



PannErgy Plc  
interim management report

Q1 period of 2014

16 May 2014

## 1. Executive Summary

A major event in the first quarter of 2014 was the evaluation of the first, partial year of operation for PannErgy Group's Geothermal Project of Miskolc. From May 2013 until the closing of this period, more than 400,000 GJ geothermal heat energy was fed into Miskolc Heat Supply Ltd.'s (MIHŐ) grid.

Recently, other outstanding events have been:

- By the end of the first quarter of 2014, the Geothermal Project of Miskolc successfully closed nearly one year of its operation;
- In line with the preliminary plans, March 2014 saw the commencement of the **implementation of the second phase** for the Geothermal Project of Miskolc with the purpose of supplying the City Center of Miskolc and the University District with geothermal heat;
- The preparatory works of the **Geothermal Project of Győr** were completed, and the preparation of the drilling equipment for the drilling operations in the second quarter was launched;
- As occasioned by the **International Energy Saving Day, an open day** was held to invite interested people to an onsite visit at one of the units of the Geothermal System of Miskolc, in the area of the Kistokaj Heat Center, where the visitors could gain an insight into the operation of the heating plant;
- Under the title of "*Geothermal energy – a Part of our Lives*", a **national art competition** was announced for the junior and senior pupils of primary schools by PannErgy Plc. The kids could create drawings showing what geothermal energy meant for them, and what notions they had in relation to its utilization. The two first-ranking creators were invited to the Kistokaj Heat Center of the Geothermal Project of Miskolc in the company of their classmates.

### 1.1 Projects in operation

#### Geothermal Project of Miskolc

*(Miskolc Geothermal Ltd., Kuala Property Utilization Ltd.)*

When looking at the first, nearly 1-year period of operations in the Geothermal Project of Miskolc, it can be claimed that heat supply to the Avas heat district – and then, from March 2014 temporarily to the City Center heat district – avoided all defects and problems. There were several such operating conditions tested and applied by the company that guarantee even more optimal operations. From May 2013 until the end of March 2014, more than 400,000 GJ geothermal heat energy was fed into MIHŐ Ltd.'s grid.

The works of the second phase of the investment – i.e. connection of the City Center heat district to the operating geothermal system – were commenced in March 2014, and during this period the transmission line laying works progressed as planned.

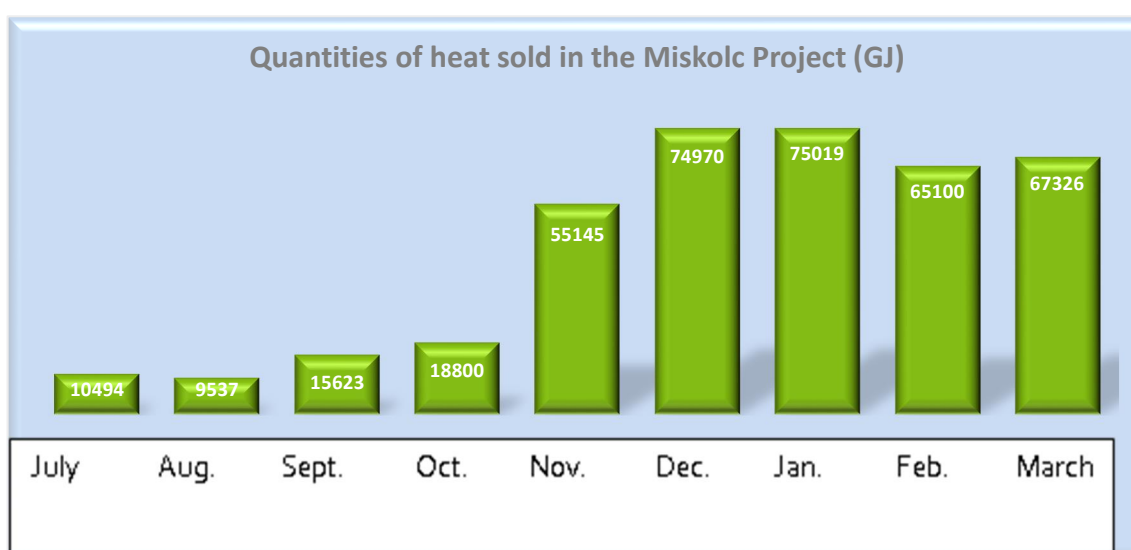


The development of geothermal heating facilities for the greenhouse owned by Miskolc Agricultural Ltd. was completed, even the internal technological heating of the foil greenhouse was efficiently installed. Due to the mild weather, however, larger volumes of heat consumption can be expected only from the next heating season. The period under review saw the transfer of only minimum secondary heat energy.

