

Other information

to the **ENEA S.A.** extended consolidated report
for **Q3 2013**

Date of approval: 5 November 2013



Poznań, 13 November 2013

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1. Operating summary

ENEA Capital Group during the first 9 months of 2013 generated revenues in the amount of PLN 6.8 bln, EBITDA amounted to PLN 1.4 bln (growth by 10.4% yoy) and the net profit to PLN 667 mln (growth by 9.4% yoy). In Q3 2013 the Group generated even greater dynamics of the key financial figures - with revenues on the level of PLN 2.2 bln EBITDA grew by 15.1% as compared to the same period of the previous year and amounted to PLN 466 mln and the net profit after a growth by 14.4% reached the level of PLN 215 mln. The results of the period from July to September 2013 were positively affected by a good result on the segment of generation whose EBITDA yoy increased by 47.8% compared to PLN 102 mln a year before. The segment of distribution noted stable results - EBITDA higher by 0.6% yoy. The segment of trade generated EBITDA on the level of PLN 54 mln (decrease by 15.2% yoy), yet cumulatively after three quarters the trade EBITDA was by 46.1% better than in the same period of 2012. In Q3 2013 return on equity grew by 1 p.p. to 10.2% and return on assets increased by 0.9 p.p. to 7.1%.

ENEA Group both year to date and in the very Q3 increased generation from conventional sources and RES. The total energy generation during January - September 2013 amounted to almost 9 TWh (growth by 7.3%), of which energy produced from conventional sources is 8.3 TWh.

The results of ENEA Group generated in Q3 2013 were affected e.g. by the following factors:

- continuation of a downward trend in energy prices yoy,
- low prices of allowances for emissions of CO₂,
- great surplus of EUA in EU ETS,
- EUA price fluctuations depending on political decisions of EU member states,
- realised investment programme, including the construction of unit No. 11,

Cumulatively after three quarters the capital expenditures on tangible fixed assets and intangible fixed assets amounted to PLN 1.3 bln, and in Q3 it was PLN 528 mln. After 9 months of 2013 in the consolidated cash flow on operating activities improved by 36.9% to the level of PLN 1.3 bln.

1.1. Executive summary

Dear Shareholders,

I have a pleasure to present you a consolidated report of the ENEA Capital Group demonstrating its financial results for Q3 2013 and most important events which occurred during that period and also after it ended till the publication date of this report.

ENEA Group ended Q3 2013 with the revenues on the level of PLN 6.8 bln and consolidated net profit in the amount of PLN 667 mln. I would like to pay your attention to two events which are very important for our Group.

In October the Supervisory Board approved the Corporate Strategy of ENEA Capital Group for 2014-2020 presented by the Board. This document is of a key importance for the Group whose development will be reflected in the whole energy market which is the pillar of the Polish economy and in the Polish energy security.

ENEA CG's strategy for 2014-2020



The scale of challenges we face is best evidenced by the amount of capital expenditures planned within the Strategy, which will amount to PLN 20 bln. I would like to emphasise that the whole Management Board of ENEA S.A. is aware of the responsibility it bears in connection with the fact, but we are prepared to accept it. I am sure that the realisation of the objectives set in the strategy will contribute to building a strong integrated energy group, development of the Polish energy market and also increasing the goodwill for its Shareholders.

It is a higher value, measured with basic and objective indicators, which is one of the most important goals that was set ahead of our organisation. We have also set a number of other significant strategic objectives. It is particularly important to establish long lasting Customer relations, use the distribution resources optimally and build a competitive generating portfolio, i.e. further develop our generation capacities. A growth in the generation potential will be realised in the segment of system power plants, RES and cogeneration sources and heating networks. It is expenditures in the area of energy generation that constitute the largest item in the planned capital expenditures of the Capital Group and during 2014-2020 they will amount to PLN 13.6 bln.

The Board under my management will also focus on a better efficiency e.g. through an efficient Customer service, cost optimisation and concentration on the core operations. Companies which do not perform core operations and are not supporting these activities will undergo transformation. There will be a centralisation of key on the Group level and not as till now on particular subsidiaries. As a result of e.g. these activities it will be possible to introduce a rigour within variable costs and overheads of the corporation functioning with a significant reduction in the Group's overheads.

We pay strong attention also to an optimum use of our organisation potential. Within the Strategy realisation we will focus our efforts on the Group integration, building the organisational culture concentrated on the Customer and implementation of the management by objectives which is proved in many Polish and international developing organisations.

I wish to emphasise once more that the adopted Strategy is a key document for us. We believe that thanks to the realisation of objectives set in it we will create a modern organisation which swiftly responds to market changes.

Additionally, in September 2013 the Warsaw Stock Exchange launched a new index of the largest companies listed on the Warsaw trading floor - WIG30. We are proud that ENEA was found among the elite group of the

most public companies of the Polish stock exchange. We treat this fact as an additional obligation to hard work, realisation of the Strategy and implementation of the highest standards of communication with all participants of the capital market.

On my behalf and on the behalf of the whole Management Board I wish to thank you for investing in ENEA shares and supporting us. I hope that we can count on it during the subsequent years, especially in the context of ambitious objectives we set in the Strategy.

Sincerely,
Krzysztof Zamasz

President of the Board of ENEA S.A.

1.2. Selected financial data

1.2.1. Selected consolidated financial data of the ENEA Capital Group

Data in PLN '000	9 months of 2012 (restated data*)	9 months of 2013	Change
Net sales revenues	7 427 090	6 787 243	-8.6%
Profit / (loss) from operations	708 846	826 076	16.5%
Profit / (loss) before tax	774 249	862 762	11.4%
Net profit / (loss) for the reporting period	609 715	666 840	9.4%
EBITDA	1 268 864	1 400 498	10.4%
Net cash flows from operating activities	959 747	1 313 989	36.9%
Net cash flows from investing activities	-369 167	-1 429 576	-287.2%
Net cash flows from financing activities	-197 257	604 255	406.3%
Total net cash flows	393 323	488 668	24.2%
Weighted average number of shares [pcs.]	441 442 578	441 442 578	0.0%
Net profit per share [PLN]	1.38	1.51	9.4%
Diluted profit per share [PLN]	1.38	1.51	9.4%
Data in PLN '000	Q3 2012 (restated data*)	Q3 2013	Change
Net sales revenues	2 405 292	2 191 618	-8.9%
Profit / (loss) from operations	221 094	277 758	25.6%
Profit / (loss) before tax	249 223	292 741	17.5%
Net profit / (loss) for the reporting period	187 730	214 748	14.4%
EBITDA	405 185	466 260	15.1%
Weighted average number of shares [pcs.]	441 442 578	441 442 578	0.0%
Net profit per share [PLN]	0.43	0.49	14.0%
Diluted profit per share [PLN]	0.43	0.49	14.0%

*in accordance with the accounting policy used in the financial report of ENEA Group.

1.2.2. Results from particular segments of activity

Results on particular segments of activity for 9 months of 2013 as compared to 9 months of 2012 and in Q3 2013 as compared to Q3 2012

Segments in PLN '000	9 months of 2012 (restated data)	9 months of 2013	Change	Q3 2012 (restated data)	Q3 2013	Change
Trade						
Sales revenues	3 171 449	2 668 821	-15.8%	985 142	844 910	-14.2%
EBIT	182 784	267 060	46.1%	63 908	54 120	-15.3%
EBITDA	183 108	267 448	46.1%	64 058	54 300	-15.2%
Capital expenditures for tangible and intangible fixed assets	319	1 539	382.4%	313	361	15.3%
Distribution						
Sales revenues	2 095 282	2 107 941	0.6%	688 110	683 898	-0.6%
EBIT	429 450	495 270	15.3%	168 763	169 107	0.2%
EBITDA	709 161	775 645	9.4%	261 740	263 297	0.6%
Capital expenditures for tangible and intangible fixed assets	505 495	479 562	-5.1%	194 514	185 060	-4.9%
Generation						
Sales revenues	2 352 058	2 294 849	-2.4%	771 627	754 243	-2.3%
EBIT	182 383	119 282	-34.6%	20 861	61 659	195.6%
EBITDA	439 754	394 706	-10.2%	101 971	150 727	47.8%
Capital expenditures for tangible and intangible fixed assets	287 181	858 767	199.0%	130 537	347 247	166.0%
Other activity						
Sales revenues	451 211	403 034	-10.7%	171 179	132 167	-22.8%
EBIT	38 998	39 020	0.1%	15 143	11 673	-22.9%
EBITDA	57 140	56 816	-0.6%	20 938	17 380	-17.0%
Capital expenditures for tangible and intangible fixed assets	16 288	12 004	-26.3%	8 542	3 069	-64.1%
Undistributed items and exclusions						
Sales revenues	-642 910	-687 402	-6.9%	-210 766	-223 600	-6.1%
EBIT	-124 769	-94 556	24.2%	-47 581	-18 801	60.5%
EBITDA	-120 299	-94 117	21.8%	-43 522	-19 444	55.3%
Capital expenditures for tangible and intangible fixed assets	-23 083	-29 234	-26.6%	-9 476	-8 046	15.1%
TOTAL						
Sales revenues	7 427 090	6 787 243	-8.6%	2 405 292	2 191 618	-8.9%
EBIT	708 846	826 076	16.5%	221 094	277 758	25.6%
EBITDA	1 268 864	1 400 498	10.4%	405 185	466 260	15.1%
Capital expenditures for tangible and intangible fixed assets	786 200	1 322 638	68.2%	324 430	527 691	62.7%

Segment of Trade

Higher EBITDA during 9 months of 2013 as compared to 9 months of 2012 results from:

- higher first contribution margin on trade by PLN 96,180.6 thou. - a drop in the average selling price of energy by 7.3% which stems from lower prices of energy on the wholesale market and discontinuation of the obligation to purchase and redeem certificates of origin of energy from highly efficient cogeneration for 2013, lower average selling price by 1.5%.
- in 2012 part of proprietary interests provisions was released - valuation as at 30 September 2012 - for "green" certificates at purchase price at PPE which were earlier evaluated according to the compensatory payment,
- higher internal costs on trade activity - higher remunerations for business partners - process of customer loyalisation and gaining,
- higher result on the other operating activity - lower costs of reserves for claims for damages - in 2012 assuming and updating court proceedings relating to non-contractual use of lands; higher revenues by title of lower impairment of receivables, with higher written-off debts.

Lower EBITDA in Q3 2013 as compared to Q3 2012 results from:

- higher first contribution margin on trade by PLN 3,582.6 thou. - a drop in the average selling price of energy by 6.2% which stems from lower prices of energy on the wholesale market and discontinuation of the obligation to purchase and redeem certificates of origin of energy from highly efficient cogeneration for 2013, lower average selling price by 3.9 %.
- in 2012 part of proprietary interests provisions was released - valuation as at 30 September 2012 - for "green" certificates at purchase price at PPE which were earlier evaluated according to the compensatory payment,
- higher internal costs on trade activity - higher remunerations for business partners - process of customer loyalisation and gaining,
- higher result on the other operating activity - lower costs of reserves for claims for damages - in 2012 assuming and updating court proceedings relating to non-contractual use of lands.

Segment of Distribution

Higher EBITDA during 9 months of 2013 as compared to 9 months of 2012 results from:

- lower costs of transmission services - lower transitory charge,
- higher sales of distribution services - higher rates of fees for rendered distribution services, higher revenues for variable grid fee because of higher electricity volumes, higher revenues from fixed grid fees and from additional charges,
- lower costs of energy purchases for coverage of the book-tax difference - lower volume and lower average purchase price,
- lower result on the other operating activity - growth in higher provisions for anticipated losses and potential claims for damages,
- higher costs of employee benefits - establishment of a reserve for incentive fund,
- lower revenues from grid connection fees - lower realisation of connections within II connection group (shift of realisation of agreements connected with a delay in RES act entering into force),
- higher taxes and charges - higher property tax, fees for access to energetic devices and fees for using a road line.

Segment of Generation

Lower EBITDA during 9 months of 2013 as compared to 9 months of 2012 results from:

- lower EBITDA of ENEA Wytwarzanie S.A., which stems from:

- lower prices of electricity by ca. 10% with a concurrent growth in sales and production of electricity,
- lower market prices of certificates of origin by ca. 40% and lower recognition of certificates of origin,
- lower result on the other operating activity (mainly lower results from damages, penalties and fines),
- change relating to compensations for stranded costs - in 2012 a negative adjustment of revenues for 2008-2011, in 2013 recognition compliant with the Court's decision for 2009 in the amount of PLN 964 thou.,
- coal inventory deficits in 2012,
- higher result on energy sold in trade and on sales of energy purchased on the Balancing Market,
- lower overheads (mainly: lower costs of renovation and costs of wholesale trade services),
- higher EBITDA in Elektrociepłownia Białystok which stems from the recognition in 2012 in costs of materials of costs of CO₂ emissions relating to the amortisation and depreciation write-off relating to right to CO₂ emissions which in 2013 do not occur,
- higher EBITDA in Windfarm Polska - the Company was consolidated under the operations of ENEA Capital Group in April 2012.

Higher EBITDA in Q3 2013 as compared to Q3 2012:

- higher EBITDA of ENEA Wytwarzanie S.A., which stems from:
 - change relating to compensations for stranded costs (in Q3 2012 a negative adjustment of revenues from 2008-2011 in Q3 2013 the Company did not report any revenues from that title).
 - in Q3 2012 coal inventory deficits,
 - lower overheads (mainly lower costs of renovation and costs of wholesale trade services),
 - higher result on energy sold in trade and on sales of energy purchased on the Balancing Market,
 - higher result on the other operating activity (lower impairment of receivables and lower costs of repairing fortuitous events),
 - lower prices of electricity by ca. 9% with a concurrent growth in sales and production of electricity,
- higher EBITDA in Elektrociepłownia Białystok - higher revenues from certificates of origin (higher volume at lower prices) and from sales of electricity (higher production after start-up of K6 boiler at lower prices),
- lower EBITDA in Windfarm Polska - lower revenues from certificates of origin (lower volumes and lower prices).

Segment of Other activity

Lower EBITDA in Q3 2013 as compared to Q3 2012 results from:

- lower result on maintenance and modernisation of road lighting,
- lower results in Energobud (shift of the date of completion of tasks for subsequent quarters),
- higher result on non-licensed activity related to distribution.

1.3. Key operating data

Item	9 months of 2012	9 months of 2013	Change	Q3 2012	Q3 2013	Change
Total generation of electricity (net) [GWh], including:	8 380.2	8 988.4	7.3%	2 940.1	3 010.7	2.4%
Net production from conventional sources [GWh]	7 726.8	8 320.9	7.7%	2 721.6	2 783.7	2.3%
Production from renewable sources of energy [GWh]	653.4	667.5	2.2%	218.5	227.0	3.9%
Gross generation of heat [GJ]	3 293 696.2	3 474 174.0	5.5%	503 015.5	581 086.0	15.5%
Distribution [GWh]	12 827.3	12 879.9	0.4%	4 140.6	4 205.0	1.6%
Sales of electricity to end users [GWh]	11 240.7	9 787.7	-12.9%	3 515.4	3 166.8	-9.9%

1.4. Key events of the first 9 months of 2013

The table below presents the key events in relation to ENEA S.A. and ENEA Capital Group which chronologically occurred in the period from January 2013 to the publication date of this report.

Month	Event
January	<ul style="list-style-type: none"> Exceeding by a total value of intra-group transactions between ENEA S.A. and ENEA Trading Sp. z o.o. of a threshold of 10% of ENEA S.A.'s equity. Resignation of Mr. Krzysztof Zborowski from the function of the Member of the Board for Generation in ENEA S.A.. Execution of an Annex to the agreement on electricity distribution services between the Issuer and ENEA Operator Sp. z o.o. based on which payments were determined which were planned by title of distribution services during a period of 1 January 2013 to 31 December 2013 totalling to PLN 1,398,990,500 net
February	<ul style="list-style-type: none"> Execution of an Annex to the frame agreement regarding joint exploration and extraction of shale carbohydrates between ENEA S.A., Polskie Górnictwo Naftowe i Gazownictwo S.A., KGHM Polska Miedź S.A., PGE Polska Grupa Energetyczna S.A. and TAURON Polska Energia S.A. The Annex extends the deadline for the determination of detailed conditions of the cooperation till 4 May 2013. Opening of the liquidation proceedings of a subsidiary, ENTUR Sp. z o.o.
March	<ul style="list-style-type: none"> Recommendation of the Company's Management Board regarding distribution of a dividend for shareholders in the amount of PLN 156,804,000. Dismissal by the Supervisory Board of ENEA S.A. of all the hitherto Members of the Board and appointment of Mr. Krzysztof Zamasz, Mr. Grzegorz Kinelski and Mr. Paweł Orlof into the composition of the Management Board of ENEA S.A. Publication of the periodic report for 2012. Resignation of Mr. Graham Wood from the function of a Member of the Supervisory Board of ENEA S.A.
April	<ul style="list-style-type: none"> Keeping by Fitch Ratings of the ratings for ENEA S.A. - long-term ratings in national and foreign currency at the level of "BBB" and a long-term national rating at the level of "A(pol)". The outlook of the ratings is stable. Nomination into the composition of the Management Board of ENEA S.A. of Mrs. Dalida Gepfert

	<ul style="list-style-type: none"> • Holding of the Ordinary General Meeting of Shareholders of ENEA S.A. • Nomination into the composition of the Supervisory Board of ENEA S.A. of Mrs. Małgorzata Niezgodą and Mr. Torbjörn Wahlborg
May	<ul style="list-style-type: none"> • Publication of periodic report for Q1 2013
June	<ul style="list-style-type: none"> • Approval by the President of ERO of the tariff for electricity for the G tariff group set for ENEA S.A. for the period from 1 July to 31 December 2013, taking into account the reduction in energy selling prices for the G tariff group set by 4.29% on average • Conclusion of a 15-year loan agreement with the European Investment Bank totalling to PLN 475,000,000. • Conclusion of a frame agreement and agreement on guaranteeing subscription for the bonds issued by Enea Operator Sp. z o.o. between ENEA S.A., ENEA Operator Sp. z o.o. and Nordea Bank Polska S.A. • Resignation of Mr. Michał Jarczyński from the function of a Member of the Supervisory Board of ENEA S.A. • Agreement regarding continuation of works connected with the development of a draft purchase agreement of shares in a special purpose vehicle for construction and operation of an atomic power plant between ENEA S.A., KGHM Polska Miedź S.A., PGE Polska Grupa Energetyczna S.A. and TAURON Polska Energia S.A.
July	<ul style="list-style-type: none"> • Exceeding the total value of intergroup transactions between ENEA S.A. and ENEA Trading Sp. z o.o. and the 10% threshold of the equity of ENEA S.A.
August	<ul style="list-style-type: none"> • Publication of the periodic report for H1 2013.
September	<ul style="list-style-type: none"> • Determination of the terms of purchasing shares in PGE EJ1 Sp. z o.o. - PGE S.A. shall sell to the other parties a block of 438,000 shares constituting a total of 30% in the share capital of PGE EJ1 (ENEA S.A. - 10%, KGHM Polska Miedź S.A. - 10%, TAURON Polska Energia S.A. - 10%) as a result of which PGE will hold 70% in the share capital of PGE EJ1. • Commencement of WIG30 quotations into which ENEA S.A.'s shares were qualified.
October	<ul style="list-style-type: none"> • With the decision of the President of the Energy Regulatory Office ENEA S.A. was granted a license to trade in gaseous fuels. • Approval of the Corporate Strategy of ENEA Capital Group for 2014-2020.

