

**Extended consolidated quarterly report
of the ENEA S.A. Group
for the fourth quarter of 2008**

Poznań, 2 March 2009

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Selected consolidated financial information

	in thousands of PLN		in thousands of EUR	
	12 months ended	12 months ended	12 months ended	12 months ended
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Net revenues	6 149 484	5 445 804	1 741 028	1 441 910
Operating profit/loss	234 479	76 341	66 385	20 213
Profit/ loss before taxation	265 967	109 083	75 300	28 882
Net profit/loss for the reporting period	194 154	521 676	54 968	138 126
Net cash generated from operating activities	825 572	650 469	233 734	172 228
Net cash generated from investing activities	(899 605)	232 914	(254 694)	61 670
Net cash generated from financing activities	1 753 900	(294 310)	496 560	(77 926)
Net total cash flow	1 679 867	589 073	475 600	155 971
Weighted average number of ordinary shares	359 016 443	250 042 308	359 016 443	250 042 308
Net profit per share (in PLN per share)	0.54	2.09	0.15	0.55
Diluted profit per share (in PLN/EUR per share)	0.54	2.09	0.15	0.55
	As at	As at	As at	As at
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Total assets	11 976 891	9 816 186	2 870 504	2 740 420
Liabilities and provisions for liabilities	2 970 888	3 049 811	712 033	851 427
Non-current liabilities	1 510 867	1 387 190	362 110	387 267
Current liabilities	1 460 021	1 662 621	349 924	464 160
Equity	9 006 003	6 766 375	2 158 471	1 888 994
Ordinary shares	588 018	494 796	140 930	138 134
Net book value per share (in PLN/EUR)	25.09	27.06	6.01	7.55
Diluted net book value per share (in PLN/EUR)	25.09	27.06	6.01	7.55

The above financial information for the fourth quarter of 2008 and 2007 was translated into EUR according to the following rules:

- balance sheet items were translated using the average NBP exchange rate as at 31 December 2008 – 4.1724 PLN/EUR (as at December 2007 - 3.5820 PLN/EUR)
- income statement and cash flow statement items were translated into EUR using the exchange rate being an arithmetic average of the average NBP exchange rates for the last day of each month of a reporting period from 1 January to 31 December 2008 - 3.5321 PLN/EUR (for the period from 1 January to 31 December 2007 - 3.7768 PLN/EUR).

**Condensed interim consolidated
financial statements
of the ENEA S.A. Group
for the fourth quarter of 2008**

Poznań, 2 March 2009

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ENEA S.A. Group

Condensed interim consolidated financial statements for the fourth quarter of 2008
These condensed interim consolidated financial statements were not audited.

These condensed interim consolidated financial statements were prepared according to the International Financial Reporting Standard IAS 34 *Interim Financial Reporting*, which was approved by the European Union and which was adopted by the Management Board of ENEA S.A.

Members of the Management Board

President of the Management Board **Paweł Mortas**

Member of the Management Board **Marek Hermach**

Member of the Management Board **Czesław Koltermann**

Member of the Management Board **Sławomir Jankiewicz**

Member of the Management Board **Piotr Koczorowski**

Member of the Management Board **Marek Malinowski**

Poznań, 2 March 2009

ENE S.A. Group

Condensed interim consolidated financial statements for the fourth quarter of 2008

These condensed interim consolidated financial statements were not audited.

*(all amounts are stated in PLN thousand, unless otherwise stated)***Consolidated balance sheet**

	As at	
	31.12.2008	31.12.2007
ASSETS		
Non-current assets		
Tangible fixed assets	7 944 816	7 871 161
Perpetual usufruct right	15 321	13 366
Intangible assets	36 606	40 518
Investment properties	5 034	4 332
Investments in associates accounted for using the equity method	189 941	5 207
Available-for-sale financial assets	8 965	14 981
Financial assets at fair value through profit or loss	1 033	1 379
Trade and other receivables	2 316	129
	8 204 032	7 951 073
Current assets		
Inventories	269 845	149 065
Trade and other receivables	772 129	715 110
Current income tax assets	4 679	7 531
Available-for-sale financial assets	4 806	3 292
Held-to-maturity investments	100 741	49 323
Cash and cash equivalents	2 620 659	940 792
	3 772 859	1 865 113
TOTAL ASSETS	11 976 891	9 816 186

ENEA S.A. Group

Condensed interim consolidated financial statements for the fourth quarter of 2008
 These condensed interim consolidated financial statements were not audited.

(all amounts are stated in PLN thousand, unless otherwise stated)

	As at	
	31.12.2008	31.12.2007
LIABILITIES		
Equity		
Equity attributable to equity holders of the Parent Company		
Ordinary shares	588 018	494 796
Treasury shares	(17 396)	-
Share premium	3 632 464	1 801 078
Share based payments reserve	1 144 336	901 110
Financial instruments revaluation reserve	(1 099)	-
Other reserves	(28 226)	-
Retained earnings	3 656 828	3 566 227
	8 974 925	6 763 211
Minority interest in equity	31 078	3 164
Total equity	9 006 003	6 766 375
Liabilities		
Non-current liabilities		
Borrowings	152 785	184 376
Trade and other payables	708	19
Finance lease liabilities	1 515	453
Deferred income from subsidies and connections' fee	767 514	684 593
Deferred tax liabilities	116 338	170 747
Employee benefits	438 796	335 766
Provisions for other liabilities and charges	33 211	11 236
	1 510 867	1 387 190
Current liabilities		
Borrowings	52 605	69 244
Trade and other payables	861 627	787 702
Finance lease liabilities	877	296
Deferred income from subsidies and connections' fee	26 079	28 426
Current tax liabilities	18 703	22 945
Employee benefits	129 880	102 023
Liabilities due to cash settled share based payments	163 799	514 920
Provision for certificates of origin	101 374	66 638
Provisions for other liabilities and charges	105 077	70 427
	1 460 021	1 662 621
Total liabilities	2 970 888	3 049 811
TOTAL EQUITY AND LIABILITIES	11 976 891	9 816 186

The consolidated balance sheet should be read together with explanatory notes which are an integral part of the condensed interim consolidated financial statements

ENEA S.A. Group

Condensed interim consolidated financial statements for the fourth quarter of 2008

These condensed interim consolidated financial statements were not audited.

*(all amounts are stated in PLN thousand, unless otherwise stated)***Consolidated income statement**

	12 months ended 31.12.2008	3 months ended 31.12.2008	12 months ended 31.12.2007	3 months ended 31.12.2007
Revenues	6 367 728	1 672 687	5 508 919	1 696 432
Excise tax	(218 244)	(49 491)	(63 115)	(63 115)
Net revenues	6 149 484	1 623 196	5 445 804	1 633 317
Other operating income	60 324	11 301	69 020	28 808
Amortization and depreciation	(631 364)	(152 199)	(470 557)	(163 308)
Employee benefits	(929 458)	(224 511)	(626 981)	(195 994)
Consumption of raw materials and cost of merchandise sold	(1 222 340)	(239 975)	(467 631)	(280 423)
Cost of energy sold	(1 893 710)	(606 985)	(2 644 120)	(662 475)
Transmission services	(670 930)	(111 997)	(806 395)	(212 409)
Other external services	(348 004)	(146 974)	(187 831)	(74 558)
Taxes and charges	(159 478)	(40 515)	(154 539)	(33 048)
Profit/(Loss) on sales and liquidation of tangible fixed assets	(9 340)	(5 265)	(7 149)	(7 296)
Other operating expenses	(110 705)	(26 556)	(73 280)	(25 360)
Operating profit	234 479	79 520	76 341	7 254
Financial costs	(61 797)	(35 019)	(12 387)	(5 260)
Financial income	92 871	32 511	44 982	23 221
Share of profits/(loses) of equity accounted investees	414	(107)	147	304
Profit before tax	265 967	76 905	109 083	25 519
Income tax	(71 813)	(18 752)	412 593	(579)
Net profit for the reporting period	194 154	58 153	521 676	24 940
attributable to:				
Equity holders of the Parent Company	194 148	58 098	521 514	25 041
Minority interest	6	55	162	(101)
Net profit attributable to shareholders of Parent Company	194 148	58 098	521 514	25 041
Weighted average number of ordinary shares	359 016 443	394 048 249	250 042 308	334 456 899
Net profit per share (in PLN per share)	0.54	0.15	2.09	0.07
Diluted profit per share (in PLN per share)	0.54	0.15	2.09	0.07

The consolidated income statement should be read together with explanatory notes which are an integral part of the condensed interim consolidated financial statements

ENEA S.A. Group

Condensed interim consolidated financial statements for the fourth quarter of 2008

These condensed interim consolidated financial statements were not audited.

*(all amounts are stated in PLN thousand, unless otherwise stated)***Consolidated statement of changes in equity**

	Share capital (nominal value)	Revaluation of share capital	Total share capital	Treasury shares	Share based payments reserve	Share premium	Financial instruments revaluation reserve	Other	Retained earnings	Equity attributable to the minority interest	Total equity
As at 01.01.2008	348 221	146 575	494 796	-	901 110	1 801 078	-	-	3 566 227	3 164	6 766 375
Net profit for the reporting period									194 148	6	194 154
Revaluation of available-for-sale financial assets							(1 099)				(1 099)
Sale of available-for-sale financial assets									(1 552)		(1 552)
Total recognized income and losses for the period							(1 099)		192 596	6	191 503
Dividends									(112 589)	(269)	(112 858)
Redemption of shares	(10 594)		(10 594)						10 594		
Conversion of cash equivalents into shares					224 042						224 042
Change in fair value of share based payments program					19 184						19 184
Increase in share capital	103 816		103 816			1 836 419					1 940 235
Treasury shares acquired under stabilization option				(17 396)							(17 396)
Acquisition of subsidiaries								(28 226)		28 226	
Other						(5 033)				(49)	(5 082)
As at 31.12.2008	441 443	146 575	588 018	(17 396)	1 144 336	3 632 464	(1 099)	(28 226)	3 656 828	31 078	9 006 003

ENEA S.A. Group

Condensed interim consolidated financial statements for the fourth quarter of 2008

These condensed interim consolidated financial statements were not audited.

(all amounts are stated in PLN thousand, unless otherwise stated)

		Share capital (nominal value)	Revaluation of share capital	Total share capital	Share premium	Share based payments reserve	Financial instruments revaluation reserve	Retained earnings	Equity attributable to the minority interest	Total equity
As at	01.01.2007	221 595	146 575	368 170	-	901 110	-	3 088 596	6 002	4 363 878
	Sale of available-for-sale financial assets							1 552		1 552
	Net profit for the reporting period							521 514	162	521 676
	Total recognized income and losses for the period							523 066	162	523 228
	Increase in share capital	126 626		126 626	1 801 078					1 927 704
	Change of ownership								(2 195)	(2 195)
	Dividends							(45 435)	(805)	(46 240)
As at	31.12.2007	348 221	146 575	494 796	1 801 078	901 110	-	3 566 227	3 164	6 766 375

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Condensed interim consolidated financial statements for the fourth quarter of 2008
 These condensed interim consolidated financial statements were not audited.

(all amounts are stated in PLN thousand, unless otherwise stated)

Consolidated cash flow statement

	12 months ended 31.12.2008	12 months ended 31.12.2007
Cash flows from operating activities		
Net profit for the reporting period	194 154	521 676
Adjustments for:		
Income tax as per income statement	71 813	(412 593)
Amortization and depreciation	631 364	470 557
Share based payments expense	19 433	-
(Profit)/Loss on sales and liquidation of tangible fixed assets	9 340	7 149
Impairment loss on tangible fixed assets	7 784	-
(Profit)/Loss on sales of financial assets	(1 469)	(1 683)
Interest income	(89 784)	(43 963)
Dividend income	(478)	-
Interest expense	15 673	9 316
Share in (profit)/losses of equity accounted investees	(414)	(147)
Exchange gains on borrowings	13 962	(1 497)
Other adjustments	(494)	2 869
	676 730	30 008
Income tax paid	(126 108)	(130 018)
Interest received	82 227	47 484
Interest paid	(16 515)	(9 261)
Changes in working capital		
Inventories	(114 157)	(2 811)
Trade and other receivables	(68 771)	31 973
Trade and other payables	39 883	(8 921)
Employee benefits	128 239	71 252
Deferred income from subsidies and connections' fee	66 283	19 786
Provision for certificates of origin	34 728	61 515
Liabilities due to cash settled share based payments	(127 328)	-
Provisions for other liabilities and charges	56 207	17 786
	15 084	190 580
Net cash generated from operating activities	825 572	650 469
Cash flows from investing activities		
Acquisition of tangible and intangible fixed assets	(631 765)	(334 092)
Proceeds from sales of tangible fixed assets	19 043	15 182
Acquisition of financial assets	(49 444)	-
Proceeds from sales of financial assets	3 722	191 615
Purchase of subordinated company	(241 672)	360 305
Dividends received	1 322	-
Other outflows	(811)	(96)
Net cash generated from investing activities	(899 605)	232 914
Cash flows from financing activities		
Proceeds from borrowings	2 924	977
Repayment of borrowings	(67 859)	(253 832)
Dividends paid to the Parent Company's shareholders	(100 629)	(39 828)
Outflows related to financial lease liabilities	(2 339)	(1 378)
Net inflows from issue of shares	1 940 235	-
Treasury shares under stabilization option	(17 396)	-
Other changes	(1 036)	(249)
Net cash generated from financing activities	1 753 900	(294 310)
Net increase/ (decrease) in cash and cash equivalents	1 679 867	589 073
Cash and cash equivalents at the beginning of the reporting period	940 792	351 719
Cash and cash equivalents at the end of the reporting period	2 620 659	940 792

The consolidated cash flow statement should be read together with explanatory notes which are an integral part of the condensed interim consolidated financial statements

ENEA S.A. Group

Condensed interim consolidated financial statements for the fourth quarter of 2008
These condensed interim consolidated financial statements were not audited.

(all amounts are stated in PLN thousand, unless otherwise stated)

Notes to the condensed interim consolidated financial statements**1. General information on ENEA S.A. and the ENEA S.A. Group**

Company name:	ENEA Spółka Akcyjna
Legal form:	joint-stock company (spółka akcyjna)
Country of jurisdiction:	The Republic of Poland
Seat:	Poznań
Address:	ul. Nowowiejskiego 11, 60-967 Poznań
National Court Register – District Court in Poznań	KRS 0000012483
Telephone number:	(+48 61) 856 10 00
Fax number:	(+48 61) 856 11 17
E-mail:	enea@enea.pl
Web site:	www.enea.pl
REGON:	630139960
NIP:	777-00-20-640

ENEA S.A. Group's ("the Group") main activities are:

- production of electric energy (Elektrownia "Kozienice" S.A., Elektrownie Wodne Sp. z o.o.),
- electricity trading (ENEA S.A.),
- distribution of electric energy (ENEA Operator Sp. z o.o.).

As at 31 December 2008 the shareholder structure of the Parent Company is as follows (taking into consideration the increase in share capital which resulted from the initial public offer, registered on 13 January 2009): the State Treasury of the Republic of Poland 76.48% of shares, Vattenfall AB 18.67%, ENEA S.A. 0.26% (shares bought during a stabilization option), other shareholders 4.59%.

As at 31 December 2008 the Group comprised of the Parent Company ENEA S.A. ('the Parent Company', 'the Company'), 25 subsidiaries, 3 associated companies and 1 joint venture.

The condensed interim consolidated financial statements were prepared under the assumption of going concern in a foreseeable future. There are no circumstances indicating that the going concern of the Company is threatened.

2. Conformity statement

The condensed interim consolidated financial statements were prepared in accordance with the International Financial Reporting Standard adopted by the European Union ("IFRS EU") IAS 34 "Interim Financial Reporting" and was approved by the Management Board of ENEA S.A.

ENEA S.A. Group

Condensed interim consolidated financial statements for the fourth quarter of 2008
These condensed interim consolidated financial statements were not audited.

(all amounts are stated in PLN thousand, unless otherwise stated)

The Management Board of the Parent Company has used its best knowledge as to the application of standards and interpretations as well as valuation methods and principles applicable to the individual items of the condensed interim consolidated financial statements of the ENEA S.A. Group in accordance with IFRS EU as at 31 December 2008. The statements and related notes were prepared with due care. These condensed interim consolidated financial statements were not audited.

3. Description of significant accounting policies

These condensed interim consolidated financial statements were prepared in accordance with accounting policies consistent with those applied during the preparation of the annual consolidated financial statements for the period ended 31 December 2007 except for changes of standards and interpretations approved by the European Union, which apply to the annual periods starting after 1 January 2007.

Accounting policies applied by the Group were presented in the consolidated financial statements of ENEA S.A. Group as at and for the six month period ended 30 June 2008.

The reporting and measurement currency of these condensed interim consolidated financial statements is the Polish zloty. The data presented in the condensed interim consolidated financial statements are presented in PLN thousand unless otherwise stated.

These condensed interim consolidated financial statements should be read together with the consolidated financial statements of ENEA S.A. Group as at and for the six month period ended 30 June 2008.

4. New accounting standards and interpretations

For annual periods, which start after 1 January 2008 or subsequent periods new standards approved by the European Union are applicable. The Group has not exercised its right to an earlier application of these Standards:

- **Revised IFRS 2 - Share-based payments**

The Group has not yet completed the analysis of the impact of the revised standard on the consolidated financial statements of the Group.

- **IFRS 8 - Operating Segments**

The Group does not expect the standard to have a significant impact on the presentation and information disclosure on operating segments in the consolidated financial statements.

- **Revised IAS 1 – Presentation of Financial Statements**

The Group has not yet completed the analysis of the impact of the revised standard on the consolidated financial statements of the Group.

ENEA S.A. Group

Condensed interim consolidated financial statements for the fourth quarter of 2008
These condensed interim consolidated financial statements were not audited.

(all amounts are stated in PLN thousand, unless otherwise stated)

- **Revised IAS 23 – Borrowing Costs**

The Group has not yet completed the analysis of the impact of the revised standard on the consolidated financial statements of the Group.

- **Revised IAS 32 – Financial Instrument – Presentation and IAS 1 Presentation of Financial Statements**

The Group has not yet completed the analysis of the impact of the revised standard on the consolidated financial statements of the Company.

- **Improvements to International Financial Reporting Standards 2008**

The Group has not yet completed its analysis of the impact of these improvements.

- **IFRIC 13 – Loyalty Programmes**

The Group does not expect the interpretation to have any impact on the consolidated financial statements.

For reporting periods starting after 1 January 2008 or subsequent periods there are certain standards and interpretations which still await the approval of the European Union.

- **Revised IAS 27 – Consolidated and Separate Financial Statements**

The Group has not yet completed the analysis of the impact of the revised standard on the consolidated financial statements of the Group.

- **Amendments to IFRS 1 – First-time Adoption of International Financial Reporting Standards**

This change does not have an impact on the financial statements of the Group.

- **Amendments to IFRS 3 – Business combinations**

The Group has not yet completed the analysis of the impact of the revised standard on the consolidated financial statements of the Group.

- **Amendments to IFRS 1 and IAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate**

The Group has not yet completed its analysis of the impact of the amendments on the consolidated financial statements of the Group.

- **Revised IAS 39 – Financial Instruments: Recognition and Measurement**

The Group has not yet completed its analysis of the impact of the amendments on the consolidated financial statements of the Group.

