

ENERGA SA Group
Opinion and Report
of the Independent Auditor
Financial Year ended
31 December 2013

The opinion contains 3 pages
The supplementary report contains 21 pages
Opinion of the independent auditor
and supplementary report on the audit
of the consolidated financial statements
for the financial year ended
31 December 2013

OPINION OF THE INDEPENDENT AUDITOR



KPMG Audyt
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This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.

OPINION OF THE INDEPENDENT AUDITOR

To the General Meeting of ENERGA SA

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the Group, whose parent entity is ENERGA SA with its registered office in Gdańsk, Al. Grunwaldzka 472 (“the Group”), which comprise the consolidated statement of financial position as at 31 December 2013, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

Management’s and Supervisory Board’s Responsibility for the Consolidated Financial Statements

Management of the Parent Entity is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations and preparation of the report on the Group’s activities. Management of the Parent Entity is also responsible for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

According to the Accounting Act dated 29 September 1994 (Official Journal from 2013, item 330 with amendments) (“the Accounting Act”), Management of the Parent Entity and members of the Supervisory Board are required to ensure that the consolidated financial statements and the report on the Group’s activities are in compliance with the requirements set forth in the Accounting Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with section 7 of the Accounting Act, National Standards on Auditing issued by the National Council of Certified Auditors and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the Parent Entity, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the accompanying consolidated financial statements of ENERGA SA Group have been prepared and present fairly, in all material respects, the financial position of the Group as at 31 December 2013 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, and are in compliance with the respective regulations that apply to the consolidated financial statements, applicable to the Group.

Specific Comments on Other Legal and Regulatory Requirements

Report on the Group's Activities

As required under the Accounting Act, we report that the report on the Group's activities of the ENERGA SA Group includes, in all material respects, the information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2009 No. 33, item 259 with amendments) and the information is consistent with the consolidated financial statements.

On behalf of KPMG Audyt Spółka z ograniczoną
odpowiedzialnością sp.k.
Registration No. 3546
ul. Chłodna 51
00-867 Warsaw

Signed on the Polish original

.....
Zbigniew Libera
Key Certified Auditor
Registration No. 90047
Limited Liability Partner with power of attorney

6 March 2014

REPORT OF THE INDEPENDENT AUDITOR

ENERGA SA Group
Supplementary report
on the audit of the
consolidated financial
statements
Financial Year ended
31 December 2013

The supplementary report contains 21 pages
The supplementary report on the audit of the
consolidated financial statements
for the financial year ended
31 December 2013

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1. General

1.1 Identification of the Group

1.1.1 Name of the Group

ENERGA SA Group

1.1.2 Registered office of the Parent Company of the Group

Al. Grunwaldzka 472
80-309 Gdańsk

1.1.3 Registration of the Parent Company in the National Court Register

Registration court:	District Court Gdańsk-Północ in Gdańsk, VII Commercial Department of the National Court Register
Date:	8 January 2007
Registration number:	KRS 0000271591
Share capital as at the end of reporting period:	PLN 4,521,612,884.88

1.1.4. Management of the Parent Company

The Management Board is responsible for management of the Parent Company.

As at 31 December 2013, the Management Board of the Parent Company was comprised of the following members:

- Mirosław Bieliński – President of the Management Board,
- Roman Szyszko – Vice-President of the Management Board,
- Wojciech Topolnicki – Vice-President of the Management Board.

1.2 Information about companies comprising the Group

1.2.1 Companies included in the consolidated financial statements

As at 31 December 2013, the following companies were consolidated by the Group:

Parent Company:

- ENERGA SA

Subsidiaries consolidated on the full consolidation basis:

- ENERGA – OPERATOR SA
- ENERGA – OBRÓT SA
- ENERGA Wytwarzanie Sp. z o.o. (previously ENERGA Hydro Sp. z o.o.)
- AEGIR 1 Sp. z o.o. 1)
- AEGIR 2 Sp. z o.o. 1)
- AEGIR 3 Sp. z o.o. 1)