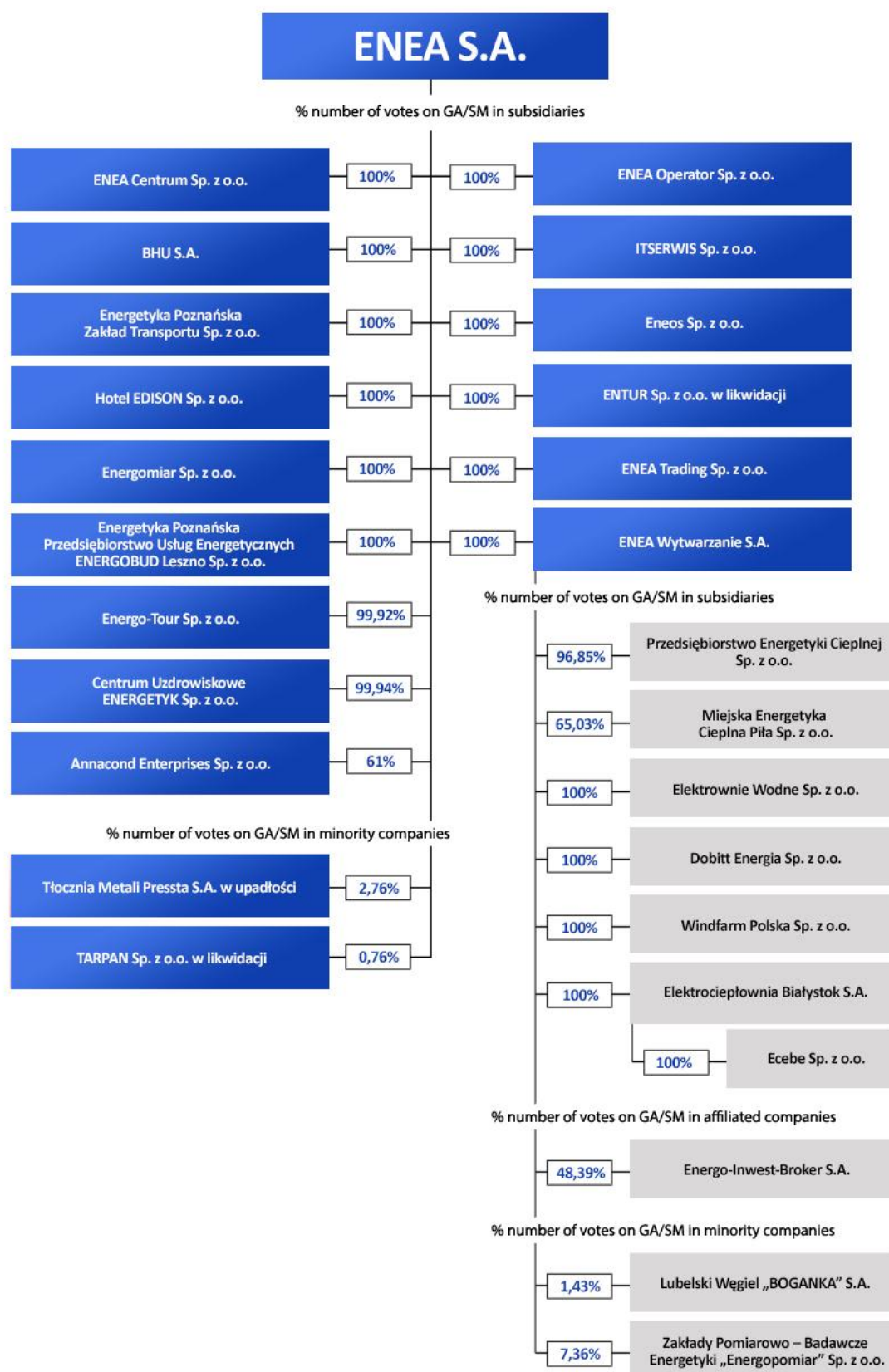
2. Organisation of the ENEA Capital Group

2.1. Composition of the ENEA Capital Group.

The subject of operations of the ENEA Capital Group is trade in electricity, its generation and distribution. The Group has almost 2.4 million customers and it has 12.5% share in sales on the retail market of electricity in Poland. Its distribution network covers 20% of Poland. Companies consolidated under the Group supply energy to citizens of the western and northwestern Poland, and almost 8% of energy generated in Poland comes from power plants owned by the ENEA Capital Group.

As at 30 September 2013 the Capital Group consisted of the group parent ENEA S.A., 15 direct subsidiaries, 7 indirect subsidiaries and 1 affiliate.

The organisational diagram demonstrating the structure of the ENEA Capital Group
as at 30 September 2013



2.1.1. Changes in the Group's structure

Date	Event
9 August 2013	<ul style="list-style-type: none"> • Signing by ENEA S.A. of an agreement with ENERGA S.A. pursuant to which ENEA S.A. purchased 12,200 shares of BHU S.A.
18 September 2013	<ul style="list-style-type: none"> • ENEA Centrum S.A. was transformed into a Limited liability company. On 27 June the Extraordinary General Meeting of Shareholders of ENEA Centrum S.A. adopted a resolution on transformation of ENEA Centrum S.A. into ENEA Centrum Sp. z o.o. On 18 September the District Court for Poznań - Nowe Miasto i Wilda in Poznań, 7th Commercial Division, pursuant to the Resolution No. 1 of the Extraordinary General Meeting of Shareholders of ENEA Centrum S.A. adopted on 27 June 2013, listed ENEA Centrum Sp. z o.o. in the National Court Register under the KRS number of 0000477231. The share capital of the company amounts to PLN 1,973,700 and is divided into 19,737 shares of the nominal value of PLN 100 each. ENEA S.A. received one share in the share capital of the transformed company (ENEA Centrum Sp. z o.o.) in consideration for one share in the share capital of the company under transformation (ENEA Centrum S.A.).
21 September 2013	<ul style="list-style-type: none"> • The shares of BHU were transferred on that day, ENEA S.A. presently holds 100% shares in the share capital of BHU S.A.
3 October 2013	<ul style="list-style-type: none"> • ENEA S.A. sold 4,610 shares in Monnari Trade S.A. through Dom Maklerski BZ WBK S.A., and as a result ceased to be a shareholder of Monnari Trade S.A.

2.1.2. Planned changes within the Group

On another stage of the Integration of the Generation Area Elektrociepłownia Białystok S.A., Elektrownie Wodne Sp. z o.o. and Dobitt Energia Sp. z o.o. will be merged by acquisition by ENEA Wytwarzanie S.A. As of the merger date ENEA Wytwarzanie S.A. will assume all the rights and obligations of Elektrociepłownia Białystok S.A., Elektrownie Wodne Sp. z o.o. and Dobitt Energia Sp. z o.o. Presently, legal acts are being prepared which are indispensable for the merger of the companies mentioned above and realisation of activities within particular operating projects anticipated in the Integration Plan.

Moreover, on 5 November 2013 the Company adopted a concept consisting in the sale of an Organised Part of the Enterprise of ENEA S.A. "Gospodarka Oświetleniowa" through its contribution in kind to ENEOS Sp. z o.o. and undertook corporate steps necessary to perform the process. It is anticipated that the process will be completed till the end of 2013 financial year.

2.1.3. Capital investments within the Group

During Q3 2013 no share like equity investments were made within the ENEA Capital Group.

2.2. Description of particular segments of operations of the ENEA Capital Group

The ENEA Capital Group is involved in generating, distributing and trading in electricity. The Group's companies conduct these operations based on licences granted by the President of the Energy Regulatory Office (ERO) - the body established to regulate the management of fuels and energy and to promote the competition in the energy sector.

2.2.1. Generation

The largest producer of electricity from conventional sources in ENEA Wytwarzanie holding is ENEA Wytwarzanie S.A. (further on: ENEA Wytwarzanie), which joined the ENEA Capital Group in October 2007. It is Poland's largest professional hard coal-fired power plant. It comprises 10 high-performance, updated power blocks with a total generating capacity of 2,913 MW.

Within the holding structure managed by ENEA Wytwarzanie the electricity from renewable sources is generated by ENEA Wytwarzanie by co-firing biomass with conventional fuel (bituminous coal), by Elektrociepłownia Białystok S.A. by the production of electricity in cogeneration with the use of biomass, by Elektrownie Wodne Sp. z o.o. (21 hydro-electric power plants, Darżyno Wind Farm), Dobitt Energia Sp. z o.o. (Liszkowo Biogas Plant of the capacity of 2.126 MWe), Biogas Plants in Gorzesław of the capacity of 1.6 MWe and Windfarm Polska Sp. z o.o. (Bardy Wind Farm).

Item	9 months of 2012	9 months of 2013	Change	Q3 2012	Q3 2013	Change
Total generation of electricity (net) [GWh], including:	8 380.2	8 988.4	7.3%	2 940.1	3 010.7	2.4%
Net production from conventional sources [GWh], including:	7 726.8	8 320.9	7.7%	2 721.6	2 783.7	2.3%
ENEA Wytwarzanie (excluding biomass co-firing)	7 600.5	8 221.8	8.2%	2 714.7	2 777.1	2.3%
Elektrociepłownia Białystok (excluding biomass co-firing)	125.4	98.5	-21.5%	6.7	6.6	-1.5%
MEC Piła	0.9	0.6	-33.3%	0.2	0.0	-100%
Production from renewable energy sources [GWh], including:	653.4	667.5	2.2%	218.5	227.0	3.9%
Co-combustion of biomass	380.1	289.8	-23.8%	127.9	109.5	-14.4%
Combustion of biomass	101.4	169.4	67.1%	29.2	63.8	118.5%
Hydroelectric power plants	112.6	112.6	0.0%	32.2	26.5	-17.7%
Wind farms	57.8	88.6	53.3%	28.2	25.1	-11.0%
Biogas plants	1.5	7.1	373.3%	0.9	2.1	133.3%

The Group also undertakes actions aiming at the consolidation of the generation area. On 25 May 2012, within the "Integration of the Generation Area" Elektrownia "Kozienice" S.A. changed its name to ENEA Wytwarzanie S.A. and will manage the production of electricity and heat in the whole ENEA Capital Group. The Integration of the Generation Area covers seven subsidiaries of the Group: ENEA Wytwarzanie S.A., Elektrociepłownia Białystok S.A., Elektrownie Wodne Sp. z o.o., Dobitt Energia Sp. z o.o., Windfarm Polska Sp. z o.o., MEC Piła Sp. z o.o. and PEC Oborniki Sp. z o.o. The integration of electricity and heat generating companies aims at the implementation of a new model of the Group's operations ensuring an efficient decision-making process within the coherent generation strategy, optimum allocation of resources and improvement in the generation area efficiency. On 28 December 2012 ENEA Wytwarzanie took over from ENEA S.A. the shares of six companies operating within the generation of electrical and heat energy in the ENEA CG. In return ENEA S.A. took up all the shares in the raised share capital of ENEA Wytwarzanie. As a result of these actions a holding structure of the generation area was established which is managed by ENEA Wytwarzanie.

Another stage of the integration of the generation area realised in 2013 will be the inclusion of selected companies into the capital structure of ENEA Wytwarzanie, the remaining companies will remain in the full functional subjectivity. Presently, legal acts are being prepared which are indispensable for the merger of the said companies and realisation of activities within particular operating projects anticipated in the Integration Plan.

2.2.2. Distribution

Within our Group, the distribution of electricity is the responsibility of ENEA Operator Sp. z o.o. (further on: ENEA Operator), which acts as the operator of the power distribution system. Enea Operator acts as a monopolist playing a role of a public utility company, in the conditions strictly regulated by the law.

ENEA Operator supplies electricity to over 2.42 mln users in the western and northwestern Poland. To this end it uses the distribution network covering an area of over 20% of the country, including over 112 thou. km of power lines (over 130 thou. including connections) and over 35 thou. power stations. The Company operates on the area of 58,213 km² in 6 provinces: Wielkopolskie, Zachodniopomorskie, Lubuskie, Kujawsko-Pomorskie and in small part Dolnośląskie and Pomorskie. The area of Poznań covers 20,510 km², Bydgoszcz - 10,349 km², Gorzów - 8,484 km², Szczecin - 9,981 km², Zielona Góra - 8,868 km².

2.2.3. Trade

Within the ENEA Capital Group sales of electricity and sales to end users belongs in a major part to ENEA S.A. for which it constitutes the core business. Wholesale is realised mainly by ENEA Trading Sp. z o.o. The company is responsible towards ENEA for e.g. managing the portfolio of electricity and proprietary interests of ENEA S.A., purchase of electricity and proprietary interests for ENEA S.A. and is a commercial coordinator on behalf of and for the account of ENEA S.A.

Revenues on sales of electricity in particular sets of tariff groups on a qualitative basis (not including non-invoiced statistical sales) were as follows:

Item	Revenues on sales of electricity to end users [PLN '000]		
	9 months of 2012	9 months of 2013	Change
Tariff group set A	557 770.9	250 320.5	-55.1%
Tariff group set B	967 098.2	871 639.9	-9.9%
Tariff group set C	635 095.8	597 272.2	-6.0%
Tariff group set G	928 652.9	930 321.4	0.2%
TOTAL	3 088 617.8	2 649 554.0	-14.2%

Electricity sales in particular tariff group sets on a quantitative basis (excluding non-invoiced statistical sales) were as follows:

Item	Sales of electricity [GWh]		
	9 months of 2012	9 months of 2013	Change
Tariff group set A	2 349.1	1 144.1	-51.3%
Tariff group set B	3 604.1	3 443.6	-4.5%
Tariff group set C	1 970.1	1 873.7	-4.9%
Tariff group set G	3 317.4	3 326.3	0.3%
TOTAL	11 240.7	9 787.7	-12.9%

2.2.4. Other activity

Group Companies render supplementary services towards the core business mentioned above. The other activity is mostly the construction, extension, modernisation and renovation of the power network and equipment, designing, constructing, production and sales of electrical and energetic devices and apparatus. Besides, the companies render services connected with the maintenance of street lighting and low-voltage networks, transport services, social activity and customer service.

3. Shares and shareholding structure

3.1. Share capital

As at the date of publication of this report the amount of the Issuer's share capital is PLN 441,442,578. A general number of votes vested in all the issued shares of the Issuer corresponds to the number of shares and amounts to 441,442,578 votes. As at 13 November 2013 the structure of the share capital is as follows:

- 1,976,003 registered shares,
- 439,466,575 bearer shares.

3.2. Shareholding structure

As at the publication date of this report, i.e. as at 13 November 2013, the structure of shareholders holding more than 5% of the total number of votes at ENEA S.A.'s General Meeting of Shareholders is as follows:

No.	Shareholder	State as at 27 August 2013		State as at 13 November 2013	
		Number of shares/number of votes during GM	Share in the share capital/share in the total number of votes	Number of shares/number of votes during GM	Share in the share capital/share in the total number of votes
1	State Treasury	227 370 638	51.51%	227 370 638	51.51%
2	Vattenfall AB	82 395 573	18.67%	82 395 573	18.67%
3	Others	131 676 367	29.82%	131 676 367	29.82%
TOTAL		441 442 578	100%	441 442 578	100%

According to the Issuer's best knowledge in the period from the publication of the report for H1 2013, i.e. 27 August 2013, the structure of shareholders holding more than 5% of the total number of votes at GM of ENEA S.A. did not change.

3.3. Holders of shares of the Issuer or rights to them by people managing and supervising ENEA S.A.

Name	Position	Number of shares of ENEA S.A. held as at 27 August 2013	Number of shares of ENEA S.A. held as at 13 November 2013
Tadeusz Mikłosz	Member of the Supervisory Board	4 140	4 140

As at the day of publication of this report for Q3 2013, the other people managing and supervising do not hold shares of ENEA S.A. or shares or stock in subsidiaries of ENEA S.A.

In the period from the publication of the previous periodic report no changes occurred in the status of shareholding of managing and supervising persons.

4. Factors that, in the Issuer's opinion, will affect the results it will achieve within at least the next quarter

The most important factors which will affect the Issuer's financial standing within at least the next quarter include:

- the pace of implementation of the provisions of the "Corporate Strategy of ENEA Capital Group for 2014-2020" adopted on 18 October 2013,
- macroeconomic situation in Poland,
- continuation of a downturn trend of electricity prices on the wholesale market (a drop in the average base load price yoy by 10.9%),
- prices of certificates of origin for energy generated from RES kept on a low level,
- great surplus of EUA in EU ETS,
- low prices of allowances for emissions of CO₂,
- planned capital expenditures which in 2013 in the segment of generation and trade will amount to ca. PLN 2.4 bln,
- continuation of the implementation of the project titled „Obtaining funding for the realisation of investment projects in ENEA CG”.

Below, particular categories are described of notions related to the factors affecting the future financial standing of ENEA S.A.

4.1. Implementation of the Company's strategy

Scenario foundations of ENEA CG's development

Pursuant to the resolution of the Supervisory Board of ENEA S.A. of 18 October 2013 regarding approval of the "Corporate Strategy of ENEA Capital Group for 2014-2020" (Strategy) the Company's Board adopted on the same day the Group's Strategy for realisation whose mission and vision are:

Mission of ENEA CG

"Growth in the value of the Group through building customer confidence"

Vision of ENEA CG

"Fully integrated energy group building its competitive advantage through swift responding to the market needs and efficient resources management"

Below, the foundations of the final scenario are presented of the ENEA CG's development.



The final development scenario was cascaded into the growth scenarios for the following business areas:

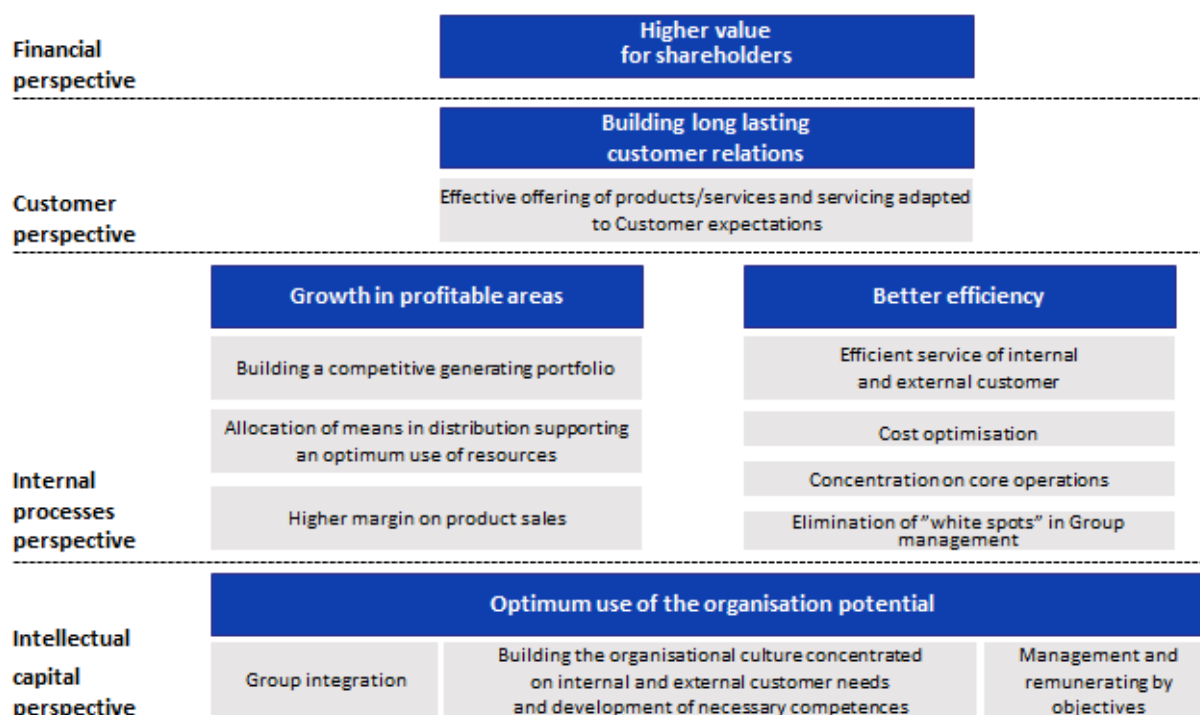
- generation,
- wholesale trade,
- distribution,
- sales.

Strategic goals

Pursuant to the approved Strategy, the strategic objectives of the ENEA Capital Group's operations during the upcoming years, reflecting the formulated final development scenario, will include:

- higher value for shareholders,
- building long lasting relations with a customer,
- growth in profitable areas,
- higher efficiency,
- optimum use of the organisation potential.

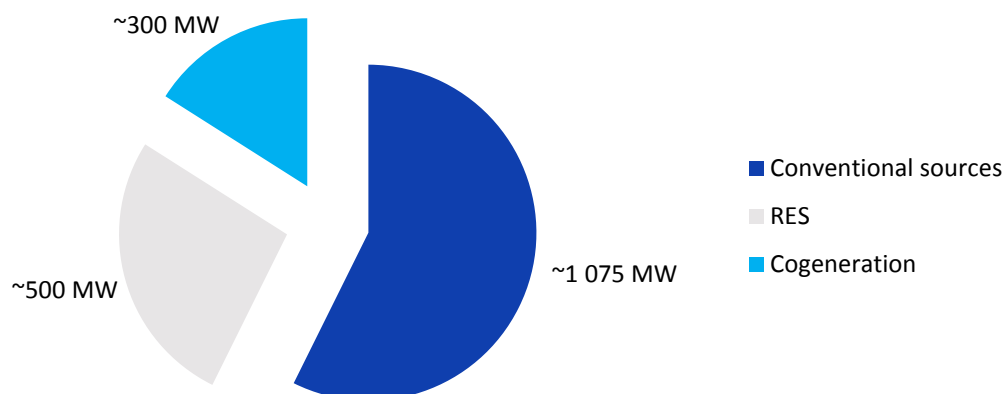
The ENEA CG's strategic objective map was built based on the Balanced Scorecard (BSC) concept.