To exploit secondary heat utilization as far as possible, PannErgy Group was still conducting negotiations with an industrial consumer settling by the route of the geothermal transmission lines.

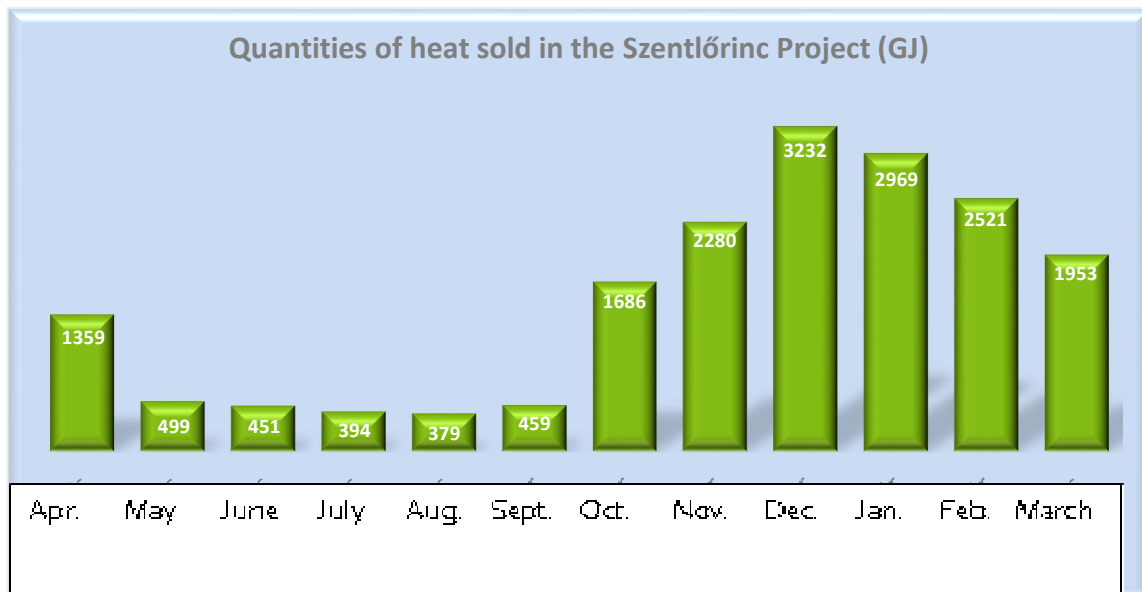
In connection with Geo-Wendung Ltd.'s investment in the district heating system of Kistokaj, the purchasing of the necessary assets for stoppage-free connection to the operating geothermal system began.

**The consolidated quantities of heat delivered during the period were:**



### Geothermal heating facility of Szentlőrinc (Szentlőrinc Geothermal Ltd.)

In the first quarter of the year, approximately 10% less heat could be sold in comparison with the same period of the previous year. The reason underlying the shrinking quantity was the extremely mild weather. The system was operated without any outage, at 100% availability. For adequate electric power consumption and the optimum operation of the system, the control system was further refined. To make use of the available, still unutilized capacities and secondary heat power, the Company remained in quest for potential heat consumers.



### Geothermal methane utilization facility of Berekfürdő (Berekfürdő Energy Ltd.)

In the first months of 2014, the problems hindering the day-to-day operation of the gas engine and the directly used equipment were eliminated, the heat capacities of the engines were restored with the replacement of the heat exchangers. Owing to these technical measures, operating safety, as well as the continuity of electric power and heat generation became adequate. The sales revenues realized on electric power sales continued to be influenced by low market prices. Trends in the sales revenues were positively affected by the moderation of payment obligations for the balancing energy because of the unexpected stoppages. The sales revenues in this period were identical to the value achieved in the earlier period during the season.

## 1.2 Projects in construction (published)

### Geothermal Project of Gödöllő

*(Gödöllő Geothermal Ltd.)*

In order to acquire further funding for the investment, the project company continuously seeks grant opportunities. The continuation of the project will be determined on the basis of the availability of PannErgy Group's resources.