- AEGIR 4 Sp. z o.o. 1)
- AEGIR 5 Sp. z o.o.
- Breva Sp. z o.o.
- Ciepło Kaliskie Sp. z o.o.
- Ekologiczne Materiały Grzewcze Sp. z o.o.
- Elektrownia CCGT Gdańsk Sp. z o.o.
- Elektrownia CCGT Grudziądz Sp. z o.o.
- Elektrownia Ostrołęka SA
- Elektrownia Wodna we Włocławku Sp. z o.o. w likwidacji
- ENERGA – OPERATOR Eksploatacja i Inwestycje Elbląg Sp. z o.o.
- ENERGA – OPERATOR Eksploatacja i Inwestycje Gdańsk Sp. z o.o.
- ENERGA – OPERATOR Eksploatacja i Inwestycje Kalisz Sp. z o.o.
- ENERGA – OPERATOR Eksploatacja i Inwestycje Płock Sp. z o.o.
- ENERGA – OPERATOR Eksploatacja i Inwestycje Słupsk Sp. z o.o.
- ENERGA – OPERATOR Eksploatacja i Inwestycje Toruń Sp. z o.o.
- ENERGA – OPERATOR Produkcja Sp. z o.o.
- ENERGA – OPERATOR Projektowanie Sp. z o.o.
- ENERGA – OPERATOR Techniczna Obsługa Odbiorców Sp. z o.o.
- ENERGA Centrum Usług Wspólnych Sp. z o.o.
- ENERGA Elektrociepłownia Kalisz S.A.
- ENERGA Elektrownie Ostrołęka SA
- ENERGA Finance AB (publ)
- ENERGA Informatyka i Technologie Sp. z o.o.
- ENERGA Innowacje Sp. z o.o.
- ENERGA Invest SA
- ENERGA Kogeneracja Sp. z o.o.
- ENERGA Obsługa i Sprzedaż Sp. z o.o.
- ENERGA OPEC Sp. z o.o.

- ENERGA Oświetlenie Sp. z o.o.
- ENERGA Serwis Sp. z o.o.
- ENERGA SLOVAKIA s.r.o.
- ENERGETYK Sp. z o.o. w likwidacji
- Energetyka Kaliska – Usługi Techniczne Sp. z o.o.
- ENSPIRION Sp. z o.o. (previously ENERGA Agregator Sp. z o.o.)
- EPW 1 Sp. z o.o. (previously DONG Energy Tuszyny Sp. z o.o.)
- EPW 2 Sp. z o.o. (previously DONG Energy Gąsiorowo Sp. z o.o.)
- EPW 3 Sp. z o.o. (previously DONG Energy Pancierzyn Sp. z o.o.)
- EPW Energia Olecko Sp. z o.o. (previously Dong Energy Olecko Sp. z o.o.) 2)
- EPW Energia Sp. z o.o. (previously Iberdrola Renewables Polska Sp. z o.o.) 3)
- EPW Parsówek Sp. z o.o. (previously DONG Energy 3 Sp. z o.o.)
- KONGRES Sp. z o.o. w likwidacji
- Międzynarodowe Centrum Szkolenia Energetyki Sp. z o.o. w likwidacji
- Multiserwis Sp. z o.o. w likwidacji
- Przedsiębiorstwo Budownictwa Elektroenergetycznego ENBUD Słupsk Sp. z o.o.
- Przedsiębiorstwo Wielobranżowe Energetyki „ELEKTROINSTAL” Sp. z o.o.
- RGK Sp. z o.o.
- Zakład Budownictwa Energetycznego Sp. z o.o.
- Zakład Energetyczny Płock - Centrum Handlowe Sp. z o.o.
- Zakład Energetyczny Płock - Dystrybucja Zachód Sp. z o.o. w likwidacji
- Zakład Energetyczny Toruń - ENERGOHANDEL Sp. z o.o.
- Zakład Transportu Energetyki Sp. z o.o. w likwidacji
- Zakład Transportu Energetyki ENTRANS Słupsk Sp. z o.o. w likwidacji
- ZEC Żychlin Sp. z o.o. (previously Zakład Energetyki Ciepłej w Żychlinie Sp. z o.o.)
- ZEP - AUTO Sp. z o.o.
- ZEP - Centrum Wykonawstwa Specjalistycznego Sp. z o.o.
- ZEP - MOT Sp. z o.o.

- 1) On 8 January 2014 the merger of following companies was registered: AEGIR 1 Sp. z o.o., AEGIR 2 Sp. z o.o., AEGIR 3 Sp. z o.o. and AEGIR 4 Sp. z o.o. (the acquiring company).
- 2) A part of the subsidiary is consolidated on the full consolidation basis (see note 2.2.1.2 of the financial statements).
- 3) A part of the subsidiary is consolidated on the full consolidation basis (see note 2.2.1.3 of the financial statements).