Within the superior objective, i.e. higher value for shareholders, the Group will pursue improvement of key financial indicators, including a growth in the equity profitability and asset profitability, with a concurrent building of customer confidence through an efficient product / service offering and servicing adapted to customers' needs. We anticipate that in the Strategy's perspective ROE and ROA will respectively achieve the levels of 10% and 5%.

The path of growth in profitable areas will be realised through the development of a competitive generation portfolio. The Group will pursue improvement of generating capacities to the level of additional 1,075 MWe in the segment of system power plants in 2017, and as a target (in 2020) of additional ca. 500 MWe in RES and ca. 300 MWe and 1,500 MWt in cogeneration sources and heating networks, however the choice of the fuel for cogeneration units, including a possibility of using biomass or RDF/pre-RDF, will be a derivative of an analysis of economic attractiveness of particular undertakings.

Additional generating capacities in ENEA CG till 2020



A growth in profitable areas will also take place through the allocation of the means in the distribution supporting an optimum use of resources. Realisation of the above goal will be performed through:

- implementation of a programme for better reliability and reduction in the failure rates of the network,
- implementation of a programme for intelligent networks solution development in order to gain advantages for the network operation and better quality of customer service,
- undertaking actions directed at reduction in volumes of electricity necessary for covering losses in the energy balance.

The last element of the development in profitable areas is the realisation of the objective within higher margins from product sales. The goal will be realised by initiatives undertaken both by the area of sales and the wholesale area.

Improvement of the Group's efficiency will be realised by focusing on core operations, improvement of internal and external customer service processes, which will lead to a yearly reduction in costs of customer service. Additionally, the Group will pursue optimisation of overhead costs.

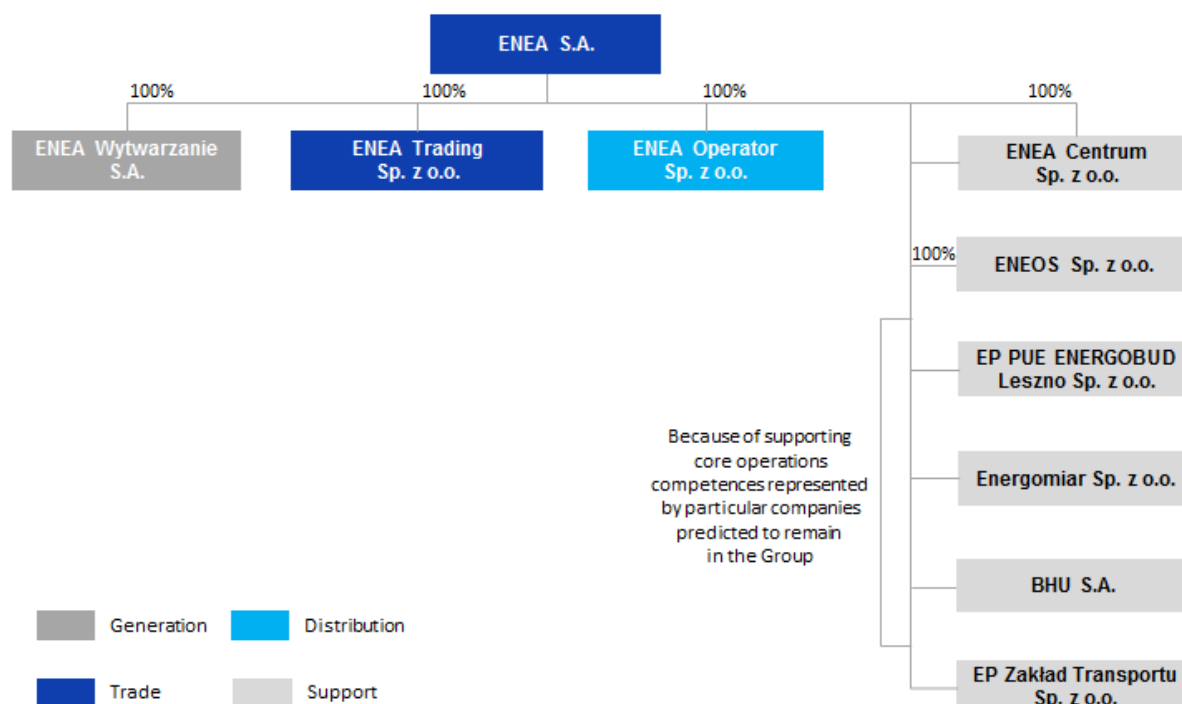
The realisation of the indicated paths will not be possible with no optimum use of the organisation potential. Improvement of the management model will take place thanks to the Group's further integration through e.g. implementation of the business model covering the integration of business areas, centralisation within ENEA CG Corporate Centre of key managerial functions, and also reorganisation of the support areas including through the implementation of the Shared Service Centre (SSC) for selected support and service functions, i.e.:

- customer service,
- IT,
- finance and accounting,
- human resources,
- logistics (including purchases).

Additionally, the Group will build organisational culture focused on the needs of internal and external customers.

Group's capital structure

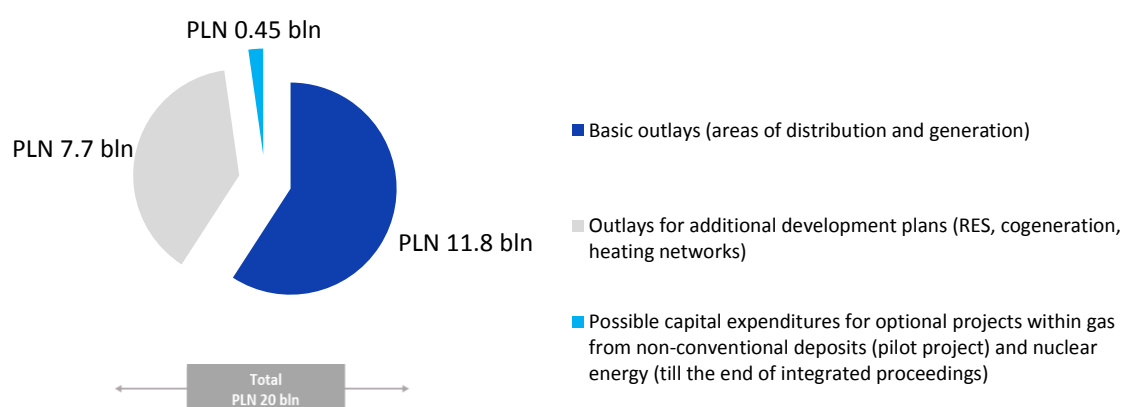
The final capital structure of ENEA CG reflects the adopted area of concentration on the core operations. The Group will conduct restructuring activities within the functioning of entities whose scope of activities is not connected with operations of a power engineering company, in order to keep within the structure only companies from the fundamental chain of value and companies supporting them. In the final structure particular business areas within the core operations are represented by single companies.



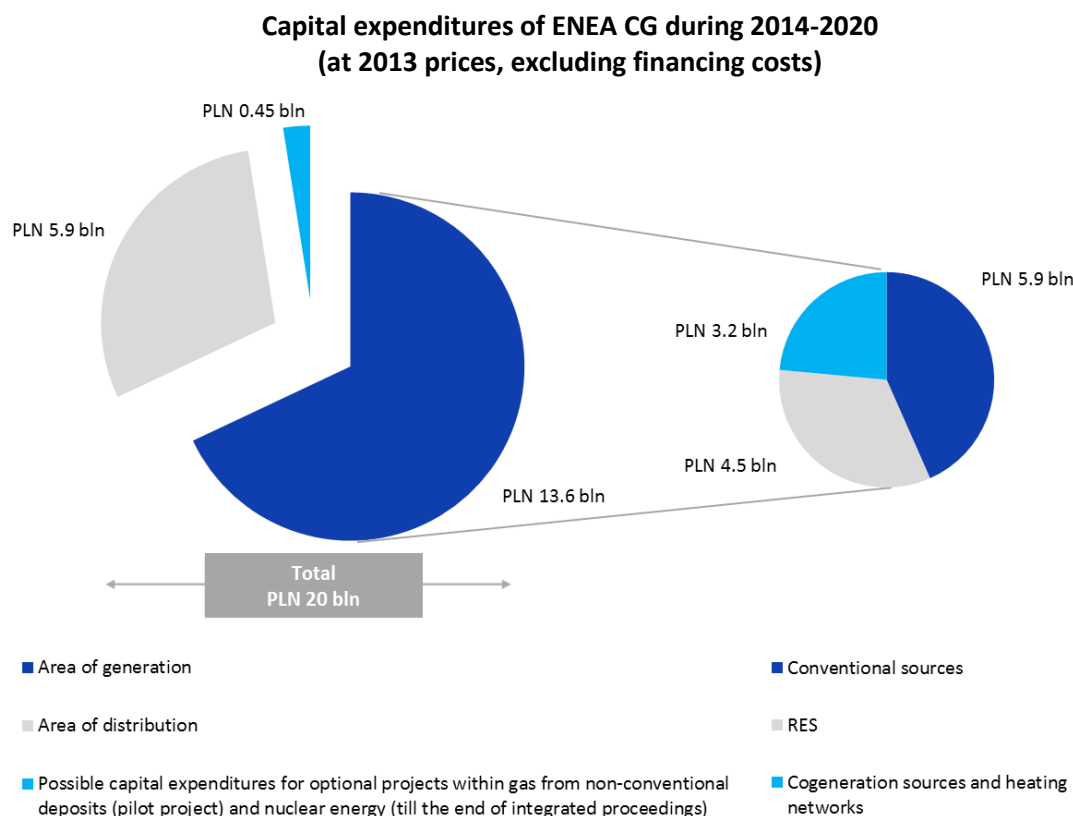
Capital expenditures

Realisation of investments planned by the ENEA Capital Group during 2014-2020 requires incurring total capital expenditures in the amount of PLN 20 bln. Within the analysed volume of capital expenditures two key positions may be distinguished: the amount for the development of the area of generation and distribution in the so-called base quantity, i.e. PLN 11.8 bln (prices of 2013, with no costs of financing) and additional outlays covering the development of RES, cogeneration and heating networks, i.e. PLN 7.7 bln (prices of 2013, with no costs of financing).

Capital expenditures in ENEA CG during 2014-2020 (at 2013 prices, with no financing costs)



Within the fields of our operations we assume that expenditures in the segment of generation will be dominating.



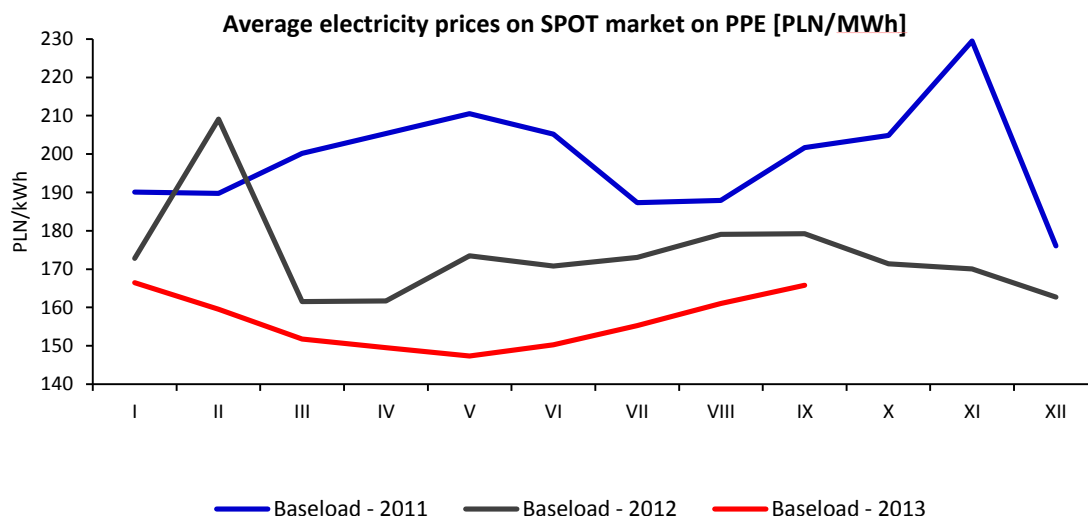
The planned capital expenditures will be covered from the equity and obtained debt financing.

The realisation of the anticipated activities within the Strategy will allow for a dynamic growth of the ENEA Capital Group, significant improvement of the market position and ensuring higher values for the Group's shareholders.

4.2. Wholesale electricity prices

September was another month during which the average price for energy grew on the Day Ahead Market of the Polish Power Exchange (further on: PPE). Such a situation has maintained since May 2013, when we dealt with the lowest price of energy (147.35 PLN/MWh) of all the previous months of 2013. From that time it has been growing regularly each month, however as for now it has not succeeded in exceeding the level of average energy prices from January 2013 (166.47 PLN/MWh). Comparing to the same period of the previous year, the average price of energy for three quarters was lower by 19.13 PLN/MWh (10.91%). In relation to three quarters of 2011 the scale of discount was much greater and amounted to PLN 41.27 PLN/MWh (20.89%).

Information on the average level of prices in the base load and in subsequent months of the year is presented in the diagram below:

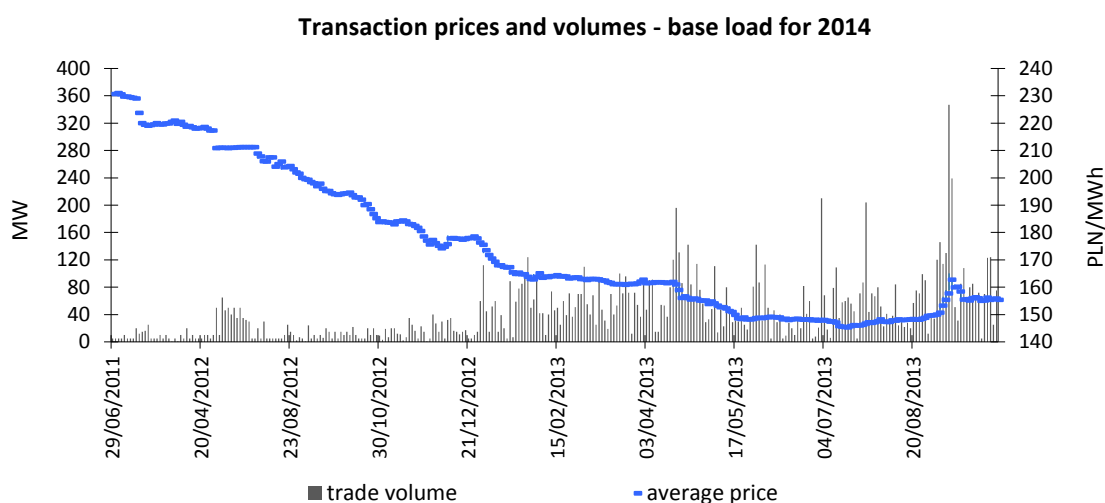


Source: Own development based on data from PPE.

On forward market in H1 2013 the downward trend continued. The situation changed in the second half of the year when on 10 July for a base load contract for 2014 (BASE Y-14) the price minimum was reached on the level of 145.15 PLN/MWh. From that moment on gradually, and from September 2013 dynamically, the contract price began growing. On 5 September it reached the local price maximum in the amount of 164.90 PLN/MWh. However, after a dynamic price growth, there was also a sudden decrease in the value and on 13 September the contract price reached the value of 155.00 PLN/MWh. From that moment BASE Y-14 till the end of the month was located in the side trend between 154.50 PLN/MWh and 156.50 PLN/MWh price levels.

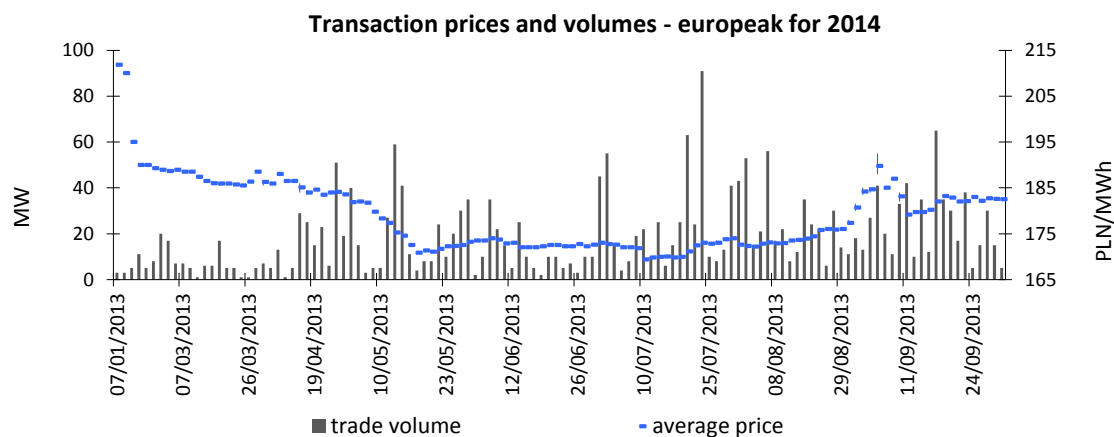
Comparing with the same period of the previous year on the forward market of electricity there was a significant growth in the activity of market participants for transactions with delivery in the subsequent calendar year. For BASE Y-14 the volume of trade for the first three quarters of 2013 amounted to 10,855 MW, with 6,233 MW for BASE Y-13 a year before.

Detailed information on prices and trading volumes is presented on the diagram below.



Source: Own development based on data from PPE and TFS.

Contractation of Euro-peak product with delivery in 2014 (PEAK5 Y-14) commenced in 2013 resulted in the conclusion of transactions with the total volume of 2,273 MW till the end of September 2013 (with as little as 862 MW for PEAK5 Y-13 in the same period of 2012). The downward trend has not omitted the PEAK5 Y-14, whose price minimum similarly as for BASE Y-14 occurred on 10 July 2013 and amounted to PLN 169.00 PLN/MWh. On the last day of September the aforementioned contract was valued on the level of 182.50 PLN/MWh.

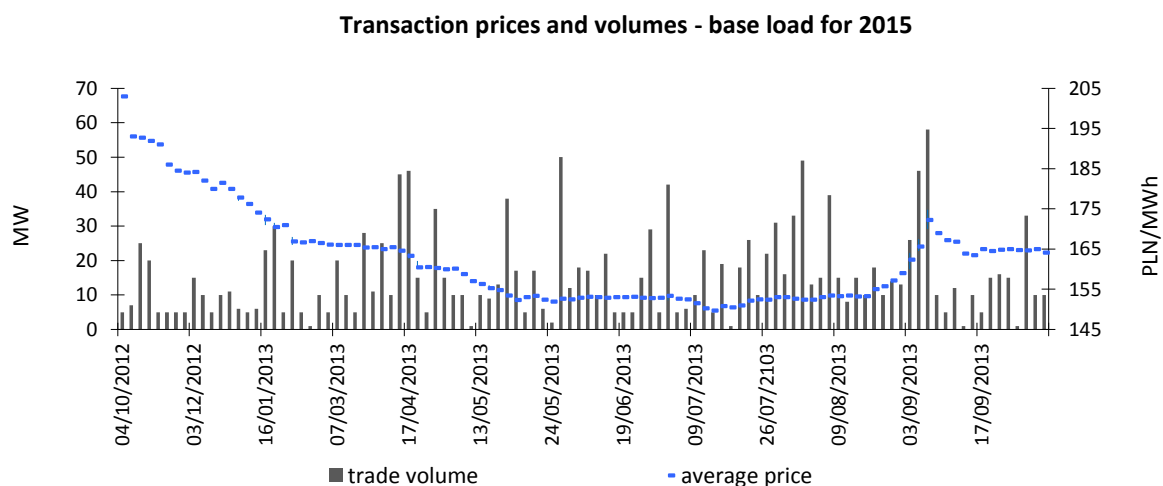


Source: Own development based on data from PPE and TFS.