### Geothermal projects of Győr

*(DD Energy Ltd., Arrabona Geothermal Ltd.)*

In association with the implementation of the Geothermal Project of Győr, during the period under review an area for the drilling of the first well was selected. In parallel to the making of the drilling base, the directional pipeline needed for the drilling and the preparation of the drilling equipment were completed. Seismic studies for the precise designation of the additional areas of drilling were continued. The results of the first well drilling operations are expected at the end of June.

### Greenhouse Project of Kistokaj

*(PannErgy Geothermal Power Plants Ltd. – "PEGE Ltd.")*

The deadline for the submission of bids in the invitation procedure for operators – prepared by PEGE Ltd. in connection with the project – was 30 March 2014. In its call for bids, the announcing PEGE Ltd. was in quest of such a financially solid applicant(s) that seemed to be able to implement the project comprehensively, including planning, construction and operation under the conditions set out in the GOP grant application scheme, as well. Currently with the 2 bidders having submitted the best proposal, now the contract delivered as a part of the tender and then discussed in details at the negotiations is now under preparation.

### 1.3 Other information / Asset management

In addition to the general operating items, the Group's profit after taxes in the reviewed period was significantly impacted by its financial profit, where a loss deteriorated the overall result because of the weakening Hungarian forint. There was no change in association with activities not belonging to geothermal operations.

## 2. Financial analysis

### Profit & loss account

**The Company's consolidated sales revenues** amounted to **HUF 811 million** in the given period, which is more than four times larger than the HUF 196 million value of the base period. The principal reason for this growth was the heat sales of the Geothermal Project of Miskolc, which resulted in HUF 632 million proceeds. In contrast, as compared to the same period of the previous year, their sales dropped from HUF 154 million to HUF 141 million because of the smaller sales revenues from electric power consumption and other charges paid by the tenants of the real estates that were under their management. These items are passed over by the Company (resold energy), and therefore they are recognized both as sales revenues and direct costs. From our sales revenues, HUF 28 million was constituted by sales in Szentlőrinc and HUF 10 million belonged to operations in Berekfürdő. Two customers went over 10% of the total amount of the Group's consolidated sales revenues, making up a combined 89% percent of all the sales.

During the period, the level of direct costs increased from HUF 174 million to HUF 502 million as a result of the rising variable costs originating from heat sales. The gross margin connected with the real estates and other assets came to be nearly break-even, while energy-related activities were operated with significant gross margins.

The indirect costs of sales totaled up to HUF 207 million in the period under review, which came to be 21% higher than the corresponding value in the base period. This growth mostly reflects costs after the capitalization of the completed investments that are associated with commissioning and the higher level of capacity utilization, as well as non-capitalizable costs belonging to the new projects. The full-time headcount of the Group was 27 people at the end of the base period, which remained unchanged in comparison with the base period.

The balance of other expenditures and other incomes was HUF 27 million in the period under review. In this line, primarily accrued incomes from European Union grants and other items were stated.

**HUF 129 million profit was stated to be the operating profit (EBIT)** in the period under review, which is nearly HUF 251 million better than the corresponding value in the base period.

**The business cash flow (EBITDA) indicated HUF 281 million inflow**, which is by HUF 324 million more favourable than the situation in the base period. For the given period, HUF 152 million depreciation was accounted, and its value exceeded the base value by HUF 73 million.

The financial profit amounted to HUF 107 million loss in the period under review, going over the value in the same period of 2013 by HUF 43 million. The financial profit was negatively impacted by the weakening of the Hungarian forint against the euro and the changes of the interest difference.

The Company had no extraordinary incomes. The Company assessed HUF 16 million as the payable amount of its taxes.



**The consolidated quarterly net profit was HUF 2 million profit** – due to the above-detailed reasons –, which was more favourable than the HUF 299 million loss in the base period.

## 2.1 Balance sheet

The value of fixed assets increased by 10%. After the base period, the growth in intangible assets totaled up to HUF 80 million, primarily covering geothermal and drilling intellectual products. The aggregate value of tangible assets rose considerably – by HUF 1.3 billion –, which originated from the capitalization of the completed part of the Miskolc Project and certain elements of the Győr Project. The outcomes of the started investments can be evaluated to be positive, and therefore it does not seem to be justified to account for impairment losses. A significant item was the deferred tax receivables in an amount of HUF 577 million, whose value did not change after the base period.

The value of current assets reflects a 1% increase in comparison with the base period, which change is indicative of the resumption of the investments. In the balance sheet, the volume of cash-type instruments is under the heading of liquid assets and securities to be held until expiry. In addition to items originating from heat sales, receivables include VAT receivables and other items.