The following subsidiaries were consolidated for the first time during the year ended 31 December 2013, as a result of the Parent Company acquiring a controlling interest:

- Ciepło Kaliskie Sp. z o.o. – subject to consolidation for the period from 9 April 2013 to 31 December 2013,
- Dong Energy Wind Power A/S: Dong Energy Karcino Sp. z o.o. (then EPW Karcino Sp. z o.o.) – subject to consolidation for the period from 28 June 2013 to 31 October 2013, when it was merged with ENERGA Wytwarzanie Sp. z o.o. (previously ENERGA Hydro Sp. z o.o.);
- Dong Energy Tuszyny Sp. z o.o. (currently EPW 1 Sp. z o.o.) – subject to consolidation for the period from 28 June 2013 to 31 December 2013,
- Dong Energy Gąsiorowo Sp. z o.o. (currently EPW 2 Sp. z o.o.) – subject to consolidation for the period from 28 June 2013 to 31 December 2013,
- Dong Energy Pancierzyn Sp. z o.o. (currently EPW 3 Sp. z o.o.) – subject to consolidation for the period from 28 June 2013 to 31 December 2013,
- Dong Energy 3 Sp. z o.o. (currently EPW Parsówek Sp. z o.o.) – subject to consolidation for the period from 28 June 2013 to 31 December 2013,
- Dong Energy Olecko Sp. z o.o. (currently EPW Energia Olecko Sp. z o.o.), – subject to consolidation for the period from 28 June 2013 to 31 December 2013,
- Iberdrola Renewables Polska Sp. z o.o. (currently EPW Energia Sp. z o.o.) – subject to consolidation for the period from 31 January 2013 to 31 December 2013.

The following subsidiaries were consolidated until the date control by the Parent ceased:

- Biogazownia Starogard Sp. z o.o. – subject to consolidation for the period from 1 January 2013 to 4 January 2013,
- DGP PROVIDER Sp. z o.o. – subject to consolidation for the period from 1 January 2013 to 1 October 2013,
- EKOTRADE SERWIS FM Sp. z o.o. – subject to consolidation for the period from 1 January 2013 to 1 October 2013,

- ENERGA - OPERATOR Projektowanie Sp. z o.o. – subject to consolidation for the period from 1 January 2013 to 29 November 2013,
- Elektrownia Wodna we Włocławku Sp. z o.o w likwidacji – subject to consolidation for the period from 1 January 2013 to 27 February 2013,
- Zakład Transportu Energetyki Sp. z o.o. w likwidacji– subject to consolidation for the period from 1 January 2013 to 17 June 2013,
- Zakład Transportu Energetyki ENTRANS Słupsk Sp. z o.o. w likwidacji– subject to consolidation for the period from 1 January 2013 to 29 July 2013,
- Multiserwis Sp. z o.o. w likwidacji– subject to consolidation for the period from 1 January 2013 to 22 October 2013,
- KONGRES Sp. z o.o. w likwidacji– subject to consolidation for the period from 1 January 2013 to 28 November 2013.

1.3 Key Certified Auditor and Audit Firm Information

1.3.1 Key Certified Auditor information

Name and surname: Zbigniew Libera
Registration number: 90047

1.3.2 Audit Firm information

Name: KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Address of registered office: ul. Chłodna 51, 00-867 Warsaw
Registration number: KRS 0000339379
Registration court: District Court for the Capital City of Warsaw in Warsaw, XII Commercial Department of the National Court Register
NIP number: 527-26-15-362

KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. is entered in the register of audit firms, maintained by the National Council of Certified Auditors, under number 3546.

1.4 Prior period consolidated financial statements

The consolidated financial statements for the financial year ended 31 December 2012 were audited by KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. and received an unqualified opinion.

The consolidated financial statements were approved at the Ordinary General Meeting of the Parent Entity on 23 April 2013.

The consolidated financial statements were submitted to the Registry Court on 29 April 2013.