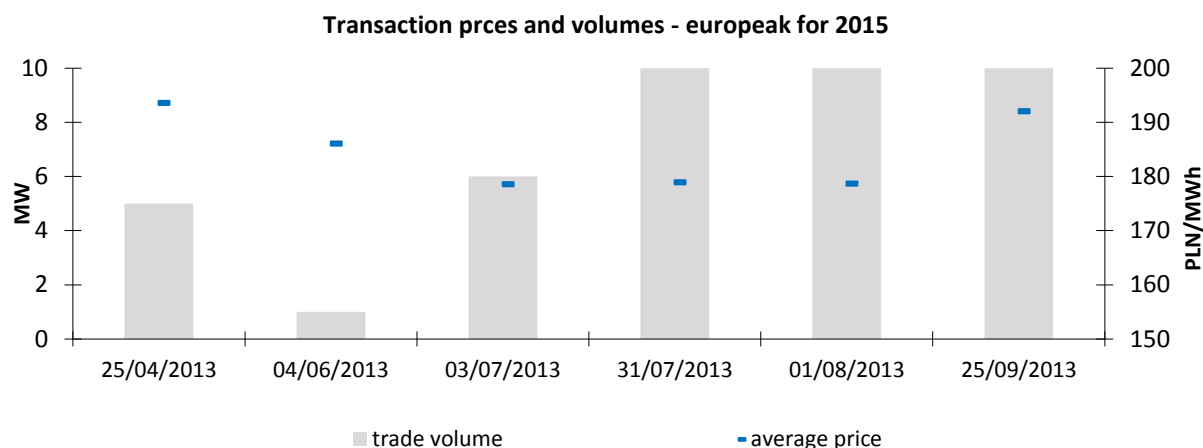
As in the case of the above mentioned contracts the situation on the base load with delivery in 2015 (BASE Y-15) was similar. After reaching the minimum price on the level of 149.65 PLN/MWh the price rose to 174.80 PLN/MWh, to reach the level of 164.25 PLN/MWh on 30 September 2013. The spread between BASE Y-15 and BASE Y-14 on that date amounted to 8.80 PLN/MWh (till the closing price).

From the moment of concluding the first transaction for Euro-peak with delivery in 2015 (PEAK5 Y-15) in April 2013 till the end of Q3 2013 transactions were concluded of the total volume of just 42 MW. The price of this contract evolved from 193.50 PLN/MWh, through the minimum equal to 178.50 PLN/MWh to 192 PLN/MWh in September 2013.

Detailed information on the above mentioned products are presented in the diagrams below.

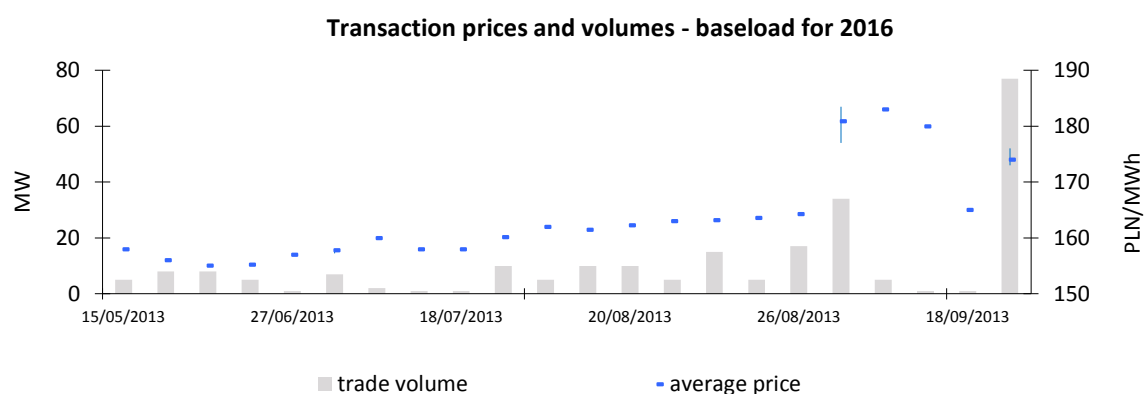


Source: Own development based on data from PPE and TFS.



Source: Own development based on data from PPE and TFS.

At the beginning, the contract for a base load with delivery for 2016 (BASE Y-16) characterised with small volumes. A greater interest in the contract occurred in September 2013 when transactions were concluded of the volume exceeding the total volumes of transactions for this contract in all previous months of 2013. Finally, the total volume of transactions for BASE Y-16 amounted to 233 MW and its price at the end of Q3 amounted to 174.00 PLN/MWh. Transactions for the Euro-peak product with delivery in 2016 (PEAK5 Y-16) have not yet been concluded.



Source: Own development based on data from PPE and TFS.

Despite growths in September the reported prices of energy are still low and may encourage retail consumers to conclude contracts not only for this year but also for subsequent years. On a longer run, because of the necessity to keep proper levels of capital expenditures in the sector of generation, in order to ensure energy security of Poland and as a result of a gradually improving economic situation in Poland, growth in electricity prices are anticipated.

4.3. Obligations with respect to obtaining energy certificates of origin

In accordance with the regulations being in force energy companies selling electricity to end users in 2013 are obliged to obtain and redeem the following types of certificates of origin:

- for energy generated in renewable sources, the so called "green" certificates - the obligation on the level of 12.0% sales to end users,
- for energy generated in cogeneration fired with methane released and captured by underground mining works in operating, liquidated or closed mines of hard coal or with gas obtained from biomass

processing, mentioned in Art. 9l item 1(1) of the Act of 10 April 1997 - Energy Law, the so called "purple" certificates - the obligation on the level of 0.9% sales to end users,

- energy efficiency certificates, the so-called "white" certificates.

During 9 months of 2013, despite the announcements, no legal regulations were adopted which would prolong the system of support for "red" and "yellow" certificates. As a result with the beginning of 2013 the obligation to obtain certificates of origin for energy was restricted to "green" and "purple" certificates and additionally a new obligation entered into force of gaining energy efficiency certificates - the so-called "white" certificates.

On 13 September 2013 the tender Commission nominated by the President of ERO selected the winner in the first tender for the selection of undertakings aiming at the improvement of energy efficiency - "white" certificates. As a result of this selection the commission selected 102 tender offers. And 107 tender offers were rejected in relation to occurring premises determining the offer rejection. A major part of selected undertakings to improve energy efficiency related to greater savings of energy by end users (42 offers) and reduction in energy, heat, or natural gas losses in transmission or distribution (41 offers). And the remaining 19 offers related to greater energy savings by auxiliary equipment. The value of energy efficiency certificates being applied for by entities which won the tender is just 20,698.730 toe, in relation to 550,000 toe anticipated for distribution in the tender.¹ Despite the selection of the tender winner till the end of Q3 2013 "white" certificates were not listed on the session market of PPE.

In the case of "green" certificates during the first three quarters of 2013 we dealt with significant price fluctuations. The spread between the session indices in that period amounted to 107.15 PLN/MWh. Such great price changes were mainly affected by two key factors: regulatory uncertainty connected with planned numerous modifications in the mechanisms supporting production of energy from renewable sources and a surplus of these types of certificates on the market. Indices in 2013, for the whole time were noted below the unit compensatory payment which for 2013 amounts to 297.35 PLN/MWh.² The beginning of Q3 2013 characterised with the price of "green" certificates of origin fluctuate within the range of 145.00-155.00 PLN/MWh. Just August 2013 brought growths in "green" proprietary interests which almost for the whole month regularly grew from the level of 157.37 PLN/MWh to stop on the level of 181.00 PLN/MWh in the last week. Information which supported the growth of "green" proprietary interests were: signing of the so-called "energy tri pack" by the President of Poland (16 August 2013) and proposals of introduction of auctions on the market of "green" certificates of origin and changes in the system of support for RES.³

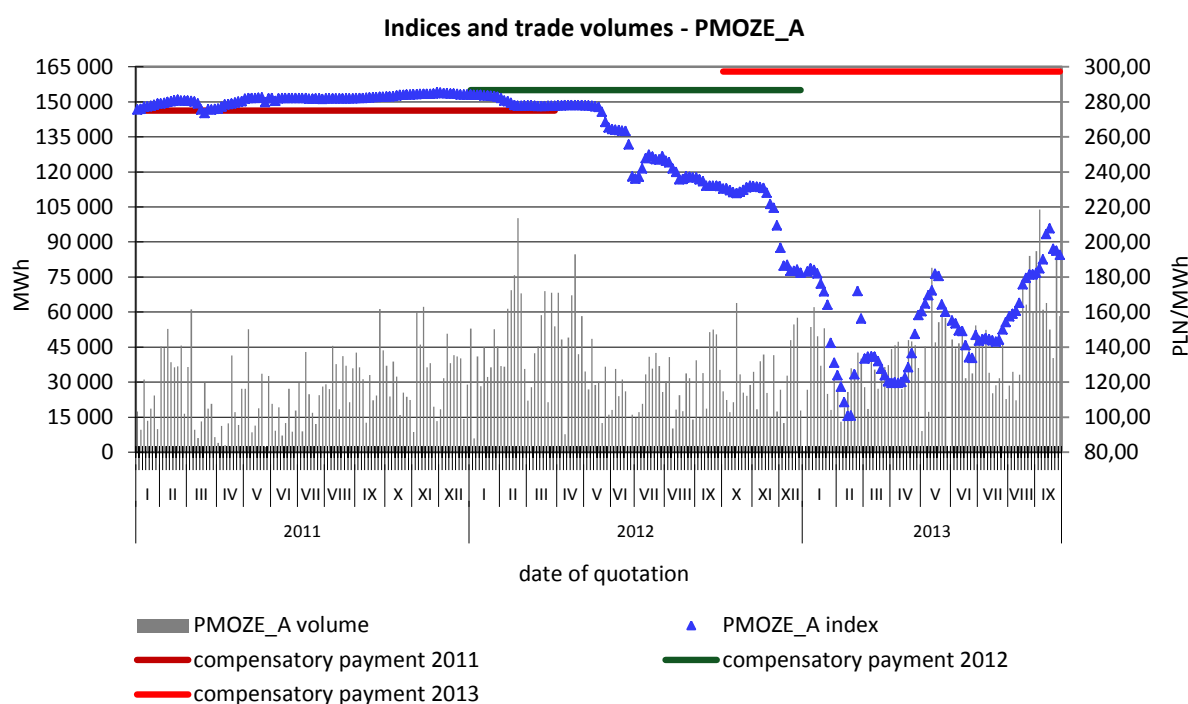
September brought the continuation of the upward trend which commenced at the beginning of August, and prices on the market of "green" proprietary interests grew from the level of 181.44 PLN/MWh to 215.00 PLN/MWh on fixing on 17 September 2013. On 17 September 2013 a conference took place of the Ministry of Economy during which the new project was officially presented within the mechanism supporting RES. Pursuant to the new concept, in order to optimise the costs of the support system based on green certificates, the unit compensatory payment would be frozen on the level of 2013 (297.40 PLN/MWh). Additionally - from the date of entry of new regulations into force - installations of the total installed electrical capacity over 1 MW using hydroenergy for electricity generation would be excluded from the support system. Similar changes were proposed for co-combustion, where the level of support would be reduced to the level of average electricity volumes generated in 2011-2012 and through the reduction in the accrued certificates of

¹ <http://www.ure.gov.pl/pl/urząd/informacje-ogólne/aktualnosci/5422,Pierwszy-przetarg-na-wybor-przedsiewziec-sluzaczych-poprawie-efektywnosci-energet.html>

² http://www.ure.gov.pl/download/1/6283/Informacja_3_PURE_.pdf

³ i.e. the Act of 26 July 2013 on amendment of the Energy Law and some other acts

origin to 0.5 units per MW. What was also proposed was the introduction on 24-month "validity period" for a proprietary interest. A new solution would be the introduction for new installations (or existing which will decide to do that) of an auction system. The subject of an auction would be a volume determined by the President of ERO of generated electricity or agricultural biogas for the period of 15 years of first generation of energy or biogas, in division into particular years with no possibility of shifting among years. The basic criterion for project selection would be price, which means that the auction would be won by a generator who proposes the lowest price.⁴ The market quite coolly greeted the proposals relating to RES support, which resulted on 17.09.2013 in drops in transaction prices for certificates from the level of 215.00 PLN/MWh to the level of 185.00 PLN/MWh during that session. At the end of Q3 proprietary interests quotations were on the level of around 192.00 PLN/MWh. Detailed information on prices of the session index is presented on the diagram below.



Source: own development based on the data from PPE, the levels of unit compensatory payment acc. to the information from the President of ERO.

From the information published by the President of ERO it follows that in the period from January to the end of September 2013 ERO issued 5.2 TWh "green" certificates for 2013⁵. ERO published also information on the number of "green" certificates which were not issued, i.e. which are pending consideration. Applications relating to 2013 total to ca. 3.9 TWh and these are mainly certificates of origin connected with combustion of biomass,⁶ and applications for 2012 total to ca. 2 TWh⁷. Final decisions relating to these certificates will have a significant meaning for price shaping on the market.

⁴ A schema of optimised mechanisms of support for generators of electricity from RES or agricultural biogas, Ministry of Economy, <http://www.mg.gov.pl/files/upload/19072/Prezentacja%20na%20strone.pdf>

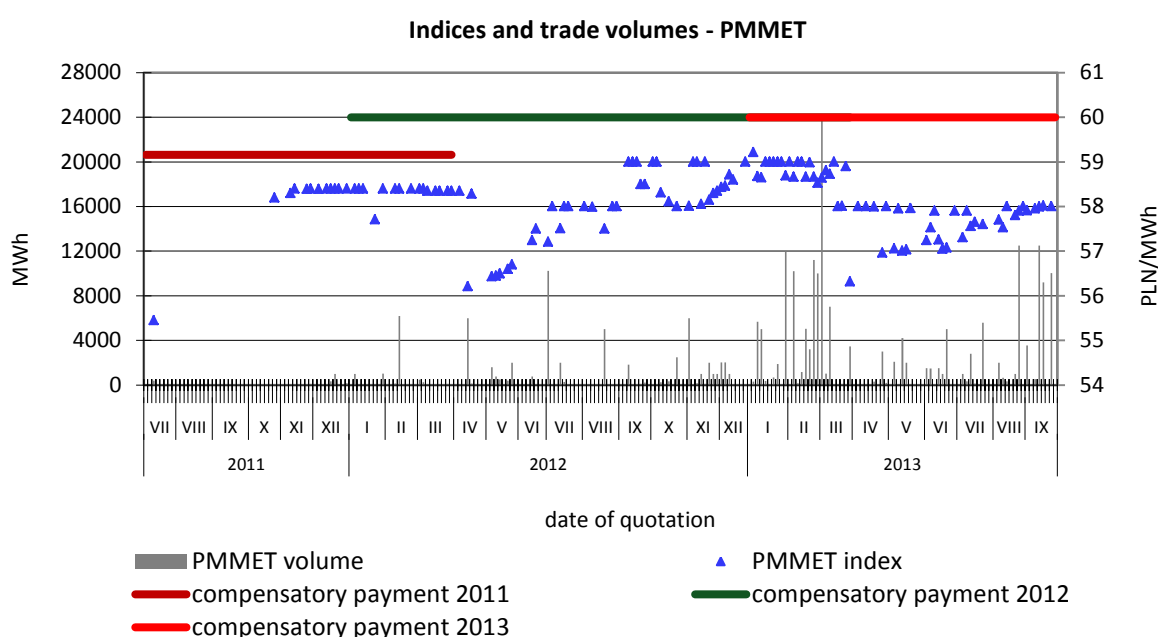
⁵ <http://www.ure.gov.pl/download/1/6703/daneOZEprodukcjajawwww.pdf>

⁶ <http://www.ure.gov.pl/download/1/6703/daneOZEprodukcjajawwww.pdf>

⁷ <http://www.reo.pl/ure-wyodal-do-konca-wrzesnia-52-twh-zielonych-certyfikatow-za-2013-rok-analizuje-39-twh>

Reported still low levels of prices of certificates of origin for energy generated in renewable sources are reflected in a lower cost burden of energy end users. On the other hand, it must be borne in mind that the support system should ensure maintaining a proper level of return on investment in RES sector in order to ensure realisation of the required share of energy from RES in an energy "mix" on a longer run. Therefore, new solutions drafted in the Ministry of Economy within this scope have a great importance for market players. It is very important to ensure a predictable, coherent and stable system of support for renewable sources.

A considerably lower than for "green" certificates value variation of prices in the first three quarters of 2013 was characteristic for "violet" certificates, for which the difference between the minimum and maximum index amounted to around 3.00 PLN/MWh. The volume of trade on the session market of PPE with these types of certificates in comparison with "green" certificates was also much lower. The value of the index (PMMET) at the end of September 2013 amounted to 58.00 PLN/MWh and was by 2.00 PLN/MWh lower than the unit compensatory payment for 2013 which for 2013 amounts to 60.00 PLN/MWh⁸. In this case we have an opposite situation in relation to "green" certificates - namely there is a surplus of demand over supply. More detailed information on prices of PMMET session index is presented in the diagram below.



Source: own development based on the data from PPE, the levels of unit compensatory payment acc. to the information from the President of ERO.

4.4. Limits of CO₂ emission allowances and their market prices

An important event for the market of allowances for emissions of CO₂ at the beginning of Q3 2013 was advocating by the European Parliament (EP), on 3 July 2013, of the so-called "backloading", i.e. the proposal to withdraw 900 mln allowances from auctions during 2013-2015 and their re-introduction during subsequent years till 2020. 344 members of the Parliament voted for, and 311 against the proposal. Poland from the very beginning was against this idea since it infringed Polish economic interests. The Parliament has also adopted an amendment providing that the intervention on the market is a one-off mechanism and it should not be

⁸ http://www.ure.gov.pl/download/1/5334/Informacja_PURE_Nr_15.pdf

expected in the future. The result of the EP's decision had a significant meaning for market players who before and during the voting greatly raised the allowances price.

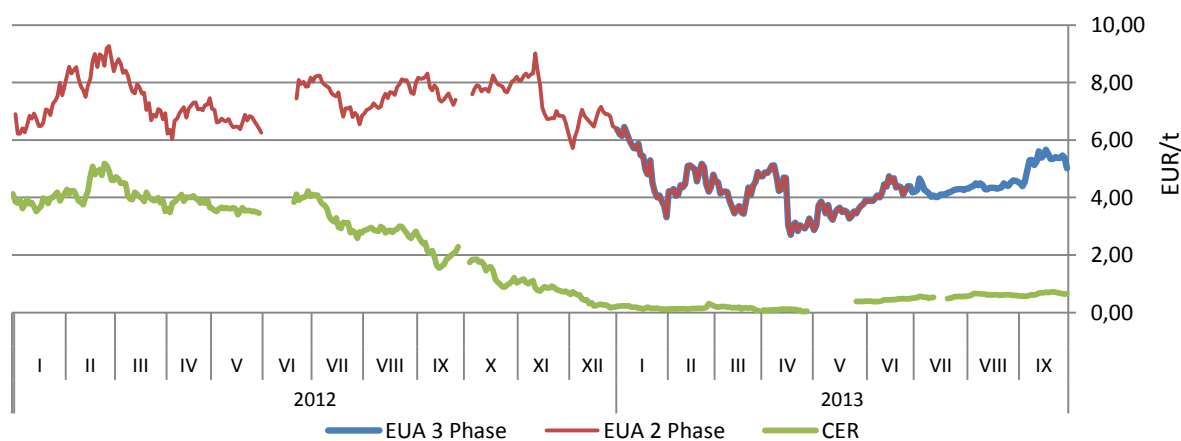
In August 2013 the volume of allowances issued on auctions was reduced by almost a half, which translated into small growths in prices on the market.

In September the volumes designated for auction increased again. Additionally, on 3 September EEX exchange informed that till the end of 2013 it will conduct on behalf of Poland auctions for 51.2 mln EUA allowances valid in the period of 2013-2020. Sales of "Polish" allowances is to take place independently from auctions conducted so far by EEX on behalf of the European Commission and 24 member states, till the moment of selection by Poland of a national auction platform. Till the middle of December 2013 Polish auctions are to take place on each Monday.⁹ The first auction of this type took place on 16 September 2013. Other information important for the market in September 2013 was the announcement of the European Commission on an average reduction by 11.58% in the number of free allowances during 2013-2020 for the industry, which will mean a significant increase in the costs of operation of industrial plants in the whole Europe. The result of elections in Germany which took place on 22 September 2013 was also important for the market of emission allowances. The winning of the hither to ruling party of Angela Merkel i.e. Christian Democracy (CDU/CSU) resulted in Germany being for backloading.

Analysing the market of allowances for emissions of CO₂ it must be emphasised that it is strongly dependant on political decisions made on the Union level. In Q3 2013 gradual increases in EUA prices were noted - on the spot market from the level of 4.21 EUR/t in the beginning of July, to over 5.02 EUR/t at the end of September. Variability on the futures market was at that time similar to the spot market.

