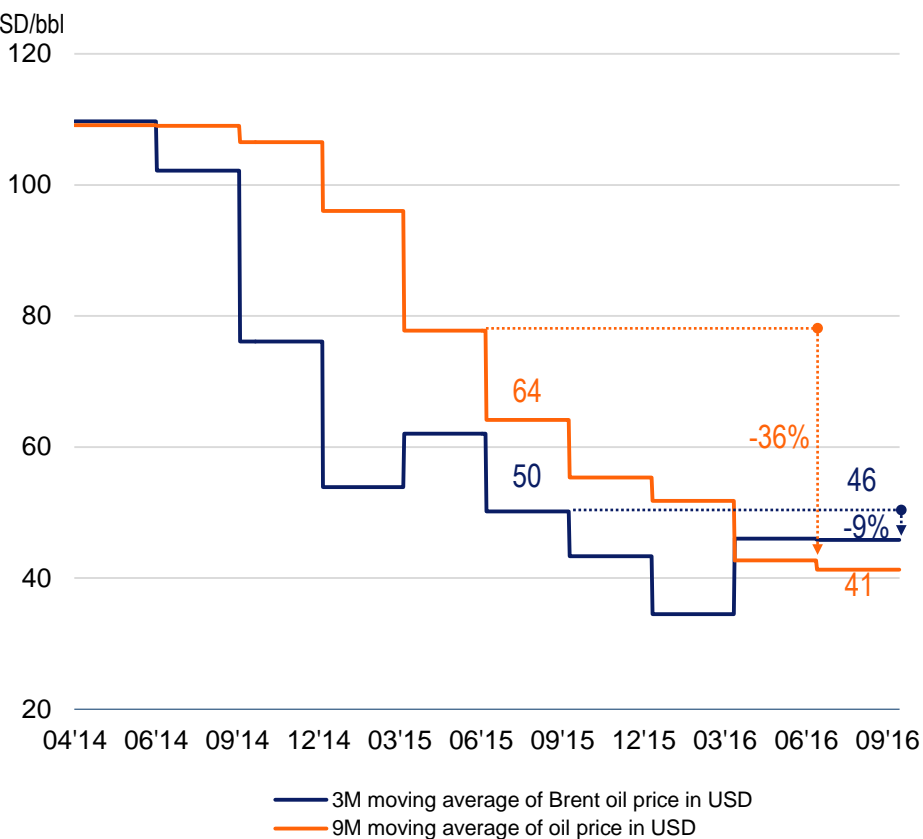


# Performance drivers

## YOY APPRECIATION OF USD AND EUR AGAINST PLN



IN Q3 2016, 9-MONTH AVERAGE  
OF CRUDE OIL PRICES DOWN 36% YOY



# Summary

- **Świnoujście LNG Terminal** – deliveries under a long-term contract with **Qatargas** (two commissioning cargoes and five commercial shipments) and under a short-term contract with **Statoil** (one shipment)
- Talks on possible gas supplies from the Norwegian Continental Shelf via **Norway-Denmark-Poland** gas pipeline link
- Arbitration proceedings against **Gazprom** to reduce prices to European levels are under way, in accordance with the prescribed procedure – the arbitration tribunal's decision is expected in mid-2017

# Summary

- Efficiency Improvement Programme – **cost savings of close to PLN 790m** in the first three quarters of 2016
- New operational strategy of Polska Spółka Gazownictwa and **gas network roll-out in the north-eastern part of Poland**
- **Strengthening of the heat generation business** – acquisition of Przedsiębiorstwo Energetyki Ciepłej S.A. of Jastrzębie Zdrój and Spółka Energetyczna Jastrzębie S.A.
- Own mutual insurance company – **Polski Gaz TUW**
- First **ships bunkered LNG** as fuel



# Marketing efforts

## **GAS SALES GROWTH IN 2016** **SALES VOLUMES UP 0.5 BCM YEAR ON YEAR**

### **Significant new contracts:**

- **PGE** – three-year contract with a value of ca. PLN 2bn
- **PKN Orlen** – five-year contract with a value of ca. PLN 7bn
- **Grupa Azoty** – three-year contract with a value of ca. PLN 3.3bn
- **Ceramika Paradyż**
- **EDF Gaz Toruń**

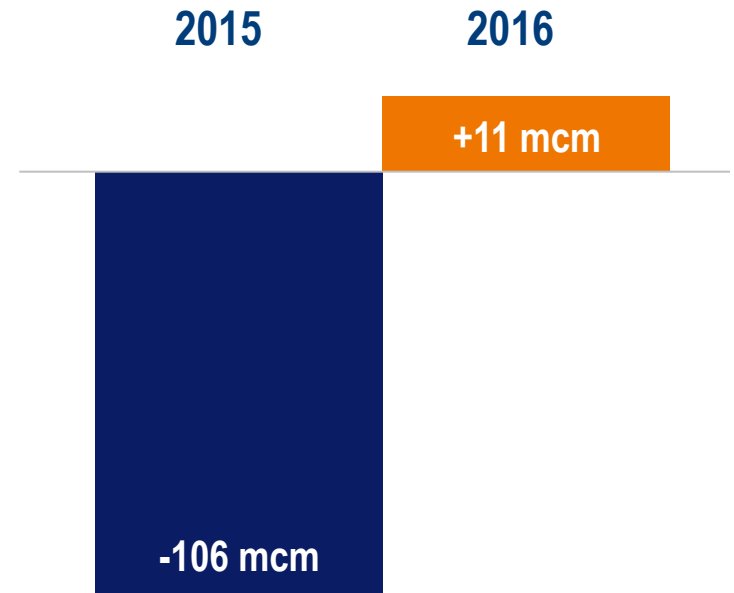
as well as Lajkonik Snacks/Bahlsen, Grana, McDonald's, Cedrob, Maspex, Goodyear/Dębica, Philips Lighting, Philips, Sokołów, PepsiCo, Toyota Wałbrzych, Grupa Kęty, Michelin Olsztyn, Mlekowita, Polmlek, Mlekpól, MPWiK Warszawa, MPO Warszawa, Poczta Polska, Służba Więzienna, Grupa zakupowa Urząd Miasta Poznań.

# Marketing

- Return of an upward trend in volumes of gas sold to small- and medium-sized enterprises

Steady growth in gas volumes sold to households

- Success in defending market position



Average monthly net new gas sales to PGNiG business customers (by volume)

# Marketing

- Close to 0.25 bcm of gas exported to Ukraine between July and October
- Expanding gas customer base
- 40,000 new household accounts acquired in Germany in 2016
- Expanding gas and electricity customer base

# Marketing

**DUAL FUEL offer  
for household customers**

- **Electricity and Gas Package – PiG**
- **Over 4,000 agreements in two months**



# Trade and Storage

- **Energy Regulatory Office's decision relieving gas wholesalers/traders and gas system operators from duty to submit tariffs for regulatory approval**
- **Bill eliminating gas tariffs announced**
- **Upcoming elimination of tariffs for other business customers**

# Short-term plans

- **Growing CNG and small-scale LNG segments in 2016–2018**

- gas network roll-out in the north-eastern part of Poland and LCNG service stations on motorways and expressways

- **New stock-holding ticket service from 2017**

- **Opening LNG trading office in London in February 2017**

Thank you for your attention.