ENEA S.A. Group

Condensed interim consolidated financial statements for the fourth quarter of 2008
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(all amounts are stated in PLN thousand, unless otherwise stated)

- **IFRIC 15 - Agreements for the Construction of Real Estate**

IFRIC 15 is not relevant to the Group's operations as the Group has not provided services of the construction of real estate.

- **IFRIC 16 - Hedges of a Net Investment in a Foreign Operation**

IFRIC 16 is not relevant to the Group's operations as the Group does not own any shares in foreign entities.

- **IFRIC 17 - Distributions of Non—cash Assets to Owners**

Because of the fact, that the interpretation is applied to the future periods it will not have an impact on the financial statements for periods before its first application. Moreover because the interpretation relates to future dividend payments, which are subject to the decision of the Management Board/ General Meeting of Shareholders it is not possible to assess in advance its influence on the financial statements.

- **IFRIC 18 – Assets Received from Customers**

The Group has not yet completed the analysis of the impact of the revised standard on the consolidated financial statements of the Group.

5. Critical accounting estimates and judgments

The preparation of condensed interim consolidated financial statements in conformity with IFRS EU requires the Management to make judgments, estimates and assumptions that affect the application of adopted accounting policies and the reported amounts in the condensed interim consolidated financial statements and notes thereto. Accounting estimates and judgments are based on the best knowledge of the Management in relation to the present and future events and activities. Actual results, however, may differ from these estimates.

6. Group structure – list of subsidiaries, associates and joint venture

No.	Entity's name and address	Share of ENEA S.A. in the total votes in % 31.12.2008	Share of ENEA S.A. in the total votes in % 31.12.2007
1.	ENERGOMIAR Sp. z o.o. Poznań, ul. Strzeszyńska 58	100	100
2.	BHU S.A. Poznań, ul. Strzeszyńska 58	87.97	87.77
3.	Energetyka Poznańska Biuro Usług Technicznych S.A. Poznań, ul. Strzeszyńska 58	100	100
4.	Energetyka Poznańska Hotel „EDISON” Sp. z o.o. Baranowo k/Poznania	100	100
5.	Energetyka Wysokich i Najwyższych Napięć „EWiNN” Sp. z o.o. Poznań, ul. Strzeszyńska 58	100	100
6.	Energetyka Poznańska Zakład Transportu Sp. z o.o. Poznań, ul. Strzeszyńska 58	100	100
7.	COGEN Sp. z o.o. Poznań, ul. Nowowiejskiego 11	100	95

ENEA S.A. Group

Condensed interim consolidated financial statements for the fourth quarter of 2008

These condensed interim consolidated financial statements were not audited.

(all amounts are stated in PLN thousand, unless otherwise stated)

8.	Energopartner Sp. z o.o. <i>Poznań, ul. Warszawska 43</i>	100	100
9.	Energetyka Poznańska Przedsiębiorstwo Usług Energetycznych Energobud Leszno Sp. z o.o. <i>Lipno, Gronówko 30</i>	100	99.05
10.	Energetyka Poznańska Zakład Obsługi Socjalnej ENERGO-TOUR Sp. z o.o. <i>Poznań, ul. Marcinkowskiego 27</i>	99.92	99.92
11.	ENEOS Sp. z o.o. <i>Szczecin, ul. Ku Słońcu 34</i>	100	100
12.	ENTUR Sp. z o.o. <i>Szczecin, ul. Malczewskiego 5/7</i>	100	100
13.	Niepubliczny Zakład Opieki Zdrowotnej Centrum Rehabilitacyjno – Wczasowe ENERGETYK Sp. z o.o. <i>Inowrocław, ul. Wilkońskiego 2</i>	99.92	99.92
14.	STEREN Sp. z o.o. <i>Bydgoszcz, ul. Lenartowicza 33-35</i>	100	100
15.	Elektrownie Wodne Sp. z o.o. <i>Samociążek, 86-010 Koronowo</i>	100	100
16.	Zakład Usług Przewozowych ENERGOTRANS Sp. z o.o. <i>Gorzów Wlkp., ul. Energetyków 4</i>	100	100
17.	Zakład Usług Motoryzacyjnych ENERGOAUTO Sp. z o.o. <i>Gorzów Wlkp., ul. Energetyków 4</i>	-	100
18.	IGG Zachód Sp. z o.o. w likwidacji (in liquidation) <i>Zielona Góra, ul. Zacisze 15</i>	-	50.35
19.	„PWE Gubin” Sp. z o.o. Sękowice 100 gm. Gubin	50	-
20.	Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. w Obornikach Oborniki, ul. Wybudowanie 56	87.99	-
21.	Zakład Usług Teleinformatycznych ZZE S.A. „IT Serwis” Sp. z o.o. <i>Zielona Góra, ul. Zacisze 28</i>	100	100
22.	Zakład Handlowo – Usługowy „Auto – Styl” Zielonogórskich Zakładów Energetycznych S.A. Sp. z o.o. <i>Zielona Góra, ul. Zacisze 15</i>	100	100
23.	FINEA Sp. z o.o. <i>Poznań, ul. Warszawska 43</i>	100	100
24.	Przedsiębiorstwo Energetyki Ciepłej –Gozdnica Sp. z o.o. <i>Gozdnica, ul. Świerczewskiego 30</i>	100	50.35
25.	ENEA Operator Sp. z o.o. <i>Poznań, ul. Strzeszyńska 58</i>	100	100
26.	Elektrownia „Kozienice” S.A. <i>Świerże Górne, gmina Kozienice, Kozienice 1</i>	100	100
27.	Miejska Energetyka Ciepła Sp. z o.o. w Pile <i>64-920 Piła, ul. Kaczorska 20</i>	64.997	-
28.	Kozienice II Sp. z o.o. <i>Świerże Górne, gmina Kozienice, Kozienice 2</i>	100	-
29.	Przedsiębiorstwo Produkcji Strunobetonowych Żerdzi Wirowanych WIRBET S.A. <i>Ostrów Wlkp., ul. Chłapowskiego 51</i>	49	49
30.	Przedsiębiorstwo Energetyki Ciepłej w Śremie S.A. <i>Śrem, ul. Staszica 6</i>	41.65	-
31.	Elektrociepłownia Białystok S.A. <i>Białystok, ul. Gen. Andersa 3</i>	30.36	-

ENEA S.A. Group

Condensed interim consolidated financial statements for the fourth quarter of 2008
These condensed interim consolidated financial statements were not audited.

(all amounts are stated in PLN thousand, unless otherwise stated)

Changes in the Group's structure occurred in the reporting period presented in the condensed interim consolidated financial statements

On 8 August 2008 ENEA S.A. and Elektrownia „Kozienice” S.A. signed an agreement on the establishment of a new company - Kozienice II Sp. z o.o. seated in Świerże Górne. According to the agreement 30 % of shares were acquired by ENEA S.A. and 70% by Elektrownia „Kozienice” S.A. The company was established to build a new power unit. The company was established for a definite period. The agreement will expire after all activities related to realisation of the project are finished. Kozienice II Sp. z o.o. was registered in the National Court Register on 7 October 2008 under the number KRS 0000315037.

On 8 September 2008 ENEA S.A. and Kopalnia Węgla Brunatnego „KONIN” w Kleczewie S.A. („KWB Konin”) formed a new company PWE Gubin Sp. z o.o. The main activity of the new company is mining of brown coal. The newly created company is a joint venture, in which ENEA and KWB Konin obtained 50% of shares each. The company was registered in the National Court Register on 13 November 2008 under the number KRS 0000317521.

On 6 October 2008 the Extraordinary Shareholders Meeting of two subsidiaries of ENEA S.A. i.e. Zakład Usług Przewozowych Energotrans Sp. z o.o. („Energotrans”) and Zakład Usług Motoryzacyjnych Energoauto Sp. z o.o. („Energoauto”) adopted a resolution on the merger of these two companies by transfer of net assets of Energoauto to Energotrans. The business combination was registered in the National Court Register on 31 October 2008.

On 3 December 2008 the Extraordinary Shareholders Meeting of Finea Sp.z o.o. by force of Resolution No. 1 increased the share capital of the company by PLN 423 000 i.e. to the amount of PLN 5 323 000. All new shares were covered by the sole shareholder ENEA S.A. They were covered by contribution - a part of liabilities due to ENEA S.A.

On 3 December 2008 ENEA S.A. acquired 100 ordinary registered shares of BHU S.A. from EP Biuro Usług Technicznych S.A. and 100 ordinary registered shares of BHU S.A. from EP Zakład Transportu Sp. z o.o. ENEA S.A. holds currently 89 184 shares of BHU S.A. of a value of PLN 100 each - this comprises 87.97% of the share capital.

On 22 December 2008 ENEA S.A. acquired 100 shares of COGEN Sp. z o.o. from Baltic Sustainable Technology B.V. and thus ENEA S.A. became the sole shareholder.

On 11 December 2008 ENEA S.A. acquired from the Commune of Oborniki 9 120 shares of Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. seated in Oborniki of a nominal value PLN 500 each for the total amount of PLN 11,628 thousand. These shares constitute 87.99% of the share capital of the company.

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These condensed interim consolidated financial statements were not audited.

(all amounts are stated in PLN thousand, unless otherwise stated)

On 29 December 2008 ENEA S.A. acquired from the Commune of Piła 17 375 shares of Miejska Energetyka Ciepła Sp. z o.o. seated in Piła of a nominal value PLN 1 000 each for the total amount of PLN 48,650 thousand. These shares constitute 64.997% of the share capital of the company.

On 18 December 2008 ENEA S.A. acquired from the State Treasury of the Republic of Poland 6 860 A series ordinary registered shares of Przedsiębiorstwo Energetyki Ciepłej w Śremie S.A. seated in Śrem of a nominal value of PLN 1 000 each for the total amount of PLN 9,055 thousand. These shares constitute 41.65% of the share capital of the company.

On 30 December 2008 ENEA S.A. acquired from the State Treasury of the Republic of Poland 560 000 A series ordinary registered shares of Elektrociepłownia Białystok S.A. seated in Białystok for the total amount of PLN 173.600 thousand. These shares constitute 30.36 % of the share capital of the company.

On 16 October 2008 IGG Zachód Sp. z o.o. w likwidacji (in liquidation) was removed from the court register.

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These condensed interim consolidated financial statements were not audited.

*(all amounts are stated in PLN thousand, unless otherwise stated)***7. Segmental information**

Segment results for the period from 1.01.2008 to 31.12.2008 are as follows:

	Trade	Distribution	Production	Other activities	Eliminations	Group
Net revenues	3 393 620	2 278 735	194 541	282 588	-	6 149 484
Net inter-segment revenues	287 027	-	1 531 763	454 758	(2 273 548)	-
Total net revenues	3 680 647	2 278 735	1 726 304	737 346	(2 273 548)	6 149 484
Total costs*	(3 456 711)	(2 200 114)	(1 666 385)	(730 201)	2 260 037	(5 793 374)
Segment result	223 936	78 621	59 919	7 145	(13 511)	356 110
Unallocated costs of the Group (administration and general expenses)						(121 631)
Operating profit						234 479
Financial costs						(61 797)
Financial income						92 871
Net share in profits/(losses) of associates						414
Income tax						(71 813)
Net profit						194 154
Minority interest						6

Segment results for the period from 1.10.2008 to 31.12.2008 are as follows:

	Trade	Distribution	Production	Other activities	Eliminations	Group
Net revenues	948 852	567 484	16 253	90 607	-	1 623 196
Net inter-segment revenues	112 290	-	380 867	158 986	(652 143)	-
Total net revenues	1 061 142	567 484	397 120	249 593	(652 143)	1 623 196
Total costs*	(966 509)	(584 627)	(386 003)	(239 266)	648 366	(1 528 039)
Segment result	94 633	(17 143)	11 117	10 327	(3 777)	95 157
Unallocated costs of the Group (administration and general expenses)						(15 637)
Operating profit						79 520
Financial costs						(35 019)
Financial income						32 511
Net share in profits/(losses) of associates						(107)
Income tax						(18 752)
Net profit						58 153
Minority interest						55

* - including other operating income and expenses

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Condensed interim consolidated financial statements for the fourth quarter of 2008

These condensed interim consolidated financial statements were not audited.

*(all amounts are stated in PLN thousand, unless otherwise stated)***Segmental information (cont.)**

Segment results for the period from 1.01.2007 to 31.12.2007 are as follows:

	Trade	Distribution	Production	Other activities	Eliminations	Total
Net revenues	2 614 661	2 206 634	332 583	291 926	-	5 445 804
Net inter-segment revenues	147 602	277	151 596	387 188	(686 663)	-
Total net revenues	2 762 263	2 206 911	484 179	679 114	(686 663)	5 445 804
Total costs*	(2 688 666)	(2 130 928)	(472 385)	(640 929)	679 790	(5 253 118)
Segment result	73 597	75 983	11 794	38 185	(6 873)	192 686
Unallocated costs of the Group (administration and general expenses)						(116 345)
Operating profit						76 341
Financial costs						(12 387)
Financial income						44 982
Net share in profits/(losses) of associates						147
Income tax						412 593
Net profit						521 676
Minority interest						162

Segment results for the period from 1.10.2007 to 31.12.2007 are as follows:

	Trade	Distribution	Production	Other activities	Eliminations	Total
Net revenues	693 394	575 417	332 583	31 923	-	1 633 317
Net inter-segment revenues	26 111	277	151 596	194 299	(372 283)	-
Total net revenues	719 505	575 694	484 179	226 222	(372 283)	1 633 317
Total costs*	(703 111)	(567 455)	(472 385)	(217 302)	371 930	(1 588 323)
Segment result	16 394	8 239	11 794	8 920	(353)	44 994
Unallocated costs of the Group (administration and general expenses)						(37 740)
Operating profit						7 254
Financial costs						(5 260)
Financial income						23 221
Net share in profits/(losses) of associates						304
Income tax						(579)
Net profit						24 940
Minority interest						(101)

* - including other operating income and expenses

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These condensed interim consolidated financial statements were not audited.

*(all amounts are stated in PLN thousand, unless otherwise stated)***Segmental information (cont.)**

Other information on business segments as at 31 December 2008 and for the twelve month period then ended are as follows:

	Trade	Distribution	Production	Other activities	Eliminations	Group
Tangible fixed assets	18 439	4 546 657	2 777 133	386 527	(29 356)	7 699 400
Trade and other receivables	381 685	332 397	301 501	146 052	(403 066)	758 569
Total	400 124	4 879 054	3 078 634	532 579	(432 422)	8 457 969
Assets excluded from segmentation						3 518 922
- including tangible fixed assets						245 416
- including trade and other receivables						15 876
TOTAL: ASSETS						11 976 891
Trade and other payables	508 560	244 077	279 835	109 904	(403 066)	739 310
Equity and liabilities excluded from segmentation						11 237 581
- including trade and other payables						123 025
TOTAL: EQUITY & LIABILITIES						11 976 891
Capital expenditures on tangible and intangible assets	-	410 282	198 630	20 184	(22 632)	606 464
Capital expenditures on tangible and intangible assets excluded from segmentation						24 813
Amortization and depreciation	321	350 454	237 001	27 469	(4 059)	611 186
Amortization and depreciation excluded from segmentation						20 178
Bad debts allowances as at 31.12.2008	92 751	2 762	22 597	6 122	-	124 232

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These condensed interim consolidated financial statements were not audited.

*(all amounts are stated in PLN thousand, unless otherwise stated)***Segmental information (cont.)**

Other information on business segments as at 31 December 2007 and for the twelve month period then ended are as follows:

	Trade	Distribution	Production	Other activities	Eliminations	Group
Tangible fixed assets	18 759	4 510 804	2 814 058	306 070	(10 815)	7 638 876
Trade and other receivables	278 163	245 079	137 190	142 635	(174 035)	629 032
TOTAL:	296 922	4 755 883	2 951 248	448 705	(184 850)	8 267 908
Assets excluded from segmentation						1 548 278
- including tangible fixed assets						232 285
- including trade and other receivables						86 207
TOTAL: ASSETS						9 816 186
Trade and other payables	236 308	215 327	253 726	108 442	(174 035)	639 768
Equity and liabilities excluded from segmentation						9 176 418
- including trade and other payables						147 953
TOTAL: EQUITY & LIABILITIES						9 816 186
Capital expenditures on tangible and intangible assets	2 064	345 598	28 784	20 996	(4 973)	392 469
Amortization and depreciation	3 427	377 052	56 919	21 846	(4 911)	454 333
Amortization and depreciation excluded from segmentation						16 224
Bad debts allowances as at 31.12.2007	83 413	-	19 790	20 615	-	123 818

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These condensed interim consolidated financial statements were not audited.

(all amounts are stated in PLN thousand, unless otherwise stated)

Revenues of a segment are the revenues from sales to external customers and transactions with other segments that can be directly attributed to a given segment together with an adequate part of the Group revenues attributed to this segment upon reasonable prerequisites.

Costs of a segment are the costs consisting of cost of sales to external customers and costs of transactions with other segments within the Group that result from the operating activity of a given segment and can be directly assigned to this segment together with an adequate part of the Group's costs attributed to this segment upon reasonable prerequisites.

In the inter-segment transactions market prices are applied that enable individual entities to earn contribution margin suitable for autonomous operation in the market. For the sales of energy and transmission services the prices are defined by the Law on Energy apply, i.e. the act dated 10 April 1997 Law on Energy and related bylaws.

Complementary segment reporting – geographic segments

The Group operates in only one economic environment – the territory of Poland, therefore the Group does not present any geographic segments.

8. Tangible fixed assets

During the twelve month period ended 31 December 2008 the Group purchased tangible fixed assets of PLN 756,296 thousand including PLN 131,519 thousand by acquiring subsidiaries (during the twelve month period ended 31 December 2007 of PLN 3,616,283 thousand, including tangible fixed assets acquired as a result of the takeover of Elektrownia "Kozienice" S.A. of PLN 3,225,742 thousand).

During the twelve month period ended 31 December 2008 the Group sold or liquidated tangible fixed assets of a total net value of PLN 12,615 thousand (during the twelve month period ended 31 December 2007 of PLN 25,340 thousand).

During the twelve month period ended 31 December 2008 the Group recorded additional allowances for tangible fixed assets in the total amount of PLN 7,784 thousand (nil during the twelve month period ended 31 December 2007).

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(all amounts are stated in PLN thousand, unless otherwise stated)

Impairment test of tangible fixed assets

As at 30 June 2008 tangible fixed assets of the Group were tested for impairment. Based on the test there was no impairment of these assets as at 30 June 2008.

As a result of changes in regulatory environment related to distribution of energy which were inconsistent with assumptions made for the purpose of the test performed as at 30 June 2008, the Group has repeated the test for impairment of tangible fixed assets related with distribution as at 31 December 2008.

The analysis was conducted using the same macro-economic assumptions as adopted for the previous test and reflected adjusted forecasted operating costs taking into consideration steps undertaken by the Group to minimize the impact of changes in regulations on the net profit of the Group.

In order to calculate the return on capital employed, starting from 2010 a new methodology was applied, which according to the Group's expectations will be approved by the President of Energy Regulatory Office ("the President of ERO") together with the Tariff for 2010. That results in an assumption that future decisions of the President of ERO on sales tariffs valid for the period of 2010-2013 and for the following periods will include more favorable Assets' Regulatory Value ("ARV") comparing to ARV used by the President of ERO when determining the sales tariffs for 2009. Therefore the starting point in determining the ARV was the net book value after the adjustment to fair value made as at the date of transition to IFRS EU. It is assumed that ARV will reach distribution related assets net book value during 4-years period i.e. from 2010-2013.