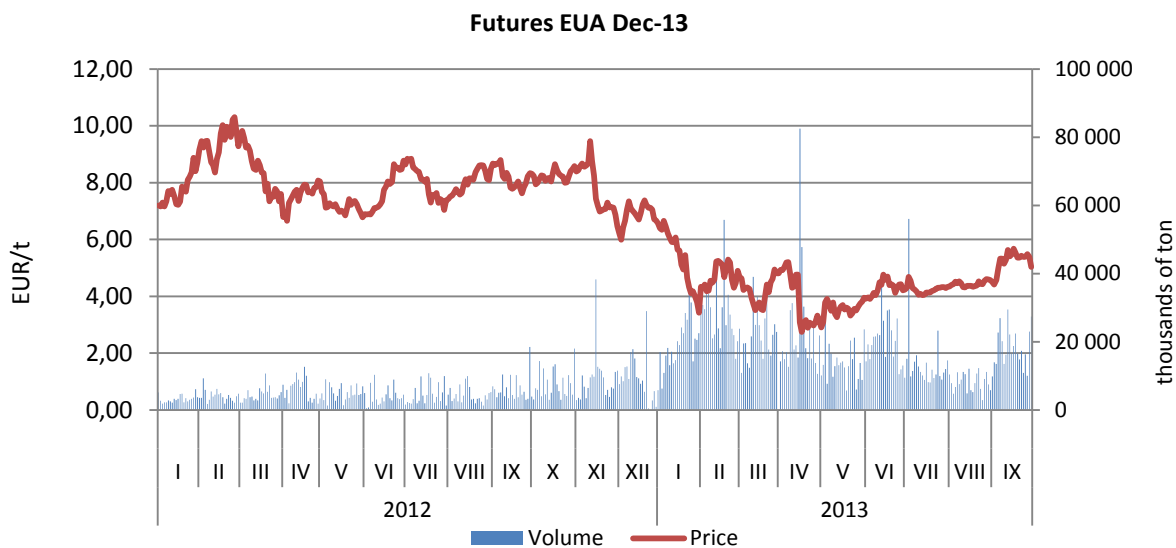
Detailed information on quotations is included in the diagram below.

Quotation of EUA and CER units - closing prices on SPOT market



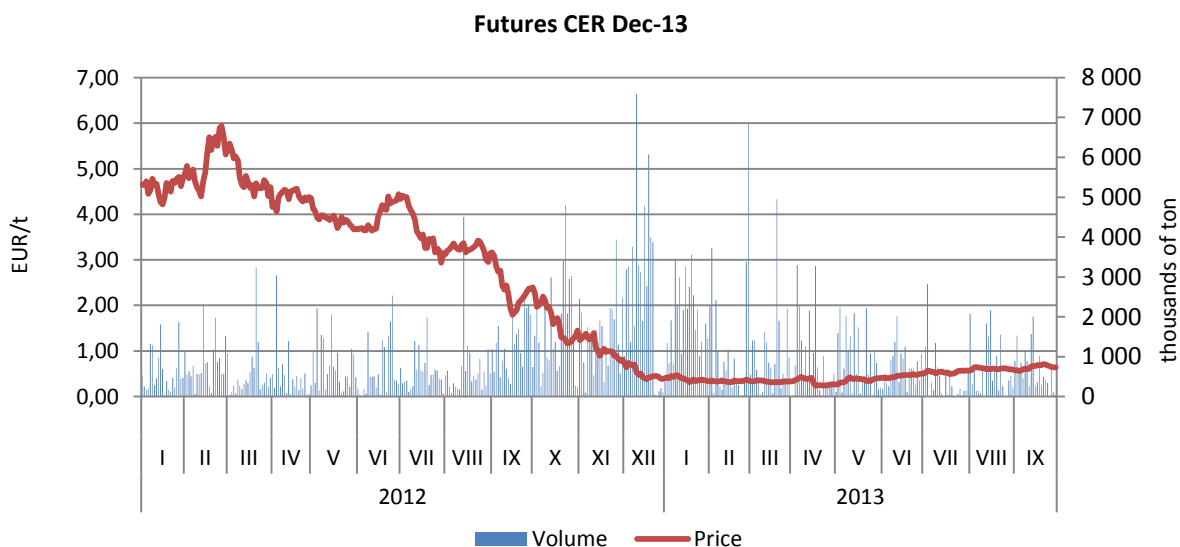
Source: Own development based on data from BlueNext and ICE.

⁹ http://energetyka.wnp.pl/polska-sprzedza-emisje-co2-na-niemieckiej-gieldzie-eex,205579_1_0_0.html



Source: Own development based on data from BlueNext and ICE.

CER units were traded at considerably lower prices. At the end of September 2013 they were by ca. 87% cheaper than EUA units. It results mainly from limited possibilities of using these types of units in order to settle emissions of CO₂ in the 3rd Settlement Period.

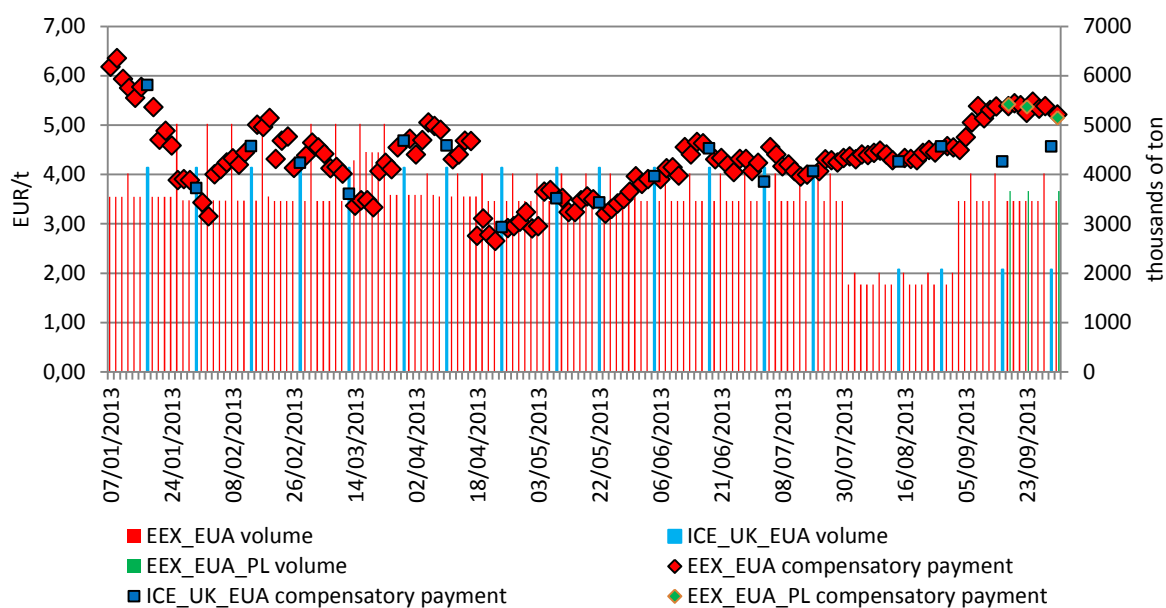


Source: Own development based on data from BlueNext and ICE.

Apart from quotations of EUA on the spot and futures market a significant role was played by the primary auction market. Total auctions on the EEX and ICE exchanges provided the market with allowances to over 161.3 mln units of CO₂ emissions. The average price on EEX and ICE auctions amounted at that time to 4.61 EUR/t (fluctuating between the minimum of 3.85 EUR/t and the maximum of 5.47 EUR/t).

Detailed information on volumes and levels of EUA prices sold on primary auctions is presented in the diagram below.

Auctions for the 3rd settlement period - settlement prices and volumes



Source: Own development based on data from EEX and ICE.

4.5. Planned capital expenditures

In 2013, within the operations of ENEA Operator, ENEA Wytwarzanie, Elektrociepłownia Białystok, Elektrownie Wodne and ENEA, we plan to make capital expenditures in the amount of ca. PLN 2,377,560 thou. The table below presents the planned capital expenditures during the year ending on 31 December 2013 in division into particular types.

Capital expenditures for the year ending 31 December 2013	[PLN '000]
Capital expenditures on distribution assets, including	927 380
<i>Connecting new users and new sources and construction of new grids connected with it</i>	348 830
<i>Modernisation and reconstruction of the existing assets connected with improving the quality of services and/or power demand increase</i>	467 104
<i>Other capital expenditures</i>	111 446
Capital expenditures on generation assets, including:	1 377 396
ENEA Wytwarzanie, including	1 272 807
<i>Investments in individual 200 MW units</i>	162 952
<i>Joint* investments in 200 MW unit</i>	49 170
<i>Construction of a power unit with the capacity of approx. 1,000 MW</i>	990 093
<i>Investments in individual 500 MW units</i>	20 630
<i>Joint* investments in 500 MW units</i>	9 932
<i>Joint* investments in 200 MW and 500 MW units</i>	34 730
<i>Purchase of ready investments goods and used fixed assets</i>	5 300
Elektrociepłownia Białystok, including	46 015
<i>Construction of the heat recovery installation from K6 boiler flue gas</i>	15 000
<i>Coal stacker replacement</i>	5 900

<i>Construction of deNOx installation on K5 and K6 boilers</i>	6 200
<i>Other</i>	18 915
Elektrownie Wodne, including	58 574
<i>Investments in the development of wind farm projects</i>	46 324
<i>Investments in existing hydroelectric plants</i>	12 250
Other capital expenditures	72 784
TOTAL	2 377 560

* Joint investments cover investments in technological systems common to the operation of individual groups of units (i.e. joint investments for 200 MW units, joint investments for 500 MW units and joint investments for 200 MW and 500 MW units).

4.6. Financing sources of the investment programme

The Programme Agreement on the bond issue programme up to the amount of PLN 4,000,000 thou.

ENEA S.A. adopted and is under the realisation of the project titled "Gaining funding for the realisation of investment projects in the ENEA CG", within which on 21 June 2012 between the Issuer and five banks acting as Issue Guarantors, i.e. Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna, Bank Polska Kasa Opieki Spółka Akcyjna, Bank Zachodni WBK Spółka Akcyjna, Bank Handlowy w Warszawie Spółka Akcyjna and Nordea Bank Polska Spółka Akcyjna, a programme agreement was concluded relating to the bond issue programme up to the amount of PLN 4,000,000 thou., in which the terms and conditions of the bond issue programme were determined between the Issuer and Bank Guarantors. This is a 10-year programme of issue of national bonds, unique in its construction and adjusted to the investment programme realised by the ENEA Capital Group. The funding is unsecured and free from limitations for shareholders within the so called ownership clause and dividends.

The funds gained from commercial banks are designated for the realisation of investment projects in the ENEA CG, including e.g. for the construction of the 1,075 MWe gross supercritical bituminous coal fired power unit, which is to be constructed within the operations of ENEA Wytwarzanie.

In accordance with the Programme Agreement the Company is obliged to maintain a level of the financial indicator specified in the agreement: net debt/EBITDA relating to the amounts resulting from the consolidated financial statement. As at the date of preparation of this financial statement the above condition is fulfilled.

On the conclusion of the agreement the Company informed in the current report No. 23/2012 dated 21 June 2012.

As at 30 September 2013 ENEA S.A. did not issue bonds within the aforementioned Programme.

Investment loans from the European Investment Bank

Additionally, on 18 October 2012 ENEA S.A. concluded a Financial Agreement with the European Investment Bank (EIB) for the amount of PLN 950,000 thou. or its equivalent in EUR. On 19 June 2013 ENEA S.A. concluded another Financial Agreement with the European Investment Bank providing for the granting to ENEA S.A. of a loan in the amount of PLN 475,000 thou. or its equivalent in EUR.

The funds gained from the both loans will be designated for the funding of a multiannual investment plan regarding the modernisation and extension of the power grids of Enea Operator. The period of loan repayment is up to 15 of the planned date of disbursement, however not later than till 18 October 2029.

As at 30 September 2013 ENEA S.A. initiated one tranche of the loan in the amount of PLN 780,000 thou.

Additionally, ENEA S.A. continues parallel talks with the European Bank for Reconstruction and Development ("EBRD") concerning the possibility to obtain a maximum of PLN 800,000 thou. of a long-term unsecured loan for the implementation of the investment programme of the Capital Group with regard to the area

of electricity distribution. It is planned that the financing will be used gradually in the availability period agreed with the Banks.

The funds for which ENEA S.A. applies in EBRD would be, beside the funds gained from EIB, one of the basic sources of financing of the investment programme in the area of electricity distribution during 2012-2015 with the estimate value of PLN 3.3 bln.

An important meaning for acquiring funding from the investment programme is the strong position of the Group on the Polish power market and a reasonable policy within financing confirmed on 14 April 2011 by the Fitch Ratings agency which issued high long-term ratings for ENEA S.A. of the entity in national and foreign currency at the level of "BBB" and a long-term national rating at the level of "A" with stable perspective (maintained in April 2013).

5. Other information significant for the assessment of the Issuer's situation

The most important factors which affected the Issuer's position in the reporting period include:

- rating on the level of BBB (on an international scale) and A (on a national scale) with a stable outlook,
- investment programme realised on schedule, including the construction of unit No. 11,
- payment by Zarządca Rozliczeń of an advance on stranded costs for three quarters of 2013 in the total amount of PLN 13.5 mln (till the report publication date no compensation revenues were recognised for 2013),
- stable share of coal costs in operating expenses of ENEA Wytwarzanie staying on the level of ca. 46%,
- distinction award in the project "ESG analysis of companies in Poland" for a high level and transparency of communicating non-financial data.

5.1. Rating

Maintaining for ENEA S.A. in April 2013 by Fitch Ratings agency of a long-term rating of an entity in national and foreign currency on the level of "BBB" and a long-term national rating on the level of "A(pol)" is of a key importance as to the implementation of investment intentions of the Group. The outlook of the ratings is stable.

The rating awarded to ENEA takes into account its vertically integrated position (ENEA Group consisting of ENEA S.A. and its subsidiaries) on the Polish power market, including the leading position on the domestic electricity distribution and sales market as well as its strong position in the segment of electricity generation.

5.2. Actions and investments presently in progress in ENEA CG

Generation

Kozienice Power Plant

- modernisation of unit No. 9,
- 1st stage of the construction of the installation of the catalytic denitrogenation of flue gases for OP-650 boilers No. 4 to 8 (the common part for the units No. 4-8 and SCR installation on the unit No. 6),
- execution of bunding of field 4a and 6 including the dumping pipelines, execution of measuring and control equipment on field 6 and draining in bunding of field 6 - completed on 12 August 2013,
- reconstruction of the ash and slag hydraulic transport flyover,
- installation of a new weighbridge for the needs of biomass - completed on 8 August 2013,
- construction of IOS IV flue gas desulphurisation plant,

- construction of flue gas channels and auxiliary ventilators within the construction of flue gas desulphurisation plant (IOS IV),
- 2nd stage of the construction of the installation of the catalytic denitrogenation of flue gases for OP-650 boilers No. 4 to 8 (the common part and SCR installation on the unit No. 8). Because of a significant delay in works for reasons defaulted by the Contractor, within this stage exclusively works not posing any risk for a timely delivery of unit No. 8 to operation after a completed repair are performed. Completion of works connected with stage II is planned for 2017,
- modernisation of block No. 8, including e.g. modernisation of the pressure part of the boiler, modernisation of the turbo set and block automatics,
- modernisation of M08 waste stock,
- modernisation of fuel station No. 1 - stage II - completed on 6 September 2013,
- modernisation of access roads and permanent roads on ash and slag waste heap,
- execution of a technical design of modernisation of ash and slag waste heap - fields No. 5 and 4b raising spillage bunds and discharges, division of field No. 5 and raising field 4b,
- modernisation of the horizontal gallery for stoking system for 2x500MW units,
- modernisation of chimney flue No. 3.

Works realised during 3 quarters of 2013 by the construction of a new supercritical 1,075 MW gross power unit

- geological survey of the land was performed for the development of the strategies of object foundation,
- relocations of underground installations, access roads were performed,
- excavations under the main building and the installation of dehydrating deep excavations were made,
- piling and control programme for piles under boiler house building foundations were completed,
- piling and control programme for piles under Electrical Devices Building foundations were completed,
- piling and control programme for piles under ash retention tanks foundations were completed,
- concreting of cavity walls under pylons was completed,
- excavations under flue gas desulphurisation plant were completed,
- final fire protection installation and water and sewage system relocations were made,
- piling under foundations for Engine Room Building on I and II platform was completed,
- works were commenced by reinforced concrete structure of communication pylons with a slipform method,
- excavations under foundations of Cooling Water Pumping Station,
- excavations were commenced under reinforced concrete structures of piping in the area of pumping station,
- excavations were commenced under foundations of rotating sieves and cooling water channels,
- boiler water walls realisation was commenced.

MEC Piła

- cogeneration investment titled "Development of the heating system in Piła through the installation of gas cogeneration aggregates in the regional boiler house KR-Koszyce in Piła".

Białystok Heat and Power Plant

- construction of the heat recovery system from K6 boiler flue gases,
- construction of deNOx installation on K7 and K8 boilers,
- modernisation of the coal tippler and stacker,
- modernisation of the boiler house building.

Distribution

In the area of distribution, during the period covered with the strategy we are planning investment works and modernisation of the grid infrastructure, and essential refurbishment in connection with an increasing demand for electricity and the need to connect renewable sources of energy. Such investment and modernisation activities should result in increasing the functionality of our grid and reducing grid losses. They will also involve replacing those sections of power distribution lines that have been the longest in service. Such actions should significantly affect the growth in electricity supplies reliability to customers and realise objectives assigned to the area of distribution within the superior goal "growth in profitable areas".

Trade

In Q3 2013 the works within the "Strategy of sales of ENEA S.A. in the area of retail sales for 2013-2016" were continued. The strategy based on the expansion beyond the historical market, improvement in the efficiency of customer service and purchases on the wholesale market of energy, assumes the reversion of the downward trend in sales observed during 2009 and 2010.

Projects realised within the area of trade in Q3 2013 include e.g.:

- the implementation of a new product "Enea Index" - the product provides customers with a possibility of purchasing electricity at a price connected with price indices from the wholesale electricity market. The product is targeted at customers using energy of the volume exceeding 10 GWh, connected to the network of any distribution system operator who are not consumers in the meaning of the Civil Code or energy companies,
- prolongation of the promotion "Fixed Price" and "Always Cheaper" for customers who have already used the offer, The action aims at the loyalisation of Cxx tariff group sets at which the product is primarily directed,
- preparation of individual price quotations for selected customers of all tariff group sets,
- change in the Sales Organisation - the project aims at the reorganisation of the Sales Department to enhance the operation efficiency,
- indirect Sales Channel development in ENEA S.A. - the project aims at the launching of active sales (loyalistic) to customers who visit Customer Service Offices conducted by ENEA Centrum Sp. z o.o. and adjusting the indirect sales channel to the realisation of strategy objectives, One of the programme elements is also adjusting Customer Service Offices to market standards within visualisation of these points and their availability,
- preparation of the organisation to the development of natural gas trade - implementation of the project will enable differentiation of ENEA S.A.'s sales with natural gas, The anticipated goal of the offer implementation is customer loyalisation through sales of the joint offer of gas and electricity - dual-fuel and achievement of higher competitiveness of the sales offer.

Area of Customer Service

In relation to the decision on launching the process of establishment, based on the existing subsidiary ENEA Centrum Sp. z o.o., of the Shared Service Centre in ENEA CG which will finally render services for the account of ENEA CG companies in the following areas: Customer Service, IT, Finance and Accounting, Human Resources, Logistics and in relation to the decision on withdrawal by ENEA S.A. from the implementation agreement for a new billing system and CRM agreement concluded with Infovide – Matrix S.A. the programme of customer service model change was closed.

The process of establishing the Shared Service Centre will be realised as two Programmes:

- Customer Orientation Programme - covering the customer service area,
- Shared Service Centralisation Programme - covering the other areas of shared services.

The aim of the establishment of the Shared Services Centre within customer service area is higher professionalising and a gradual standardisation of shared customer service and distribution processes. The Shared Service Centre will be a key organisation tool of rising the professionalising and unification of selected process areas and implementation of a new model of organisation of the customer service area - recipients of electricity.

Main business objectives of the Customer Orientation Programme include:

- designing and implementation of shared customer service functionality for the areas of trade and distribution,
- growth in the level of customer satisfaction measured with an annual growth in CSI indicator,
- implementation of IT solutions supporting customer service,
- standardisation, higher quality and efficiency of customer - electricity consumer service process realisation,
- lower unit costs of mass customer - electricity consumer service.

Effects of implementation of the above mentioned Programme from the perspective of a customer will be as follows:

- establishment of one contact centre in which a customer will deal with all the matters connected with services rendered by ENEA CG,
- launching remote channels of customer contact with ENEA CG,
- improvement and raising service quality.

In Q3 2013 works were realised connected with defining detailed business assumptions and scope of particular programmes, appointment of designing structures and managers of particular programmes and projects, and also preparation of work schedules.

Area of Wholesale Trade

In September 2013 ENEA Trading Sp. z o.o. launched the updating process of the strategies of functioning of the area of wholesale trade of ENEA CG for the subsequent three years. The document, cyclically prepared in ENEA Trading Sp. z o.o., will be developed till the end of 2013.

ENEA Trading Sp. z o.o. is participating in the process of acquiring competences connected with trade in production fuels for generation sources of the Group. Centralisation in one entity, i.e. ENEA Trading Sp. z o.o. of management of first contribution margin in generation and commercial risk management on the level of the wholesale market, will enable optimisation of activities and business processes in the Group.

