



**ENERGA SA**

**Opinion and Report  
of the Independent Auditor  
Financial Year ended  
31 December 2014**

The opinion contains 2 pages  
The supplementary report contains 10 pages  
Opinion of the independent auditor  
and supplementary report on the audit  
of the separate financial statements  
for the financial year ended  
31 December 2014



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

## **OPINION OF THE INDEPENDENT AUDITOR**

*To the General Meeting of ENERGA SA*

### **Opinion on the Separate Financial Statements**

We have audited the accompanying separate financial statements of ENERGA SA, with its registered office in Gdańsk, Al. Grunwaldzka 472 (“the Company”), which comprise the separate statement of financial position as at 31 December 2014, the separate statement of profit or loss, the separate statement of comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

#### *Management’s and Supervisory Board’s Responsibility for the Financial Statements*

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

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

#### *Auditor’s Responsibility*

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



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

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

### *Opinion*

In our opinion, the accompanying separate financial statements of ENERGA SA have been prepared and present fairly, in all material respects, the unconsolidated financial position of the Company as at 31 December 2014 and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, are in compliance with the respective regulations and the provisions of the Company's articles of association that apply to the Company's separate financial statements and have been prepared from accounting records, that, in all material respects, have been properly maintained.

### **Specific Comments on Other Legal and Regulatory Requirements**

#### *Report on the Company's Activities*

As required under the Accounting Act, we report that the accompanying report on the Company's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2014, item 133) and the information is consistent with the financial statements.

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

#### *Signed on the Polish original*

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

12 March 2015



TRANSLATION

**ENERGA SA**

**Supplementary report  
on the audit of the separate  
financial statements  
Financial Year ended  
31 December 2014**

The supplementary report contains 10 pages  
The supplementary report on the audit  
of the separate financial statements  
for the financial year ended  
31 December 2014



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## **1. General**

### **1.1. General information about the Company**

#### **1.1.1. Company name**

ENERGA SA

#### **1.1.2. Registered office**

Al. Grunwaldzka 472  
80-309 Gdańsk

#### **1.1.3. Registration in the register of entrepreneurs of the National Court Register**

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

#### **1.1.4. Management of the Company**

The Management Board is responsible for management of the Company.

As at 31 December 2014, the Management Board of the Company was comprised of the following members:

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

## **1.2. Key Certified Auditor and Audit Firm Information**

### **1.2.1. Key Certified Auditor information**

Name and surname: Zbigniew Libera  
Registration number: 90047

### **1.2.2. Audit Firm information**

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

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

### **1.3. Prior period financial statements**

The separate financial statements for the financial year ended 31 December 2013 were audited by KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. and received an unmodified opinion.

The separate financial statements were approved at the General Shareholders' Meeting on 20 May 2014 where it was resolved to allocate the net profit for the prior financial year of PLN 499,048,758.09 as follows:

- 414,067,114.00 to be paid out as a dividend,
- 84,981,644.09 for the reserve capital.

The separate financial statements were submitted to the Registry Court on 27 May 2014.

### **1.4. Audit scope and responsibilities**

This report was prepared for the General Meeting of ENERGA SA with its registered office in Gdańsk, Al. Grunwaldzka 472 and relates to the separate financial statements comprising: the separate statement of financial position as at 31 December 2014, the separate statement of profit or loss, the separate statement of comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

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

The separate financial statements were audited in accordance with the contract dated 3 April 2014, concluded on the basis of the resolution of the Supervisory Board dated 13 February 2013 on the appointment of the auditor.

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

We audited the separate financial statements at the Company during the period from 15 to 19 December 2014 and during the period from 26 to 30 January 2015.

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

Our responsibility is to express an opinion and to prepare a supplementary report on the audit of the separate financial statements and whether the financial statements are derived from properly maintained accounting records based on our audit.