Based on the conducted test there was no impairment of tangible fixed assets related to distribution as at 31 December 2008. The current ARV adopted by the President of ERO is significantly lower than net book value of distribution related assets. If the President of ERO applies present method of the ARV calculation for the period 2010-2013 and the following periods there is a risk, that it will be necessary to recognize impairment loss in the future periods.

9. Intangible assets

During the twelve month period ended 31 December 2008 the Group has purchased intangible assets of PLN 7,040 thousand including PLN 540 thousand by acquiring subsidiaries (during the twelve month period ended 31 December 2007 of PLN 30,580 thousand, including intangible assets acquired as a result of takeover of Elektrownia "Kozienice" S.A. of PLN 28,651 thousand).

During the twelve month periods ended 31 December 2008 and 31 December 2007 the Group has not sold or liquidated any significant intangible assets.

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These condensed interim consolidated financial statements were not audited.

*(all amounts are stated in PLN thousand, unless otherwise stated)***10. Investment property**

During the twelve month period ended 31 December 2008 the Group acquired investment property for the total amount of PLN 415 thousand (nil during the twelve month period ended 31 December 2007).

11. Investments in associates

During the twelve month period ended 31 December 2008 the Group acquired shares in associates of a total amount of PLN 185.164 thousand (nil during the twelve month period ended 31 December 2007). The accounting principles for these transactions are presented in Note 15.

During the twelve month period ended 31 December 2008 and in the twelve month period ended 31 December 2007 the Group has not sold any investments in associates.

12. Allowances for trade and other receivables

	31.12.2008	31.12.2007
Opening balance of allowance	123 818	106 476
Acquisition of Elektrownia "Kozienice" S.A.	-	29 521
Additions	17 306	18 127
Reversals	(15 426)	(28 643)
Utilization	(1 466)	(1 663)
Closing balance of allowance	124 232	123 818

During the twelve month period ended 31 December 2008 the allowance for trade and other receivables increased by PLN 414 thousand (during the twelve month period ended 31 December 2007 it increased by PLN 17,342 thousand).

During the three month period ended 31 December 2008 the allowance for trade and other receivables increased by PLN 2,274 thousand (during the three month period ended 31 December 2007 increased by PLN 14,969 thousand).

13. Inventory

As at 31 December 2008 total inventory allowance amounted to PLN 4,866 thousand (PLN 5,287 thousand as at 31 December 2007).

During the twelve month period ended 31 December 2008 the inventory allowance decreased by PLN 421 thousand (during the twelve month period ended 31 December 2007 increased by PLN 5,235 thousand).

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(all amounts are stated in PLN thousand, unless otherwise stated)

During the three month period ended 31 December 2008 the inventory allowance decreased by PLN 218 thousand (during the three month period ended 31 December 2007 increased by PLN 5,237 thousand).

14. Restricted cash and cash equivalents

As at 31 December 2008 the Parent Company had restricted cash in the amount of PLN 1,948,493 thousand, representing net cash inflow from the initial public offer which as at 31 December 2008 were not registered.

As at 31 December 2008 restricted cash comprises of:

- escrow account (cash restricted until the completion of registration of the new shares issue in the National Court Register and in the National Deposit of Securities) : PLN 1,939,615 thousand;
- option escrow account (cash restricted for the purpose of the execution of a stabilization option): PLN 8,878 thousand.

As a result of the completed registration in the National Court Register on 13 January 2009 and the registration of new shares in the National Deposit of Securities on 30 January 2009, as at the day of the preparation of these condensed interim consolidated financial statements the restrictions on cash were abolished.

15. Accounting for acquisitions of new subsidiaries and associated companies

In December 2008 the Parent Company acquired two subsidiaries i.e. Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. in Oborniki („PEC Oborniki”) and Miejska Energetyka Ciepła Sp. z o.o. in Piła („MEC Piła”) as well as shares in two associated companies i.e. Przedsiębiorstwo Energetyki Ciepłej w Śremie S.A. and Elektrociepłownia Białystok S.A. (details in Note 6). As at the date of the preparation of these interim consolidated financial statements the Group has not completed the purchase price allocation on identifiable net assets. As a result the Group decided to account for business combination applying initial accounting determined provisionally. The adjustments to those provisional values, if any, will be made within the 12 months from the acquisition date.

The agreements on the acquisition of shares of PEC Oborniki and MEC Piła include irrevocable offers to buy the remaining minority interest which are valid 6 and 5 years respectively, starting from the date the agreements were signed. In these condensed interim consolidated financial statements the Company has recognized financial liabilities resulting from the above mentioned options in the amount of PLN 28,226 thousand which correspond with other reserves.

16. Share capital

On 16 May 2008 the Shareholders Meeting amended the ENEA’s statute pursuant to which all series of shares existing as at that date were merged into two series A and B. Furthermore, due to the planned initial public offer the Shareholders Meeting adopted a resolution concerning the increase in the share capital up to PLN 149,237 thousand through the stock issue of up to 149,237,382 ordinary shares of a C series and a nominal value of PLN 1 each. The amended statute was registered in the National Court Register on 5 June 2008.

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(all amounts are stated in PLN thousand, unless otherwise stated)

On 1 August 2008 the Shareholders Meeting adopted a resolution on the redemption of 10,594,129 ordinary B series shares of a nominal value PLN 1 each and a resolution on the reduction of share capital by PLN 10,594,129 i.e. from PLN 348,220,557 to PLN 337,626,428. The resolution on the redemption of shares was required by law and was related to the payment of shares' cash equivalent to Entitled Employees (Note 17). The obligation to redeem shares resulted from art. 38b of the Law on Commercialization and Privatization dated 30 August 1996. The reduction of the Company's share capital was registered in the National Court Register on 5 September 2008.

On 3 November 2008 the Extraordinary Shareholders Meeting adopted a Resolution on the increase in share capital of the Parent Company in connection with the change in the structure of planned initial public offer of 103,816,150 newly issued ordinary shares of the C series of a nominal value PLN 1 each. The share capital was increased from the amount of PLN 337,626,428 to the amount of PLN 441,442,578. The increase in capital was registered in the National Court Register on 13 January 2009.

In connection with the initial public offer and the commencement of public trade of rights to shares on the Warsaw Stock Exchange the Company acquired within the stabilization option 1,129,608 rights to shares till 31 December 2008.

17. Share based payments reserve and liabilities due to cash settled share based payments

As at 31 December 2008 the value of the Share Based Program which applies to the Entitled Employees was established on the basis of the fair value used for the purpose of preparation of the interim consolidated financial statement for the period ended 30 June 2008 and amounts (with the exception of Entitled Employees of Elektrownia "Kozienice" S.A.) to PLN 921 million (PLN 901 million as at 31 December 2007). At the end of 2008 the Company's shares price quoted on the Warsaw Stock Exchange was subject to high volatility. The Management Board decided that Share Based Program would not be revalued as at 31 December 2008 considering the share price at the level of PLN 14 do not reflect the actual fair value of the Company.

Entitled Employees of Elektrownia "Kozienice" S.A., based on the Act on the acquisition of shares from the State Treasury as a result of the energy sector consolidation process dated 7 September 2007, shall have submitted the declaration until 18 January 2008 if they intended to exchange the cash equivalent into shares of ENEA S.A. After taking into account submitted declarations and further complaint process the amount of shares subject to cash equivalent amounted to PLN 291,127 thousand (PLN 514,920 thousand as at 31 December 2007). The change in the liability due to cash settled share based payments amounting to PLN 224,042 thousand was transferred to equity of the Group (Share based payments reserve).

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In November and December 2008 a part of the equivalent was paid to the Entitled Employees of Elektownia "Kozienice" S.A. As at 31 December 2008 remaining liabilities due to cash settled share based payments amounted to PLN 163,799 thousand.

18. Borrowings

	31.12.2008	31.12.2007
	Carrying amount	Carrying amount
Non-current		
Bank loans	151 310	184 140
Loans	1 475	236
	152 785	184 376
Current		
Bank loans	52 031	69 204
Loans	574	40
	52 605	69 244
Total	205 390	253 620

In the twelve month period ended 31 December 2008 the carrying value of borrowings decreased by PLN 48,230 thousand net, which was mainly a result of the loans repayment.

19. Deferred income from subsidies and connections' fee

In the twelve month period ended 31 December 2008 the Group received subsidies and connection fees in the total amount of PLN 93,180 thousand (in the twelve month period ended 31 December 2007 – PLN 78,783 thousand).

In the three month period ended 31 December 2008 the Group received subsidies and connection fees in the total amount of PLN 33,673 thousand (in the three month period ended 31 December 2007 – PLN 29,618 thousand).

In the twelve month period ended 31 December 2008 the Group amortized the deferred income due to subsidies and connection's fee in the total amount of PLN 12,606 thousand (in the twelve month period ended 31 December 2007 – PLN 12,983 thousand).

In the three month period ended 31 December 2008 the Group amortized the deferred income due to subsidies and connection's fee in the total amount of PLN 3,250 thousand (in the three month period ended 31 December 2007 – PLN 2,881 thousand).

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These condensed interim consolidated financial statements were not audited.

*(all amounts are stated in PLN thousand, unless otherwise stated)***20. Deferred income tax**

Changes in deferred tax (included offsetting of deferred tax assets against liabilities) are as follows:

	31.12.2008	31.12.2007
Opening balance	170 747	362 826
Income statement charge	(53 990)	(491 800)
Acquisition of subsidiaries	484	299 721
Recognized in equity	(903)	-
End of the year	116 338	170 747

In the twelve month period ended 31 December 2008 the income statement credit resulting from a decrease in deferred tax liabilities amounted to PLN 53,345 thousand (in the twelve month period ended 31 December 2007 – PLN 491,800 thousand).

In the three month period ended 31 December 2008 the income statement credit resulting from a decrease in deferred tax liabilities amounted to PLN 2,009 thousand (in the three month period ended 31 December 2007 – PLN 27,174 thousand).

21. Certificates of origin

	31.12.2008	31.12.2007
Certificates of origin	(57 364)	(4 095)
Advance payments on certificates of origin	(2 985)	(19 547)
Provision for costs of redemption of certificates of origin	161 723	90 280
Provision for certificates of origin	101 374	66 638

22. Provisions for liabilities and other charges**Provision for estimated losses resulting from pending claims**

	31.12.2008	31.12.2007
Opening balance	62 902	51 673
Additional provisions	54 681	21 353
Utilisation of provision	-	-
Decrease of provisions	(16 204)	(10 124)
Closing balance	101 379	62 902

Provisions for liabilities are measured at a justified and reliably assessed value. Specific provisions are established for probable losses relating to court actions initiated against the Group. These provisions are stated in the amount of the claim, taking into consideration a legally measured probability of losing the case. They are accounted for as other operating expenses. The description of significant claims and contingent liabilities in this regard is presented in the notes 28.2, 28.4, 28.5 and 28.6.

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(all amounts are stated in PLN thousand, unless otherwise stated)

In the twelve month period ended 31 December 2008 the provision for estimated losses resulting from pending claims increased by PLN 38,477 thousand (in the twelve month period ended 31 December 2007 it increased by PLN 11,229 thousand).

In the three month period ended 31 December 2008 the provision for estimated losses resulting from pending claims increased by PLN 28,602 PLN (in the three month period ended 31 December 2007 it increased by PLN 3,986 thousand).

Other provisions

	31.12.2008	31.12.2007
Opening balance	18 761	1 667
Additional provisions	24 441	7 173
Acquisition of Elektrownia "Kozienice" S.A.	-	11 234
Unused amounts reversed	(6 293)	(1 313)
Closing balance	36 909	18 761

During the twelve month period ended 31 December 2008 other provisions have increased by PLN 18,148 thousand (during the twelve month period ended 31 December 2007 other provisions have increased by PLN 17,094 thousand).

During the three month period ended 31 December 2008 other provisions have decreased by PLN 22,109 thousand (during the three month period ended 31 December 2007 other provisions have decreased by PLN 3,179 thousand).

Provision for the storage yard restoration

The Group is obliged to restore the land after the storage yard for slag and ash either reaches its capacity or is closed. Due to the fact, that the Group has large and unused storage yards, the expected land restoration will take place in 2060. Future estimated costs of land restoration have been discounted to their present value using the 5.7 % discount rate. The provision for the storage yard restoration is being updated as at 31 December and 30 June, unless there is significant change in estimates' assumptions.

As at 31 December the provision for the storage yard restoration amounted to PLN 8,716 thousand (as at 31 December 2007 – PLN 8,877 thousand).

Provision for the costs of storage or disposal of the slag-ash mixture

There are two kind of wastes obtained as a result of the burning process of coal: ash and slag-ash mixture. Due to the fact, that the Group incurs costs of the disposal of the mixture, it raises a necessary provision. Future estimated costs of storage or disposal of the slag-ash mixture have been discounted to their present value using

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the 5.7 % discount rate. Provision for the costs of storage or disposal of the slag-ash mixture is being updated as at 31 December and 30 June, unless there is significant change in estimates' assumptions.

As at 31 December 2008 the provision for costs of storage or disposal of the slag-ash mixture amounted to PLN 2,721 thousand (as at 31 December 2007 – PLN 2,456 thousand).

Provision for the purchase of CO₂ emission rights

In 2008 the Group exceeded the CO₂ emission limit granted for 2008 as in according with the most current draft of the National Allocation Plan for years 2008-2012 dated 12 February 2008 and approved by the Council of Ministers. As a result the Group has made a provision for deficit CO₂ emission rights based on the market value of CO₂ emission rights. As at 31 December 2008 the provision amounted to PLN 23,635 thousand (as at 31 December 2007 no provision was established).

23. Dividend

On 9 June 2008 the Ordinary Shareholders Meeting adopted resolution no 2 on the distribution of the net profit for the reporting period from 1 January 2007 to 31 December 2007, according to which dividends to the shareholders of the Parent Company amounted to PLN 88,630 thousand (dividend per share amounted to PLN 0.25). Until 31 December 2008 the dividend was fully paid.

On 28 June 2007 the Ordinary Shareholders Meeting adopted Resolution no 2 on the distribution of the net profit for the reporting period from 1 January 2006 to 31 December 2006, according to which dividends to the shareholders of the Parent Company amounted to PLN 38,550 thousand (dividend per share amounted to PLN 0.17). Until 31 December 2007 the dividend was fully paid.

ENEA S.A. on the basis of the Act on Obligatory Payments From the Profit of Companies Fully Owned by the State Treasury dated 1 December 1995 made quarterly profit payments (profit in this case is defined as profit before tax, less current tax) amounting to 15%, which are presented as a dividend payment. The Company was subjected to the above described scheme until the end of the month, during which the share capital increase, being a result of the 2008 public issue of shares, was registered in the National Court Register (i.e. till the end of January 2009).

The accrued payments for the period from 1 January to 31 December 2008 amounted to PLN 26,187 thousand. However, in these condensed interim consolidated financial statements the Group recognized also an adjustment to obligatory payments accrued for 2007 in the amount of PLN 2,229 thousand (for the period from 1 January to 31 December 2007 the accrued profit share amounted to PLN 6,885 thousand). As at 31 December 2008 the value of obligatory profit share liability amounted to PLN 5,501 thousand and it is presented as current trade and other payables. For the period from 1 October to 31 December 2008 the accrued profit share amounted to PLN 14,000 thousand (for the period from 1 October to 31 December 2007 – previously accrued amount was decreased by PLN 4,724 thousand).

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Elektrownia "Kozienice" S.A. was also a subject to obligatory profit share payments until the last day of the month in which the shares of Elektrownia "Kozienice" S.A. were transferred by the State Treasury to ENEA S.A. as contribution in-kind. The consolidated financial statements for the period ended 31 December 2007 showed a liability due to profit share payments accrued until the end of November 2007 (change in ownership was registered in the National Court Register on 21 November 2007). The amount of the obligatory profit share liability was estimated by the Group due to the fact that till the date of the approval of the consolidated financial statements for 2007 Elektrownia "Kozienice" S.A. has not prepared a statutory financial statement for 2007 prepared in accordance with the Accounting Act dated 29 September 1994, which was the basis of the obligatory payments' calculation. The final amount of profit share payment for the period till October 2007 presented in these condensed interim consolidated financial statements was calculated based on the correction of the declaration submitted in August 2008. The difference of PLN 5,033 thousand was presented as an adjustment to share premium.

24. Transactions with related parties

Transactions between the Group's companies subject to consolidation and related parties:

- Group's companies subject to consolidation – these transactions are eliminated during consolidation;
- Transactions between the Group and Members of Executive Bodies of the Group which should be divided into three categories:
 - resulting from employment contracts with members of the Management Board of the Parent Company as well as concerning the appointment of the Supervisory Board Members,
 - concerning loans granted from the Company's Social Fund for the Parent Company Management Board members as well as Supervisory Board members, who are the ENEA S.A. employees,
 - resulting from other civil contracts;
- Transactions between the Group and entities related to the State Treasury of the Republic of Poland.

Transactions with Members of the Executive Bodies are illustrated in the following table:

Title	Management Board of the Parent Company		Supervisory Board of the Parent Company	
	01.01.2008 - 31.12.2008	01.01.2007 - 31.12.2007	01.01.2008 - 31.12.2008	01.01.2007 - 31.12.2007
	Salaries based on employment contract	936	1 020	
Remuneration related to the appointment to management or supervisory bodies			336	313
Remuneration related to positions in the supervisory boards of subsidiaries	140	114		
Other employee benefits (incl. electricity allowance)	164	52		
Total	1 240	1 186	336	313

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The Management and the Supervisory Boards Members' salaries are subject to the Act on Remuneration of Persons Managing Certain Legal Entities dated 3 March 2000. In accordance with the Act, the maximum monthly remuneration cannot exceed the value of 6 average monthly salaries in the enterprises' sector excluding profit share bonuses, applicable in the fourth quarter of the preceding year published by the Central Statistical Office. The amount of annual bonus cannot exceed the value of the three average monthly remuneration due in the year preceding the year when the bonus has been awarded.

Transactions related to loans granted from the Company's Social Fund are presented in the table below:

Executive Bodies	Balance as at 01.01.2008	Granted from 01.01.2008	Repayments by 31.12.2008	Balance as at 31.12.2008
Management Board	27	-	(9)	18
Supervisory Board	6	-	(6)	-
Total	33	-	(15)	18

Executive Bodies	Balance as at 01.01.2007	Granted from 01.01.2007	Repayments by 31.12.2007	Balance as at 31.12.2007
Management Board	32	-	(5)	27
Supervisory Board	9	-	(3)	6
Total	41	-	(8)	33

Other transactions resulting from service contracts between the Parent Company and Members of the Executive Bodies of the Parent Company concern the private use of vehicles by the ENEA S.A. Management Board Members.

Additionally, the Group enters into transactions with state administration, local authorities and companies related to the State Treasury of the Republic of Poland.

The subject of these transactions is mainly:

- the purchase of coal, electric energy, rights from certificates of origin of energy generated from renewable resources or in cogeneration with heat and transmission and distribution services, which Group conduct with companies related to the State Treasury, and
- the sale of electric energy, distribution services, connection to the grid and other related services which Group made to state administration and local authorities (sale to an end user) as well as to companies related to the State Treasury (both wholesale and retail sales).

These transactions are made on an arm's length basis and the applied prices are consistent with those offered to third parties. The Group does not maintain accounting records which would enable to aggregate all transactions realized with all related to the State Treasury entities.

