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TRANSLATION

OPINION OF THE INDEPENDENT AUDITOR

To the General Shareholders Meeting ENEA S.A.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the Group, whose parent entity is ENEA S.A. with its registered office in Poznań, Górecka 1 (“the Group”), which comprise the consolidated statement of financial position as at 31 December 2012, the consolidated profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, comprising a summary of significant accounting policies and other explanatory information.

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

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

According to the Accounting Act dated 29 September 1994 (Official Journal from 2009, No. 152, item 1223 with amendments) (“the Accounting Act”), Management of the Parent Entity and members of the Supervisory are required to ensure that the consolidated financial statements and the report on the Group’s activities are in compliance with the requirements set forth in the Accounting Act.

Auditor’s Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider

internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the accompanying consolidated financial statements of ENEA Group have been prepared and present fairly, in all material respects, the financial position of the Group as at 31 December 2012 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, and are in compliance with the respective regulations that apply to the consolidated financial statements, applicable to the Group.

Other Matters

The corresponding figures, after restatements, are based on the consolidated financial statements of the Group as of and for the year ended 31 December 2011, which were audited by another auditor who expressed an unqualified opinion on those consolidated financial statements on 10 April 2012.

Specific Comments on Other Legal and Regulatory Requirements

Report on the Group's Activities

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

On behalf of KPMG Audyt Sp. z o.o.
Registration No. 458
Chłodna 51
00-867 Warsaw

Signed on the Polish original

.....
Marek Gajdziński
Key Certified Auditor
Registration No. 90061
Partner, Proxy

11 March 2013



TRANSLATION

ENEA Group

**Supplementary report
on the audit of the
consolidated financial
statements
Financial Year ended
31 December 2012**

**The supplementary report contains 13 pages
The supplementary report on the audit of
consolidated financial statements
for the financial year ended
31 December 2012**

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1. General

1.1 Identification of the Group

1.1.1 Name of the Group

ENEA Group

1.1.2 Registered office of the Parent Company of the Group

Górecka 1
60-201 Poznań

1.1.3 Registration of the Parent Company in the National Court Register

Registration court:	District Court in Poznań, VIII Commercial Department of the National Court Register
Date:	21 May 2001
Registration number:	KRS 0000012483
Share capital as at the balance sheet date:	441.442.578 PLN

1.1.4. Management of the Parent Company

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

As at 31 December 2012, the Management Board of the Parent Company was comprised of the following members:

- Janusz Bil – Acting President of the Board, Member of the Board responsible for Commercial Matters,
- Hubert Rozpędek – Member of the Board responsible for Economic Matters,
- Krzysztof Zborowski – Member of the Board responsible for Energy Production.

On 24 February 2012, the Supervisory Board of ENEA S.A. appointed Mr. Janusz Bil to the position of the Member of the Board, effective from 19 March 2012.

On 1 October 2012 the Supervisory Board of ENEA S.A. dismissed Mr. Maciej Owczarek from the President of the Board position and appointed Mr. Janusz Bil as the Acting President of the Board till the date of appointment of a new President of the Board.

On 29 November 2012, the Supervisory Board of ENEA S.A. appointed Mr. Krzysztof Zamasz to the position of the President of the Board, effective from 1 January 2013.

On 11 January 2013 Mr. Krzysztof Zborowski resigned from the position of the Member of the Board.

1.2 Information about companies comprising the Group

1.2.1 Companies included in the consolidated financial statements

As at 31 December 2012, the following companies were consolidated by the Group:

Parent Company:

- ENEA S.A.