1.5 Audit scope and responsibilities

This report was prepared for the General Meeting of ENERGA SA with its registered office in Gdańsk, Al. Grunwaldzka 472 and relates to the consolidated financial statements comprising: the consolidated statement of financial position as at 31 December 2013, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

The Parent Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union on the basis of the decision of Extraordinary General Meeting dated 18 October 2012.

The consolidated financial statements were audited in accordance with the contract dated 15 October 2013, concluded on the basis of the resolution of the Supervisory Board dated 13 February 2013 on the appointment of the auditor.

We conducted the audit in accordance with section 7 of the Accounting Act dated 29 September 1994 (Official Journal from 2013, item 330 with amendments) (“the Accounting Act”), National Standards on Auditing issued by the National Council of Certified Auditors, and International Standards on Auditing.

We audited the consolidated financial statements at the Company during the period from 10 to 19 February 2014.

Management of the Parent Company is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations and preparation of the report on the Group’s activities.

Our responsibility is to express an opinion and to prepare a supplementary report on the audit of the financial statements.

The Management Board of the Parent Company submitted a statement, dated as at the same date as this report, as to the true and fair presentation of the accompanying consolidated financial statements, which confirmed that there were no undisclosed matters which could significantly influence the information presented in the consolidated financial statements.

All required statements, explanations and information were provided to us by Management of the Group and all our requests for additional documents and information necessary for expressing our opinion and preparing the report have been fulfilled.

The scope of the work planned and performed has not been limited in any way. The method and scope of our audit is detailed in working papers prepared by us and retained in the offices of the Audit Firm.

The Key Certified Auditor and the Audit Firm fulfill the independence requirements as described in Art. 56 points 3 and 4 of the Act on Certified Auditors and their Self-Governance, Audit Firms authorized to Audit Financial Statements and Public Oversight dated 7 May 2009 (Official Journal from 2009 No. 77, item 649 with amendments).

1.6 Information on audits of the financial statements of the consolidated companies

1.6.1 Parent Company

The separate financial statements of the Parent Company for the year ended 31 December 2013 were audited by KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k., certified auditor number 3546, and received an unqualified opinion.

1.6.2 Other consolidated entities

Entity's name	Authorised auditor	Financial year end	Type of auditor's opinion
ENERGA-OPERATOR SA	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k.	31.12.2013	unqualified opinion
ENERGA - OBRÓT SA	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k.	31.12.2013	unqualified opinion
ENERGA Wytwarzanie (previously ENERGA Hydro Sp. z o.o.)	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k.	31.12.2013	unqualified opinion
AEGIR 1 Sp. z o.o.	Audit not required	31.12.2013	n/a
AEGIR 2 Sp. z o.o.	Audit not required	31.12.2013	n/a
AEGIR 3 Sp. z o.o.	Audit not required	31.12.2013	n/a
AEGIR 4 Sp. z o.o.	Audit not required	31.12.2013	n/a
AEGIR 5 Sp. z o.o.	Audit not required	31.12.2013	n/a
Breva Sp. z o.o.	Audit not required	31.12.2013	n/a
Ciepło Kaliskie Sp. z o.o.	Kancelaria Porad Finansowo- Księgowych dr Piotr Rojek Sp. z o.o.	31.12.2013	unqualified opinion with an emphasis of matter
Ekologiczne Materiały Grzewcze Sp. z o.o.	Kancelaria Porad Finansowo- Księgowych dr Piotr Rojek Sp. z o.o.	31.12.2013	unqualified opinion
Elektrownia CCGT Gdańsk Sp. z o.o.	Audit not required	31.12.2013	n/a
Elektrownia CCGT Grudziądz Sp. z o.o.	Audit not required	31.12.2013	n/a