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25. Long-term contracts on the sale of electric energy (KDT)

With regard to the fact, that the European Commission has recognized long-term contracts for sales of electricity with state owned PSE S.A. as illegal public subsidy, the Polish Parliament passed a law to eliminate such contracts. In accordance with the provisions of the Law on the Rules for Covering the Costs Incurred by the Producers in Relation to an Early Termination of Long-term Contracts dated 29 June 2007 ("The Law on termination of the long-term contracts"), the Group (Elektrownia "Kozienice" S.A.), effective from 1 April 2008, is entitled to receive a compensation of stranded costs resulting from an early termination of long-term contracts. According to this law, the Group will be entitled to receive compensations till 2014.

According to Appendix 4 to the Law on termination of long-term contracts the Group will receive advance payments of compensation of stranded costs for the period from 1 April to 31 December 2008 in the total amount of PLN 93,132 thousand. Till 31 December 2008 the Company has received compensation advance payments in the amount of PLN 62,088 thousand. Advance payment for the last quarter of 2008 in the amount of PLN 31,044 thousand was received in January 2009. The amount of the compensation will be subject to adjustments determined by the President of the Energy Regulatory Office in accordance with regulations included in the chapter 5 of the Law on the termination of long-term contracts.

The amount of the annual adjustment of stranded costs for 2008 and the final adjustment made at the end of the adjusting period i.e. period during which long-term contracts would remain in force if not terminated, depends on many factors, in particular on the operating results of the energy producer (Elektrownia "Kozienice" S.A.) in 2008 and in the following years, the energy sales volume and average market prices of electric energy.

At the same time some of the regulations of the Law on termination of the long-term contracts, including those which relate to the methods of calculation and adjustment of stranded costs, are unambiguous and require further interpretation and which are currently subject to analysis conducted by the energy producers in cooperation with the Energy Regulatory Office. Due to the fact that there has been no practice so far in this area, there is an uncertainty concerning the final amount of the compensation due for the period presented in these condensed interim consolidated financial statements.

As at 31 December 2008 the Group recognized compensation for stranded costs in the amount of the advance payment due for the period ended 31 December 2008, as provided in the Appendix 4 to the Law on the termination of long-term contracts, adjusted by the estimated amount of the annual adjustment corresponding to the period covered by these condensed interim consolidated financial statements. The final amount of the compensation due for the period ended 31 December 2008 may differ significantly from the amount estimated by the Group due to possible changes in factors and conditions described above as well as due to possible changes of interpretation of the respective regulations based on which the annual adjustment and the final adjustment of stranded cost will be made by the President of the Energy Regulatory Office.

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The income recognized due to the estimated compensation of stranded costs for the twelve month period ended 31 December 2008 amounts to PLN 72,698 thousand.

The income recognized due to estimated compensation of stranded costs for the 3 month period ended 31 December 2008 amounts to PLN 32,132 thousand.

26. Commitments due to binding contracts as at the balance sheet date

Contractual commitments binding as at the balance sheet date but not included in the balance sheet are presented below:

	31.12.2008	31.12.2007
Property, plant and equipment	370 857	91 351
Intangible assets	8 055	71
	378 912	91 422

27. Information concerning the seasonal and cyclical nature of the Group's activities

The sale of energy during the year is subject to seasonal fluctuations. The sale of energy increases during the winter months and decreases during the summer months. It is connected with the temperatures and the length of the daytime. The magnitude of these fluctuations is determined by lower temperatures and shorter daytime in the winter and higher temperatures and longer daytime during summer. The seasonal character of electric energy sales is to a larger extent related to individual recipients (they represent 40 % of total sales), rather than to industrial recipients.

28. Contingent liabilities and contingent assets, court, arbitration and administrative proceedings**28.1. Granted by the Company and subsidiaries, bank loans and borrowings guarantees**

In the reporting period none of both the Company or any subsidiary have granted guarantees for bank loans and borrowings.

28.2. Pending common court casesProceedings initiated by the Group

Proceedings initiated by ENEA S.A. in common courts relate to the collection of receivables for the delivery of electric energy (the so-called energy cases) and to the collection of other receivables - illegal consumption of energy, illegal connections to the power grids and other specialist services provided by the Parent Company (so-called non-energy cases).

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The proceedings initiated in common courts by Elektrownia „Kozienice” S.A. mainly concern the collection of receivables for the failure to fulfil forwarding contracts.

As at 31 December 2008 there were in total 8,277 cases pending before common courts initiated by the Group of a total value of PLN 28,088 thousand (as at 31 December 2007 there were 6,775 cases amounting to PLN 40,582 thousand).

None of the results of these proceedings is significant to the net profit of the Group.

Proceedings against the Group

Proceedings against the Group are actions brought by individuals and legal entities. Among others they concern the following issues: compensation for energy supply shortages, determination whether the illegal energy consumption occurred and compensation claimed from the Group for the use of property, on which electricity equipment is located. The Group considers the actions against the Group concerning the non contractual use of third party's property to be of particularly significant (Note 28.5).

Proceedings against Elektrownia „Kozienice” S.A. concern among other the following issues: reinstatement to work, compensation of the cash equivalent for the employee's right to a free of charge acquisition of shares resulting from the commercialization of Elektrownia „Kozienice” S.A.

As at 31 December 2008 there were in total 251 cases pending before common courts against the Group of a total value of PLN 18,043 thousand (as at 31 December 2007 there were respectively 185 cases in the total amount of PLN 19,579 thousand). Provisions regarding these cases are presented in the Note 22.

28.3. Arbitration proceedings

As at 31 December 2008 there was any pending arbitration proceeding.

28.4. Proceedings pending before public administration authorities

By the decision of the President of the Office of Competition and Consumer Protection dated 12 September 2008 which terminates legal proceeding concerning customers illegally charged with a double service fee for January 2008, ENEA S.A. was obliged to pay a penalty in the amount of PLN 160 thousand. On 30 September 2008 ENEA S.A. appealed against this decision. As at the date of the preparation of these condensed interim consolidated financial statements the appeal was still pending.

By the decision of the President of the Office of Competition and Consumer Protection dated 30 September 2008 which terminates legal proceeding concerning the abuse of a dominant position by violations of deadlines of delivering conditions of the connection to the power grid and determining the impact of projected wind-farm on the electro-energetic system, ENEA Operator Sp. z o.o. was obliged to pay a penalty in the amount of PLN 11,626 thousand. ENEA Operator Sp. z o.o. appealed against this decision. As at the date of the preparation

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of these condensed interim consolidated financial statements the appeal was still pending. As at 31 December 2008 the Group created a provision for the above-mentioned penalty payment in full amount.

As a result of a administrative procedure the President of the Energy Regulatory Office under the decision No DPE-451-206(4)/2688/2008MOS dated 27 November 2008 administered to ENEA S.A. a fine in the amount of PLN 7,594,613.28, which constitutes 0.2771 % of revenue from licensed activity in 2006, in connection with the failure to perform in 2006 the duty, under article 9a section 8 of the Energy Law, to purchase the electric energy cogenerated with heat in energy sources connected to the grid and located in the territory of the Republic of Poland. On 17 December 2008 ENEA S.A. filed an appeal via Energy Regulatory Office to the District Court in Warsaw – Court for Consumer and Competition Protection, on the grounds that ENEA S.A. had exercised due diligence in performing duty, specified in article 9a section 8 of the Energy Law. These condensed interim consolidated financial statements include a full amount of provision for the afore-mentioned fine.

Due to the nature of the Group's activities as at 31 December 2008 there was a number of other pending proceedings before public administration authorities.

The majority of these proceedings are initiated upon the request of the Group, which apply to competent public administration authorities for:

- an administrative enforcement to be instituted in order to collect receivables for an illegal consumption of electricity,
- a permit to construct new buildings and to modernize existing ones,
- a permit to situate electric equipment on a traffic lane,
- rates to be determined for annual fees for perpetual usufruct right,
- land for electric equipment to be separated.

Some of these proceedings are also complaint proceedings brought into government administration and local administration bodies or administrative courts in connection with decisions made in the above mentioned cases.

None of the results of these cases should have significant impact on the net profit of the Group.

In connection with the control carried out by the Supreme Chamber of Control in the context of the *Restructuring of the energy sector starting from 2005 and safety of the power network* on 8 August 2008 the company received a report on the control. On 28 August 2008 the Management Board of the Parent Company refused to sign the report and presented reservations concerning expressions used in the report, which in the opinion of the Management Board are among others inconsistent with the actual state. On 29 September 2008 the Company received the Positions of Controllers, according to which certain reservations of the Management Board were not taken into account. Currently the Company is waiting for a final report on contentious issues which will include conclusions and recommendations of the Supreme Chamber of Control.

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The nature of activities of ENEA Operator Sp. z o.o. (it operates in a regulated market under monopoly conditions) is a ground for many actions brought against the company by the President of the Energy Regulatory Office and the President of the Office of Competition and Consumer Protection, which are initiated upon requests of end consumers, who are serviced by the company.

The President of the Energy Regulatory Office as the principal government administration authority is entitled to regulate the business activity of energy companies, this is the reason why the President handles disputes concerning the refusal to sign agreements on the connection to the power grid, the sale and delivery of electricity, and the determination of the content of the mentioned above agreements.

As at 31 December 2008 the President of the Energy Regulatory Office conducted a number of explanatory and administrative proceedings against the Group.

None of the results of these proceedings should have significant impact on the net profit of the Group.

28.5. Risk related to the legal status of property used by the Group

The risk related to the legal status of property used by the Parent Company results from the fact, that the Group does not possess all legal titles to use of land, on which the Group's electric power grids and related equipment are located. The Group may be in the future obliged to incur costs for non-contractual use of these properties. There is also a risk of actions to be brought against the Group in order to prevent further use of these properties.

The possibility to lose assets in this case is regarded as insignificant. The lack of specific regulations of the legal status of property, on which the electric power grids and related equipment is situated, does not expose the Group to a risk of losing its assets, however it exposes the Group to a risk of additional costs related to compensations for the non-contractual use of land, tenancy cost or exceptionally, in individual cases the risk of relocation of the electricity related assets (and restoration of property to the original condition).

Claims asserted against the Group are the claims for payment (compensations for the non-contractual use of property, for the decrease in the property's value, for lost profits) and claims to desist from the trespassing of possession (demand to remove the equipment).

The results of these cases are important as they significantly influence the Group's actions in respect of persons asserting pre-court claims related to equipment located at their property in the past, as well as the Group's actions in respect of the regulation of a legal status of equipment in the case of new investments.

The Group has created a provision for all claims asserted by the owners of the affected properties (Note 22).

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The Group does not create a provision for potential un-asserted claims in relation to land with an unregulated legal status. Potential amounts claimed may be significant for the Group given the total area of land subject to an unregulated legal status (with power grids and related equipment located on these properties). The Group does not have sufficient records and the knowledge of a legal status of used land and therefore is not able to assess reliably the maximum amount of potential claims from the non-contractual use of land.

28.6. Risk related to the participation in costs of usage of land owned by State Forests for the purpose of power grids

Due to the lack of particular legal regulations, provisions for claims resulting from the use of the forest land, which is owned by the State Forest, for the purpose of power grids, which are property of the Group were not recognized in the accounting books as at 31 December 2008. The meeting initiated by the Minister of Environment with the participation of representatives of the State Forests, the Minister of the State Treasury, PSE-Operator and the Polish Society of Transmission and Distribution of Electricity representing the interests of distribution (transmission) companies took place on 29 November 2006. The proposal of the State Forests to reach tenancy contracts in relation to land, on which the power grids are located, was not adopted. It has been acknowledged that it is necessary to develop a comprehensive solution based on appropriate legislative changes. The assessment of provisions for the participation in costs of the property tax for the land owned by the State Treasury incurred by State Forests as at this day is impossible. Taking into consideration the area of the land, potential liabilities in this regard might be significant.

Apart from the actions mentioned above, which were taken in order to develop a comprehensive solution concerning a legal status of State Forest property, some of the local forestries asserted claims against the Group for compensations regarding the non-contractual use of lands by the Group. These claims are included in the provision described in the Note 22.

29. Losses resulting from weather conditions

In April 2008 as a result of bad weather conditions there was the power grids' system overload in the area of Szczecin Distribution Branch. As a result of this breakdown the supply of the electricity was suspended for a number of hours. The results of investigation conducted by ENEA Operator Sp. z o.o. and PSE-Operator S.A. on the circumstances of the breakdown indicate that the failure was a result of force majeure. Currently there is a proceeding pending with the participation of the insurance companies engaged in the civil liability insurance in relation to damage caused to third parties by the activity of the Company to the extent of confirmation of the reason of this breakdown.

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ENEA Operator Sp. z o.o. reported 21 cases of property damage to the insurance company (damage of a 110 kV, MN and LN power grid and MN/LN transformer units). The estimated value of the damage amounts to PLN 7,265 thousand. Under the insurance policies signed by ENEA Operator Sp. z o.o., the retention of the insurers amounts to 20 %.

At the same time till the date of the approval of these interim consolidated financial statements 176 claims were reported by third parties to the insurance company of ENEA Operator Sp z o.o. (damage caused to household, radio and TV equipment, losses in food/agricultural products, damage of property as a result of the emergency repair work etc.) in the total estimated amount of PLN 4,233 thousand.

At the same time, in relation to the above described incident, the President of the Energy Regulatory Office has taken steps aiming at the clarification of the circumstances and reasons of the breakdown. As a part of these actions the President of the Energy Regulatory Office has requested ENEA Operator Sp. z o.o. to present detailed information on the event and its reasons, the course of the event, the scale of the damages and its impact on the national grid system, as well as information on the technical condition of the power grids and related technical appliances which were damaged. Moreover the President of the Energy Regulatory Office requested an indication of actions undertaken in order to fix the breakdown.

Information obtained will be analyzed taking into account the Company's ability to fulfil the obligation to maintain the equipment, installations and power grids in a sufficient condition to transfer electric energy on a continuous and reliable basis maintaining obligatory quality requirements. A possible ascertainment of the non-performance of the obligation may give rise to legal proceedings against the Company imposing a pecuniary penalty according to Art. 56, Paragraph 1, Clause 13 of the Law on Energy.

30. Launch of negotiations regarding the acquisition of Zespół Elektrowni Pątnów-Adamów-Konin S.A.

In 2008 the Parent Company commenced negotiations with a bankruptcy trustee of Elektrim S.A. regarding the acquisition of 45.95% shares of Zespół Elektrowni Pątnów-Adamów-Konin S.A. (ZE PAK). Submitting a binding offer by the Group is however subject to a list of conditions including conducting a legal, financial, tax, technical, environmental and operational due diligence of ZE PAK and its capital group, reconciling all the sales agreement conditions and a satisfactory solution of the issues regarding claims raised by creditors of Elektrim S.A. in relation to shares of ZE PAK. Until the date of approval of these condensed interim consolidated financial statements no binding decisions have been taken.

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31. Changes in excise tax

On 1 March 2009 the Amendment to the Act on Excise Duties dated 23 January 2004 is entering into force. New regulations in terms of excise duty were necessary in order to bring Polish regulations in line with EU regulations. According to these changes tax obligation in the field of excise duty arises at the moment of the supply of energy to end-users (previously at the moment of production of electric energy). Therefore, with the effect from 1 March 2009, ENEA S.A. is the entity responsible for the excise duty payment (previously Elektrownia "Kozienice" S.A.).

Simultaneously, on the 12 February 2009, the European Court of Justice has passed a judgement stating that the previously binding Polish provisions defining the tax obligation moment in the excise duty on electric energy were in breach with the EU Energy Directive.

In connection with the above facts in February 2009 Elektrownia "Kozienice" S.A. filed an application to the Head of the Customs Office in Radom for the excise duty overpayment return in the amount of PLN 694,574 thousand for the period from January 2006 to December 2008. Because of the uncertainty about the outcome of the case, the excise duty return subject to that application has not been included in these condensed interim consolidated financial statements.

32. Subsequent events**Registration of the share capital increase**

On 3 November 2008 the Extraordinary Shareholders Meeting adopted a Resolution on the increase in Share Capital of the Parent Company in connection with the planned initial public offer of 103,816,150 new ordinary shares of the C series of a nominal value PLN 1 each. The share capital was increased from the amount of PLN 337,626,428 to the amount of PLN 441,442,578. This increase in share capital was registered in the National Court Register on 13 January 2009. On 30 January 2009 new shares were registered in the National Deposit of Securities.

Selected stand-alone financial information

	in thousands of PLN		in thousands of EUR	
	12 months ended	12 months ended	12 months ended	12 months ended
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Net revenues	5 941 996	4 983 879	1 682 284	1 319 604
Operating profit	97 909	45 297	27 720	11 993
Profit before tax	226 589	87 110	64 151	23 064
Net profit for the reporting period	188 333	431 099	53 320	114 144
Net cash generated from operating activities	332 039	282 997	94 006	74 930
Net cash generated from investing activities	(191 755)	(186 985)	(54 289)	(49 509)
Net cash generated from financing activities	1 824 510	(58 430)	516 551	(15 471)
Net total cash flow	1 964 794	37 582	556 268	9 951
Weighted average number of ordinary shares	359 016 443	250 042 308	359 016 443	250 042 308
Net profit per share (in PLN per share)	0.53	1.72	0.15	0.46
Diluted profit per share (in PLN per share)	0.53	1.72	0.15	0.46
	As at	As at	As at	As at
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Total assets	11 125 762	8 788 994	2 666 514	2 453 655
Liabilities and provision for liabilities	1 425 333	1 324 975	341 610	369 898
Non-current liabilities	124 163	102 447	29 758	28 601
Current liabilities	1 301 170	1 222 528	311 852	341 298
Equity	9 700 429	7 464 019	2 324 904	2 083 757
Ordinary shares	588 018	494 796	140 930	138 134
Net book value per share (in PLN/EUR)	27.02	29.85	6.48	8.33
Diluted net book value per share (in PLN/EUR)	27.02	29.85	6.48	8.33

The above financial information for the fourth quarter of 2008 and 2007 was translated into EUR according to the following rules:

- balance sheet items were translated using the average NBP exchange rate as at 31 December 2008 – 4.1724 PLN/EUR (as at December 2007 – 3.5820 PLN/EUR)
- income statement and cash flow statement items were translated into EUR using the exchange rate being an arithmetic average of the average NBP exchange rates for the last day of each month of a reporting period from 1 January to 31 December 2008 – 3.5321 PLN/EUR (for the period from 1 January to 31 December 2007 – 3.7768 PLN/EUR).

**Condensed interim stand-alone
financial statements
of ENEA S.A.
for the fourth quarter of 2008**

Poznań, 2 March 2009

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ENEA S.A.

Condensed interim stand-alone financial statements for the fourth quarter of 2008
These condensed interim stand-alone financial statements were not audited.

These condensed interim stand-alone financial statements were prepared according to the International Financial Reporting Standard IAS 34 *Interim Financial Reporting*, which was approved by the European Union and which was adopted by the Management Board of ENEA S.A.

Members of the Management Board

Member of the Management Board

Paweł Mortas

Member of the Management Board

Marek Hermach

Member of the Management Board

Sławomir Jankiewicz

Member of the Management Board

Piotr Koczorowski

Member of the Management Board

Czesław Koltermann

Member of the Management Board

Marek Malinowski

Poznań, 2 March 2009

ENEA S.A.

Condensed interim stand-alone financial statements for the fourth quarter of 2008
These condensed interim stand-alone financial statements were not audited.