Subsidiaries consolidated on the full consolidation basis:

- DOBITT Energia Sp. z o.o.,
- Niepubliczny Zakład Opieki Zdrowotnej Centrum Uzdrowiskowe ENERGETYK Sp. z o.o.,
- ENERGOMIAR Sp. z o.o.,
- ENERGO-TOUR Sp. z o.o.,
- ITERWIS Sp. z o.o.,
- Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. w Obornikach,
- Miejska Energetyka Ciepła Piła Sp. z o.o.,
- Energetyka Poznańska Zakład Transportu Sp. z o.o.,
- ENEA Wytwarzanie S.A.,
- ENEA Operator Sp. z o.o.,
- ENEA Centrum S.A.,
- Elektrociepłownia Białystok S.A.
- Energetyka Poznańska Przedsiębiorstwa Usług Energetycznych Energobud Leszno Sp. z o.o.,
- BHU S.A.,
- ENEA Trading Sp. z o.o.,
- ENEOS Sp. z o.o.,
- Elektrownie Wodne Sp. z o.o.,
- Windfarm Polska Sp. z o.o.,
- „Ecebe” Sp. z o.o.,
- Hotel "EDISON" Sp. z o.o.,
- ENTUR Sp. z o.o.,
- Annacond Enterprises Sp. z o.o.

The following subsidiaries were consolidated for the first time during the year ended 31 December 2012, as a result of the Parent Company acquiring a controlling interest:

- Windfarm Polska Sp. z o.o. – subject to consolidation for the period from 16 April 2012 to 31 December 2012.

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

- Auto-Styl Sp. z o.o. – subject to consolidation for the period from 1 January 2012 to 3 December 2012.

1.3 Auditor information

1.3.1 Key Certified Auditor information

Name and surname: Marek Gajdziński
Registration number: 90061

1.3.2 Audit Firm information

Name: KPMG Audyt Sp. z o.o.
Address of registered office: ul. Chłodna 51, 00-867 Warsaw
Registration number: KRS 0000104753
Registration court: District Court for the Capital City of Warsaw in Warsaw,
XII Commercial Department of the National Court Register
Share capital: PLN 125,000
NIP number: 526-10-24-841

KPMG Audyt Sp. z o.o. is entered in the register of audit firms, maintained by the National Council of Certified Auditors, under number 458.

1.4 Prior period consolidated financial statements

The consolidated financial statements for the financial year ended 31 December 2011 were audited by Deloitte Audyt Sp. z o.o. and received an unqualified opinion.

The consolidated financial statements were approved at the General Shareholders Meeting of the Parent Entity on 29 June 2012.

The consolidated financial statements were submitted to the Registry Court on 4 July and were published in Monitor Polski B No. 2703 on 30 October 2012.

1.5 Audit scope and responsibilities

This report was prepared for the General Shareholders Meeting of ENEA S.A. with its registered office in Poznań, Górecka 1 and relates to the consolidated financial statements comprising: the consolidated statement of financial position as at 31 December 2012, the consolidated profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, comprising a summary of significant accounting policies and other explanatory information.

The consolidated financial statements have been audited in accordance with the contract dated 27 March 2012, concluded on the basis of the resolution of the Supervisory Board dated 20 December 2011 on the appointment of the auditor.

We conducted the audit in accordance with section 7 of the Accounting Act dated 29 September 1994 (Official Journal from 2009, No. 152, item 1223 with amendments) ("the Accounting Act"), National Standards on Auditing issued by the National Council of Certified Auditors, and International Standards on Auditing.

We audited the consolidated financial statements at the Group entities during the period from 25 February to 1 March 2013 and on 8 March 2013.

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

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

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

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

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

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

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

1.6.1 Parent Company

The separate financial statements of the Parent Company for the year ended 31 December 2012 were audited by KPMG Audyt Sp. z o.o. certified auditor number 458, and received an unqualified opinion.