Entity's name	Authorised auditor	Financial year end	Type of auditor's opinion
Elektrownia Ostrołęka SA	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k.	31.12.2013	unqualified opinion
ENERGA-OPERATOR Eksploatacja i Inwestycje Elbląg Sp. z o.o.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k.	31.12.2013	unqualified opinion
ENERGA-OPERATOR Eksploatacja i Inwestycje Gdańsk Sp. z o.o.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k.	31.12.2013	unqualified opinion
ENERGA-OPERATOR Eksploatacja i Inwestycje Kalisz Sp. z o.o.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k.	31.12.2013	unqualified opinion
ENERGA - OPERATOR Eksploatacja i Inwestycje Płock Sp. z o.o.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k.	31.12.2013	unqualified opinion
ENERGA-OPERATOR Eksploatacja i Inwestycje Słupsk Sp. z o.o.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k.	31.12.2013	unqualified opinion
ENERGA-OPERATOR Eksploatacja i Inwestycje Toruń Sp. z o.o.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k.	31.12.2013	unqualified opinion
ENERGA – OPERATOR Produkcja Sp. z o.o.	KPW AUDYTOR Sp. z o.o.	31.12.2013	unqualified opinion
ENERGA – OPERATOR Techniczna Obsługa Odbiorców Sp. z o.o.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k.	31.12.2013	unqualified opinion
ENERGA Centrum Usług Wspólnych Sp. z o.o.	Wielkopolskie Centrum Audytorsko-Księgowe Spółka z o. o.	31.12.2013	unqualified opinion with an emphasis of matter
ENERGA Elektrociepłownia Kalisz S.A.	Wielkopolskie Centrum Audytorsko-Księgowe Spółka z o. o.	31.12.2013	unqualified opinion with an emphasis of matter

Entity's name	Authorised auditor	Financial year end	Type of auditor's opinion
ENERGA Elektrownie Ostrołęka SA	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k.	31.12.2013	unqualified opinion
ENERGA Finance AB	KPMG Goteborg Audyt Spółka z ograniczoną odpowiedzialnością sp. k.	31.12.2013	n/a
ENERGA Informatyka i Technologie Sp. z o.o.	SAKS AUDIT Sp. z o.o.	31.12.2013	unqualified opinion
ENERGA Innowacje Sp. z o.o.	Audit not required	31.12.2013	n/a
ENERGA Invest SA	Kancelaria Porad Finansowo- Księgowych dr Piotr Rojek Sp. z o.o.	31.12.2013	unqualified opinion
ENERGA Kogeneracja Sp. z o.o.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k.	31.12.2013	unqualified opinion
ENERGA Obsługa i Sprzedaż Sp. z o.o.	Kancelaria Porad Finansowo- Księgowych dr Piotr Rojek Sp. z o.o.	31.12.2013	unqualified opinion with an emphasis of matter
ENERGA OPEC Sp. z o.o.	Kancelaria Porad Finansowo- Księgowych dr Piotr Rojek Sp. z o.o.	31.12.2013	unqualified opinion
ENERGA Oświetlenie Sp. z o.o.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k.	31.12.2013	unqualified opinion
ENERGA Serwis Sp. z o.o.	SAKS AUDIT Sp. z o.o.	31.12.2013	unqualified opinion
ENERGA SLOVAKIA s.r.o.	MaxAudit, s.r.o.	31.12.2013	unqualified opinion
ENERGETYK Sp. z o.o. w likwidacji	EKSPERT-FIN Biegli Rewidenci Sp. z o.o.	31.12.2013	unqualified opinion
Energetyka Kaliska – Usługi Techniczne Sp. z o.o.	Biuro Rachunkowe Irena Matuszczak	31.12.2013	unqualified opinion

Entity's name	Authorised auditor	Financial year end	Type of auditor's opinion
ENSPIRION Sp. z o.o. (previously ENERGA Agregator Sp. z o.o.)	Audit not required	31.12.2013	n/a
EPW 1 Sp. z o.o. (previously DONG Energy Tuszyn Sp. z o.o.)	Audit not required	31.12.2013	n/a
EPW 2 Sp. z o.o. (previously DONG Energy Gąsiorowo Sp. z o.o.)	Audit not required	31.12.2013	n/a
EPW 3 Sp. z o.o. (previously DONG Energy Pancierzyn Sp. z o.o.)	Audit not required	31.12.2013	n/a
EPW Energia Sp. z o.o. (previously Iberdrola Renewables Polska Sp. z o.o.)	BDO Sp. z o.o.	31.12.2013	unqualified opinion
EPW Parsówek Sp. z o.o. (previously DONG Energy 3 Sp. z o.o.)	Audit not required	31.12.2013	n/a
Międzynarodowe Centrum Szkolenia Energetyki Sp. z o.o. w likwidacji	Misters Auditor Adviser Spółka z o. o	31.12.2013	unqualified opinion with an emphasis of matter
Przedsiębiorstwo Budownictwa Elektroenergetycznego ENBUD Słupsk Sp. z o.o.	Fin-Ekspert sp. z o.o.	31.12.2013	unqualified opinion
Przedsiębiorstwo Wielobranżowe Energetyki „ELEKTROINSTAL” Sp. z o.o.	KPW AUDYTOR Sp. z o.o.	31.12.2013	unqualified opinion
RGK Sp. z o.o.	Audit not required	31.12.2013	n/a
Zakład Budownictwa Energetycznego Sp. z o.o.	SAKS AUDIT Sp. z o.o.	31.12.2013	unqualified opinion with an emphasis of matter
Zakład Energetyczny Plock - Centrum Handlowe Sp. z o.o.	KPW AUDYTOR Sp. z o.o.	31.12.2013	unqualified opinion