The Company witnessed a nearly 5% decrease from the base value of its equity, which resulted from the combination of dropping value of treasury shares and the profits according to the balance sheet belonging to the given period. The amount of equity per share (calculated from the number of shares less treasury shares) slid to HUF 535 (base value: HUF 565).

The increased volumes of credits was primarily backed by the funding demands of the projects in progress, and it is to be also noted that during the period under review the investment loan contracted in May was disbursed in the period under review.

The EU grants received were recognized under the heading of other long-term, deferred incomes, and during every respective period they were reduced by the proportionate part of the depreciation belonging to the given project.

The volume of accounts payable shows a 43% lower balance than in the base period; this category typically accounts for the suppliers of the geothermal investment, while the considerable change in the balance of other short-term liabilities indicates the growth of the amount of advance payments in association with grants.



**Changes in intra-group, consolidated / screened turnovers and volumes:**

	<b>31.03.2014</b>	<b>31.03.2013</b>
	in HUF M	in HUF M
<b><u>Profit &amp; loss account:</u></b>		
Sales revenues	355	1 155
Direct costs of sales	338	1 011
Gross profit	17	144
Indirect costs of sales	17	25
Other incomes	0	0
Other expenditures	0	0
Financial incomes/expenditures	2	160
Extraordinary incomes	0	0
Extraordinary expenditures	0	0
<b><u>Screening of balance sheet items:</u></b>		
Tangible assets	2	279
Inventories	0	0
Advance payments for investments	0	0
Deferred income and accrued expenses	575	0
Long-term loan given	3 629	0
Other receivables	12 952	18 266
Long-term loans	0	0
Accrued income and deferred expenses	575	0
Long-term accounts payable	3 629	0
Short-term loans	0	0
Other short-term liabilities	12 952	18 266





### 3. Miscellaneous

#### 3.1 Deferred tax

PannErgy Group has the following deferred tax positions (data in HUF million):

Loss recognized for future use	6114
Deferred tax incomes	611
Recognized tax incomes	577

For conservatism, the Company did not recognize HUF 34 million deferred tax incomes. Taxes are calculated with a 10% corporate income tax rate with respect to the tax laws currently in effect.

#### 3.2 Corporate events

The Company held its Ordinary Annual General meeting on 30 April 2014, with its resolutions published via the official media of disclosure.

#### 3.3 Employees

Full-time headcount

Own headcount	31 December 2013	31 March 2014	Change
PannErgy Plc	7	7	0
Associated companies	21	20	-1
Total	28	27	-1

#### 3.4 Changes in the Company's registered capital, management, organization

As of 31 December 2013, the amount of the registered capital was HUF 421,093,100, which has not changed so far in 2014. The financial reports state the amount of the registered capital in view of all the shares issued, whereas the number of shares is calculated with the deduction of repurchased treasury shares.

As of 31 March 2014, the Company had 2,775,377 treasury shares belonging to PannErgy Plc.

With respect to the treasury share transactions, detailed information is available in the Company's public disclosures.

Information associated with senior officers is provided in details in Form TSZ2.

### 3.5 Environmental protection

The Company handles the high-standard management of environmental protection as a priority. In the field of geothermal energy, they work to introduce and spread one of the most environmentally friendly way of energy production in Hungary.

The subsidiaries with geothermal operations undertake the impact assessments required by the relevant environmental regulations, as well as the performance of the necessary studies and tests.

### 3.6 Key events after the balance sheet date (until 16 May 2014)

#### Announcement of officially fixed prices, 30.10.2013

In issue 179 of 2013 of the Hungarian Official Gazette (Magyar Közlöny), the Minister for National Development published Decree 64/2013 (Oct 30) of the Ministry for National Development announcing the officially fixed heat tariffs (heat selling tariffs) that were set to be in effect in the district heat supply season of 2013–2014, also to be applied by the PannErgy subsidiaries (Miskolc Geothermal Ltd. and Szentlőrinc Geothermal Ltd.).

- In the case of Miskolc Geothermal Ltd., the officially fixed heat selling tariff was HUF 3100 /GJ, while
- for Szentlőrinci Geothermal Ltd. the officially fixed heat selling tariff was HUF 3653 /GJ.

Of the associated events, the Company releases extraordinary information whose accessibility is shown in Form ST1 of this Report.

Concerning the economic environment, it can be claimed that the global economic crisis commencing in 2008 and the incalculable movements of the values of various financial instruments continue to exercise a negative influence, and impacts the Company and its associated companies in an unforeseeable manner and to an undeterminable extent.