1.6.2 Other consolidated entities

Entity's name	Authorised auditor	Financial year end	Type of auditor's opinion
DOBITT Energia Sp. z o.o.	Agencja Biegłych Rewidentów "ABR" Sp. z o.o.	31.12.2012	unqualified opinion
Niepubliczny Zakład Opieki Zdrowotnej Centrum Uzdrawiskowe Energetyk Sp. z o.o.	Biuro Audytorskie Prowizja Sp. z o.o.	31.12.2012	unqualified opinion
ENERGOMIAR Sp. z o.o.	Professional Auditing Services Małgorzata Ślebzak	31.12.2012	unqualified opinion with emphasis of matter
ENERGO-TOUR Sp. z o.o.	Poprawska i Kasztelan Biegli Rewidenci Spółka Partnerska	31.12.2012	unqualified opinion
ITSERWIS Sp. z o.o.	Debet Biuro Usług Finansowo-Księgowych Sp. z o.o.	31.12.2012	unqualified opinion
Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. w Obornikach	RSM Poland KZWS Audyt S.A.	31.12.2012	unqualified opinion
Miejska Energetyka Ciepła Piła Sp. z o.o.	DGA Audyt Sp. z o.o.	31.12.2012	unqualified opinion
Energetyka Poznańska Zakład Transportu Sp. z o.o.	Poprawska i Kasztelan Biegli Rewidenci Spółka Partnerska	31.12.2012	unqualified opinion
ENEA Wytwarzanie S.A.	KPMG Audyt Sp. z o.o.	31.12.2012	unqualified opinion
ENEA Operator Sp. z o.o.	KPMG Audyt Sp. z o.o.	31.12.2012	unqualified opinion
ENEA Centrum S.A.	KPMG Audyt Sp. z o.o.	31.12.2012	unqualified opinion
Elektrociepłownia Białystok S.A.	KPMG Audyt Sp. z o.o.	31.12.2012	in the course of audit
Energetyka Poznańska Przedsiębiorstwo Usług Energetycznych Energobud Leszno Sp. z o.o.	KPMG Audyt Sp. z o.o.	31.12.2012	unqualified opinion
BHU S.A.	KPMG Audyt Sp. z o.o.	31.12.2012	unqualified opinion
ENEA Trading Sp. z o.o.	KPMG Audyt Sp. z o.o.	31.12.2012	in the course of audit
ENEOS Sp. z o.o.	KPMG Audyt Sp. z o.o.	31.12.2012	unqualified opinion
Elektrownie Wodne Sp. z o.o.	KPMG Audyt Sp. z o.o.	31.12.2012	in the course of audit
Windfarm Polska Sp. z o.o.	KPMG Audyt Sp. z o.o.	31.12.2012	unqualified opinion
Energ-Inwest-Broker S.A.	KPMG Audyt Sp. z o.o.	31.12.2012	in the course of audit
Ecebe Sp. z o.o.	Firma Biegłych Rewidentów "Mazur i Partnerzy" Spółka z o.o.	31.12.2012	in the course of audit
Hotel "EDISON" Sp. z o.o.	not audited		
ENTUR Sp. z o.o.	not audited		
Annacond Enterprises Sp. z o.o.	not audited		

2 Financial analysis of the Group

2.1 Summary analysis of the consolidated financial statements

2.1.1 Consolidated statement of financial position

ASSETS	31.12.2012		31.12.2011	
	PLN '000	% of total	PLN '000	% of total
Non-current assets				
Property, plant and equipment	10 459 377	71.1	9 076 871	64.1
Perpetual usufruct of land	70 369	0.5	69 496	0.5
Intangible assets	201 357	1.4	102 312	0.7
Investment property	30 752	0.2	32 219	0.2
Investments in subsidiaries and associates	5 951	0.0	278 854	2.0
Deferred tax assets	175 081	1.2	198 650	1.4
Financial assets available for sale	66 735	0.5	70 490	0.5
Financial assets measured at fair value through profit or loss	1 504	0.0	1 557	0.0
Trade and other receivables	376	0.0	237	0.0
Total non-current assets	11 011 502	74.9	9 830 686	69.4
Current assets				
CO ₂ emission rights	194 622	1.3	246 722	1.7
Inventories	502 654	3.4	483 022	3.4
Trade and other receivables	1 449 314	9.9	1 091 531	7.7
Current income tax receivables	16 026	0.1	15 004	0.1
Financial assets held to maturity	5 135	0.0	531 883	3.8
Financial assets measured at fair value through profit or loss	422 173	2.9	723 439	5.1
Cash and cash equivalents	1 095 495	7.4	1 218 361	8.6
Non-current assets held for sale	13 541	0.1	21 503	0.2
Total current assets	3 698 960	25.1	4 331 465	30.6
TOTAL ASSETS	14 710 462	100.0	14 162 151	100.0