Entity's name	Authorised auditor	Financial year end	Type of auditor's opinion
Zakład Energetyczny Płock - Dystrybucja Zachód Sp. z o.o. w likwidacji	Audit not required	31.12.2013	n/a
Zakład Energetyczny Toruń - ENERGOHANDEL Sp. z o.o.	HLB M2 Audyt Sp. z o. o.	31.12.2013	unqualified opinion with an emphasis of matter
ZEC Żychlin Sp. z o.o. (previously Zakład Energetyki Ciepłej w Żychlinie Sp. z o.o.)	Audit not required	31.12.2013	n/a
ZEP - AUTO Sp. z o.o.	Audit not required	31.12.2013	n/a
ZEP - Centrum Wykonawstwa Specjalistycznego Sp. z o.o.	SAKS AUDIT Sp. z o.o.	31.12.2013	unqualified opinion
ZEP - MOT Sp. z o.o.	Wielkopolskie Centrum Audytorsko-Księgowe Spółka z o. o.	31.12.2013	unqualified opinion with an emphasis of matter

2 Financial analysis of the Group

2.1 Summary analysis of the consolidated financial statements

2.1.1 Consolidated statement of financial position

ASSETS	31.12.2013 PLN '000	% of total	<i>restated</i> 31.12.2012 PLN '000	% of total
Non-current assets				
Property, plant and equipment	11,772,576	68.9	10,000,916	67.1
Investment property	15,189	0.1	17,060	0.1
Intangible assets	398,677	2.3	378,563	2.5
Goodwill	144,973	0.8	28,627	0.2
Deferred tax assets	245,086	1.4	209,870	1.4
Hedging derivatives	13,017	0.1	-	-
Other non-current financial assets	17,727	0.1	30,668	0.2
Other non-current assets	42,291	0.3	31,692	0.2
	12,649,536	74.0	10,697,396	71.7
Current assets				
Inventories	302,043	1.8	376,928	2.5
Current tax receivables	43,427	0.3	37,493	0.3
Trade receivables	1,469,543	8.6	1,520,668	10.2
Deposits	4,121	0.0	26,784	0.2
Other current financial assets	8,891	0.1	18,762	0.1
Cash and cash equivalents	2,352,305	13.8	2,069,058	13.9
Other current assets	145,574	0.8	155,516	1.0
Assets classified as held for sale	109,116	0.6	10,168	0.1
	4,435,020	26.0	4,215,377	28.3
TOTAL ASSETS	17,084,556	100.0	14,912,773	100.0

EQUITY AND LIABILITIES	31.12.2013	% of total	<i>restated</i> 31.12.2012	% of total
	PLN '000		PLN '000	
Equity attributable to equity holders of the Parent Company				
Share capital	4,521,613	26.5	4,968,805	33.3
Foreign exchange gains/ (losses) arising on translation of foreign entities	(2,310)	0.0	48	-
Reserve capital	447,192	2.6	-	-
Supplementary capital	521,490	3.0	471,235	3.2
Cash flow hedge reserve	26,539	0.2	-	-
Retained earnings	2,519,955	14.7	2,231,138	15.0
Non-controlling interests	13,816	0.1	47,296	0.3
Total equity	8,048,295	47.1	7,718,522	51.8
Non-current liabilities				
Loans and borrowings	1,811,548	10.6	2,026,138	13.6
Bonds issued	3,119,453	18.3	1,079,219	7.2
Non-current provisions	549,499	3.2	710,786	4.8
Deferred tax liabilities	544,001	3.2	519,686	3.5
Deferred income and non-current grants	489,234	2.9	456,010	3.0
Other financial non-current liabilities	4,873	0.0	9,010	0.1
Other non-current liabilities	1,406	0.0	613	-
	6,520,014	38.2	4,801,462	32.1
Current liabilities				
Trade liabilities	889,902	5.2	710,651	4.8
Other financial liabilities	234,725	1.4	170,488	1.1
Current loans and borrowings	274,177	1.6	389,639	2.6
Bonds issued	70,584	0.4	-	-
Current income tax liability	6,838	0.0	34,662	0.2
Deferred income and grants	32,048	0.2	28,933	0.2
Accruals	126,813	0.7	116,897	0.8
Provisions	444,108	2.6	555,345	3.7
Other current liabilities	355,733	2.1	386,174	2.6
Liabilities related to assets classified as held for sale	81,319	0.5	-	-
	2,516,247	14.7	2,392,789	16.0
Total liabilities	9,036,261	52.9	7,194,251	48.2
TOTAL EQUITY AND LIABILITIES	17,084,556	100.0	14,912,773	100.0