Budapest, 16 May 2014

*PannErgy Plc  
Board of Directors*

## Data sheets

Name of the company: PannErgy Public Company Limited by Shares  
[PannErgy Nyilvánosan Működő Részvénytársaság]  
Address of the company: H-1117 Budapest, Budafoki út 56.  
Sectoral classification: Energetics, Asset management  
Period: Q1 of 2014  
Telephone: +36 1 323 23 83  
Fax: +36 1 323 23 73  
E-mail: [info@pannergy.com](mailto:info@pannergy.com)  
Investor relations: Valéria Szabó

### 1.1 Data sheets related to financial statements

#### PK1. General information on the financial figures

	Yes	No
Audited	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Consolidated	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Accounting principles      Hungarian    |    IFRS    | X    | Other    |    |

#### PK2. Business entities under consolidation

Name	Capital net worth/ Share capital	Share (%) <sup>3</sup>	Voting rights <sup>13</sup> (%)	Classification <sup>2</sup>
PMM Ltd.	100.0	100.00	100.00	F
Kuala Property Utilization Ltd.	0.5	100.00	100.00	F
PannErgy G.E. Ltd.	1972.7	93.09	93.09	F
Csurgó Geothermal Ltd.	5.0	83.78	83.78	F
Tamás Geothermal Ltd.	5.0	83.78	83.78	F
Szentlőrinc Geothermal Ltd.	245.0	92.90	92.90	F
Miskolc Geothermal Ltd.	5.0	83.78	83.78	F
PannTerm Ltd.	5.0	83.78	83.78	F
Gödöllő Geothermal Ltd.	5.0	83.78	83.78	F
Berekfürdő Energy Ltd.	24.0	93.09	93.09	F
DoverDrill Ltd.	80.0	93.09	93.09	F
DD Energy Ltd.	5.0	93.09	93.09	F
Arrabona Geothermal Ltd.	5.0	93.09	93.09	F

<sup>1</sup> Voting rights allowing participation in decision-making at the general meeting of any business entity under consolidation

<sup>2</sup> Full (F); Joint management (J); Associated (A)

<sup>3</sup> % values to be interpreted indirectly

## Consolidated balance sheet under IFRS (HUF million)

	31.03.2014	31.03.2013	Change %	31.12.2013 (audited)
<b>Assets</b>				
<b>Fixed assets</b>				
Intangible assets	1 351	1 271	106.3	1 369
Goodwill	70	70	100.0	70
Tangible assets	12 630	11 291	111.9	12 666
Investments	22	23	95.7	22
Receivables under financial lease	0	0		0
Receivables from deferred tax	577	577	100.0	577
Long-term receivables	2	2	100.0	2
<b>Total fixed assets</b>	<b>14 652</b>	<b>13 234</b>	<b>110.7</b>	<b>14 706</b>
Inventories	305	628	48.6	300
Accounts receivable	740	67	1104.5	726
Other receivables	566	782	72.4	342
Receivables under financial lease	0	0		0
Financial assets at FVTPL	0	312	0.0	0
Securities held to expiry	304	39	779.5	281
Liquid assets	337	397	84.9	384
<b>Total current assets</b>	<b>2 252</b>	<b>2 225</b>	<b>101.2</b>	<b>2 033</b>
<b>TOTAL ASSETS</b>	<b>16 904</b>	<b>15 459</b>	<b>109.3</b>	<b>16 739</b>
<b>Equity and liabilities</b>				
<b>Equity stake of the owners of the parent company</b>				
Subscribed capital	421	421	100.0	421
Treasury shares	-3 009	-3 009	100.0	-3 009
Capital reserves	10 516	10 516	100.0	10 516
Profit reserve and profit at BS	2 432	2 957	82.2	2 430
Other reserves	-850	-836	101.7	-850
<b>Equity of the parent company</b>	<b>9 510</b>	<b>10 049</b>	<b>94.6</b>	<b>9 508</b>
Minority interests	273	283	96.5	269
<b>Total equity</b>	<b>9 783</b>	<b>10 332</b>	<b>94.7</b>	<b>9 777</b>
Long-term loans	2 601	622	418.2	2 598
Other long-term differed incomes	2 499	2 027	123.3	2 303
Provisions	17	14	121.4	17
<b>Total long-term liabilities</b>	<b>5 117</b>	<b>2 663</b>	<b>192.2</b>	<b>4 918</b>
Short-term liabilities				
Accounts payable	436	770	56.6	794
Short-term loans	379	1 356	27.9	336
Other long-term differed incomes concerning one year	310	126	246.0	196
Other short-term liabilities	879	212	414.6	718
<b>Short-term liabilities in total</b>	<b>2 004</b>	<b>2 464</b>	<b>81.33</b>	<b>2 044</b>
<b>TOTAL LIABILITIES AND EQUITY:</b>	<b>16 904</b>	<b>15 459</b>	<b>109.3</b>	<b>16 739</b>