(all amounts are stated in PLN thousand, unless otherwise stated)

Balance sheet

	As at	
	31.12.2008	31.12.2007
ASSETS		
Non-current assets		
Tangible fixed assets	212 361	202 617
Perpetual usufruct right	990	1 003
Intangible assets	982	749
Investment in subsidiaries, associates and joint ventures	7 808 467	7 525 908
Deferred tax asset	44 004	29 351
Available-for-sale financial assets	3 866	8 617
Financial assets at fair value through profit or loss	1 033	1 379
	8 071 703	7 769 624
Current assets		
Trade and other receivables	732 673	659 486
Available-for-sale financial assets	-	3 292
Cash and cash equivalents	2 321 386	356 592
	3 054 059	1 019 370
TOTAL ASSETS	11 125 762	8 788 994

ENEA S.A.

Condensed interim stand-alone financial statements for the fourth quarter of 2008
 These condensed interim stand-alone financial statements were not audited.

(all amounts are stated in PLN thousand, unless otherwise stated)

	As at	
	31.12.2008	31.12.2007
EQUITY		
Ordinary shares	588 018	494 796
Share premium	4 627 673	2 791 254
Treasury shares	(17 396)	-
Share based payments reserve	1 144 336	901 110
Financial instruments revaluation reserve	(3 847)	-
Other reserve capital	754 425	412 400
Retained earnings	2 607 220	2 864 459
Total equity	9 700 429	7 464 019
LIABILITIES		
Non-current liabilities		
Borrowings	-	4 000
Finance lease liabilities	5 821	5 109
Deferred income from subsidies and connections' fee	34 301	36 230
Employee benefits	84 041	57 108
	124 163	102 447
Current liabilities		
Borrowings	-	16 112
Trade and other payables	904 127	529 691
Finance lease liabilities	1 967	1 201
Deferred income from subsidies and connections' fee	2 437	1 652
Current tax liabilities	11 652	16 213
Employee benefits	9 018	15 701
Liabilities due to cash settled share based payments	163 799	514 920
Provision for certificates of origin	143 942	64 774
Provisions for other liabilities and charges	64 228	62 264
	1 301 170	1 222 528
Total liabilities	1 425 333	1 324 975
TOTAL EQUITY AND LIABILITIES	11 125 762	8 788 994

ENEA S.A.

Condensed interim stand-alone financial statements for the fourth quarter of 2008
 These condensed interim stand-alone financial statements were not audited.

(all amounts are stated in PLN thousand, unless otherwise stated)

Income statement

	12 months ended	3 months	12 months ended	3 months
	31.12.2008	ended	31.12.2007	ended
	31.12.2008	31.12.2008	31.12.2007	31.12.2007
Revenues	5 941 996	1 629 570	4 983 879	1 352 849
Other operating income	35 377	3 953	43 058	11 426
Amortization and depreciation	(16 796)	(3 646)	(202 485)	(3 985)
Employee benefits	(88 062)	(5 205)	(270 390)	(6 672)
Consumption of raw materials and cost of merchandise sold	(5 154)	(1 659)	(57 939)	(523)
Cost of energy sold	(3 388 861)	(926 419)	(2 692 122)	(735 758)
Transmission services	(2 212 702)	(562 014)	(1 495 802)	(573 269)
Other external services	(117 471)	(32 611)	(150 994)	(31 944)
Taxes and charges	(10 616)	(3 465)	(66 071)	(3 226)
Profit/(Loss) on sales and liquidation of tangible fixed assets	7	-	(2 746)	(2 869)
Other operating expenses	(39 809)	(17 781)	(43 091)	(5 962)
Operating profit	97 909	80 723	45 297	67
Financial costs	(1 437)	(369)	(3 038)	(886)
Financial income	58 573	27 308	26 162	6 314
Dividend income	71 544	-	18 689	2 102
Profit before tax	226 589	107 662	87 110	7 597
Income tax	(38 256)	(24 993)	343 989	(5 565)
Net profit for the reporting period	188 333	82 669	431 099	2 032
Net profit attributable to shareholders of the Company	188 333	82 669	431 099	2 032
Weighted average number of ordinary shares	359 016 443	394 048 249	250 042 308	334 456 899
Net profit per share (in PLN per share)	0.53	0.21	1.72	0.01
Diluted profit per share (in PLN per share)	0.53	0.21	1.72	0.01

The income statement should be read together with explanatory notes which are an integral part of the condensed interim stand-alone financial statements

ENEA S.A.

Condensed interim stand-alone financial statements for the fourth quarter of 2008

These condensed interim stand-alone financial statements were not audited.

*(all amounts are stated in PLN thousand, unless otherwise stated)***Statement of changes in equity**

	Share capital (nominal value)	Revaluation of share capital	Total share capital	Share premium	Share based payments reserve	Financial instruments revaluation reserve	Other reserve capital	Retained earnings	Total equity
As at 01.01.2008	348 221	146 575	494 796	2 791 254	901 110	-	412 400	2 864 459	7 464 019
Valuation of the financial assets available-for-sale						(3 847)			(3 847)
Sale of financial assets available-for-sale								(1 552)	
Net profit for the reporting period								188 333	188 333
Total recognized income and losses for the period						(3 847)		186 781	182 934
Redemption of shares	(10 594)		(10 594)					10 594	
Conversion of cash equivalents into shares					224 042				224 042
Change in fair value of share based payments program					19 184				19 184
Net profit distribution							342 025	(342 025)	-
Dividends								(112 589)	(112 589)
Increase in share capital	103 816		103 816	1 836 419					1 940 235
Treasury shares bought within the stabilization option									(17 396)
As at 31.12.2008	441 443	146 575	588 018	4 627 673	1 144 336	(3 847)	754 425	2 607 220	9 700 429

The statement of changes in equity should be read together with explanatory notes which are an integral part of the condensed interim stand-alone financial statements

ENEA S.A.

Condensed interim stand-alone financial statements for the fourth quarter of 2008

These condensed interim stand-alone financial statements were not audited.

(all amounts are stated in PLN thousand, unless otherwise stated)

	Share capital (nominal value)	Revaluation of share capital	Total share capital	Share premium	Share based payments reserve	Financial instruments revaluation reserve	Other reserve capital	Retained earnings	Total equity
As at 01.01.2007	221 595	146 575	368 170	-	901 110	-	264 129	2 625 514	4 158 923
Valuation of the financial assets available-for-sale								1 552	1 552
Net profit for the reporting period								431 099	431 099
Total recognized income and losses for the period								432 651	432 651
Net profit distribution							148 271	(148 271)	-
Dividends								(45 435)	(45 435)
Increase in share capital	126 626		126 626	2 791 254					2 917 880
As at 31.12.2007	348 221	146 575	494 796	2 791 254	901 110	-	412 400	2 864 459	7 464 019

The statement of changes in equity should be read together with explanatory notes which are an integral part of the condensed interim stand-alone financial statements

ENEA S.A.

Condensed interim stand-alone financial statements for the fourth quarter of 2008
 These condensed interim stand-alone financial statements were not audited.

(all amounts are stated in PLN thousand, unless otherwise stated)

Cash flow statement

	12 months ended 31.12.2008	12 months ended 31.12.2008
	31.12.2008	31.12.2007
Cash flows from operating activities		
Net profit for the reporting period	188 333	431 099
Adjustments for:		
Income tax as per income statement	38 256	(343 989)
Amortization and depreciation	16 796	202 485
Share based payments expense	19 433	-
(Profit)/Loss on sales and liquidation of tangible fixed assets	7	2 746
Impairment loss on tangible fixed assets	7 784	-
(Profit)/Loss on sales of financial assets	(1 469)	2 268
Interest income	(58 573)	(25 144)
Dividend income	(71 544)	(18 689)
Interest expense	1 437	2 183
Exchange (gains)/losses on borrowings	-	4 159
	(47 873)	(173 981)
Income tax paid	(56 567)	(103 941)
Interest received	54 221	28 665
Interest paid	(1 178)	(2 319)
Changes in working capital		
Inventories	-	14 855
Trade and other receivables	(101 910)	(81 942)
Trade and other payables	325 136	85 427
Employee benefits	20 250	11 779
Deferred income from subsidies and connections' fee	(2 177)	(5 234)
Provision for certificates of origin	79 168	60 169
Liabilities due to cash settled share based payments	(127 328)	-
Provisions for other liabilities and charges	1 964	18 420
	195 103	103 474
Net cash generated from operating activities	332 039	282 997
Cash flows from investing activities		
Acquisition of tangible and intangible fixed assets	(14 945)	(174 060)
Proceeds from sales of tangible fixed assets	-	267
Proceeds from sales of financial assets	3 766	-
Acquisition of subordinated and associated companies and joint ventures	(251 620)	(31 881)
Dividends received	71 544	18 689
Other outflows	(500)	-
Net cash generated from investing activities	(191 755)	(186 985)
Cash flows from financing activities		
Repayment of borrowings	-	(20 000)
Dividends paid to the Company's shareholder	(96 464)	(37 311)
Outflows related to financial lease liabilities	(1 865)	(1 119)
Net inflow from issue of shares	1 940 235	-
Treasury shares under stabilization option	(17 396)	-
Net cash generated from financing activities	1 824 510	(58 430)
Net increase/ (decrease) in cash and cash equivalents	1 964 794	37 582
Cash and cash equivalents at the beginning of the reporting period	356 592	319 010
Cash and cash equivalents at the end of the reporting period	2 321 386	356 592

The cash flow statement should be read together with explanatory notes which are an integral part of the condensed interim stand-alone financial statements

ENEA S.A.

Condensed interim stand-alone financial statements for the fourth quarter of 2008
These condensed interim stand-alone financial statements were not audited.

(all amounts are stated in PLN thousand, unless otherwise stated)

1 General information on ENEA S.A.

Company name:	ENEA Spółka Akcyjna
Legal form:	joint-stock company (spółka akcyjna)
Country of jurisdiction:	The Republic of Poland
Seat:	Poznań
Address:	ul. Nowowiejskiego 11, 60-967 Poznań
National Court Register – District Court in Poznań	KRS 0000012483
Telephone number:	(+48 61) 856 10 00
Fax number:	(+48 61) 856 11 17
E-mail:	enea@enea.pl
Web site:	www.enea.pl
REGON:	630139960
NIP:	777-00-20-640

The main activity of ENEA S.A. (“ENEA” “the Company”) is electricity trading.

As at 31 December 2008 the shareholder structure of the Parent Company is as follows (taking into consideration the increase in share capital which resulted from the initial public offer, registered on 13 January 2009): the State Treasury 76.48% of shares, Vattenfall AB 18.67%, ENEA S.A. 0.26% (shares bought during a stabilization option), other shareholders 4.59%.

As at 31 December 2008 the Company is a part of the ENEA S.A. Group (“the Group”). The Group consists of the parent company ENEA S.A., 25 subsidiaries, 3 associated companies and 1 joint venture.

The condensed interim stand-alone financial statements were prepared under the assumption of going concern in a foreseeable future. There are no circumstances indicating that the going concern of the ENEA S.A. is threatened.

2 Conformity statement

The condensed interim stand-alone financial statements were prepared in accordance with the International Financial Reporting Standard adopted by the European Union (“IFRS EU”) IAS 34 “*Interim Financial Reporting*” and was approved by the Management Board of ENEA S.A.

The Management Board of the Parent Company has used its best knowledge as to the application of standards and interpretations as well as valuation methods and principles applicable to the individual items of the condensed interim stand-alone financial statements of the ENEA S.A. in accordance with IFRS EU as at 31 December 2008. The statements and related notes were prepared with due care. These condensed interim stand-alone financial statements were not audited.

ENEA S.A.

Condensed interim stand-alone financial statements for the fourth quarter of 2008
These condensed interim stand-alone financial statements were not audited.

(all amounts are stated in PLN thousand, unless otherwise stated)

3 Description of significant accounting policies

These condensed interim stand-alone financial statements were prepared in accordance with accounting policies consistent with those applied during the preparation of the annual stand-alone financial statements for the year ended 31 December 2007 except for changes of standards and interpretations approved by the European Union, which apply to the annual periods starting after 1 January 2007.

Accounting policies applied by the Company were presented in the stand-alone financial statements of ENEA S.A. as at and for the six month period ended 30 June 2008.

The reporting and measurement currency of these condensed interim stand-alone financial statements is the Polish zloty. The data presented in the condensed interim stand-alone financial statements are presented in PLN thousand unless otherwise stated.

These condensed interim stand-alone financial statements should be read together with stand-alone financial statements of ENEA S.A. as at and for the six month period ended 30 June 2008.

4 New accounting standards and interpretations

For annual periods, which start after 1 January 2008 or subsequent periods new standards approved by the European Union are applicable. The Company has not exercised its right to an earlier application of these Standards:

- **Revised IFRS 2 - Share-based payments**

The Company has not yet completed the analysis of the impact of the revised standard on the stand-alone financial statements of the Company.

- **IFRS 8 - Operating Segments**

The Company does not expect the standard to have a significant impact on the presentation and information disclosure on operating segments in the stand-alone financial statements.

- **Revised IAS 1 – Presentation of Financial Statements**

The Company has not yet completed the analysis of the impact of the revised standard on the stand-alone financial statements of the Company.

- **Revised IAS 23 – Borrowing Costs**

The Company has not yet completed the analysis of the impact of the revised standard on the stand-alone financial statements of the Company.

ENEA S.A.

Condensed interim stand-alone financial statements for the fourth quarter of 2008
These condensed interim stand-alone financial statements were not audited.

(all amounts are stated in PLN thousand, unless otherwise stated)

- **Revised IAS 32 – Financial Instrument – Presentation and IAS 1 Presentation of Financial Statements**

The Company has not yet completed the analysis of the impact of the revised standard on the stand-alone financial statements of the Company.

- **Improvements to International Financial Reporting Standards 2008**

The Company has not yet completed its analysis of the impact of these improvements.

- **IFRIC 13 – Loyalty Programmes**

The Company does not expect the interpretation to have any impact on the stand-alone financial statements.

For reporting periods starting after 1 January 2008 or subsequent periods there are certain standards and interpretations which still await the approval of the European Union.

- **Revised IAS 27 – Consolidated and Separate Financial Statements**

The Company has not yet completed the analysis of the impact of the revised standard on the stand-alone financial statements of the Company.

- **Amendments to IFRS 1 – First-time Adoption of International Financial Reporting Standards**

The above change does not have an impact on the financial statements of the Company.

- **Amendments to IFRS 3 – Business Combinations**

The Company has not yet completed the analysis of the impact of the revised standard on the stand-alone financial statements of the Company.

- **Amendments to IFRS 1 and IAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate**

The Company has not yet completed its analysis of the impact of the amendments on the consolidated financial statements of the Company.

- **Revised IAS 39 – Financial Instruments: Recognition and Measurement**

The Company has not yet completed its analysis of the impact of the amendments on the stand-alone financial statements of the Company.

- **IFRIC 15 - Agreements for the Construction of Real Estate**

IFRIC 15 is not relevant to the Company's operations as the Company has not provided services of the construction of real estate.

ENEA S.A.

Condensed interim stand-alone financial statements for the fourth quarter of 2008
 These condensed interim stand-alone financial statements were not audited.

(all amounts are stated in PLN thousand, unless otherwise stated)

- **IFRIC 16 - Hedges of a Net Investment in a Foreign Operation**

IFRIC 16 is not relevant to the Company's operations as the Company does not own any shares in foreign entities.

- **IFRIC 17 - Distributions of Non-cash Assets to Owners**

Because of the fact, that the interpretation is applied to the future periods it will not have an impact on the financial statements for periods before its first application. Moreover, because the interpretation relates to future dividend payments, which are subject to the decision of the Management Board/ General Meeting of Shareholders it is not possible to assess in advance its impact on the financial statements.

- **IFRIC 18 – Assets Received from Customers**

The Company has not yet completed the analysis of the impact of the revised standard on the stand-alone financial statements of the Company.

5 Critical accounting estimates and judgments

The preparation of the condensed interim stand-alone financial statements in conformity with IFRS EU requires the Management to make judgments, estimates and assumptions that affect the application of adopted accounting policies and the reported amounts in the condensed interim stand-alone financial statements and notes thereto. Accounting estimates and judgments are based on the best knowledge of the Management in relation to the present and future events and activities. Actual results, however, may differ from these estimates.

6 Group structure – list of subsidiaries, associates and joint venture

No.	Entity's name and address	Share of ENEA S.A. in the total votes in % 31.12.2008	Share of ENEA S.A. in the total votes in % 31.12.2007
1.	ENERGOMIAR Sp. z o.o. Poznań, ul. Strzeszyńska 58	100	100
2.	BHU S.A. Poznań, ul. Strzeszyńska 58	87.97	87.77
3.	Energetyka Poznańska Biuro Usług Technicznych S.A. Poznań, ul. Strzeszyńska 58	100	100
4.	Energetyka Poznańska Hotel „EDISON” Sp. z o.o. Baranowo k/Poznania	100	100
5.	Energetyka Wysokich i Najwyższych Napięć „EWiNN” Sp. z o.o. Poznań, ul. Strzeszyńska 58	100	100
6.	Energetyka Poznańska Zakład Transportu Sp. z o.o. Poznań, ul. Strzeszyńska 58	100	100
7.	COGEN Sp. z o.o. Poznań, ul. Nowowiejskiego 11	100	95
8.	EnergoPartner Sp. z o.o. Poznań, ul. Strzeszyńska 58	100	100

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These condensed interim stand-alone financial statements were not audited.

(all amounts are stated in PLN thousand, unless otherwise stated)

9.	Energetyka Poznańska Przedsiębiorstwo Usług Energetycznych Energobud Leszno Sp. z o.o. <i>Lipno, Gronówko 30</i>	100	99.05
10.	Energetyka Poznańska Zakład Obsługi Socjalnej ENERGO-TOUR Sp. z o.o. <i>Poznań, ul. Marcinkowskiego 27</i>	99.92	99.92
11.	ENEOS Sp. z o.o. <i>Szczecin, ul. Ku Słońcu 34</i>	100	100
12.	ENTUR Sp. z o.o. <i>Szczecin, ul. Malczewskiego 5/7</i>	100	100
13.	Niepubliczny Zakład Opieki Zdrowotnej Centrum Rehabilitacyjno – Wczasowe ENERGETYK Sp. z o.o. <i>Inowrocław, ul. Wilkońskiego 2</i>	99.92	99.92
14.	STEREN Sp. z o.o. <i>Bydgoszcz, ul. Lenartowicza 33-35</i>	100	100
15.	Elektrownie Wodne Sp. z o.o. <i>Samociążek, 86-010 Koronowo</i>	100	100
16.	Zakład Usług Przewozowych ENERGETRANS Sp. z o.o. <i>Gorzów Wlkp., ul. Energetyków 4</i>	100	100
17.	Zakład Usług Motoryzacyjnych ENERGOAUTO Sp. z o.o. <i>Gorzów Wlkp., ul. Energetyków 4</i>	-	100
18.	IGG Zachód Sp. z o.o. w likwidacji (in liquidation) <i>Zielona Góra, ul. Zacisze 15</i>	-	50.35
19.	„PWE Gubin” Sp. z o.o. <i>Sękowice 100 gm. Gubin</i>	50	-
20.	Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. w Obornikach Oborniki, ul. Wybudowanie 56	87.99	-
21.	Zakład Usług Teleinformatycznych ZZE S.A. „IT Serwis” Sp. z o.o. <i>Zielona Góra, ul. Zacisze 28</i>	100	100
22.	Zakład Handlowo – Usługowy „Auto – Styl” Zielonogórskich Zakładów Energetycznych S.A. Sp. z o.o. <i>Zielona Góra, ul. Zacisze 15</i>	100	100
23.	FINEA Sp. z o.o. <i>Poznań, ul. Warszawska 43</i>	100	100
24.	Przedsiębiorstwo Energetyki Ciepłej –Gozdnica Sp. z o.o. <i>Gozdnica, ul. Świerczewskiego 30</i>	100	50.35
25.	ENEA Operator Sp. z o.o. <i>Poznań, ul. Strzeszyńska 58</i>	100	100
26.	Elektrownia „Kozienice” S.A. <i>Świerże Górne, gmina Kozienice, Kozienice 1</i>	100	100
27.	Miejska Energetyka Ciepła Sp. z o.o. w Pile <i>64-920 Pila, ul. Kaczorska 20</i>	64.997	-
28.	Kozienice II Sp. z o.o. <i>Świerże Górne, gmina Kozienice, Kozienice 2</i>	30	-
29.	Przedsiębiorstwo Produkcji Strunobetonowych Żerdzi Wirowanych WIRBET S.A. <i>Ostrów Wlkp., ul. Chłapowskiego 51</i>	49	49
30.	Przedsiębiorstwo Energetyki Ciepłej w Śremie S.A. <i>Śrem, ul. Staszica 6</i>	41.65	-
31.	Elektrociepłownia Białystok S.A. <i>Białystok, ul. Gen. Andersa 3</i>	30.36	-

ENEA S.A.