EQUITY AND LIABILITIES	31.12.2012	%	31.12.2011	%
	PLN '000	of total	PLN '000	of total
Equity				
Share capital	588 018	4.0	588 018	4.2
Share premium	3 632 464	24.7	3 632 464	25.6
Share-based payments reserve	1 144 336	7.8	1 144 336	8.1
Revaluation reserve	50 233	0.3	49 565	0.3
Other reserves	(21 317)	0.1	(21 710)	0.2
Retained earnings	5 521 833	37.5	5 058 001	35.7
Total equity attributable to equity holders of the parent entity	10 915 567	74.2	10 450 674	73.8
Non-controlling interest	22 721	0.2	29 088	0.2
Total equity	10 938 288	74.4	10 479 762	74.0
Liabilities				
Loans, borrowings and other debt securities	50 797	0.3	73 379	0.5
Finance lease liabilities	4 248	0.0	2 274	0.0
Deferred income due to subsidies and connection fees	659 627	4.5	671 814	4.7
Deferred tax liabilities	243 597	1.7	303 916	2.1
Liabilities due to employee benefits	542 511	3.7	454 363	3.2
Financial liabilities measured at fair value through profit or loss	-	-	1 451	0.0
Provisions for other liabilities and charges	247 724	1.7	152 046	1.1
Total non-current liabilities	1 748 504	11.9	1 659 243	11.7
Loans, borrowings and other debt securities	24 043	0.2	45 516	0.3
Trade and other payables	1 290 391	8.8	1 238 489	8.7
Finance lease liabilities	3 494	0.0	2 424	0.0
Deferred income due to subsidies and connection fees	92 831	0.6	113 207	0.8
Current income tax payable	58 782	0.4	52 301	0.4
Liabilities due to employee benefits	177 407	1.2	182 246	1.3
Liabilities due to an equivalent of the right to acquire shares free of charge	306	0.0	508	0.0
Financial liabilities measured at fair value through profit or loss	14	0.0	1 723	0.0
Provisions for other liabilities and charges	375 864	2.6	385 937	2.7
Liabilities classified as held for sale	538	0.0	795	0.0
Total current liabilities	2 023 670	13.8	2 023 146	14.3
Total liabilities	3 772 174	25.6	3 682 389	26.0
TOTAL EQUITY AND LIABILITIES	14 710 462	100.0	14 162 151	100.0