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

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

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

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



## 2. Financial analysis of the Company

### 2.1. Summary analysis of the separate financial statements

#### 2.1.1. Separate statement of financial position

<b>ASSETS</b>	<b>31.12.2014</b>	<b>% of total</b>	<b>31.12.2013</b>	<b>% of total</b>
	<b>PLN '000</b>		<b>PLN '000</b>	
<b>Non-current assets</b>				
Property, plant and equipment	10,467	0.1	10,962	0.1
Investment property	3,470	-	11,079	0.1
Intangible assets	37,489	0.3	25,680	0.2
Shares in subsidiaries and associated companies as at the purchase price	5,980,032	49.4	6,170,698	53.4
Bonds	4,632,543	38.2	4,104,817	35.5
Deferred tax assets	10,479	0.1	-	-
Hedging derivatives	51,165	0.4	13,017	0.1
Other non-current assets	131,918	1.1	129,028	1.1
	<b>10,857,563</b>	<b>89.6</b>	<b>10,465,281</b>	<b>90.5</b>
<b>Current assets</b>				
Inventories	658	-	467	-
Trade and other receivables	31,533	0.3	39,864	0.4
Shares	-	-	1,000	-
Bonds	284,175	2.3	335,787	2.9
Cash and cash equivalents	905,800	7.5	710,399	6.1
Other current assets	35,261	0.3	12,289	0.1
Assets classified as held for sale	2,015	-	-	-
	<b>1,259,442</b>	<b>10.4</b>	<b>1,099,806</b>	<b>9.5</b>
<b>TOTAL ASSETS</b>	<b>12,117,005</b>	<b>100.0</b>	<b>11,565,087</b>	<b>100.0</b>



**ENERGA SA**  
*The supplementary report on the audit of the separate financial statements  
for the financial year ended 31 December 2014*  
**TRANSLATION**

<b>EQUITY AND LIABILITIES</b>	<b>31.12.2014</b>	<b>% of total</b>	<b>31.12.2013</b>	<b>% of total</b>
	<b>PLN '000</b>		<b>PLN '000</b>	
<b>Equity attributable to owners</b>				
Share capital	4,521,613	37.3	4,521,613	39.1
Supplementary capital	606,472	5.0	521,490	4.5
Reserve capital	447,192	3.7	447,192	3.9
Cash flow hedge reserve	38	-	26,539	0.2
Retained earnings	694,637	5.8	543,184	4.7
<b>Total equity</b>	<b>6,269,952</b>	<b>51.8</b>	<b>6,060,018</b>	<b>52.4</b>
<b>Non-current liabilities</b>				
Loans and borrowings	4,504,675	37.2	3,866,077	33.4
Bonds issued	1,000,000	8.2	1,059,781	9.2
Non-current provisions	757	-	723	-
Deferred income and non-current long-term grants	86,412	0.7	62,057	0.5
Derivative financial instruments	22,748	0.2	-	-
	<b>5,614,592</b>	<b>46.3</b>	<b>4,988,638</b>	<b>43.1</b>
<b>Current liabilities</b>				
Trade liabilities and other liabilities	18,006	0.1	23,468	0.2
Current loans and borrowings	168,970	1.4	266,545	2.3
Bonds issued	14,108	0.1	16,598	0.1
Deferred income and grants	18,331	0.2	8,251	0.1
Accruals	9,970	0.1	7,949	0.1
Provisions short-term	23	-	144	-
Other current liabilities	3,053	-	193,476	1.7
	<b>232,461</b>	<b>1.9</b>	<b>516,431</b>	<b>4.5</b>
<b>Total liabilities</b>	<b>5,847,053</b>	<b>48.2</b>	<b>5,505,069</b>	<b>47.6</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>12,117,005</b>	<b>100.0</b>	<b>11,565,087</b>	<b>100.0</b>