2.1.2. Consolidated statement of profit or loss

	1.01.2013 - 31.12.2013 PLN '000	% of total revenue	<i>restated</i> 1.01.2012 - 31.12.2012 PLN '000	% of total revenue
CONTINUING OPERATIONS				
Sales of products and goods for resale including excise tax	7,833,611	68.5	7,764,431	69.4
<i>Excise tax</i>	<i>(288,540)</i>	<i>(2.5)</i>	<i>(329,638)</i>	<i>(2.9)</i>
Sales of products and goods for resale	<u>7,545,071</u>	<u>66.0</u>	<u>7,434,793</u>	<u>66.5</u>
Sales of services	3,811,937	33.4	3,688,458	33.0
Rental income	72,241	0.6	53,548	0.5
Revenue	<u>11,429,249</u>	<u>100.0</u>	<u>11,176,799</u>	<u>100.0</u>
Cost of sales	(9,455,472)	(82.7)	(9,482,447)	(84.8)
		-		
Gross profit on sales	<u>1,973,777</u>	<u>17.3</u>	<u>1,694,352</u>	<u>15.2</u>
Other operating income	155,718	1.3	134,921	1.2
Selling and distribution expenses	(294,321)	(2.6)	(308,153)	(2.8)
General and administrative expenses	(412,147)	(3.6)	(376,521)	(3.4)
Other operating expenses	(228,193)	(2.0)	(238,592)	(2.1)
Financial income	151,006	1.3	79,197	0.7
Financial costs	(322,892)	(2.8)	(359,085)	(3.2)
Share of profit (loss) of associates	(582)	(0.0)	214	0.0
Profit before tax	<u>1,022,366</u>	<u>8.9</u>	<u>626,333</u>	<u>5.6</u>
Income tax	(273,748)	(2.4)	(166,548)	(1.5)
Net profit on continuing operations	<u>748,618</u>	<u>6.5</u>	<u>459,785</u>	<u>4.1</u>
Discontinued operations & assets classified as held for sale				
Net loss on discontinued operations	(5,640)	(0.0)	(18,307)	(0.2)
Net profit on disposal of assets classified as held for sale	-	-	14,942	0.1
Net profit for the period	<u>742,978</u>	<u>6.5</u>	<u>456,420</u>	<u>4.1</u>
Attributable to:				
Equity holders of the Parent Company	763,972	6.7	457,034	4.1
Non-controlling interests	(20,994)	(0.2)	(614)	(0.0)
Earnings per share (PLN)				
- basic	1.86		1.15	
- diluted	1.86		1.15	
Earnings per share from discontinued operations (PLN)				
- basic	(0.01)		(0.04)	
- diluted	(0.01)		(0.04)	



2.1.3. Consolidated statement of comprehensive income

	1.01.2013 - 31.12.2013 PLN '000	% of profit	1.01.2012 - 31.12.2012 PLN '000	% of profit
<i>Net profit for the period</i>	742,978	100.0	456,420	100.0
Items that will never be reclassified to profit or loss	81,251	10.9	30,362	6.6
Actuarial gains and (losses) on defined benefit plans	100,310	13.5	37,483	8.2
Income tax on items that will never be reclassified to profit or loss	(19,059)	(2.6)	(7,121)	(1.6)
Items that are or may be reclassified subsequently to profit or loss	24,181	3.3	(235)	(0.0)
Foreign exchange gains/ (losses) arising on translation of foreign operations	(2,358)	(0.3)	(235)	(0.0)
Cash flow hedges	32,765	4.4	-	-
Income tax on items that are or may be reclassified subsequently to profit or loss	(6,226)	(0.8)	-	-
Net other comprehensive income	105,432	14.2	30,127	6.6
<i>Total comprehensive income</i>	848,410	114.2	486,547	106.6
Attributable to:				
Equity holders of the Parent Company	869,397		487,161	
Non-controlling interests	(20,987)		(614)	