Condensed interim stand-alone financial statements for the fourth quarter of 2008
These condensed interim stand-alone financial statements were not audited.

(all amounts are stated in PLN thousand, unless otherwise stated)

Changes in the Group's structure occurred in the reporting period presented in the these condensed interim stand-alone financial statements

On 8 August 2008 ENEA S.A. and Elektrownia „Kozienice” S.A. signed an agreement on the establishment of a new company - Kozienice II Sp. z o.o. seated in Świerże Górne. According to the agreement 30 % of shares were acquired by ENEA S.A. and 70% by Elektrownia “Kozienice” S.A. The company was established to build a new power unit. The company was established for a definite period. The agreement will expire after all activities related to realisation of the project are finished. Kozienice II Sp. z o.o. was registered in the National Court Register on 7 October 2008 under the number KRS 0000315037.

On 8 September 2008 ENEA S.A. and Kopalnia Węgla Brunatnego „KONIN” w Kleczewie S.A. („KWB Konin”) formed a new company PWE Gubin Sp. z o.o. The main activity of the new company is the mining of brown coal. The newly created company is a joint venture, in which ENEA and KWB Konin obtained 50% of shares each. The Company was registered in the National Court Register on 13 November 2008 under the number KRS 0000317521.

On 6 October 2008 the Extraordinary Shareholders Meeting of two subsidiaries of ENEA S.A. i.e. Zakład Usług Przewozowych Energotrans Sp. z o.o. (“Energotrans”) and Zakład Usług Motoryzacyjnych Energoauto Sp. z o.o. (“Energoauto”) adopted a resolution on the merger of these two companies by transfer of net assets of Energoauto to Energotrans. The business combination was registered in the National Court Register on 31 October 2008.

On 3 December 2008 the Extraordinary Shareholders Meeting of Finea Sp. z o.o. by force of Resolution No. 1 increased the share capital of the company by PLN 423 000 i.e. to the amount of PLN 5 323 000. All new shares were covered by the sole shareholder ENEA S.A. They were covered by contribution - a part of liabilities due to ENEA S.A.

On 3 December 2008 ENEA S.A. acquired 100 ordinary registered shares of BHU S.A. from EP Biuro Usług Technicznych S.A. and 100 ordinary registered shares of BHU S.A. from EP Zakład Transportu Sp. z o.o. ENEA S.A. holds currently 89 184 shares of BHU S.A. of a value of PLN 100 each - this comprises 87.97% of share capital.

On 22 December 2008 ENEA S.A. acquired 100 shares of COGEN Sp. z o.o. from Baltic Sustainable Technology B.V. and thus ENEA S.A. became the sole shareholder.

On 11 December 2008 ENEA S.A. acquired from the Commune of Oborniki 9 120 shares of Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. seated in Oborniki of a nominal value PLN 500 each for the total amount of PLN 11,628 thousand. These shares constitute 87.99% of the share capital of the company.

ENEA S.A.

Condensed interim stand-alone financial statements for the fourth quarter of 2008

These condensed interim stand-alone financial statements were not audited.

(all amounts are stated in PLN thousand, unless otherwise stated)

On 29 December 2008 ENEA S.A. acquired from the Commune of Piła 17 375 shares of Miejska Energetyka Ciepła Sp. z o.o. seated in Piła of a nominal value PLN 1 000 each for the total amount of PLN 48,650 thousand. These shares constitute 64.997% of the share capital of the company.

On 18 December 2008 ENEA S.A. acquired from the State Treasury of the Republic of Poland 6 860 A series ordinary registered shares of Przedsiębiorstwo Energetyki Ciepłej w Śremie S.A. seated in Śrem of a nominal value of PLN 1 000 each for the total amount of PLN 9,055 thousand. These shares constitute 41.65% of the share capital of the company.

On 30 December 2008 ENEA S.A. acquired from the State Treasury of the Republic of Poland 560 000 A series ordinary registered shares of Elektrociepłownia Białystok S.A. seated in Białystok for the total amount of PLN 173.600 thousand. These shares constitute 30.36 % of the share capital of the company.

On 16 October 2008 IGG Zachód Sp. z o.o. w likwidacji (in liquidation) was removed from the court register.

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These condensed interim stand-alone financial statements were not audited.

*(all amounts are stated in PLN thousand, unless otherwise stated)***7 Segmental information**

Segment results for the period from 1.01.2008 to 31.12.2008 are as follows:

	Trade	Other activities	Total
Net revenues *	5 893 552	48 444	5 941 996
Net inter-segment revenues	-	-	-
Total net revenues	5 893 552	48 444	5 941 996
Total costs **	(5 678 460)	(43 995)	(5 722 455)
Segment result	215 092	4 449	219 541
Unallocated administration and general expenses			(121 632)
Operating profit			97 909
Financial cost			(1 437)
Financial income			58 573
Dividend income			71 544
Income tax			(38 256)
Net profit			188 333

Segment results for the period from 1.10.2008 to 31.12.2008 are as follows:

	Trade	Other activities	Total
Net revenues *	1 616 484	13 086	1 629 570
Net inter-segment revenues	-	-	-
Total net revenues	1 616 484	13 086	1 629 570
Total costs **	(1 521 229)	(11 980)	(1 533 209)
Segment result	95 255	1 106	96 361
Unallocated administration and general expenses			(15 638)
Operating profit			80 723
Financial cost			(369)
Financial income			27 308
Dividend income			-
Income tax			(24 659)
Net profit			83 003

* - under net revenues of the Trade segment there are presented also revenues from the sale of distribution services, that in the condensed interim consolidated financial statements of the ENEA S.A. Group are separated and presented in the Distribution segment

** - including other operation income and expenses

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*(all amounts are stated in PLN thousand, unless otherwise stated)***Segmental information (cont.)**

Segment results for the period from 1.01.2007 to 31.12.2007 are as follows:

	Trade	Distribution	Other activities	Total
Net revenues *	3 800 412	1 105 700	77 767	4 983 879
Net inter-segment revenues	-	-	-	-
Total net revenues	3 800 412	1 105 700	77 767	4 983 879
Total costs **	(3 727 859)	(1 048 189)	(68 420)	(4 844 468)
Segment result	72 553	57 511	9 347	139 411
Unallocated administration and general expenses				(94 114)
Operating profit				45 297
Financial cost				(3 038)
Financial income				26 162
Dividend income				18 689
Income tax				343 989
Net profit				431 099

Segment results for the period from 1.10.2007 to 31.12.2007 are as follows:

	Trade	Distribution	Other activities	Total
Net revenues *	1 338 125	-	14 724	1 352 849
Net inter-segment revenues	-	-	-	-
Total net revenues	1 338 125	-	14 724	1 352 849
Total costs **	(1 297 392)	-	(20 449)	(1 317 841)
Segment result	40 733	-	(5 725)	35 008
Unallocated administration and general expenses				(34 941)
Operating profit				67
Financial cost				(886)
Financial income				6 314
Dividend income				2 102
Income tax				(5 565)
Net profit				2 032

* - under net revenues of the Trade segment there are presented also revenues from the sale of distribution services for the period from 1 July 2007 , i.e. the date of the separation of ENEA Operator Sp. z o.o.; in the condensed interim consolidated financial statements of the ENEA S.A. Group these revenues are separated and presented in the Distribution segment

** - including other operation income and expenses

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*(all amounts are stated in PLN thousand, unless otherwise stated)***Segmental information (cont.)**

Other information on business segments as at 31 December 2008 and for the twelve month period then ended are as follows:

As at 31.12.2008	Trade	Distribution	Other activities	Total
Tangible fixed assets	18 439	-	140 710	159 149
Trade and other receivables	713 082	-	5 896	718 978
Total	731 521	-	146 606	878 127
Assets excluded from segmentation, including				10 247 635
- tangible fixed assets				53 212
- trade and other receivables				13 695
TOTAL ASSETS				11 125 762
Trade and other payables	840 957	-	5 912	846 869
Equity and liabilities excluded from segmentation				10 278 893
- including trade and other liabilities				57 258
TOTAL EQUITY AND LIABILITIES				11 125 762
Capital expenditures on tangible and intangible assets	-	-	13 421	13 421
Capital expenditures on tangible and intangible assets excluded from segmentation				21 893
Amortization and depreciation	321	-	16 179	16 500
Amortization and depreciation excluded from segmentation				296
Bad debts allowances as at 31 December 2008	92 751	-	767	93 518

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*(all amounts are stated in PLN thousand, unless otherwise stated)***Segmental information (cont.)**

Other information on business segments as at 31 December 2007 and for the twelve month period then ended are as follows:

As at 31.12.2007	Trade	Distribution	Other activities	Total
Tangible fixed assets	18 759	-	151 812	170 571
Trade and other receivables	456 296	-	133 105	589 401
Total	475 055	-	284 917	759 972
Assets excluded from segmentation, including				8 029 022
- tangible fixed assets				32 046
- trade and other receivables				70 084
TOTAL ASSETS				8 788 994
Trade and other payables	348 319	-	104 331	452 650
Equity and liabilities excluded from segmentation				8 336 344
- including trade and other liabilities				77 040
TOTAL EQUITY AND LIABILITIES				8 788 994
Capital expenditures on tangible and intangible assets	2 064	116 854	1 270	120 188
Capital expenditures on tangible and intangible assets excluded from segmentation				7 598
Amortization and depreciation	3 427	186 172	9 946	199 545
Amortization and depreciation excluded from segmentation				2 940
Bad debts allowances as at 31 December 2007	83 413	-	13 107	96 520

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(all amounts are stated in PLN thousand, unless otherwise stated)

Revenues of a segment are the revenues from sales to external customers and transactions with other segments that can be directly attributed to a given segment together with an adequate part of the Company's revenues attributed to this segment upon reasonable prerequisites.

Costs of a segment are the costs consisting of cost of sales to external customers and costs of transactions with other segments within the Group that result from the operating activity of a given segment and can be directly assigned to this segment together with an adequate part of the Company's costs attributed to this segment upon reasonable prerequisites.

In the inter-segment transactions market prices are applied that enable individual entities to earn contribution margin suitable for autonomous operation in the market. For the sales of energy and transmission services the prices are defined by the Law on Energy apply, i.e. the act dated 10 April 1997 Law on Energy and related bylaws.

Complementary segment reporting – geographic segments

The Company operates in only one economic environment – the territory of Poland, therefore the Company does not present any geographic segments.

8 Tangible fixed assets

During the twelve month period ended 31 December 2008 the Company purchased tangible fixed assets of PLN 35,314 thousand (during the twelve month period ended 31 December 2007 of PLN 127,786 thousand).

During the twelve month period ended 31 December 2008 the Company sold or liquidated tangible fixed assets of a total net value of PLN 547 thousand (during the twelve month period ended 31 December 2007 of PLN 7,510 thousand). During the twelve month period ended 31 December 2007 the Company decreased also tangible fixed assets through contribution in kind to ENEA Operator Sp. z o.o. assets in the net book value amounting to PLN 4,730,673 thousand.

During the twelve month period ended 31 December 2008 the Company created additional allowances for tangible fixed assets in the total amount of PLN 7,784 thousand (nil during the twelve month period ended 31 December 2007).

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*(all amounts are stated in PLN thousand, unless otherwise stated)***9 Intangible assets**

During the twelve month period ended 31 December 2008 the Company did not acquire any intangible assets (during the twelve month period ended 31 December 2007 – PLN 749 thousand).

During the twelve month period ended 31 December 2008 the Company has not sold or liquidated any significant intangible assets (during the twelve month period ended 31 December 2007 – PLN 2 thousand).

10 Investments in subsidiaries, associates and joint ventures

	31.12.2008	31.12.2007
Opening balance	7 525 908	111 812
Acquisitions	282 769	7 416 097
Impairment	(210)	(2 001)
Value at the end of the year	7 808 467	7 525 908

During the twelve month period ended 31 December 2008 the Company acquired shares in associates of a total amount of PLN 185.164 thousand (nil during the twelve month period ended 31 December 2007). The accounting principles for these transactions are presented in Note 13.

During the twelve month period ended 31 December 2008 and in the twelve month period ended 31 December 2007 the Company has not sold any investments in associates.

Impairment of investments in subsidiaries, associates and joint ventures

	31.12.2008	31.12.2007
Opening balance	13 514	11 513
Increase during the reporting period	210	2 001
Impairment at the end of the year	13 724	13 514

11 Allowances for trade and other receivables

	31.12.2008	31.12.2007
Opening balance of allowance	96 520	100 565
Additions	9 153	14 512
Reversals	(11 237)	(16 339)
Utilization	(917)	(2 218)
Closing balance of allowance	93 519	96 520

During the twelve month period ended 31 December 2008 the allowance for trade and other receivables decreased by PLN 3,001 thousand (during the twelve month period ended 31 December 2007 it decreased by PLN 4,045 thousand).

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During the three month period ended 31 December 2008 the allowance for trade and other receivables decreased by PLN 212 thousand (during the three month period ended 31 December 2007 decreased by PLN 6,206 thousand).

12 Restricted cash and cash equivalents

As at 31 December 2008 the Company had restricted cash in the amount of PLN 1,948,493 thousand, representing net cash inflow from the initial public offer which as at 31 December 2008 were not registered.

As at 31 December 2008 restricted cash comprised of:

- escrow account (cash restricted until the completion of registration of the new shares issue in the National Court Register and in the National Deposit of Securities): PLN 1,939,615 thousand;
- option escrow account (cash restricted for the purpose of the execution of a stabilization option): PLN 8,878 thousand.

As a result of the completed registration in the National Court Register on 13 January 2009 and the registration of new shares in the National Deposit of Securities on 30 January 2009, as at the day of the preparation of these condensed interim stand-alone financial statements the restrictions on cash were abolished.

13 Accounting of acquisitions of new subsidiaries and associated companies

In December 2008 ENEA S.A. acquired two subsidiaries i.e. Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. in Oborniki („PEC Oborniki”) and Miejska Energetyka Ciepła Sp. z o.o. in Piła („MEC Piła”) as well as shares in two associated companies i.e. Przedsiębiorstwo Energetyki Ciepłej w Śremie S.A. and Elektrociepłownia Białystok S.A. (details in Note 6). As at the date of the preparation of these condensed interim stand-alone financial statements the Company has not completed the purchase price allocation on identifiable net assets. As a result the Company decided to account for business combination applying initial accounting determined provisionally. The adjustments to these provisional values, if any, will be made within the 12 month period from the acquisition date

The agreements on the acquisition of shares of PEC Oborniki and MEC Piła include irrevocable offers to buy the remaining minority interest which are valid 6 and 5 years respectively, starting from the date the agreements were signed. In these condensed interim stand-alone financial statements the Company has recognized financial liabilities resulting from the above mentioned options in the amount of PLN 28,226 thousand.

14 Share capital

On 16 May 2008 the Shareholders Meeting amended the ENEA’s statute pursuant to which all series of shares existing as at that date were merged into two series A and B. Furthermore, due to the planned Initial Public Offer the Shareholders Meeting adopted a resolution concerning the increase in the share capital up to

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PLN 149,237 thousand through the stock issue of up to 149,237,382 ordinary shares of a C series and a nominal value of PLN 1 each. The amended statute was registered in the National Court Register on 5 June 2008.

On 1 August 2008 the Shareholders Meeting adopted a resolution on the redemption of 10,594,129 ordinary B series shares of a nominal value PLN 1 each and a resolution on the reduction of share capital by PLN 10,594,129 i.e. from PLN 348,220,557 to PLN 337,626,428. The resolution on the redemption of shares was required by law and was related to the payment of shares' cash equivalent to Entitled Employees (Note 17). The obligation to redeem shares resulted from art. 38b of the Law on Commercialization and Privatization dated 30 August 1996. The reduction of the Company's share capital was registered in the National Court Register on 5 September 2008.

On 3 November 2008 the Extraordinary Shareholders Meeting adopted a Resolution on the increase in share capital of the Company in connection with the change in the structure of planned initial public offer of 103,816,150 newly issued ordinary shares of the C series of a nominal value PLN 1 each. The share capital was increased from the amount of PLN 337,626,428 to the amount of PLN 441,442,578. The increase in capital was registered in the National Court Register on 13 January 2009.

In connection with the initial public offer and the commencement of public trade of rights to shares on the Warsaw Stock Exchange the Company acquired within the stabilization option 1,129,608 rights to shares till 31 December 2008.

15 Share based payments reserve and liabilities due to cash settled share based payments

As at 31 December 2008 the value of the Share Based Program which applies to the Entitled Employees was established on the basis of the fair value used for the purpose of preparation of the interim stand-alone financial statements for the period ended 30 June 2008 and amounts (with the exception of Entitled Employees of Elektrownia "Kozienice" S.A.) to PLN 921 million (PLN 901 million as at 31 December 2007). At the end of 2008 the Company's shares price quoted on the Warsaw Stock Exchange was subject to high volatility. The Management Board decided that Share Based Program would not be revalued as at 31 December 2008 considering the share price at the level of PLN 14 do not reflect the actual fair value of the Company.

Entitled Employees of Elektrownia "Kozienice" S.A., based on the Act on the acquisition of shares from the State Treasury as a result of the energy sector consolidation process dated 7 September 2007, shall have submitted the declaration until 18 January 2008 if they intended to exchange the cash equivalent into shares of ENEA S.A. After taking into account submitted declarations and further complaint process the amount of shares subject to cash equivalent amounted to PLN 291,127 thousand (PLN 514,920 thousand as at 31 December 2007). The change in the liability due to cash settled share based payments amounting to PLN 224,042 thousand was transferred to equity of the Company (Share based payments reserve).

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In November and December 2008 a part of the equivalent was paid to the Entitled Employees of Elektownia "Kozienice" S.A. As at 31 December 2008 remaining liabilities due to cash settled share based payments amounted to PLN 163,799 thousand.