### 2.1.2. Separate statement of profit or loss

	31.12.2014 PLN '000	% of total sales	31.12.2013 PLN '000	% of total sales
Sales of services	45,176	97.5	79,651	98.3
Rental income	1,153	2.5	1,345	1.7
<b>Revenue</b>	<b>46,329</b>	<b>100.0</b>	<b>80,996</b>	<b>100.0</b>
Cost of sales	(56,108)	(121.1)	(84,569)	(104.4)
<b>Gross loss on sales</b>	<b>(9,779)</b>	<b>(21.1)</b>	<b>(3,573)</b>	<b>(4.4)</b>
Other operating income	11,268	24.3	7,588	9.4
General and administrative expenses	(73,807)	(159.3)	(97,864)	(120.8)
Other operating expenses	(5,463)	(11.8)	(4,543)	(5.6)
Finance income	1,032,870	2,229.4	942,948	1,164.2
Finance costs	(308,783)	(666.5)	(341,089)	(421.2)
<b>Profit before tax</b>	<b>646,306</b>	<b>1,395.0</b>	<b>503,467</b>	<b>621.6</b>
Income tax	4,231	9.1	(4,418)	(5.5)
<b>Net profit</b>	<b>650,537</b>	<b>1,404.1</b>	<b>499,049</b>	<b>616.1</b>
<b>Earnings per one share (PLN)</b>				
Earnings per one share (basic and diluted)	1.57		1.21	

### 2.1.3. Separate statement of comprehensive income

	31.12.2014 PLN '000	% of profit	31.12.2013 PLN '000	% of profit
<b>Net profit</b>	<b>650,537</b>	<b>100.0</b>	<b>499,049</b>	<b>100.0</b>
<b>Items that will never be reclassified to profit or loss</b>	<b>(35)</b>	<b>-</b>	<b>38</b>	<b>-</b>
Actuarial gains and losses on defined benefit plans	(43)	-	46	-
Deferred tax	8	-	(8)	-
<b>Items that may be reclassified subsequently to profit or loss</b>	<b>(26,501)</b>	<b>(4.1)</b>	<b>26,539</b>	<b>5.3</b>
Cash flow hedges	(32,717)	(5.0)	32,765	6.5
Deferred tax	6,216	0.9	(6,226)	(1.2)
<b>Total net other comprehensive income</b>	<b>(26,536)</b>	<b>(4.1)</b>	<b>26,577</b>	<b>5.3</b>
<b>Total comprehensive income</b>	<b>624,001</b>	<b>95.9</b>	<b>525,626</b>	<b>105.3</b>

## 2.2. Selected financial ratios

	2014	2013	2012
<b>2. Return on equity</b>			
<u>profit for the period x 100%</u> equity - profit for the period	11.6%	9.0%	9.9%
<b>3. Debtors' days</b>			
<u>average trade receivables (gross) x 365 days</u> revenue	201 days	100 days	67 days
<b>4. Debt ratio</b>			
<u>liabilities x 100%</u> equity and liabilities	48.3%	47.6%	41.8%
<b>5. Current ratio</b>			
<u>current assets</u> current liabilities	5.4	2.1	0.9

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

### **3. Detailed report**

#### **3.1. Accounting system**

The Company maintains current documentation describing the applied accounting principles adopted by the Management Board to the extent required by Art. 10 of the Accounting Act.

During the audit of the separate financial statements, we tested, on a sample basis, the operation of the accounting system.

On the basis of the work performed, we have not identified any material irregularities in the accounting system, which have not been corrected and that could have a material effect on the separate financial statements. Our audit was not conducted for the purpose of expressing a comprehensive opinion on the operation of the accounting system.

The Company performed a physical verification of its assets in accordance with the requirements and time frame specified in Art. 26 of the Accounting Act, and reconciled and recorded the result thereof in the accounting records.

#### **3.2. Notes to the separate financial statements**

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

#### **3.3. Report on the Company's activities**

The report on the Company's activities includes, in all material respects, information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2014, item 133) and the information is consistent with the separate financial statements.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.  
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*Signed on the Polish original*

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Key Certified Auditor  
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12 March 2015