In Q3 2013 ENEA Trading widened the scope of cooperation in the area of wholesale trade with another company of ENEA CG - ENEA Operator. ENEA Trading supports the process of purchasing electricity by ENEA Operator for own needs and coverage of the book-tax difference, in particular within preparation of market analyses constituting support for the decision making process and within relations with contractors.

In 2013 ENEA Trading Sp. z o.o. realised works connected with the preparation for trade in natural gas on the wholesale market. In February 2013 the company signed an agreement with Dom Maklerski TRIGON on its representation on the Polish Power Exchange. Moreover, by the decision of the Minister of Economy the company received the exemption from maintaining obligatory stocks of natural gas till 1 January 2015. On 18 April 2013 the President of the Energy Regulatory Office issued a positive decision on granting the company a licence to Trade in Gas Abroad (OGZ) till 31 December 2030.

In accordance with the requirements of the licence for Natural Gas Trading (OPG) the first transaction was also concluded on the market organised by the Polish Power Exchange.

In Q3 2013 works were continued in connection with the development of operations on the wholesale market of natural gas. The company commenced the process of searching for possibilities of purchasing gaseous fuel

in Poland or on the Polish and German border from a reliable contractor from the gas sector possessing own extraction sites in the Western Europe. Additionally, the process of signing frame contracts was commenced (including EFET type) based on which individual contracts will be concluded. Presently, the possibilities are considered of purchasing natural gas on the Polish Power Exchange, where PGNiG S.A. will shortly commence sales within the realisation of the exchange obligation. Additionally, business negotiations are in progress relating to the possibilities of cooperation with other state owned enterprises within natural gas wholesale.

Other activity

- Construction, expansion, modernisation and renovations of electric power equipment and networks,
- Design and constructing electrical and power equipment and apparatus.

5.3. Information on agreements significant for the operations

5.3.1. Fuel agreements significant for the Capital Group's operations

During Q3 2013 no fuel agreements significant for the operations were concluded, however the below agreements relating to production fuel purchases were continued which were commenced in 2013.

Annual Agreement of 15 January 2013 for the provision of fuel coal for 2013 constituting Attachment No. 4 to Multiannual Agreement No. UW/LW/01/2010 between ENEA Wytwarzanie S.A. and Lubelski Węgiel "Bogdanka" S.A.

The subject of the a/m Annual Agreement is provision of fuel coal that meets specified quality parameters, carried out during the life of the agreement, i.e. 1 January 2013 - 31 December 2013 from the mine belonging to Lubelski Węgiel "Bogdanka" S.A. The annual agreement sets out the price of coal, the basic quantities to be delivered, parametric limits of the coal (beyond which the power plant may impose contractual penalties in its monthly settlement), method of transport, method of financial settlement as well as particular provisions under which the amounts and quality of the coal are to be accounted. Either Party may impose contractual penalties for failure to deliver or failure to accept the amounts of coal according to the provisions specified in the Agreement. The Agreement is valid through 31 December 2013.

Annual Agreement of 4 January 2013 for the provision of fuel coal for 2013 constituting Attachment No. 4 to the Multiannual Agreement No. UW/KHW/01/09 between ENEA Wytwarzanie S.A. and Katowicki Holding Węglowy S.A.

The subject of the a/m Annual Agreement were deliveries of fuel coal of specific quality parameters carried out by the Seller during the life of the Agreement, i.e. from 1 January 2013 to 31 December 2013. The annual Agreement defined the basic quantities to be delivered together with an initial schedule of deliveries divided into quarters and mines designated for the realisation of supplies, the price of specific class of coal, parametric quality limits (beyond which the Power Plant may impose contractual penalties), method of transport, method of financial settlement as well as detailed provisions under which the amounts and quality of the coal are to be accounted for. In the case of a failure to perform or improper performance of the Agreement, either Party could impose contractual penalties as provided for in the Agreement.

5.3.2. Concluded credit and loan agreements

In the reporting period ENEA S.A. had access to working capital loans from BZ WBK S.A., Pekao S.A. and PKO BP S.A. The total limit on the above mentioned working capital facilities as at 30 September 2013 was PLN 150,000 thou. and as at 30 September 2013 the Company had no debts pertaining to them.

ENEA S.A. during the reporting period only from time to time made a use of working capital facilities in order to finance current operations. The Company did not draw any loans on pawn, mortgage secured-loans, or any loans secured with transfer of ownership to fixed assets or transfer of ownership to an organised part

of an undertaking. Securities for working capital facilities referred to hereinabove are authorisation to use current accounts with the banks where ENEA S.A. holds current accounts as well as declarations on voluntary submission to enforcement.

On 12 September 2013 ENEA initiated the first tranche from the European Investment bank in the amount of PLN 780,000 thou. The tranche bears the interest according to a floating rate based on WIBOR rate for 6-month deposits increased with the bank's margin.

In the reporting period ENEA S.A. did not draw any loans or grant any significant loans.

5.3.3. Granted and received sureties and guarantees

In the reporting period ENEA S.A. or its subsidiaries did not grant any guarantees for credit facilities or loans, or sureties - totally to one entity or subsidiary of that entity, in the scope causing existence of guarantees or sureties whose total value would constitute at least 10% of ENEA S.A.'s equity. The largest agreement of that type in the reporting period was an annex concluded on 18 July 2013 between ENEA S.A. and Izba Rozliczeniowa Giełd Towarowych S.A. (Warsaw Commodity Clearing House, further on: IRGIT) to the surety agreement of 27 July 2011 prolonging the period of validity of the surety agreement till 31 July 2014. Pursuant to this agreement ENEA S.A. unconditionally and irrevocably guarantees the liabilities of ENEA Trading Sp. z o.o. to IRGIT up to the amount of PLN 50,000 thou. in order to secure the obligations contracted by ENEA Trading in relation to the membership in IRGIT and purchasing electricity and proprietary interests. As at 30 September 2013 there was no real indebtedness of ENEA S.A. by this title.

There are no 'endangered guarantees or suretyships' among the suretyships and guarantees granted. The sureties and guarantees granted by ENEA S.A. fall within the limits specified in Article 33 item 1 of the Act on sureties and guarantees granted by the State Treasury and other legal persons of 8 May 1997 (Journal of Laws of 2003 No. 174, item 1689 as amended).

ENEA S.A. and PKO BP S.A. bank have a frame contract for granting bank guarantees up to the amount of PLN 250,000 thou. The guarantees issued within the guaranty facility constitute the securing of making deposits for IRGIT by ENEA S.A. and ENEA Trading Sp. z o.o. and other obligations (max. PLN 3,000 thou.). Obligations towards the aforementioned entities to make deposits result among others from the concluded futures contracts for supply of electricity and transactions of purchase of proprietary interests to the certificates of origin for electricity.

On 11 July 2013 ENEA S.A. and ENEA Trading Sp. z o.o. concluded Annex No. 2 to the Agreement for guaranty facility dated 27 July 2011 regarding filing orders for granting guarantees securing the payment by ENEA Trading Sp. z o.o. of a margin deposit and transaction deposit for the account of IRGIT. The security limit was fixed on the level of PLN 230,000 thou.

5.3.4. Collaboration or cooperation agreements

Agreement on the exploration and extraction of carbohydrates from shale

On 4 July 2012 ENEA S.A. concluded a frame agreement on the exploration and extraction of carbohydrates from shale.

The parties to the agreement are ENEA S.A., Polskie Górnictwo Naftowe i Gazownictwo S.A. (PGNiG), KGHM Polska Miedź S.A., PGE Polska Grupa Energetyczna S.A. and TAURON Polska Energia S.A.

The subject of the cooperation of the parties based on the agreement shall be exploration, recognition and extraction of carbohydrates in geological deposits covered with the licence for exploration and recognition of deposits of crude oil and natural gas relating to the areas of Wejherowo, held by PGNiG (Wejherowo Licence). Within the Wejherowo Licence the close cooperation will relate to the area of ca. 160 km² (Cooperation Area). The Agreement additionally anticipates preferences for the parties within a possibility of cooperation

on the remaining area of the Wejherowo Licence (apart from situations where PGNiG performs individual exploration, recognition or extraction of carbohydrates and except the area on which PGNiG has been already performing exploration works near Opalino and Lubocino). Estimated outlays for exploration, recognition and extraction in the three first locations (Kochanowo, Częstkowo and Tęczpads) within the Cooperation Area are planned for the amount of PLN 1.72 billion. In Q3 2013 the parties continued arrangements and business and tax analyses within a potential model of cooperation.

A Letter of Intent, Memorandum of Understanding and Shareholder Agreement on the elaboration of the terms of cooperation on the construction of the first in Poland atomic power plant

On 5 September 2012 ENEA S.A. (ENEA), PGE Polska Grupa Energetyczna S.A. (PGE), TAURON Polska Energia S.A. (TAURON) and KGHM Polska Miedź S.A. (KGHM) signed a letter of intent (Letter) regarding purchasing by ENEA, TAURON and KGHM shares in the special purpose vehicle established for the construction and operation of the first Polish atomic power plant. Pursuant to the Letter the companies undertook to develop a draft agreement on purchasing shares in PGE EJ1 Sp. z o.o. (PGE EJ1) - a special purpose vehicle responsible for the direct preparation of the investment process of the construction and operation of the first Polish atomic power plant (Atomic Project). According to the intention expressed in the Letter the aforementioned agreement would have to regulate the rights and obligations of each party by the realisation of the project, assuming that PGE will act, directly or through a subsidiary, as a leader in the process of the project preparation and implementation. On 28 December 2012 the parties to the Letter prolonged its validity to 31 March 2013.

On 25 June 2013 ENEA, KGHM, PGE and TAURON concluded a Memorandum of Understanding regarding continuation of works connected with the development of a draft agreement of purchase of shares in the special purpose vehicle for the construction and operation of an atomic power plant ("Memorandum of Understanding"), of which the Company informed in the current report No. 28/2013 of 26 June 2013.

On 23 September 2013 ENEA, PGE, KGHM and TAURON, as a result of works connected with the development of a draft agreement of purchase of shares in the special purpose vehicle for the construction and operation of an atomic power plant, concluded a Shareholder agreement ("Shareholder Agreement"). Thus, the parties consistently declared that the initialled document constitutes a draft of a future Shareholder Agreement which will be concluded after obtaining required corporate consents of each party. The Shareholder Agreement obligates its parties to conclude an Agreement of Purchase of Shares in PGE EJ1 ("Share Purchase Agreement"). Pursuant to the terms of the Shareholder Agreement PGE will sell a block totalling to 438,000 shares constituting 30% in the share capital of PGE EJ1 to the other parties of the Shareholder Agreement, as a result of which PGE will hold 70% in the share capital of PGE EJ1. The shares will be purchased in the following way:

- ENEA S.A. will purchase 146,000 shares constituting 10% in the share capital PGE EJ1,
- KGHM will purchase 146,000 shares constituting 10% in the share capital PGE EJ1,
- TAURON will purchase 146,000 shares constituting 10% in the share capital PGE EJ1,

The Shareholder Agreement also contains the principles of participation of all the parties within the project of development and construction of an atomic power plant in Poland. PGE and each of the business partners will be obliged to conclude the Share Purchase Agreement after satisfaction of two conditions precedent such as obtaining a decision in the case of an unconditional consent of the President of the Office of Competition and Consumer Protection for the concentration and adoption in 2013 by the Council of Ministers, as a resolution, of the Polish Nuclear Energy Programme.

5.3.5. Bond issue programme by subsidiaries

On 20 June 2013 ENEA S.A. (Company, Guarantor) concluded with ENEA Operator Sp. z o.o. (Subsidiary) and Nordea Bank Polska, a Programme Agreement regarding the bond issue programme up to the amount of PLN 1,425,000 thou. (Programme Agreement). Together with the Programme Agreement on 20 June 2013 between the Company and the Subsidiary an Agreement was concluded for guaranteeing the subscription for

bonds issued within the Bond Issue Programme up to the amount of PLN 1,425,000 thou. (Guarantee Agreement).

The above agreements were concluded for the term till 18 October 2029. The availability period of the Programme, within which bond issues will be performed expires on 18 October 2014.

The Programme Agreement anticipates a possibility of issuing bonds of the total value not exceeding the Programme value in no more than 10 series, however the nominal value of each series will not be lower than PLN 100,000 thou., excluding the 6th series and the last series of Bonds, whose value will be determined separately by the Issuer and Guarantor. The bonds will be dematerialised. The interest rate of the bonds may be fixed or floating. The Subsidiary may select a fixed or floating interest rate for a given bond series subject to the terms specified in the Programme Agreement. The bonds will be issued in accordance with the Act of 29 June 1995 on bonds, the offering will be performed in the mode of Article 9 item 3 of the Act. The bonds will not be issued in a public offer in the meaning of the Act of 29 July 2005 on Public Offerings.

Within the above Programme ENEA S.A. as the first series purchased the bonds totalling to PLN 780,000 thou.

On 16 July 2013 the Bond issue programme agreement was concluded for the amount of PLN 746,000 thou. between ENEA Wytwarzanie S.A. (Issuer), ENEA S.A. (Guarantor) and BRE Bank S.A. (Organiser, Issue Agent, Payment Agent and Depositary). The bonds are denominated i Polish zloty and bear interest according to a floating rate. The maximum date for bond redemption is 15 July 2015. Within the programme a maximum of 4 bond series may be issued, with the minimum value of PLN 100,000 thou. each.

Within the above Programme ENEA S.A. purchased three series of bonds totalling to PLN 519,000 thou.

On 9 September 2013 the following documents were signed - Annex No. 2 to the Bond Issue Programme Agreement concluded on 23 July 2012 and Annex No. 2 to the Bond Issue Programme Guarantee Agreement concluded on 23 July 2012 between ENEA S.A. and Elektrociepłownia Białystok S.A. Pursuant to these Annexes the value of the bond issue programme and the guarantee of purchasing these bonds by ENEA S.A. were increased by PLN 30,000 thou. to the amount of PLN 158,500 thou. Pursuant to the above agreements ENEA S.A. purchased E series bonds of the total value of PLN 30,000 thou.

The table below presents the status of intra-group bonds held as at 30 September 2013 [PLN '000]:

Bond Issuer	Date of agreements	Deadline for buy-out	Currency	Granted amount	Used amount	Current indebtedness*
ENEA Operator Sp. z o.o.	9.08.2011	31.07.2021	PLN	500 000	500 000	454 000
Elektrownie Wodne Sp. z o.o.	10.03.2011	31.03.2023	PLN	26 000	26 000	26 000
Dobitt Energia Sp. z o.o.	29.09.2011	29.09.2019	PLN	14 500	14 500	14 500
Elektrociepłownia Białystok S.A.	23.07.2012	22.07.2019	PLN	158 500	158 500	153 045
ENEA Wytwarzanie S.A.	8.09.2012	depending on dates of issue of series of bonds, however not later than 15.06.2022	PLN	4 000 000	0	0
ENEA Operator Sp. z o.o.	20.06.2013	Depending on dates of issue of series of bonds, however not later than 18.10.2029	PLN, EUR	1 425 000	780 000	780 000
ENEA Wytwarzanie S.A.	16.07.2013	15.07.2015	PLN	746 000	519 000	519 000

* according to the nominal value (capital)

5.3.6. Transactions with related parties

Within the ENEA Capital Group significant transactions are concluded between the affiliates, however these are transactions concluded on market conditions.

In Q3 2013, the Group entities did not conclude any significant transactions under non-market conditions with any affiliated companies.

A description of the other transactions concluded by the Issuer or its subsidiaries with affiliates was presented in note 20 to the consolidated financial statement.

5.3.7. Significant agreements after the balance sheet date:

On 7 October 2013 ENEA S.A. signed with PKO BP S.A. a frame contract till 6 April 2015 for granting of bank guarantees up to the total amount of PLN 350,000 thou. The guarantees issued within the guaranty facility are to constitute the securing of making deposits for IRGiT S.A. and KDPW S.A. by ENEA S.A. and ENEA Trading Sp. z o.o. and other obligations (max. PLN 35,000 thou.). Obligations towards the aforementioned entities to make deposits result among others from the concluded futures contracts for supply of electricity and transactions of purchase of proprietary interests to the certificates of origin for electricity.

On 31 October ENEA Operator made an earlier buy-out of all the bonds to be redeemed and which were issued within the Bond Issue Programme Agreement for the amount of PLN 500,000 on 9 August 2013. The bond redemption amount was PLN 454,000 thou.

5.4. Fuel supplies

The basic fuel used to produce electricity in ENEA Wytwarzanie is bituminous coal. During 9 months of 2013 the costs of coal comprised about 46% of operating costs of ENEA Wytwarzanie. We depend on two suppliers for our coal supplies: Lubelski Węgiel "Bogdanka" S.A. which from January to September 2013 delivered to us ca. 73% and Katowicki Holding Węglowy S.A. Moreover, from the two suppliers: Kompania Węglowa S.A. and Jastrzębska Spółka Węglowa S.A. ENEA Wytwarzanie makes supplementary purchases.

The only supplier of the light-up fuel to ENEA Wytwarzanie in the three quarters of 2013 was PKN ORLEN S.A. The fuel delivered is heavy heating oil with sulphur content of up to 3%.

Co-firing of biomass is carried out in eight 215-228 MW power units in ENEA Wytwarzanie. Sawdust pellets and briquettes, sunflower pellets and briquettes, and straw pellets are primarily used as biomass. ENEA Wytwarzanie during January-September 2013 held agreements with a total of 13 suppliers of biomass.

During January-September 2012, biomass consumption (according to beltway scales) amounted to 213,914.11 tonnes, whilst during January-September 2013 it was 169,633.43 tonnes.

Energy production from RES in Elektrociepłownia Białystok takes place in the dedicated unit with the installed capacity of 78.503 MWe. Wood chips, energetic willow chips and sunflower pellets are primarily used as biomass. Elektrociepłownia Białystok in Q3 2013 held agreements with a total of 10 suppliers of biomass.

During the three quarters of 2013 the costs of coal and biomass constituted ca. 58% of operating costs of Elektrociepłownia Białystok S.A.

Consumption of fuels in ENEA Wytwarzanie is presented in the table below:

Fuel type	Quantity ['000 tonnes]	
	9 months of 2012	9 months of 2013
Bituminous coal	3 555.5	3 854.1
Biomass	429.8	494.1
Fuel oil (heavy)	5	5.4
Fuel oil (light)	0.4	0.4
TOTAL	3 990.7	4 354.0

5.5. Long-Term Power Purchase Agreements (LTPPA)

For 2013 ENEA Wytwarzanie S.A. applied for the advance towards stranded costs in the amount of PLN 18,000 thou. Till 4 October 2013 Zarządca Rozliczeń S.A. paid advances for three quarters of 2013 in the total amount of PLN 13,500 thou. (PLN 4,500 thou. per quarter). During January - September 2013 the revenues for compensations for 2013 were not recognised, however the amount was recognised of PLN 964 thou. resulting from the judgement of 10 April 2013.

For 2014 ENEA Wytwarzanie S.A. applied for the advance towards stranded costs in the amount of PLN 17,000 thou.

On 10 April before the Court of Appeal in Warsaw a hearing took place on the determination of an annual adjustment of stranded costs for ENEA Wytwarzanie S.A. for 2009. With a partial recognition of the appeal of the President of ERO against the decision of the Court of Competition and Consumer Protection of 27 June 2012, the Court of Appeal changed the challenged decision and determined the amount of the annual adjustment in the positive amount of PLN 16,544 thou., i.e. in the amount by PLN 964 thou. higher than the amount set in the decision of the President of ERO. The Court of Appeal has however not accepted the basic amount of the annual adjustment indicated in the decision of the Regional Court.

On 13 May 2013 Zarządca Rozliczeń S.A. made a payment of PLN 964 thou. On 30 October 2013 the Company filed a cessation appeal against the decision of 10 April 2013.

On 10 July 2013 the Court of Appeal announced the decision regarding LTPPAs 2008 in which it overruled the appeal of the President of ERO against the decision of the Regional Court of 20 April 2012. The decision of the President of ERO for 2008 was amended validly and determined for the amount of PLN (-) 4,192 thou. in lieu of the original amount of PLN (-) 89,537 thou. The judgement means that all the substantial challenges were recognised which were contained in the appeal against the decision of the President of ERO. On 24 July 2013 the Company received the amount of PLN 40,577 thou. from Zarządca Rozliczeń S.A.

On 5 August 2013 ENEA Wytwarzanie S.A. received the decision of the President of ERO of 30 July 2013 from which it follows that the amount of the annual adjustment for stranded costs for 2012 which ENEA Wytwarzanie S.A. should return to Zarządca Rozliczeń S.A. till 30 September 2013 amounts to PLN (-) 17,687 thou.