2.2 Selected financial ratios

	2013	<i>restated</i> 2012
1. Return on sales		
<u>profit for the period x 100%</u> revenue	6.5%	4.1%
2. Return on equity		
<u>profit for the period x 100%</u> equity - profit for the period	10.2%	6.3%
3. Debtors' days		
<u>average trade receivables (gross) x 365 days</u> revenue	55 days	55 days
4. Debt ratio		
<u>liabilities x 100%</u> equity and liabilities	52.9%	48.2%
5. Current ratio		
<u>current assets</u> current liabilities	1.8	1.8

- Revenue includes revenue from sales of finished products, merchandise and raw materials.
- Average trade receivables represent the average of trade receivables at the beginning and at the end of the period, with no deduction made for allowances.

3 Detailed report

3.1 Accounting principles

The Parent Company maintains current documentation describing the accounting principles applied by the Group and adopted by the Management Board of the Parent Company.

The accounting principles are described in the notes to the consolidated financial statements to the extent required by International Financial Reporting Standards as adopted by the European Union.

In view of the fact that not all entities being part of the Group apply common accounting principles consistent with the accounting principles applied by the Parent Company, appropriate adjustments to the financial statements of those entities were made to ensure consistency with the accounting principles applied by the Parent Company.

The financial statements of the entities included in the consolidated financial statements were prepared at the end of the same reporting period as the financial statements of the Parent Company.

3.2 Basis of preparation of the consolidated financial statements

The consolidated financial statements of the ENERGA SA Group were prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations.

The consolidated financial statements were prepared on the basis of the consolidation documentation prepared in accordance with the requirements the Decree of the Ministry of Finance dated 25 September 2009 on principles for the preparation of consolidated financial statements of a capital group by companies other than banks and insurance companies (Official Journal from 2009 No. 169, item 1327).

3.3 Method of consolidation

The method of consolidation is described in note 9.1. of the notes to the consolidated financial statements.

3.4 Goodwill arising on consolidation

The method of calculating goodwill arising on consolidation is described in note 9.8 of the notes to the consolidated financial statements.

3.5 Consolidation of equity and calculation of non-controlling interest

The share capital of the Group is equal to the share capital of the Parent Company.

The value of the Group's components of equity consists of the Parent Company's equity with the exception of profit (losses) from previous years, which include all consolidation adjustments and the consolidated subsidiaries' equity components generated after the control over the subsidiaries was gained by the Parent Company.

Non-controlling interests in subsidiaries included in the consolidated financial statements were determined based on the non-controlling interests' share in the subsidiaries' equity as at the end of the reporting period.

3.6 Consolidation eliminations

Intercompany balances within the Group were eliminated on consolidation.

Sales between entities and other intercompany operating revenues and expenses and financial revenues and expenses were eliminated on consolidation.

The consolidation eliminations were based on the accounting records of ENERGA SA (or subsidiary entities) and agreed with information received from the subsidiaries.

3.7 Notes to the consolidated financial statements

All information included in the notes to the consolidated financial statements, comprising of a summary of significant accounting policies and other explanatory information, is, in all material respects, presented correctly and completely. This information should be read in conjunction with the consolidated financial statements.

3.8 Report of the Management Board of the Parent Company on the Group's activities

The report of the Management Board of the Parent Company on the Group's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2009 No. 33, item 259 with amendments) and the information is consistent with the consolidated financial statements.

On behalf of KPMG Audyt Spółka z ograniczoną
odpowiedzialnością sp.k.
Registration No. 3546
ul. Chłodna 51
00-867 Warsaw

Signed on the Polish original

.....
Zbigniew Libera
Key Certified Auditor
Registration No. 90047
Limited Liability Partner with power of attorney

6 March 2014