16 Borrowings

	31.12.2008		31.12.2007	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current				
Bank loans	-	-	4 000	4 000
	-	-	4 000	4 000
Current				
Bank loans	-	-	16 112	16 112
	-	-	16 112	16 112
Total	-	-	20 112	20 112

17 Deferred income tax

Changes in deferred tax (included offsetting of deferred tax assets against liabilities) are as follows:

	31.12.2008	31.12.2007
Opening balance	(29 351)	368 540
Change recognized in the income statement	(13 750)	(397 891)
Change recognized in equity	(903)	-
Balance at the end of the year	(44 004)	(29 351)

In the three month period ended 31 December 2008 the income statement charge resulting from a decrease in deferred tax asset amounted to PLN 9,767 thousand (in the three month period ended 31 December 2007 the income statement credit resulting from an increase in deferred tax asset amounted to PLN 7,370 thousand).

In the three month period ended 31 December 2008 change in the deferred tax asset recognized in the equity amounted to PLN 903 thousand (nil in the three month period ended 31 December 2007).

18 Certificates of origin

	31.12.2008	31.12.2007
Certificates of origin	(14 572)	(5 959)
Advance payments on certificates of origin	(2 985)	(19 547)
Provision for costs of redemption of certificates of origin	161 499	90 280
Provision for certificates of origin	143 942	64 774

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*(all amounts are stated in PLN thousand, unless otherwise stated)***19 Provisions for liabilities and other charges**

	31.12.2008	31.12.2007
Opening balance	61 676	51 673
Additional provisions	17 023	20 126
Reversal of provisions	(16 080)	(10 123)
Closing balance	62 619	61 676

Provisions for liabilities are measured at a justified and reliably assessed value. Specific provisions are established for probable losses relating to court actions initiated against the Company. These provisions are stated in the amount of the claim, taking into consideration a legally measured probability of losing the case. They are accounted for as other operating expenses. The description of significant claims and contingent liabilities in this regard is presented in the Notes 24.2, 24.4, 24.5 and 24.6.

In the twelve month period ended 31 December 2008 the provision for estimated losses resulting from pending claims increased by PLN 943 thousand (in the twelve month period ended 31 December 2007 it increased by PLN 10,003 thousand).

In the three month period ended 31 December 2008 the provision for estimated losses resulting from pending claims increased by PLN 9,484 PLN (in the three month period ended 31 December 2007 it increased by PLN 2,857 thousand).

20 Dividend

On 9 June 2008 the Ordinary Shareholders Meeting of ENEA S.A. adopted resolution no 2 on the distribution of the net profit for the reporting period from 1 January 2007 to 31 December 2007, according to which dividend to the State Treasury amounted to PLN 88,630 thousand (dividend per share amounted to PLN 0.25). Until 31 December 2008 the dividend was fully paid.

On 28 June 2007 the Ordinary Shareholders Meeting adopted resolution no 2 on the distribution of the net profit for the reporting period from 1 January 2006 to 31 December 2006, according to which dividend to the State Treasury amounted to PLN 38,550 thousand (dividend per share amounted to PLN 0.17). Until 31 December 2007 the dividend was fully paid.

ENEA S.A. on the basis of the Act on Obligatory Payments From the Profit of Companies Fully Owned by the State Treasury dated 1 December 1995 made quarterly profit payments (profit in this case is defined as profit before tax, less current tax) amounting to 15%, which are presented as a dividend payment. The Company was subjected to the above described scheme until the end of the month, during which the share capital increase, being a result of the 2008 public issue of shares, was registered in the National Court Register (i.e. till the end of January 2009).

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The accrued payments for the period from 1 January to 31 December 2008 amounted to PLN 26,187 thousand. However, in these condensed interim stand-alone financial statements the Company recognized also an adjustment to obligatory payments accrued for 2007 in the amount of PLN 2,229 thousand (for the period from 1 January to 31 December 2007 the accrued profit share amounted to PLN 6,885 thousand). As at 31 December 2008 the value of obligatory profit share liability amounted to PLN 5,501 thousand and it is presented as current trade and other payables. For the period from 1 October to 31 December 2008 the accrued profit share amounted to PLN 14,000 thousand (for the period from 1 October to 31 December 2007 – previously accrued amount was decreased by PLN 4,724 thousand).

21 Transactions with related parties

The Company enters into transactions with the following related parties:

- (i) ENEA S.A. Group's companies subject to consolidation – these transactions are eliminated during consolidation;

	31.12.2008	31.12.2007
Purchases, including:	3 861 807	1 708 683
capital expenditures	26 628	58 847
purchases of materiale	1 263	29 138
purchases of services	2 293 876	1 076 757
other (incl. energy)	1 540 040	543 941*
Sales, including:	302 316	180 416
sales of energy	287 027	144 779
sales of materiale and merchandise	-	20 744
sales of services	2 245	2 533
other sale	13 044	12 360

* - including purchase of electric energy from Elektrownia "Kozienice" S.A. presented for the whole year 2007. Elektrownia "Kozienice" S.A. is the subsidiary of ENEA S.A. from 10 October 2007.

	31.12.2008	31.12.2007
Receivables	49 166	53 249
Liabilities	642 363	284 502

- (ii) Transactions between the Company and Members of Executive Bodies which should be divided into three categories:

- resulting from employment contracts with members of the Management Board of the Parent Company as well as concerning the appointment of the Supervisory Board Members,
- concerning loans granted from the Company's Social Fund for the Parent Company Management Board members as well as Supervisory Board members, who are employees of ENEA S.A.,
- resulting from other civil contracts;

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Transactions with Members of the Executive Bodies are illustrated in the following table:

Title	Management Board of the Parent Company		Supervisory Board of the Parent Company	
	01.01.2008 - 31.12.2008	01.01.2007 - 31.12.2007	01.01.2008 - 31.12.2008	01.01.2007 - 31.12.2007
Salaries based on employment contract	936	1 020	-	-
Remuneration related to the appointment to management or supervisory bodies	-	-	336	313
Remuneration related to positions in the supervisory boards of subsidiaries	140	114	-	-
Other employee benefits (incl. electricity allowance)	164	52	-	-
TOTAL	1 240	1 186	336	313

The Management and the Supervisory Boards Members' salaries are subject to the Act on Remuneration of Persons Managing Certain Legal Entities dated 3 March 2000. In accordance with the Act, the maximum monthly remuneration cannot exceed the value of 6 average monthly salaries in the enterprises' sector excluding profit share bonuses, applicable in the fourth quarter of the preceding year published by the Central Statistical Office. The amount of annual bonus cannot exceed the value of the three average monthly remuneration due in the year preceding the year when the bonus has been awarded.

Transactions related to loans granted from the Company's Social Fund are presented in the table below:

Executive body	Balance as at 01.01.2008	Granted from 01.01.2008	Repayments by 31.12.2008	Balance as at 31.12.2008
Management Board	27	-	(9) *	18
Supervisory Board	6	-	(6)	-
TOTAL	33	-	(15)	18

Executive body	Balance as at 01.01.2007	Granted from 01.01.2007	Repayments by 31.12.2007	Balance as at 31.12.2007
Management Board	32	-	(5)	27
Supervisory Board	9	-	(3)	6
TOTAL	41	-	(8)	33

* - including PLN 5 thousand – which were excluded from the presentation due to the fact the amount was lent to Renata Czech, who was dismissed from the position of a Member of the Management Board by the decision of the Supervisory Board no 55/VI/2008 on 15 July 2008.

Other transactions resulting from service contracts between the ENEA S.A. and Members of the Executive Bodies concern the private use of vehicles by the ENEA S.A. Management Board Members.

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(iii) Transactions between the Company and entities related to the State Treasury of the Republic of Poland

ENEA S.A. also enters into transactions with state administration, local authorities and entities which are related to the State Treasury of the Republic of Poland. These transactions concern mainly:

- the purchase of electric energy, rights from certificates of origin of energy generated from renewable resources or in cogeneration with heat which the Company conduct with companies related to the State Treasury, and
- the sale of electric energy, distribution services and other related services that is made by the Company to the state administration and local authorities (sale to an end user) as well as to companies related to the State Treasury (both wholesale and retail sales).

These transactions are made on an arm's length basis and the applied prices are consistent with those offered to third parties. The Company does not maintain accounting records which would enable to aggregate all transactions realized with all related to the State Treasury entities, therefore all balances and turnover connected with related parties presented in these condensed interim stand-alone financial statements do not include data referring to the transactions with entities related to the State Treasury.

22 Commitments due to binding contracts as at the balance sheet date

Contractual commitments binding as at the balance sheet date but not included in the balance sheet are presented below:

	31.12.2008	31.12.2007
Property, plant and equipment	17 164	3 501
Intangible assets	-	-
	17 164	3 501

23 Information concerning the seasonal and cyclical nature of the Company's activities

The sale of energy during the year is subject to seasonal fluctuations. The sale of energy increases during the winter months and decreases during the summer months. It is connected with the temperatures and the length of the daytime. The magnitude of these fluctuations is determined by lower temperatures and shorter daytime in the winter and higher temperatures and longer daytime during summer. The seasonal character of electric energy sales is to a larger extent related to individual recipients (they represent 40.52 % of total sales), rather than to industrial recipients.

24 Contingent liabilities and contingent assets, court, arbitration and administrative proceedings**24.1 Granted by the Company bank loans and borrowings guarantees**

In the reporting period the Company did not grant any guarantee for bank loans and borrowings.

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24.2 Pending common court casesProceedings initiated by the Company

Proceedings initiated by ENEA S.A. in common courts relate to the collection of receivables for the delivery of electric energy (the so-called energy cases) and to the collection of other receivables - illegal consumption of energy, illegal connections to the power grids and other specialist services provided by the ENEA S.A. (so-called non-energy cases).

As at 31 December 2008 there were in total 7,637 cases pending before common courts initiated by the Company of a total value of PLN 12,167 thousand (as at 31 December 2007 there were 6,762 cases amounting to PLN 13,511 thousand).

None of the results of these proceedings is significant to the net profit of the Company.

Proceedings against the Company

Proceedings against the Company are actions brought by individuals and legal entities. Among others they concern the following issues: compensation for energy supply shortages, determination whether the illegal energy consumption occurred and compensation claimed from the Company for the use of property, on which electricity equipment is located. The Company considers the actions concerning the non-contractual use of third party's property to be of particularly significant (Note 24.5).

As at 31 December 2008 there were in total 166 cases pending before common courts against the Company of a total value of PLN 12,734 thousand (as at 31 December 2007 there were respectively 167 cases in the total amount of PLN 18,223 thousand). Provisions related to these cases are presented in the Note 19.

24.3 Arbitration proceedings

As at 31 December 2008 there was any pending arbitration proceeding.

24.4 Proceedings pending before public administration authorities

By the decision of the President of the Office of Competition and Consumer Protection dated 12 September 2008 which terminates legal proceeding concerning customers illegally charged with a double service fee for January 2008, ENEA S.A. was obliged to pay a penalty in the amount of PLN 160 thousand. On 30 September 2008 ENEA S.A. appealed against this decision. As at the date of the preparation of these condensed interim stand-alone financial statements the appeal was still pending.

As a result of a administrative procedure the President of the Energy Regulatory Office under the decision No DPE-451-206(4)/2688/2008MOS dated 27 November 2008 administered to ENEA S.A. a fine in the amount of PLN 7,594,613.28, which constitutes 0.2771 % of revenue from licensed activity in 2006, in connection with

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These condensed interim stand-alone financial statements were not audited.

(all amounts are stated in PLN thousand, unless otherwise stated)

the failure to perform in 2006 the duty, under article 9a section 8 of the Energy Law, to purchase the electric energy cogenerated with heat in energy sources connected to the grid and located in the territory of the Republic of Poland. On 17 December 2008 ENEA S.A. filed an appeal via Energy Regulatory Office to the District Court in Warsaw – Court for Consumer and Competition Protection, on the grounds that ENEA S.A. had exercised due diligence in performing duty, specified in article 9a section 8 of the Energy Law. These condensed interim consolidated financial statements include a full amount of provision for the afore-mentioned fine.

Due to the nature of the Company's activities as at 31 December 2008 there was a number of other pending proceedings before public administration authorities.

The majority of these proceedings are initiated upon the request of the Company, which apply to competent public administration authorities for:

- an administrative enforcement to be instituted in order to collect receivables for an illegal consumption of electricity,
- a permit to construct new buildings and to modernize existing ones,
- a permit to situate electric equipment on a traffic lane,
- rates to be determined for annual fees for perpetual usufruct right,
- land for electric equipment to be separated.

Some of these proceedings are also complaint proceedings brought into government administration and local administration bodies or administrative courts in connection with decisions made in the above mentioned cases.

None of the results of these cases should have significant impact on the net profit of the Company.

As at 31 December 2008 the President of the Energy Regulatory Office conducted a number of explanatory and administrative proceedings against the Company.

None of the results of these proceedings should have significant impact on the net profit of the Company.

In connection with the control carried out by the Supreme Chamber of Control in the context of the *Restructuring of the energy sector starting from 2005 and safety of the power network* on 8 August 2008 the company received a report on the control. On 28 August 2008 the Management Board of the Parent Company refused to sign the report and presented reservations concerning expressions used in the report, which in the opinion of the Management Board are among others inconsistent with the actual state. On 29 September 2008 the Company received the Positions of Controllers, according to which certain reservations of the Management Board were not taken into account. Currently the Company is waiting for a final report on contentious issues which will include conclusions and recommendations of the Supreme Chamber of Control.

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Condensed interim stand-alone financial statements for the fourth quarter of 2008

These condensed interim stand-alone financial statements were not audited.

(all amounts are stated in PLN thousand, unless otherwise stated)

24.5 Risk related to the legal status of property used by the Company

The risk related to the legal status of property used previously by ENEA S.A. (currently used by ENEA Operator Sp. z o.o.) results from the fact, that ENEA S.A. did not possess all legal titles to use of land, on which the electric power grids and related equipment are located. The Company may be in the future obliged to incur costs for non-contractual use of these properties.

The lack of specific regulations of the legal status of property, on which the electric power grids and related equipment are situated exposes the Company to a risk of additional costs related to compensations for the non-contractual use of land, tenancy cost or exceptionally, in individual cases the risk of relocation of the electricity related assets (and restoration of property to the original condition).

Claims asserted against the Company are the claims for payment (compensations for the non-contractual use of property, for the decrease in the property's value, for lost profits) and claims to desist from the trespassing of possession (demand to remove the equipment).

The court decisions in these cases are important as they significantly influence the Company's actions in respect of persons asserting pre-court claims related to equipment located at their property in the past, as well as the actions in respect of the regulation of a legal status of equipment in the case of new investments.

The Company has created a provision for all claims asserted by the owners of the affected properties (Note 19). Starting from the date of separation of the distribution system operator claims are asserted also against ENEA Operator Sp. z o.o. who currently is the owner of the electric power grids and related equipment.

The Company does not create a provision for potential un-asserted claims in relation to land with an unregulated legal status. Potential amounts claimed may be significant for the Company given the total area of land subject to an unregulated legal status (with power grids and related equipment located on these properties). The Company does not have sufficient records and the knowledge of a legal status of used land and therefore is not able to assess reliably the maximum amount of potential claims from the non-contractual use of land.

24.6 Risk related to the participation in costs of usage of land owned by the State Forests for the purpose of power grids

Due to the lack of particular legal regulations, provisions for claims resulting from the use of the forest land, which is owned by the State Forests, for the purpose of power grids, which are property of the Company they were not recognized in the accounting books as at 31 December 2008. The meeting initiated by the Minister of Environment with the participation of representatives of the State Forests, the Minister of the State Treasury, PSE-Operator and the Polish Society of Transmission and Distribution of Electricity representing the interests of distribution (transmission) companies took place on 29 November 2006. The proposal of the State Forests to

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reach tenancy contracts in relation to land, on which the power grids are located, was not adopted. It has been acknowledged that it is necessary to develop a comprehensive solution based on appropriate legislative changes. The assessment of provisions for the participation in costs of the property tax for the land owned by the State Treasury incurred by State Forests as at this day is impossible. Taking into consideration the area of the land, potential liabilities in this regard might be significant.

Apart from the actions mentioned above, which were taken in order to develop a comprehensive solution concerning a legal status of State Forest property, some of the local forestries asserted claims against the Company for compensations regarding the non-contractual use of lands by the Company. These claims are included in the provision described in the Note 19.

25 Launch of negotiations regarding the acquisition of Zespół Elektrowni Pątnów-Adamów-Konin S.A.

In 2008 ENEA S.A. commenced negotiations with a bankruptcy trustee of Elektrim S.A. regarding the acquisition of 45.95% shares of Zespół Elektrowni Pątnów-Adamów-Konin S.A. (ZE PAK). Submitting a binding offer by ENEA S.A. is however subject to a list of conditions including conducting a legal, financial, tax, technical, environmental and operational due diligence of ZE PAK and its capital group, reconciling all the sales agreement conditions and a satisfactory solution of the issues regarding claims raised by creditors of Elektrim S.A. in relation to shares of ZE PAK. Until the date of approval of these condensed interim stand-alone financial statements no binding decisions have been taken.

26 Changes in excise duty

On 1 March 2009 the Amendment to the Act on Excise Duties dated 23 January 2004 has entered into force. New regulations in terms of excise duty were necessary in order to bring Polish regulations in line with EU regulations. According to these changes tax obligation in the field of excise duty arises at the moment of the supply of energy to an end-users (previously at the moment of production of electric energy). Therefore, with the effect from 1 March 2009, ENEA S.A. is the entity responsible for the excise duty payment.

27 Subsequent events**Registration of the share capital increase**

On 3 November 2008 the Extraordinary Shareholders Meeting adopted a resolution on the increase in share capital of the Company in connection with the planned initial public offer of 103,816,150 new ordinary shares of the C series of a nominal value PLN 1 each. The share capital was increased from the amount of PLN 337,626,428 to the amount of PLN 441,442,578. This increase in share capital was registered in the National Court Register on 13 January 2009. On 30 January 2009 new shares were registered in the National Deposit of Securities.

**Additional information
to the consolidated
report for Q4 2008**

**Prepared in accordance with Clause 91 par. 6 and 9 of the Regulation of the Minister of
Finance on current and periodic information published by issuers of securities of 19
October 2005**

I. Description of the organisation of the issuer's capital group with an indication of units subject to consolidation and the consequences of changes to the structure of the issuer's capital group, including as a result of the merger of business units, the takeover or sale of the issuer's capital group units, long-term investments, the division, restructuring or cessation of activities

A description of the organisation of the issuer's capital group with an indication of units subject to consolidation and a description of changes to the structure of the issuer's capital group is included in Note 6 to the consolidated quarterly financial statement (p. 16 of this report).

Description of the Capital Group's activities

The basic activities of the ENEA S.A. Capital Group (the "Group") include the generation of electricity, its distribution and trade. These activities are conducted by companies from our Group on the basis of concessions granted to them by the President of the Energy Regulatory Office – the body established to carry out regulatory tasks with regard to the management of fuels and energy and to encourage competition in the energy sector.

Generation

Within our Group, the generation of electricity is mainly carried out by Elektrownia "Kozienice" S.A. (the "Power Plant", "Elektrownia Kozienice"), which became part of the Group in October 2007. The Power Plant has a gross annual power capacity of 2,880 MW and is thus the largest coal-fired power plant in Poland. In January 2008, Elektrownia Kozienice also began producing electricity from renewable sources (by including biomass in its fuel). In 2008, the Power Plant generated a gross 11,790,882.425 MWh of electricity.

The generation of electricity from renewable sources is mainly the task of our subsidiary company – Elektrownie Wodne Sp. z o.o. In 2008 it obtained 144,072,563 certificates of energy production from renewable sources. The annual power capacity of the 20 hydroelectric plants belonging to our Group amounts to 56 MW. The energy transmitted to the grid from the hydroelectric plants in 2008 was 142,612.087 MWh (the amount forecast for 2008 was 121,121.000 MWh).