On 14 August 2013 ENEA Wytwarzanie S.A. appealed against the decision of the President of ERO to the Court for Competition and Consumer Protection, Regional Court in Warsaw (the appeal contains the motion to suspend the enforcement of the decision till the case is settled).

On 9 September 2013 the Court for Competition and Consumer Protection, Regional Court on Warsaw issued a decision on suspension of the execution of the decision of the President of ERO of 30 July 2013 (on the amount of annual adjustment for 2012) till the final settlement of the case.

The dates of hearings concerning the annual adjustments for 2010 - 2012 have not been set yet.

5.6. Personal changes in the authorities of ENEA S.A.

On 11 January 2013 Mr. Krzysztof Zborowski resigned from the function of the Member of the Management Board for Energy Generation of ENEA S.A. The resignation from the position held was effected as of the statement date.

On 11 March 2013 the Supervisory Board recalled all members of the Board and nominated:

- Mr. Krzysztof Zamasz to the position of the President of the Board of ENEA S.A.,
- Mr. Grzegorz Kinelski to the position of the Member of the Board of ENEA S.A. for Commercial Affairs,
- Mr. Paweł Orłof to the position of the Member of the Board of ENEA S.A. for Corporate Affairs.

Additionally, on 9 April 2013 the Supervisory Board nominated Ms. Dalida Gepfert to the position of the Member of the Management Board of ENEA S.A. for Financial Affairs, who commenced the work on 23 April 2013.

On 27 March 2013 Mr. Graham Wood resigned from the function of a Member of the Supervisory Board of ENEA S.A. The resignation from the function held was filed as of 24 April 2013, i.e. as of the date of holding the Ordinary General Meeting of Shareholders of ENEA S.A. At the same time, as of 24 April 2013 Ms. Małgorzata Aniołek filed a resignation from the position of a Member of the Supervisory Board of ENEA S.A. That day, the Ordinary General Meeting of Shareholders of ENEA S.A. nominated into the composition of the Supervisory Board of ENEA S.A. Ms. Małgorzata Niezgodna and Mr. Torbjörn Wahlborg.

As of 24 June 2013 Mr. Michał Jarczyński filed a resignation from the position of a Member of the Supervisory Board of ENEA S.A.

Detailed information on the changes in the composition of the authorities of ENEA S.A. is published by the Company in current reports.

5.7. Position of the Management Board in relation to the possibility of reaching previously published forecasts of the results for a given year

The Management Board of ENEA S.A. did not publish any forecasts of its financial results for the period from 1 January to 30 September 2013 or for the whole 2013 financial year.

5.8. Proceedings underway before courts, bodies appropriate for arbitration proceedings or public administration bodies

As at the date of publication of this report, no proceedings are underway the party to which would be ENEA S.A. or its subsidiary, whose value would amount to 10% or more of ENEA S.A.'s equity. As at the date of publication of this report, no proceedings are underway the party to which would be ENEA S.A. or its subsidiary, whose total value would amount to 10% or more of ENEA S.A.'s equity.

A description of other proceedings underway other than those referred to above, to which ENEA S.A. or its Group companies are a party, is set out in Note 24 to the consolidated quarterly financial statement.

5.9. Collective disputes

At present, ENEA SA is a party to one collective dispute initiated on 7 September 2009, which concerns the proposed privatisation of ENEA SA and the effect of the potential shareholder change on the status of its employees. The dispute has not been settled to date.

5.10. Corporate social responsibility

ENEA S.A.'s activities within corporate social responsibility (CSR) in Q3 2013

Notwithstanding the information contained in the other parts of the report in the opinion of the Management Board attention must be paid to the activity of the ENEA Capital Group within corporate social responsibility.

In 2010 the ENEA Capital Group developed a CSR strategy (corporate social responsibility) which includes 3 goals:

- ensuring sustainable human resources management,
- ensuring a dialogue with all stakeholders, including local communities, and taking their opinions into account in business operations,
- promoting pro-environmental practices and behaviours,

Individual companies from the ENEA Capital Group prepare their own operating plans each year in order to pursue CSR Strategy goals. Operating plans include specific operations of a given ENEA Group company. Each company reports, through appointed CSR coordinators in a given company, to ENEA S.A. a progress in the implementation of CSR activities.

In Q3 2013 CSR activities in ENEA S.A. focused around the realisation of the below mentioned activities:

Values of the ENEA Capital Group

In August 2013 ENEA CG selected corporate values according to which ENEA CG operates its business. Representatives dedicated to the project of all the Group companies for which workshops were organised and conducted participated in the process. And among all the employees of Group companies an on-line survey was conducted. In the process of a dialogue with employees a superior value was elected which constitutes basis of the ENEA Capital Group and its Employees functioning - HONESTY, and this pillar supports the other values: competence, responsibility and security.

Process of development of "ENEA Capital Group's Code of Conduct"

Q3 2013 characterised with the most intense works aiming at the elaboration of "ENEA Capital Group's Code of Conduct" and works over tools of its implementation so that, as a result, each Group's employee could identify with key company values and also so that, if needed, they knew how to report any doubt or noticed irregularity.

The aim of the process was determination, from the company's perspective, principles of functioning in the place of work, and its terms are to remind employees of the adopted values, constitute a set of rules and standards of conduct at work in areas significant for the company.

All the Group companies were invited to take an active part in the process so that the developed shape of the document was adapted to the situation and needs of each of them.

ENEA S.A. took part in the project "ESG analysis of companies in Poland" within publication by listed companies of non-financial data (ESG)

In September 2013 ENEA S.A. for a second time took part in the project "ESG analysis of companies in Poland" organised by the Stock Exchange Issuers Association, GES and Crido Business Consulting within publication of non-financial data (ESG), which is from within environment, social responsibility and corporate governance. In October 2013 ENEA S.A. was for a second time awarded a distinction in this ranking for a high level and transparency of communicating non-financial data and was among the three best entities in its sector (beside CEZ and PGE S.A.), in the category of a public utility sector and among 30 listed companies with the highest transparency and clearness of communicating non-financial data within ESG reporting.

Such a high assessment of ENEA is connected with the realisation of the "Strategy of corporate social responsibility of the ENEA Capital Group". The ENEA Group perceives the social responsibility of the business

as a method of management which considers expectations of the surrounding environment and makes it possible to rationally manage resources and permanently increase the goodwill through sustainable development measures.

The document contains e.g. reports on the indicators connected with the impact of the Company on the natural environment, with practices in the working place and from within the area of customers relations or a policy of social engagement.

The research "Analysis of companies' ESG in Poland" included companies listed on the Warsaw Stock Exchange (including the NewConnect market) - a total of 865 listed companies. GES Risk Rating method applied is based on the international standards concerning a sustainable development (e.g. Global Compact, OECD guidelines for multi-national corporations, conventions of the International Labour Organisation, ISO 14001, SA8000), corruption (FCPA) and occupational safety and hygiene (OHSAS 18001) in connection with the Principles for Responsible Investment.

6. Detailed presentation of financial results of ENEA Capital Group

6.1. Presentation of financial results of ENEA Capital Group for 9 months of 2013 and in Q3 2013

Consolidated profit and loss statement

Profit and Loss Statement PLN '000	9 months of 2012 (restated data*)	9 months of 2013	Change	Q3 2012 (restated data*)	Q3 2013	Change
Net sales revenues	7 427 090	6 787 243	-8.6%	2 405 292	2 191 618	-8.9%
Cost of sales	6 711 380	5 955 333	-11.3%	2 184 232	1 912 967	-12.4%
Other operating revenue	71 052	97 893	37.8%	14 746	18 559	25.9%
Profit / (loss) on sales and liquidation of tangible fixed assets	-1 852	-4 900	-164.6%	-2 474	-1 673	32.4%
Tangible and intangible impairment write-off	106	0	-100.0%	0	0	0.0%
Other operating expenses	75 958	98 827	30.1%	12 238	17 779	45.3%
Operating profit (loss)	708 846	826 076	16.5%	221 094	277 758	25.6%
Financial expenses	48 722	22 546	-53.7%	10 600	2 939	-72.3%
Financial revenue	111 206	54 347	-51.1%	38 273	17 882	-53.3%
Dividend revenue	2 724	4 552	67.1%	0	0	0.0%
Share in (losses)/profits of affiliated entities accounted for using the equity method	195	333	70.8%	456	40	-91.2%
Profit (loss) before tax	774 249	862 762	11.4%	249 223	292 741	17.5%
Income tax	164 534	195 922	19.1%	61 493	77 993	26.8%
Net profit (loss) for the reporting period	609 715	666 840	9.4%	187 730	214 748	14.4%
EBITDA	1 268 864	1 400 498	10.4%	405 185	466 260	15.1%

*in accordance with the accounting policy used in the financial report of ENEA Group.

Revenues

Item	9 months of 2012	9 months of 2013	Change	Q3 2012	Q3 2013	Change
Revenues from the sale of electricity	4 983 989	4 339 250	-12.9%	1 611 733	1 409 997	-12.5%
Revenues from the sale of distribution services	2 096 290	2 108 995	0.6%	688 493	684 332	-0.6%
Revenues from the sale of goods and materials	90 160	56 981	-36.8%	33 886	19 444	-42.6%
Revenues from the sale of other services	92 904	105 802	13.9%	32 183	30 939	-3.9%
Revenues from certificates of origin	26 333	31 967	21.4%	11 724	13 331	13.7%
Revenues from sales of CO ₂ emission allowances	39 848	10 231	-74.3%	24 952	5 645	-77.4%
Recovery of stranded costs	-21 647	964	104.5%	-21 647	0	100.0%
Revenues from the sale of heat energy	119 213	133 053	11.6%	23 968	27 930	16.5%
Total net revenues	7 427 090	6 787 243	-8.6%	2 405 292	2 191 618	-8.9%

Lower results from net sales of the ENEA Capital Group for 9 months of 2013 stem from:

- Lower revenues from sales of electricity: lower revenues from sales of energy to end users by PLN 439,645 thou. (lower volumes of sold electricity by 1,453 GWh and lower average selling price by 1.5%); lower revenues from sales to wholesale users, in relation to lower market prices of electricity.
- Lower revenues from sales of rights to CO₂ emissions - lower volumes of sales at lower average selling price of allowances by 41.3%.
- Lower revenues from sale of goods and materials - no revenues of Auto-Styl (company was sold at the end of 2012) and lower revenues in BHU (economic slowdown and strong competition on the power engineering market).
- Higher revenues from sales of distribution services: higher revenues from sales of energy to end users (higher average selling price by 2.2% with volumes lower by 53 GWh); lower revenues from fees for realised RES connections, lower revenues from settlements in the balancing market and estimated revenues from non-invoiced sales.
- Higher compensation for coverage of stranded costs - in 2012 adjustment of revenues from 2008-2011 reduced the revenues by PLN 21,647 thou., in 2013 the company reported the revenues in the amount of PLN 946 thou. in accordance with the court's decision for 2009.
- Higher revenues from sales of heat energy - a growth in the average selling price by 5.9% and higher volumes of heat sales by 163 TJ (advantageous atmospheric conditions).

Lower revenues from net sales of the ENEA Capital Group in Q3 2013 stem from:

- Lower revenues from sales of electricity: lower revenues from sales of energy to end users by PLN 130,246 thou. (lower volumes of sold electricity by 349 GWh and lower average selling price by 3.9%); lower revenues from sales of electricity to wholesale users, in relation to lower market prices of electricity.
- Lower revenues from sales of rights to CO₂ emissions - lower volumes of sales at lower selling price by ca. 40%.

- Higher compensation for coverage of stranded costs - in 2012 adjustment of revenues from 2008-2011 reduced the revenues by PLN 21,647 thou.

Costs

Item	9 months of 2012	9 months of 2013	Change	Q3 2012	Q3 2013	Change
Amortisation/depreciation	560 018	574 422	2.6%	184 091	188 502	2.4%
Employee benefit costs	711 879	730 615	2.6%	222 790	216 386	-2.9%
Consumption of materials and raw materials and value of goods sold	1 413 444	1 346 314	-4.7%	515 096	417 427	-19.0%
Costs of purchases for resale	3 013 410	2 365 319	-21.5%	914 262	779 851	-14.7%
Transmission services	533 971	449 301	-15.9%	177 286	150 104	-15.3%
Other external services	312 487	304 263	-2.6%	118 134	103 090	-12.7%
Taxes and charges	166 171	185 099	11.4%	52 573	57 607	9.6%
Total cost of revenues from sales	6 711 380	5 955 333	-11.3%	2 184 232	1 912 967	-12.4%

Lower costs of the ENEA Capital Group for 9 months of 2013 stem from:

- Lower purchases of electricity for resale - lower average purchase price of electricity by 8.0% and lower demand for electricity by end users.
- Lower costs of transmission services - incurring a lower transitory charge, which contributed to a drop in the average purchase price of these services.
- Lower costs of materials and raw materials and value of goods sold:
 - lower costs of CO₂ emissions - in 2012 this item included the deduction relating to amortisation and depreciation of CO₂ (valuation of the assets of Elektrociepłownia Białystok in 2011); in 2013 higher costs of CO₂ - higher emission resulting from higher production of electricity and a lower limit of free allowances,
 - lower costs of biomass - lower average price of consumed biomass with a higher quantitative use of biomass,
 - lower costs of other materials and values of sold products (e.g. in the period of 9 months of 2012 this item included the value of sold allowances for emissions of CO₂),
 - higher costs of coal used - higher volumes of consumed coal (higher production of electricity) with lower average price of used coal, in 2012 coal inventory deficits,
 - no costs of Auto-Styl (the company was sold at the end of 2012) and lower costs in BHU, in relation to lower sales.
- Lower costs of outsourced services - lower costs of renovations and marketing services.
- Higher costs of employee benefits: higher costs in the segment of distribution, in relation to recognition in 2013 costs of reserves for the incentive fund and lower cost connected with the release of the reserve for the share equivalent.
- Higher costs of taxes and charges: costs of property tax, fees for access to energy devices, costs of use of a road line and fees for use of the environment.

Lower costs of the ENEA Capital Group in Q3 2013 stem from:

- Lower purchases of electricity for resale, which stems from lower average purchase price of electricity by 7.3% and lower demand for electricity by end users.
- Lower costs of transmission services, which stems mainly from incurring a lower transitory charge, which contributed to a drop in the average purchase price of these services.
- Lower costs of materials and raw materials and value of goods sold:
 - lower costs of use of coal - lower price of coal with higher consumption of coal resulting from higher production, recognition in 2012 of coal inventory deficits,
 - lower costs of CO₂ emissions - in 2012 this item included CO₂ amortisation and depreciation deduction (valuation of the assets of Elektrociepłownia Białystok in 2011),
 - lower costs of other materials and values of sold products (e.g. in the reporting period of 2012 this item included the value of sold allowances for emissions of CO₂),
 - no costs of Auto-Styl (the company was sold at the end of 2012) and lower costs in BHU, in relation to lower sales.
- Lower costs of employee benefits - release of the reserve for share equivalent.
- Lower costs of outsourced services - lower costs of renovations and marketing services.
- Higher taxes and charges - higher costs of property tax, fees for access to energy devices and fees for using a road line.

Data in PLN '000	9 months of 2012	9 months of 2013	Change	Q3 2012	Q3 2013	Change
Other operating revenue	71 052	97 893	37.8%	14 746	18 559	25.9%
Other operating expenses	75 958	98 827	30.1%	12 238	17 779	45.3%

For 9 months of 2013 the result on the other operating activity amounted to PLN -934 thou. and was higher than in the preceding year by PLN 3,972 thou. In the reporting period there were:

- higher revenues mainly by tile of unused impairment of receivables from electricity and impairment of receivables in relation to the value of RES certificates of origin,
- lower revenues from damages, penalties and fines,
- higher costs of written-off debts.

Data in PLN '000	9 months of 2012	9 months of 2013	Change	Q3 2012	Q3 2013	Change
Financial revenue	111 206	54 347	-51.1%	38 273	17 882	-53.3%
Financial expenses	48 722	22 546	-53.7%	10 600	2 939	-72.3%

For 9 months of 2013 the result on financial activities amounted to PLN 31,801 thou. and was lower than in the previous year by PLN 30,683 thou. in relation to the sale in 2012 of shares of WIRBET, with lower interest income and lower costs - in 2012 the purchase of Windfarm Polska was settled (foreign exchange differences).

Cash

Consolidated cash flow statement

Cash flow statement in PLN '000	30 September 2012	30 September 2013	Change
Net cash flows from operating activities	959 747	1 313 989	36.9%
Net cash flows from investing activities	-369 167	-1 429 576	-287.2%
Net cash flows from financing activities	-197 257	604 255	406.3%
Net increase / decrease in cash and cash equivalents	393 323	488 668	24.2%
Cash and cash equivalents at the end of the reporting period	1 609 574	1 585 688	-1.5%

As at the end of 30 September 2013 the ENEA Capital Group's balance of cash and cash equivalents was lower by PLN 23,886 thou. than at the end of September 2012.

Higher cash flows from operating activities stemmed mainly from a change in the balance of working capital, mainly change in the receivables, inventories, reserves for allowances for emissions of CO₂ and reserves for anticipated losses and potential claims for damages. At the same time, higher operating cash flows are affected by higher net financial result.

Higher cash flows from investing activities stem mainly from a higher value of purchasing tangible assets (construction of a new unit No. 11), which as a result translates into a lower value of acquired financial assets.

Higher cash flows from financial activities stems mainly from drawing a special-purpose loan from EIB for financing of the distribution activity.

Ratio analysis

In the reporting periods of 2013 the ENEA Capital Group generated higher financial results relative to 2012, which resulted in gaining higher profitability ratios.

The breakdown below shows the value of ratios achieved in reporting periods:

Indicator	Item	9 months of 2012	9 months of 2013	Q3 2012	Q3 2013
Profitability ratios					
ROE - return on equity	gross profit (loss) / equity	9.5%	10.1%	9.2%	10.2%
ROA - return on assets	operating profit (loss) / total assets	6.7%	7.1%	6.2%	7.1%
Net profitability	net profit (loss) / net sales revenues	8.2%	9.8%	7.8%	9.8%
Operating profitability	net operating profit (loss) / net sales revenues	9.5%	12.2%	9.2%	12.7%
EBITDA	net operating profit (loss) + amortisation and depreciation / net sales revenues	17.1%	20.6%	16.8%	21.3%
Liquidity and financial structure ratios					
Current liquidity ratio	current assets / current liabilities	2.4	2.3	2.4	2.3
Equity-to-fixed assets ratio	equity / non-current assets	106.6%	97.4%	106.6%	97.4%

Total debt ratio	total liabilities / total assets	23.4%	26.8%	23.4%	26.8%
Net debt / EBITDA	(interest bearing liabilities - cash) / EBITDA (for the period of 12 months ending on 30 September)	-1.3	-0.6	-1.3	-0.6
Economic activity ratios					
Current receivables turnover in days	avg. net trade and other receivables x number of days / net sales revenues	42	57	45	58
Turnover of trade and other payables in days	average trade and other liabilities x number of days / cost of products, materials sold	53	64	52	68
Inventory turnover in days	avg. inventories x number of days / cost of products, materials sold	24	26	25	23

Assets - structure of assets and liabilities

Consolidated balance sheet:

Total assets in PLN '000	As at:		Change
	31 December 2012	30 September 2013	
Fixed assets	11 011 502	11 728 831	6.5%
Tangible fixed assets	10 459 377	11 207 935	7.2%
Perpetual usufruct right	70 369	67 542	-4.0%
Intangible assets	201 357	198 778	-1.3%
Investment properties	30 752	31 809	3.4%
Investments in associated entities, accounted for using the equity method	5 951	6 300	5.9%
Deferred income tax assets	175 081	160 417	-8.4%
Financial assets held for sale	66 735	53 857	-19.3%
Financial assets valued at fair value by the profit and loss account	1 504	1 782	18.5%
Trade and other receivables	376	411	9.3%
Current assets	3 698 960	3 890 411	5.2%
CO ₂ emissions allowances	194 622	131 600	-32.4%
Inventories	502 654	434 996	-13.5%
Trade and other receivables	1 449 314	1 399 802	-3.4%
Current income tax assets	16 026	12 335	-23.0%
Financial assets held-to-maturity investments	5 135	40 164	682.2%
Financial assets valued at fair value by the profit and loss account	422 173	272 239	-35.5%
Cash and cash equivalents	1 095 495	1 585 688	44.7%
Fixed assets for sale	13 541	13 587	0.3%
Total assets	14 710 462	15 619 242	6.2%

Total liabilities in PLN '000	As at:		Change
	31 December 2012	30 September 2013	
Total equity	10 938 288	11 427 709	4.5%
Share capital	588 018	588 018	0.0%
Share premium	3 632 464	3 632 464	0.0%
Share based payments reserve	1 144 336	1 144 336	0.0%
Financial instruments revaluation reserve	50 233	39 784	-20.8%
Other reserves	-21 317	-21 317	0.0%
Retained earnings	5 521 833	6 024 297	9.1%
Non-controlling interests	22 721	20 127	-11.4%
Total liabilities	3 772 174	4 191 533	11.1%
Non-current liabilities	1 748 504	2 503 940	43.2%
Current liabilities	2 023 670	1 687 593	-16.6%
Total equity and liabilities	14 710 462	15 619 242	6.2%

The largest item of assets as at the end of September 2013 are non-current assets with the share of 75.1% of the balance sum value. A growth in comparison with the previous year stems mainly from higher non-current assets in connection with the realisation of outlays for tangible fixed assets.