Consolidated capital movements (million HUF)	Equity for the parent company						Total	Minority participation	Equity total
	Subscribed capital	Treasury shares	Premium	Capital reserve	Profit reserve	Other reserve			
Balance as of 31 December 2012	421	-3 276	6 266	4 250	3 256	-804	10 113	283	10 396
Profit after taxes of Q1 2013					-299		-299	0	-299
Changes in the participation of external members									
Exchange rate difference from consolidation									
Share capital increase in subsidiaries									
Treasury shares repurchased									
Sale of treasury shares		267					235		235
Balance as of 31 March 2013	421	-3 009	6 266	4 250	2 957	-836	10 049	283	10 332
<b>Statement of changes in equity 2013</b>									
Balance as of 31 December 2013	421	-3 009	6 266	4 250	2 430	-850	9 508	269	9 777
Profit of Q1 2014					2		2	4	6
Changes in the participation of external members									
Exchange rate difference from consolidation									
Share capital increase in subsidiaries									
Treasury shares repurchased									
Sale of treasury shares									
Balance as of 31 March 2014	421	-3 009	6 266	4 250	2 432	-850	9 510	273	9 783



STATEMENT OF GENERAL INCOMES (in million HUF) Q1 of 2014	Q1 2014	Q1 2013	Change %	2013	2012	Change %
<b>Profit according to the balance sheet in the period under review</b>	2	-299		-826	-463	178.4%
<i>Other general incomes</i>						
Conversion difference						
Marketable financial instruments with deferred taxes						
Cash flow hedging transactions with deferred taxes						
Share from other general incomes of associated companies						
<b><i>Other general incomes in the period with tax implications</i></b>						
<b>Total general incomes in the period under review</b>	2	-299		-826	-463	178.4%

\* Fully attributable to the Company's owners

## Consolidated profit &amp; loss account under IFRS (HUF million)

	Q1 2014	Q1 2013	Change%
Sales revenues	811	196	413.8
Direct costs of sales	-502	-174	288.5
<b>Gross profit</b>	<b>309</b>	<b>22</b>	<b>1 404.5</b>
<b>Gross profit rate %</b>	<b>38.1%</b>	<b>11.2%</b>	
including direct depreciation	95	15	
<b>Gross cash flow</b>	<b>404</b>	<b>37</b>	
<b>Gross cash flow rate %</b>	<b>49.8%</b>	<b>18.9%</b>	
Indirect costs of sales	-207	-171	121.1
Other incomes	41	37	10.1
Other expenditures	-14	-10	40.0
<b>Operating profit</b>	<b>129</b>	<b>-122</b>	
Operating profit rate (%)	<b>15.9%</b>	<b>-62.2%</b>	
<b>EBITDA</b>	<b>281</b>	<b>-43</b>	
EBITDA rate (%)	<b>34.6%</b>	<b>-21.9%</b>	
Financial incomes	24	54	44.4
Financial expenditures	-131	-204	64.2
<b>Financial profit</b>	<b>-107</b>	<b>-150</b>	<b>71.3</b>
<b>Profit before taxes</b>	<b>22</b>	<b>-272</b>	
Corporate income tax	-16	-27	59.3
<b>Profit after taxes</b>	<b>6</b>	<b>-299</b>	
<b>Minority shareholding</b>	<b>-4</b>	<b>0</b>	
<b><u>Net profit of the period</u></b>	<b>2</b>	<b>-299</b>	