Activities undertaken in terms of increasing the amount of electricity produced from renewable energy sources is significant for the Group in that the regulations of law oblige us to obtain energy certificates and submit them to the President of the URE for discontinuation. These must confirm: (i) generation of electrical energy from renewable sources; and (ii) generation of electrical energy in association with thermal generation (co-generation), or, in the event that the number of energy certificates obtained and submitted is insufficient, equivalent fees must be paid. The number of energy certificates that must be obtained and discontinued results from the provisions of law and is calculated as a percentage share of the electrical energy sold to end users. That share will grow in the coming years. Moreover, the amount of electricity we sell to end users may also increase. The energy sources in our possession which are renewable or produced during cogeneration only enable us to meet our obligations regarding energy certificates to a minor degree. Consequently, we are forced to obtain certificates of origin from third parties, or to pay the equivalent fees, which are becoming higher every year. Given the lack of sufficient potential for sources generating such energy in Poland, we must reckon on an increase in the price of energy certificates on the market, which may result in a significant increase in the costs of our activities. There is no certainty that the higher prices of such certificates or of the equivalent fees we pay

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will be reflected in the price of electricity sold to end users. If we are not able to obtain enough energy certificates on favourable terms, or if market conditions make it impossible to pass the higher costs incurred by us in relation to the acquisition of energy certificates on to end users, this may have a negative effect on our cash flow and the margin we achieve.. In consideration of the above, ENEA S.A. is taking steps towards increasing the volume of its production of electricity from renewable energy sources, and is investing in energy sources produced through cogeneration (detailed information on the issuer's investments in thermal power stations and thermal-electric power stations can be found in pt. IX: "Factors that in the issuer's opinion will influence the results it will achieve within at least the next quarter").

Distribution

Within our Group, the distribution of electricity is the responsibility of ENEA Operator Sp. z o.o. ("ENEA Operator"), which acts as the operator of the distribution system. ENEA Operator's distribution network covers an area of approximately 20 per cent of the country, located in the north-western part of Poland. ENEA Operator owns power lines with a total length of more than 124,505 km (including connections) and about 33,800 transmission stations (as at 31 December 2008).

Trade

In our Group, the wholesale trade of electricity and the sale of electricity to end users is the responsibility of ENEA S.A. In 2008, total sales from within the trade of electricity were 19,978.8 GWh. Sales to end users amounted to 17,543.2 GWh, including 952.9 GWh to clients connected to an OSD power grid other than ENEA Operator. The number of recipients as at 31 December 2008 was approximately 2,326,948 businesses and households.

Other activities

The companies of our Group also conduct activities that are supplementary to the basic activities listed above, including:

- (i) the construction, expansion, modernisation and repairs of electric power equipment and networks;
- (ii) the design, construction, production and sale of electrical and power equipment and apparatus;
- (iii) services related to the maintenance of street lighting and low-voltage networks;
- (iv) transport services (including the sale, servicing and repair, as well as leasing of vehicles); and
- (v) social activities (tourist facilities, healthcare).

II. The Management Board's position concerning the possibility of achieving the results forecasts published for the given year

The Management Board of ENEA S.A. did not publish financial result forecasts for 2008 or for Q4 2008.

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On 5 February 2009, in current report No. 11/2009, ENEA S.A. published initial estimated results for the Group for 2008, according to which it was initially estimated that the result for the Group for the past financial year would be in the region of 250 million zlotys. The Group's final financial result for 2008, as determined in the consolidated financial statements for Q4 of 2008, amounted to 194 million zlotys. Information in respect of this was conveyed via Current Report no. 16/2009, of 27 February 2009. The net profit, which was lower than forecasted result, was caused by including the value of consolidation adjustments and reserves recognised by the Company.

III. Shareholders holding 5 per cent or more of the votes at the issuer's general meeting of shareholders, directly or indirectly through subsidiaries, as at the publication date of the quarterly report and indications of changes in the ownership structure of significant share stakes in ENEA S.A. during the period since the publication of the previous quarterly report

As at the publication date of this quarterly report, the structure of shareholders holding more than 5 per cent of the total number of votes at the General Meeting of Shareholders of ENEA S.A. is as follows:

Shareholder name	Number of shares held	Number of votes held	Share in the share capital	Share of the total number of votes
State Treasury	337,626,428	337,626,428	76.48	76.48
Vattenfall AB	82,395,573	82,395,573	18.67	18.67
Others	21,420,577	21,420,577	4.85	4.85

In the period since the publication of the last quarterly report, the following changes have taken place in the ownership structure of major share stakes in ENEA S.A.:

On 14 November 2008, i.e. on the publication date of the report for Q3 2008, the shareholder holding 100 per cent of the votes at the general meeting of shareholders of ENEA S.A. was the State Treasury. The State Treasury was the owner of 337,626,428 shares, entitling it to 337,626,428 votes at the General Meeting of Shareholders of ENEA S.A., constituting 100 per cent of the share capital at the time, and was entitled to exercise 100 per cent of the votes at the General Meeting of Shareholders of ENEA S.A. In relation to a public offer of series C shares and registration of the increase in the share capital of ENEA S.A. on 13 January 2009 by the District Court in Poznan for Nowe Miasto and Wilda in Poznan, the share capital of ENEA S.A. currently comprises 441,442,578 shares corresponding to 441,442,578 votes at the General Meeting of Shareholders of ENEA S.A.

IV. A list of holdings of the issuer's shares or rights to them (options) by persons that manage or supervise the issuer as at the publication date of the quarterly report, together with an indication of changes to the holdings in the period since the publication of the previous quarterly report, individually for each person

As at the publication date of this quarterly report, Mr Tadeusz Dachowski, vice-Chairman of the Company's Supervisory Board holds 200 ENEA S.A. shares. As at the date of publication of the periodic report covering QIII of 2008, the abovementioned person did not hold ENEA S.A. shares. Simultaneously, the Issuer hereby informs that in accordance with its knowledge as at the day of conveying this quarterly report, the remaining persons managing or supervising the Company do not hold ENEA S.A. shares.

Pursuant to the Commercialisation and Privatisation Act of 30 August 1996, Mr Czesław Koltermann is entitled to obtain employee shares of ENEA S.A. at no charge.

V. Proceedings pending before courts, bodies appropriate for arbitration proceedings or public administration bodies:

a) proceedings related to the issuer's or its subsidiary's payables or debts, whose value is 10 per cent or more of the issuer's equity, including a description of: the subject of proceedings, the value of the dispute, the date the proceedings were initiated, the parties to the initiated proceedings and the issuer's position.

As at the publication date of this report, no proceedings are underway whose value would amount to 10 per cent or more of ENEA S.A.'s equity.

b) two or more proceedings regarding payables and debt, whose total value corresponds to 10 per cent or more of the issuer's equity, with an indication of the total value of proceedings within the group of payables and debts, together with the issuer's position on this matter and, with regard to the largest proceedings in the group of payables and the group of debts – with an indication of their subject, the value of the dispute, the date the proceedings were initiated and the parties to the initiated proceedings;

As at the publication date of this report, no proceedings are underway whose total value would amount to 10 per cent or more of ENEA S.A.'s equity. A description of other proceedings underway to which ENEA S.A. or members of the Group are parties is included in Note 28.2-4 to the consolidated quarterly financial statement (p. 36 of this report).

VI. Information regarding the conclusion by the issuer or its subsidiary of one or more transactions with affiliated companies, if the value of these transactions (the total value of all transactions

concluded from the beginning of the financial year) exceeds the zloty equivalent of EUR 500,000 – if they are not routine and typical transactions

A description of transactions concluded by the issuer or its subsidiaries with affiliated companies was included in Note 24 to the consolidated quarterly financial statement (p. 33 of this report).

VII. Information regarding the issuer or its subsidiaries granting credit or loan suretyships or guarantees – jointly to a single entity or a subsidiary of that entity, if the total value of the existing suretyships or guarantees is equivalent to 10 per cent or more of the issuer’s equity

During the reporting period neither the Issuer nor any of its subsidiaries granted credit or loan suretyships or guarantees – jointly to a single entity or a subsidiary of that entity, where the total value was equivalent to 10 per cent or more of the Issuer’s equity.

VIII. Other information which in the issuer’s opinion is significant for evaluating its employment, asset or financial condition, its financial results or changes to them, as well as information that is significant for evaluating the issuer’s ability to meet its obligations

Regardless of the information included in the remaining parts of the quarterly report, in the opinion of the Management Board the following information regarding ENEA S.A.’s competitive advantage should be kept in mind:

Strong market position

We have a strong market position in Poland in all segments of the electrical power market in which we conduct activities. We are among the four largest entities in Poland in the electricity generation, distribution and trade sector.

Effective generation assets

The Group’s Kozenice Power Plant is one of the most efficient black coal-fired power plants in Poland. It has modernised generation units which produce electricity while respecting the ecosystem in the vicinity of the company, in line with EU environmental protection norms. As one of the leading power plants in Poland, construction has begun on two new power units of superior parameters with a capacity of 1,000 MW each.

Kozenice Power Plant has one of the lowest indicators of carbon dioxide emissions in Poland: in 2007 the level was 860 kg/MW, and in 2008 849 kg/MW. It also has one of the lowest indicators of coal used per MWh of electricity generated. The level in 2008 was 0.410 Mg/MWh.

A diversified and stable client portfolio

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The portfolio of clients to whom we sell electricity is stable and, to a large extent, diversified. Currently we sell electricity to approximately 2.3 million recipients, including some 2 million clients and 0.3 million business clients. In 2008, the value of electricity sales to our largest client did not exceed 4.7 per cent of the total value of electricity sold, and the share of the 10 largest clients only slightly exceeded 15 per cent.

Vertical integration

As a result of the inclusion of Koźienice Power Plant in the Group in October 2007, we have become a vertically integrated power company. At the end of Q4, the vast majority of the electricity generated by Koźienice Power Plant (88 per cent), with the exception of electricity sold on the balancing market, as part of regulation system services, as well as insignificant amounts sold to local recipients, is sold to ENEA.

Convenient location for developing wind farms

Investments in renewable wind power are a significant element of our strategy. Our distribution network covers the north-western part of Poland which, due to the prevailing atmospheric conditions in this part of the country – plenty of wind – is a good location for building wind farms. In the seaside region, considered a very favourable area for building wind farms, winds reach an estimated average of more than 6 m/s.

In Q4 of 2008 as a result of the conclusion on 23 December 2008, between ENEA Operator Sp z o.o. and PSWM Wielkopolska Sp. z o.o. of an agreement on connecting the Duszniki Wind Farm, located in the District of Duszniki, to the power grid, a further wind energy producing entity connected to the grid (this agreement does not constitute a material agreement).

Risks relating to activities and the surroundings

Notwithstanding the above positive factors in an evaluation of the management, property, financial situation and the financial result of the issuer and its Group, there exists a series of factors identifiable as risks relating to the activities carried on and the surroundings in which they take place. A detailed description of these risk factors can be found in the issue prospectus of series C shares. Important among them is the potential influence of the events and circumstances described in Notes 28-30 of the consolidated quarterly financial statement (p. 36-41 of this report).

Information on transactions aimed at managing exchange rate risk

During 2008, within the activities carried out, neither ENEA S.A. nor its dependent companies concluded transactions aimed at managing exchange rate risk in 2008.

Awards and distinctions received by ENEA S.A. in Q4 2008

Crest as an Investor in Human Capital (Inwestor w Kapitał Ludzki) – Investor in Human Capital awards are given for best practice in managing human resources. The awards recognise the friendly corporate culture of the winning companies, and their solutions for raising the qualifications of employees. The project is run by the Fundacja Obserwatorium Zarządzania.

White Tiger Award (Laur Białego Tygrysa) to ENEA S.A. – this prize is given by the Agencja Promocji Energii to producers, investors and distributors with innovative products and technologies, and solutions serving the development of Polish electrical power engineering and Polish society. ENEA S.A. was honoured for its successful debut on the stock exchange and its determination and effective preparations towards one of the most important events on the Polish energy market last year.

- **the title “Best Product for Business 2008-2009”** – this award was presented by Gazeta Finansowa in recognition of the Green Packet (Pakiet Zielony), a tariff group addressed to institutional clients who care about the environment and want their activities to contribute to its protection. Using the Green Packet means that a significant part of the energy purchased by the client originates from renewable sources.

IX. Factors that in the issuer’s opinion will influence the results it will achieve within at least the next quarter

One of the basic factors that will influence long-term results will be the execution of a development strategy for implementing the following strategic goals:

Increasing operating effectiveness

A basic element of our strategy is to constantly increase operating effectiveness, aimed at reducing costs, and in effect to increase the profitability of our operations. In order to achieve this goal, within the next few years we intend to:

- carry out further investment in the distribution network in order to connect new clients to the network and to ensure the delivery of electricity with given parameters, including those consisting of the expansion of the network, the construction of new MV/LV stations and exchanging cables for ones made of thermally dimensionally stable polyethylene;
- make the management of the distribution network more efficient in order to limit network losses, primarily losses resulting from the illegal use of electricity, by systematic inspections and regular monitoring, as well as the introduction of a system that will make possible efficient reporting on the status of the power grid;
- carry out further investment with regard to the modernisation of Koziencice Power Plant, aimed at maintaining the optimal efficiency of power generation and raising the reliability of its generation, as well as limiting its impact on the natural environment. In order to do so, we plan, among other actions, the construction of a desulphuring plant and the modernisation of electrofilters;
- conclude the integration of generation activities with trading, including within the scope of integrating the computer systems of ENEA S.A. and Koziencice Power Plant, which will make possible the optimisation of production capacity use at Koziencice Power Plant;
- make customer service more efficient, also by introducing computer-based CRM solutions (i.e. ones supporting customer relations management).

Increasing current and acquiring new generation capacities

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Our long-term strategic goal is to obtain access to our own power generation sources with a potential that would make it possible to at least satisfy the electricity needs of all Group clients. The first step to the implementation of this strategy was the purchase of Kozienice Power Plant in October 2007. Currently we are also holding talks and are analysing the possibility of acquiring more entities that generate electricity using conventional sources, including Zespół Elektrowni Pątnów-Adamów-Konin S.A. Independent of the possibility of obtaining additional generating power by acquiring existing entities, we plan to increase our generating power by building new power units, including on the grounds of Elektrownia Kozienice, where by 2014 we plan to build a new unit with a total capacity of approx. 1,000 MW and, by 2015, a further unit also with a total capacity of approx. 1,000 MW.

Investment in renewable energy sources and co-generation energy sources

The Group's current generation assets make it possible to only fulfil the requirement of obtaining renewable energy certificates and co-generated energy certificates to a very limited degree. Due to the forecast increases in requirements with regard to renewable and co-generated energy sources, we are taking action aimed at increasing control over costs related to the fulfilment of the requirements of the law within this scope. In Q4 of 2008 we acquired: 560,000 registered shares of Elektrociepłownia Białystok S.A. with its registered office in Białystok (EC Białystok), comprising 30.36 per cent of the share capital of EC Białystok (current report No. 33/2008 of 30 December 2008), 17,375 shares of Miejska Energetyki Ciepłej Sp. z o.o. with its registered office in Piła (MEC Piła) comprising 64.997 per cent of the share capital of MEC Piła (current report No. 32/2008 of 29 December 2008), 6,860 ordinary registered shares of Przedsiębiorstwo Energetyki Ciepłej w Śremie S.A. (PEC Śrem), comprising 41.65 per cent of the share capital of PEC Śrem (current report No. 29/2008 of 19 December 2008), and on 11 December 2008, 9,120 shares of Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. with its registered office in Oborniki (PEC Oborniki) constituting 87.99 per cent of the share capital of PEC Oborniki (current report No. 24/2008 of 12 December 2008). In the next few years we intend to continue activities pertaining to the acquisition of selected thermal power stations and thermal-electric power stations from municipalities and other local entities. We plan to modernize and transform acquired thermal power stations into thermal-electric power stations which will generate electricity through cogeneration, which will enable us to obtain additional energy certificates. In addition, in the north-western part of Poland we intend to invest in wind farm projects at various stages of development by acquiring existing entities or by making joint investments with outside entities.

Further vertical integration of activities

As a result of the continuing liberalisation of the market and the Polish government's privatisation plans, we are analysing the possibility of obtaining access to our own coal deposits by taking over existing mines of both black and brown coal, and especially Kopalnia Węgla Brunatnego "Adamów" S.A. and Kopalnia Węgla Brunatnego "Konin" w Kleczewie S.A. in connection with our actions aimed at the planned takeover of ZE PAK. We are also negotiating with Katowicki Holding Węglowy S.A. and Kompania Węglowa S.A. regarding the possibility of purchasing mining assets held by these companies, including the Silesia mine owned by Kompania Węglowa S.A. Moreover, on 8 September 2008, together with Kopalnia Węgla Brunatnego "Konin" w Kleczewie S.A., we established a company named PWE Gubin Sp. z o.o. with its registered office in Sękowice, whose aim will be to

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search for brown coal deposits in the area of the Districts of Gubin and Brody, located very near the Polish-German border, and thereafter to build an open-pit mine and a power plant (a resolution on entering PWE Gubin in the commercial register was issued on 13 November 2008, as reported by the issuer in current report No. 8/2008 of 17 November 2008). PWE Gubin is currently carrying out plans aimed at obtaining a concession for the extraction of deposits of brown coal, and is in the preparation stages of an investment project related to building an open-pit brown coal mine together with a brown coal-fired power plant with a capacity of 800 MW within the above Districts. Further vertical integration of our activities through the acquisition of mines will enable us to have more control over fuel costs, and this should lead in turn to a reduction of the risks stemming from the potential significant increase of their prices in the future.

The price of black coal

The main factor determining the amount of the increase in energy prices in Poland is fuel costs. This year, compared with 2008, the costs of obtaining black coal rose by 40-50 per cent. At the same time, black coal is the basic fuel used to generate electricity by the issuer's basic generating assets, i.e. Kozenice Power Plant (the situation in other leading energy companies in Poland is similar). In 2007, coal costs constituted about 50 per cent of the operating costs with regard to generation, and in the six-month period ending on 30 June 2008 that share was 53 per cent. With respect to coal supplies, companies from the issuer's Capital Group are dependent on four suppliers, the biggest of which, Lubelski Węgiel "Bogdanka" S.A., quantitatively supplied over 57 per cent of that commodity in 2007. The Polish coal supply market is highly monopolized by companies belonging to the State Treasury, which control a clear majority of domestic coal supplies taken quantitatively.

In its announcement of 11 February 2009, together with other leading energy firms in Poland, the Management Board of ENEA S.A. made an appeal to mining companies, in which it expressed the need to quickly renegotiate agreements for black coal supplies. This action is the result of a lack of effect of the initial proposal to renegotiate the agreements, which, in view of the difficult situation faced by the Polish economy and energy recipients, and also the saving being undertaken within their own firms, the biggest Polish energy companies made to mining companies at the beginning of January 2009. The announcement is an important step forward to reduce the prices of that fuel, and therefore to reduce energy prices. The consequence of these actions could be cooperation with foreign suppliers, particularly given the fact that coal prices are falling on world markets.

More information on the significance of black coal for the activities of our Group, including details of agreements with suppliers, can be found in the issue prospectus prepared in connection with the public offering of series C shares. The issue prospectus and the full announcement containing the appeal are available on the issuer's website.