Higher non-current assets stem mainly from higher cash and cash equivalents because of a special-purpose loan from EIB for financing of distribution activities. Financial assets decreased in relation to financing of the investment consisting in the construction of the unit No. 11, CO₂ emission allowances (value of redemption of the rights higher than the purchase value), inventories (lower stock of certificates of origin and higher stocks of coal), trade receivables (lower receivables from certificates of origin).

A dominant source of financing the Group's assets is the equity, whose growth results from the profit generated for 9 months of 2013.

Higher value of the Group's non-current liabilities stems mainly from drawing of the special-purpose loan.

Lower current liabilities stem mainly from lower trade liabilities, which results mainly from a lower level of investment liabilities relating to distribution and liabilities for the purchased electricity.

6.2. Presentation of the financial results of ENEA S.A. for 9 months of 2013 and in Q3 2013

Profit and loss statement of ENEA S.A.

Data in PLN '000	9 months of 2012	9 months of 2013	Change	Q3 2012	Q3 2013	Change
Sales revenues	4 453 455	3 850 583	-13.5%	1 381 867	1 210 982	-12.4%
Excise tax	155 124	150 597	-2.9%	49 348	47 873	-3.0%
Net sales revenues	4 298 331	3 699 986	-13.9%	1 332 519	1 163 109	-12.7%
Cost of sales	4 204 581	3 479 765	-17.2%	1 295 349	1 112 676	-14.1%
Other operating revenue	7 370	36 143	390.4%	956	4 891	411.6%
Other operating expenses	34 976	36 022	3.0%	10 131	5 210	-48.6%

Profit / loss on sales of fixed assets	2 186	-36	-101.6%	-7	-1	85.7%
Operating profit	68 330	220 306	222.4%	27 988	50 113	79.1%
Financial revenue	84 178	58 001	-31.1%	23 627	23 080	-2.3%
Dividend revenue	362 091	605 676	67.3%	161 154	243 856	51.3%
Financial expenses	33 104	4 512	-86.4%	12 776	2 097	-83.6%
Gross profit	481 495	879 471	82.7%	199 993	314 952	57.5%
Net profit	457 007	823 306	80.2%	192 234	298 097	55.1%
EBITDA	80 904	233 774	189.0%	32 393	54 867	69.4%

Higher EBITDA in 9 months of 2013 in relation to the same period of the previous year stems mainly from:

- Higher first contribution margin on electricity by PLN 96,180.6 thou.:
 - lower average purchase price of energy by 7.3%, which results from lower prices of energy on the wholesale market and discontinuation of the obligation to purchase and redeem the certificates of origin of energy from highly-efficient cogeneration for 2013,
 - lower average price of energy sales by 1.5 %.
- Release of part of reserves for proprietary interests in 2012 in the amount of PLN 18,364.6 thou. - valuation as at 30 September 2012 of "green" certificates according to the purchase price on PPE which were earlier valued according to the compensatory payment.
- Lower costs of outsourced services:
 - lower costs resulting from the introduction of changes in remunerating ENEA Trading - (on 14 January 2013 Annex No. 2 was concluded to the cooperation agreement within wholesale trade),
 - lower costs of marketing services,
 - lower costs of consulting and legal services,
 - higher remunerations for business partners - process of customer loyalisation and gaining.
- Lower costs of employee benefits - release of the reserve for employee share equivalent.
- Growth of result on the other operating activity:
 - higher revenues from lower impairment of receivables relating to electricity with higher costs of written-off debts (mainly relating to Fabryka Papieru Szczecin Skolwin in bankruptcy),
 - lower costs of reserves for claims for damages - in 2012 assuming and updating court proceedings relating to non-contractual use of lands,
 - in 2012 there was a one-off event concerning the sale of the title to buildings and lands in Gorzów Wielkopolski.

Higher EBITDA in Q3 2013 in relation to Q3 2012 stems mainly from:

- Higher first contribution margin on electricity by PLN 3,582.6 thou.:
 - lower average purchase price of energy by 6.2%, which results from lower prices of energy on the wholesale market and discontinuation of the obligation to purchase and redeem the certificates of origin of energy from highly-efficient cogeneration for 2013,
 - lower average price of energy sales by 3.9%.
- Release of part of reserves for proprietary interests in 2012 in the amount of PLN 18,364.6 thou. - valuation as at 30 September 2012 of "green" certificates according to the purchase price on PPE which were earlier valued according to the compensatory payment.

- Lower costs of outsourced services:
 - lower costs resulting from the introduction of changes in remunerating ENEA Trading - (on 14 January 2013 Annex No. 2 was concluded to the cooperation agreement within wholesale trade),
 - lower costs of marketing services,
 - lower costs of consulting and legal services,
 - higher remunerations for business partners - process of customer loyalisation and gaining.
- Lower costs of employee benefits - release of the reserve for employee share equivalent.
- Growth of result on the other operating activity:
 - lower costs of reserves for claims for damages - in 2012 assuming and updating court proceedings relating to non-contractual use of lands.

Sales revenues

Data in PLN '000	9 months of 2012	9 months of 2013	Change	Q3 2012	Q3 2013	Change
Sales revenues	4 453 455	3 850 583	-13.5%	1 381 867	1 210 982	-12.4%
Sales of electricity to end users	3 088 618	2 649 554	-14.2%	966 808	836 549	-13.5%
Sales of distribution services to users holding comprehensive agreements	1 195 781	1 143 315	-4.4%	373 298	356 101	-4.6%
Sales of electricity to other entities	115 890	22 767	-80.4%	26 377	4 652	-82.4%
Sales of services	46 985	48 146	2.5%	15 733	16 515	5.0%
Other revenue	6 181	-13 199	-313.5%	-349	-2 835	-713.5%

Cost of sales

Data in PLN '000	9 months of 2012	9 months of 2013	Change	Q3 2012	Q3 2013	Change
Cost of sales	4 204 581	3 479 765	-17.2%	1 295 349	1 112 676	-14.1%
Costs of electricity for resale, including:	2 778 499	2 159 445	-22.3%	847 527	708 240	-16.4%
purchase of certificates of origin	330 806	255 556	-22.7%	91 232	91 331	0.1%
value of unbalanced energy	-38 851	-55 384	-42.6%	-21 031	-10 078	52.1%
Cost of providing distribution services for the performance of comprehensive agreements for the provision of electricity and distribution services	1 199 626	1 141 350	-4.9%	373 098	356 990	-4.3%
Depreciation and amortisation of fixed and intangible assets	12 574	13 468	7.1%	4 405	4 754	7.9%
Consumption of materials and energy and value of sold materials	3 086	2 926	-5.2%	993	1 051	5.8%
Other external services	159 314	126 791	-20.4%	52 308	40 675	-22.2%
Employee benefit costs	44 935	28 289	-37.0%	15 376	-1 206	-107.8%
Taxes and charges	6 547	7 496	14.5%	1 642	2 172	32.3%

Other operating activity

Data in PLN '000	9 months of 2012	9 months of 2013	Change	Q3 2012	Q3 2013	Change
Other operating revenue	7 370	36 143	390.4%	956	4 891	411.6%
Other operating expenses	34 976	36 022	3.0%	10 131	5 210	-48.6%
Profit / loss on sales of fixed assets	2 186	-36	-101.6%	-7	-1	85.7%

Financial revenues and expenses

Data in PLN '000	9 months of 2012	9 months of 2013	Change	Q3 2012	Q3 2013	Change
Financial revenue	84 178	58 001	-31.1%	23 627	23 080	-2.3%
Financial expenses	33 104	4 512	-86.4%	12 776	2 097	-83.6%

Higher result on financial activity during 9 months of 2013 in relation to the same period of the previous year:

- Lower costs of foreign exchange differences - in 2012 the purchase of Windfarm Polska was settled.
- Lower revenues from funds invested in financial assets (bonds, treasury bills, fixed time deposits) and a one-off event which took place in 2012 and related to the sale of 269,000 shares in Przedsiębiorstwo Produkcji Strunobetonowych Żerdzi Wirowanych "WIRBET" S.A.

Higher result on financial activity in Q3 2013 in relation to the same period of the previous year:

- Lower financial expenses - in 2012 the purchase of Windfarm Polska was settled.

6.3. Presentation of financial results of ENEA Operator for 9 months of 2013 and in Q3 2013

Profit and loss statement of ENEA Operator

Data in PLN '000	9 months of 2012	9 months of 2013	Change	Q3 2012	Q3 2013	Change
Sales revenues	2 165 582	2 185 599	0.9%	712 239	709 018	-0.5%
Cost of sales	1 721 208	1 643 188	-4.5%	548 376	529 813	-3.4%
Other operating revenue	27 552	31 655	14.9%	7 551	8 518	12.8%
Other operating expenses	24 254	51 759	113.4%	-6 279	8 903	241.8%
Profit / loss on sales and liquidation of tangible fixed assets	-1 158	-2 689	-132.2%	-2 474	-838	66.1%
Operating profit / loss	446 514	519 618	16.4%	175 219	177 982	1.6%
Financial revenue	4 056	4 207	3.7%	574	1 341	133.6%
Financial expenses	12 276	16 540	34.7%	3 347	5 598	67.3%
Gross profit / loss	438 294	507 285	15.7%	172 446	173 725	0.7%
Net profit / loss	355 117	408 736	15.1%	139 364	140 499	0.8%
EBITDA	728 020	801 560	10.1%	268 796	272 655	1.4%

Higher EBITDA in 9 months of 2013 in relation to the same period of the previous year stems mainly from:

- Higher revenues from sales of distribution services to end users - higher average selling price by 2.2 % with higher volumes of delivered electricity by 53 GWh; lower estimated revenues from non-invoiced sales.

- Lower revenues from grid connection fees - lower realisation of connections within II connection group (shift of realisation of agreements connected with a delay in RES act entering into force).
- Lower costs of transmission services - lower costs connected with the transitory charge; lower average price by 17.9% stems from lower costs of purchases transmission and distribution services (total).
- Lower purchase of energy for sale - lower volumes of purchases of electricity for own needs and grid losses by 10 GWh, lower average price by 5.9%.
- Settlement of the balancing market - the divergence stems from the introduction of adjustments on the balancing market relating to 2011 and 2012. Adjustments result from the adapted annual model of setting the Balancing Mechanism Unit of ENEA Operator mentioned in the Grid Code approved by the President of ERO.
- Higher costs of employee benefits - establishment in the reporting period of incentive fund reserve.
- Higher taxes and charges - higher property tax, fees for access to energy devices and fees for using a road line.
- Lower result on the other operating activity - growth in provisions for anticipated losses and potential claims for damages.

Higher EBITDA in Q3 2013 in relation to the same period of the previous year stems mainly from:

- Higher revenues from sales of distribution services to end users - higher average selling price by 0.8% with higher volumes of delivered electricity by 64 GWh; higher estimated revenues from non-invoiced sales.
- Lower revenues from grid connection fees - lower realisation of connections within II connection group (shift of realisation of agreements connected with a delay in RES act entering into force).
- Lower costs of transmission services - lower costs connected with the transitory charge; lower average price by 19.1% stems from lower costs of purchases transmission and distribution services (total).
- Lower purchase of energy for sale - lower average price by 6.8%, higher volumes of purchases electricity for own needs and grid losses by 19 GWh.
- Settlement of the balancing market - the divergence stems from the introduction of adjustments on the balancing market relating to 2011 and 2012. Adjustments result from the adapted annual model of setting the Balancing Mechanism Unit of ENEA Operator mentioned in the Grid Code approved by the President of ERO.
- Higher costs of employee benefits - in 2012 the reserve for bonuses for the team was released.
- Higher taxes and charges - higher property tax, fees for access to energy devices and fees for using a road line.
- Lower result on the other operating activity - growth in provisions for anticipated losses and potential claims for damages.

Sales revenues

Data in PLN '000	9 months of 2012	9 months of 2013	Change	Q3 2012	Q3 2013	Change
Sales revenues	2 165 582	2 185 599	0.9%	712 239	709 018	-0.5%
Revenues from sales of distribution services to end users	1 933 726	1 985 233	2.7%	631 411	646 503	2.4%
Revenues from additional fees	2 556	2 897	13.3%	883	1 080	22.3%

Revenues from non-invoiced sales of distribution services	6 352	-1 123	-117.7%	925	1 542	66.7%
Clearing of the Balancing Market	29 008	20 547	-29.2%	15 669	542	-96.5%
Fees for customer grid connection	92 924	77 695	-16.4%	29 522	27 652	-6.3%
Revenues from the illegal collection of electricity	4 895	5 495	12.3%	1 050	1 324	26.1%
Revenues from services	72 086	73 222	1.6%	24 698	23 510	-4.8%
Sales of distribution services to other entities	20 548	18 732	-8.8%	6 915	5 901	-14.7%
Sales of goods and services and other revenues	3 487	2 901	-16.8%	1 166	964	-17.3%

Cost of sales

Data in PLN '000	9 months of 2012	9 months of 2013	Change	Q3 2012	Q3 2013	Change
Cost of sales	1 721 208	1 643 188	-4.5%	548 376	529 813	-3.4%
Depreciation and amortisation of fixed and intangible assets	281 506	281 942	0.2%	93 577	94 673	1.2%
Employee benefit costs	375 175	403 875	7.6%	109 058	122 333	12.2%
Consumption of materials and raw materials and value of goods sold	34 512	32 230	-6.6%	11 077	11 092	0.1%
Purchase of energy for own needs and grid losses	267 856	235 129	-12.2%	82 038	74 204	-9.5%
Costs of transmission services	533 856	452 080	-15.3%	177 425	150 101	-15.4%
Other external services	135 548	133 355	-1.6%	46 447	45 174	-2.7%
Taxes and charges	92 755	104 577	12.7%	28 754	32 236	12.1%

Financial revenues and expenses

Data in PLN '000	9 months of 2012	9 months of 2013	Change	Q3 2012	Q3 2013	Change
Financial revenue	4 056	4 207	3.7%	574	1 341	133.6%
Financial expenses	12 276	16 540	34.7%	3 347	5 598	67.3%

In the reporting periods of 2013 the result on the financial activity was lower in relation to the same period of the previous year, which stems from higher costs relating to financing from corporate bonds.

6.4. Presentation of financial results of ENEA Wytwarzanie for 9 months of 2013 and in Q3 2013

Profit and loss statement of ENEA Wytwarzanie

Data in PLN '000	9 months of 2012	9 months of 2013	Change	Q3 2012	Q3 2013	Change
Sales revenues	2 079 857	1 998 323	-3.9%	705 009	679 692	-3.6%
Excise tax	16	15	-6.3%	4	4	0.0%
Net sales revenues	2 079 841	1 998 308	-3.9%	705 005	679 688	-3.6%
Cost of sales	1 907 122	1 917 257	0.5%	668 283	612 749	-8.3%
Other operating revenue	33 582	26 296	-21.7%	5 630	4 209	-25.2%
Other operating expenses	12 515	8 967	-28.3%	8 988	2 978	-66.9%
Profit / loss on sales and liquidation of tangible fixed assets	-1 041	-2 590	-148.8%	-20	-850	-4150.0%
Operating profit/ loss	192 745	95 790	-50.3%	33 344	67 320	101.9%
Financial revenue	52 060	23 602	-54.7%	25 674	-6 741	-126.3%
Financial expenses	8 122	4 905	-39.6%	1 341	710	-47.1%
Dividend revenue	6 280	61 684	882.2%	0	0	0.0%
Gross profit / loss	242 963	176 171	-27.5%	57 677	59 869	3.8%
Net profit / loss	193 231	138 270	-28.4%	40 725	33 274	-18.3%
EBITDA	406 195	319 226	-21.4%	100 481	138 899	38.2%

Lower EBITDA in 9 months of 2013 in relation to the same period of the previous year stems mainly from:

- lower prices of electricity by ca. 10% with a concurrent growth in sales and production of electricity.
- lower market prices of certificates of origin by ca. 40% and lower recognition of certificates of origin.
- lower result on the other operating activity (mainly lower revenues from damages, penalties and fines).
- change relating to compensations for stranded costs - in 2012 a negative adjustment of revenues for 2008-2011, in 2013 recognition compliant with the Court's decision for 2009 in the amount of PLN 964 thou.
- coal inventory deficits in 2012.
- higher result on energy sold in trade and on sales of energy purchased on the Balancing Market.
- lower overheads (mainly: lower costs of renovation and costs of wholesale trade services).

Higher EBITDA in Q3 2013 in relation to the same period of the previous year stems mainly from:

- change relating to compensations for stranded costs (in Q3 2012 a negative adjustment of revenues from 2008-2011, in Q3 2013 the Company did not report any revenues by this title).
- In Q3 2012 coal inventory deficits.
- lower overheads (mainly lower costs of renovation and costs of wholesale trade services).
- higher result on energy sold in trade and on sales of energy purchased on the Balancing Market.
- higher result on the other operating activity (lower impairment of receivables and lower costs of repairing fortuitous events).
- lower prices of electricity by ca. 9% with a concurrent growth in sales and production of electricity.

Sales revenues

Data in PLN '000	9 months of 2012	9 months of 2013	Change	Q3 2012	Q3 2013	Change
Gross sales revenues	2 079 857	1 998 323	-3.9%	705 009	679 692	-3.6%
Revenues from the sale of electricity, including:	1 938 839	1 930 265	-0.4%	663 994	644 930	-2.9%
licence for generation	1 747 895	1 688 922	-3.4%	612 159	567 310	-7.3%
licence for trade	190 944	241 343	26.4%	51 835	77 620	49.7%
Revenues from certificates of origin	104 241	38 528	-63.0%	30 545	21 791	-28.7%
Revenues from sales of CO ₂ emission allowances	39 038	10 056	-74.2%	24 142	5 645	-76.6%
Revenues from the sale of heat	4 378	5 592	27.7%	1 086	1 293	19.1%
Recovery of stranded costs	-21 647	964	104.5%	-21 647	0	100.0%
Revenues from services	5 093	5 304	4.1%	1 752	1 944	11.0%
Sales of goods and services and other revenues	9 915	7 614	-23.2%	5 137	4 089	-20.4%

Cost of sales

Data in PLN '000	9 months of 2012	9 months of 2013	Change	Q3 2012	Q3 2013	Change
Cost of sales	1 907 122	1 917 257	0.5%	668 283	612 749	-8.3%
Depreciation and amortisation of fixed and intangible assets	213 450	223 436	4.7%	67 137	71 579	6.6%
Employee benefit costs	186 196	186 220	0.0%	61 794	58 675	-5.0%
Consumption of materials and raw materials and value of goods sold	1 128 786	1 105 388	-2.1%	414 360	349 458	-15.7%
Costs of purchases for resale	206 243	241 795	17.2%	58 998	78 260	32.6%
Other external services	124 826	107 625	-13.8%	49 645	37 806	-23.8%
Taxes and charges	47 621	52 793	10.9%	16 349	16 971	3.8%

Financial revenues and expenses

Data in PLN '000	9 months of 2012	9 months of 2013	Change	Q3 2012	Q3 2013	Change
Financial revenue	52 060	23 602	-54.7%	25 674	-6 741	-126.3%
Financial expenses	8 122	4 905	-39.6%	1 341	710	-47.1%

The Company generated lower financial revenues as a result of lower interest income on cash located on fixed time deposits (lower level of cash and lower interest rate on fixed term deposits). During 9 months of 2013 in relation to the same period of 2012 financial expenses decreased as a result of lower costs of employee benefits discount and lower costs of interest on loans.

Data in PLN '000	9 months of 2012	9 months of 2013	Change	Q3 2012	Q3 2013	Change
Dividend revenue	6 280	61 684	882.2%	0	0	0.0%

In the reporting period the Company generated higher revenues from dividends by PLN 55,404 thou. - mainly dividends from subsidiaries whose shares or stocks were transferred by ENEA S.A. within the integration of the generation area.



ENEA S.A.
ul. Górecka 1
60 - 201 Poznań

 +48 / 61 884 53 00
 +48 / 61 884 59 55
 enea@enea.pl