## Consolidated cash flow statement under IFRS (HUF million)

	31.03.2014	31.03.2013
<b>Liquid assets from operations</b>		
<b>Profit after taxes</b>	<b>2</b>	<b>-299</b>
<i>Adjustments in relation to the profit before taxes and operating cash flow</i>		
Depreciation of tangible and intangible assets	152	79
Effect of deferred taxes	0	0
Real value difference	0	198
Exchange gains on credits	74	65
Impairment losses of participations	0	0
Extraordinary depreciation of tangible assets, goodwill	2	1
Impairment losses and shortage of inventories	0	0
Provisions released	0	0
Increase in provisions for doubtful receivables	0	0
Interest (gain) loss, net	35	23
Profit on the sales of tangible assets	0	0
Profit on the sales of investments	0	0
Changes in minority participations	4	0
<i>Changes in working capital elements</i>		
Increase/decrease of inventories	-5	643
Increase/decrease of receivables	-238	300
Increase/decrease of liabilities	-197	-1 168
Interests received	0	8
Interests paid	-35	-31
<b>Net liquid assets originating from / utilized in operations</b>	<b>-206</b>	<b>-181</b>
<b>Liquid assets from investments</b>		
Acquisition of investments in private companies	0	0
Increase of existing investments	0	0
Sales of investments	0	0
Acquisition of tangible and intangible assets	-100	-1 153
Sales of tangible and intangible assets	0	0
Increase/decrease of long-term receivables	0	0
Other long- and short-term deferred incomes	310	807
<b>Liquid assets for investment activities</b>	<b>210</b>	<b>-346</b>



**Financial operations**

Utilization/repayment of long-term loans	-61	1
Increase/decrease of short-term loans	33	251
Exchange difference from consolidation	0	0
Capital increase, exchange premium of minority participations	0	0
Acquisition of treasury shares	0	0
Sale of treasury shares	0	235
Increase in securities	-23	-2
<b>Liquid assets from financial operations</b>	<b>-51</b>	<b>485</b>
<b>Net increase/decrease of cash and cash equivalents</b>	<b>-47</b>	<b>-42</b>
<b>Cash and cash equivalents as of 1 January</b>	<b>384</b>	<b>327</b>
<b>Cash and cash equivalents as of 31 March</b>	<b>337</b>	<b>285</b>
<b>Overdraft</b>	<b>0</b>	<b>112</b>
<b>Liquid assets according to the balance sheet</b>	<b>337</b>	<b>397</b>

**PK6. Material off-balance-sheet items, liabilities:**

As of 31 March 2014, the Company was holding no forward net positions for foreign currencies or securities.

The Ordinary Annual General Meeting held on 30 April 2014 approved the Company's new Management Share Option Program that annulled the earlier scheme. The associated details are accessible on the Company's website ([www.pannergy.com](http://www.pannergy.com)).

Within the framework of the share option program, three external partners acquired conditional call options for a total number of 150,000 PannErgy shares against PannErgy Plc (the set of relevant conditions is described on the Company's website).

In the form of security deposits for the non-repayable grants awarded to the entities (e.g. Transport and Energy Operational Programme, KEOP), PannErgy Group and PannErgy Plc offer their securities and other assets from time to time, also utilizing bank guarantees with respect to the associated requirements of the given grant application programs and the executing authorities so as to cover various cases of non-performance.

PannErgy Plc and the entities of PannErgy Group have the option to open letters of credit for the payment of consideration against investment-related suppliers, on a case-by-case basis.

## 1.2 Data sheets on the share structure and owners

### RS1. Ownership structure, shareholdings and voting rights

Classification of shareholders	Share capital total = Introduced series					
	1 January 2014			31 March 2014		
	% <sup>2</sup>	% <sup>3</sup>	Pcs	% <sup>2</sup>	% <sup>3</sup>	Pcs
Domestic institutions	32.39	37.32	6 821 051	29.41	33.88	6 192 828
Foreign institutions	16.20	18.65	3 410 226	18.40	21.19	3 873 894
Domestic private persons	27.48	31.65	5 786 265	28.25	32.54	5 949 113
Foreign private persons	0.28	0.32	58 766	0.29	0.33	60 473
Employees, senior officers	2.49	2.87	523 725	2.49	2.87	523 725
Own holding *	13.18	-	2 775 377	13.18	-	2 775 377
Shareholder belonging to the central budget <sup>1</sup>	7.98	9.19	1 679 245	7.98	9.19	1 679 245
International Development Institutions <sup>3</sup>	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>21 054 655</b>	<b>100.00</b>	<b>100.00</b>	<b>21 054 655</b>

<sup>1</sup> Administrative body

<sup>2</sup> Ownership rate

<sup>3</sup> Voting rights allowing participation in decision-making at the general meeting of the issuing entity