2.1.1. Consolidated profit or loss and other comprehensive income

PROFIT OR LOSS	1.01.2012 - 31.12.2012	% of total sales	1.01.2011 - 31.12.2011	% of total sales
	PLN '000		PLN '000	
Net sales revenue				
Sales revenue	10 290 519	101.9	9 936 906	102.4
Excise tax	(194 487)	1.9	(228 394)	2.4
	<u>10 096 032</u>	<u>100.0</u>	<u>9 708 512</u>	<u>100.0</u>
Operating expenses				
Other operating revenue	108 159	1.1	228 768	2.4
Depreciation	(749 737)	7.4	(682 813)	7.0
Cost of employee benefits	(1 009 467)	10.0	(1 010 673)	10.4
Consumption of materials and supplies and costs of goods sold	(1 906 931)	18.9	(1 773 649)	18.3
Energy purchase for sale	(4 075 607)	40.4	(4 116 226)	42.4
Transmission and distribution services	(714 451)	7.1	(713 880)	7.4
Other external services	(437 100)	4.3	(411 217)	4.2
Taxes and charges	(224 857)	2.2	(204 841)	2.1
Gain/(loss) on sale and liquidation of property, plant and equipment	(8 549)	0.1	(12 878)	0.1
Impairment loss on property, plant and equipment	(5 397)	0.1	(6 406)	0.1
Other operating expenses	(225 548)	2.2	(158 736)	1.6
	<u>(9 249 485)</u>	<u>93.8</u>	<u>(8 862 551)</u>	<u>96.0</u>
Results from operating activities	846 547	8.4	845 961	8.7
Financial expenses	(84 133)	0.8	(46 887)	0.5
Financial income	148 646	1.5	184 070	1.9
Impairment loss on goodwill	(5 921)	0.1	-	-
Dividend income	2 724	0.0	1 438	0.0
Share in profit of associates measured using the equity method	304	0.0	4 529	0.0
Profit before tax	908 167	9.0	989 111	10.2
Income tax expense	(196 558)	1.9	(195 183)	2.0
Net profit for the reporting period	<u>711 609</u>	<u>7.0</u>	<u>793 928</u>	<u>8.2</u>
OTHER COMPREHENSIVE INCOME				
<i>Items that are or may be reclassified to profit or loss</i>				
Net change in fair value of available-for-sale financial assets transferred to profit or loss	(12 243)	0.1	-	-
Net change in fair value of available-for-sale financial assets	15 626	0.2	(1 675)	0.0
Income tax	(2 713)	0.0	318	0.0
<i>Items that will not be reclassified to profit or loss</i>				
Net actuarial gains/(losses) on defined benefit plans	(60 888)	0.6	(1 737)	0.0
Other	7 400	0.1	-	-
Income tax	11 568	0.1	330	0.0
Net other comprehensive income	<u>(41 250)</u>	<u>0.4</u>	<u>(2 764)</u>	<u>0.0</u>
Total comprehensive income	<u>670 359</u>	<u>6.6</u>	<u>791 164</u>	<u>8.1</u>

2.2 Selected financial ratios

	2012	2011	2010
1. Return on sales			
<u>net profit x 100%</u> revenue	7.0%	8.2%	8.2%
2. Return on equity			
<u>net profit x 100%</u> equity - net profit	7.0%	8.2%	5.2%
3. Debtors turnover			
<u>average trade receivables (gross) x 365 days</u> revenue	37 days	33 days	37 days
4. Debt ratio			
<u>liabilities x 100%</u> equity and liabilities	25.6%	26.0%	23.8%
5. Current ratio			
<u>current assets</u> current liabilities	1.8	2.1	2.5

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

3 Detailed report

3.1 Accounting principles

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

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

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

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

3.2 Basis of preparation of the consolidated financial statements

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

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

3.3 Method of consolidation

The method of consolidation is described in note 3.2 of the notes to the consolidated financial statements.

3.4 Goodwill arising on consolidation

The method of calculating goodwill arising on consolidation is described in note 3.2 of the notes to the consolidated financial statements.

3.5 Consolidation of equity and calculation of non-controlling interest

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

Other equity items of the Group are determined by adding the equity balances of subsidiaries included in the consolidated financial statements in the proportion reflecting the Parent Company's share in the subsidiaries' equity as at the end of the reporting period to the corresponding positions of the equity of the Parent Company.

Only equity of subsidiaries arising after the Parent Company obtained control of the subsidiary is included in the equity of the Group.

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

3.6 Consolidation eliminations

Intercompany balances within the Group were eliminated on consolidation.

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

The consolidation eliminations were based on the accounting records of ENEA S.A. and subsidiary entities and agreed with information received from the subsidiaries.

3.7 Notes to the consolidated financial statements

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

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

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

On behalf of KPMG Audyt Sp. z o.o.
Registration No. 458
Chłodna 51
00-867 Warsaw

Signed on the Polish original

.....
Marek Gajdziński
Key Certified Auditor
Registration No. 90061
Partner, Proxy

11 March 2013