\* Own property: The property of the company or its 100 % subsidiary

### RS2. Changes in the number of shares (pcs) in own holding in the year under review

	1 January 2014	31 March 2014
At company level	1 840 174	1 840 174
Subsidiaries *	935 203	935 203
<b>Total</b>	<b>2 775 377</b>	<b>2 775 377</b>

\* The volume of PMM Ltd. treasury shares in the 100% ownership of the company

### RS3. List and particulars of Shareholders with stakes over 5% (at the end of the period)

Name	Nationality <sup>1</sup>	Activity <sup>2</sup>	Number (pcs)	Stake (%) <sup>3</sup>	Voting right (%) <sup>3,4</sup>	Notes <sup>5</sup>
Benji Invest Ltd.	D	I	2 424 010	11.51	13.26	P
ONP Holdings SE	F	I	1 814 640	8.62	9.93	P
Hungarian National Asset Management Ltd. (Magyar Nemzeti Vagyonkezelő Zrt.)	D	B	1 675 745	7.96	9.17	P

<sup>1</sup> Domestic (D), Foreign (F)

<sup>2</sup> Trustee (T), Budget (B), International Development Institution (ID), Institutional (I), Business Entity (BE), Private (P), Employee, Senior Officer (E)

<sup>3</sup> To be specified as rounded to two decimals

<sup>4</sup> Voting rights allowing participation in decision-making at the general meeting of the issuing entity

<sup>5</sup> E.g.: professional investor, financial investor, etc.

**1.3 Data sheets on the organization and operations of the issuing entity****TSZ1. Changes in the headcount of full-time employees (pers.)**

	End of base period	End of period under review
PannErgy Plc	5	7
PannErgy Geothermal	28	20
<b>Total:</b>	<b>33</b>	<b>27</b>

**TSZ2. Senior officers and (strategic) employees controlling operations of the Issuing entity**

Type <sup>1</sup>	Name	Position	Starting date of commission	End/termination date of the commission	Shareholding (pcs)
BD	Balázs Bokorovics	Chairman	31.08.2007	for an undefined period of time	-
BD	Dénes Gyimóthy	Member, Vice-Chairman	31.08.2007	for an undefined period of time	170 000
BD, SP	Péter Tóth	Member, CEO	30.04.2013	for an undefined period of time	-
BD	Gábor Briglovics	Member	31.08.2007	for an undefined period of time	3 600
BD	Csaba Major	Member	30.04.2013	for an undefined period of time	-
BD	Attila Juhász	Member	31.08.2007	for an undefined period of time	-
BD	Zsolt Perlaky	Member	30.04.2010	for an undefined period of time	-
BD	István Töröcskei	Member	31.08.2007	for an undefined period of time	326 000
Shareholding (pcs) T O T A L:					499 600

<sup>1</sup> Employee in strategic position (SP), Member of the Board of Directors (BD)

**1.4 Datasheets relating to extraordinary information*****ST1. Extraordinary information published in the period under review***

Date	Type of news	Subject-matter, brief contents
30 April 2014	Other information	Number of voting rights at PannErgy Plc
30 April 2014	Extraordinary information	Annual report
30 April 2014	Extraordinary information	Resolutions of the General Meeting
30 April 2014	Extraordinary information	SB report
18 April 2014	Extraordinary information	Renovated playground in Tallér Street, Miskolc
8 April 2014	Extraordinary information	Proposed resolutions to the General Meeting
8 April 2014	Extraordinary information	Share selling transaction by an insider person
31 March 2014	Other information	Number of voting rights at PannErgy Plc
26 March 2014	Other information	National art competition
24 March 2014	Extraordinary information	Declaration of remuneration
24 March 2014	Extraordinary information	Letter of invitation to the General Meeting
17 March 2014	Other information	The implementation of the second phase of the Geothermal Project of Miskolc has been launched
7 March 2014	Other information	International Energy Saving Day
2 March 2014	Other information	Number of voting rights at PannErgy Plc
19 February 2014	Extraordinary information	Preliminary information concerning business operations in 2013
2 February 2014	Other information	Number of voting rights at PannErgy Plc



## DECLARATIONS

This report discloses PannErgy Group's consolidated, non-audited figures stated in line with the requirements of the International Financial Report Standards (IFRS).

In line with the relevant statutory requirements, it is hereby declared that this report has been made to the best of our knowledge, and does not contain such errors that would lead to any untrue or unrealistic view of the asset, financial and income standing of the Company as of 31 December 2013.

We further represent that this report has **not** been audited.

Budapest, 16 May 2014

*PannErgy Plc  
Board of Directors*