



12,5% share
in the sales of
electricity in Poland



2,46 mln Customers



Other information to the ENEA S.A. extended consolidated report for Q3 2014

Date of approval: 28 October 2014



20% coverage
of Poland - ENEA
Operator's
distribution network



199 MW power
installed in RES



Ca. **8%** energy
generated in Poland
comes from our
power plants



3,2 GW installed
capacity



Enea

Poznań, 12 November 2014

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Operating summary

During the period of three quarters of 2014 ENEA CG generated:

- PLN 7,227 mln net sales revenue (growth by 6.5% yoy),
- PLN 1,516 mln EBITDA (growth by 8.7% yoy),
- PLN 836 mln net profit (growth by 26.4% yoy).

During the period the highest EBITDA was realised in the segment of distribution and amounted to PLN 895 mln (growth by 11.0% yoy). The greatest growth in EBITDA, by PLN 134 mln yoy, was reported in the segment of generation, which ended the three quarters of 2014 with EBITDA totalling to PLN 553 mln. The segment of trade was under the pressure of market conditions and its result after 9 months of 2014 amounted to PLN 88 mln.

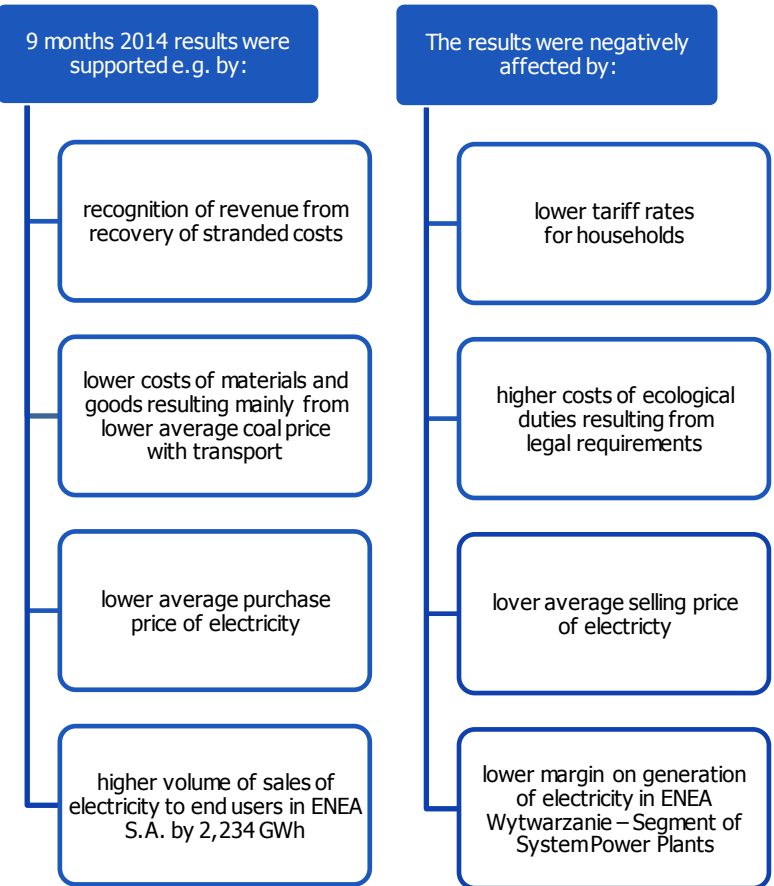
Yet, in Q3 2014 only the Group generated:

- PLN 2,387 mln net sales revenue (growth by 8.9% yoy),
- PLN 412 mln EBITDA (drop by 9.7% yoy),
- PLN 211 mln net profit (growth by 2.2% yoy).

Factors affecting financial results realised by ENEA CG are presented in the diagram on the right.

ENEA CG has been consistently implementing the investment plan foreseen in the corporate strategy. During the three quarters of 2014 the Group spent PLN 1.6 bln on investments. Despite that, the value of net debt/EBITDA ratio was kept on an advantageous level of 0.2.

During the three quarters of 2014 ENEA CG increased the generation of electricity both from the conventional sources (growth by 4.3% yoy) and from RES (growth by 16.2% yoy) generating a total of 9.5 TWh electricity (growth by 5.2% yoy). Sales of conventional electricity grew by 1,566 TWh, and sales of electricity from RES grew by 108 GWh yoy. In this period the Group sold 12 TWh electricity to end users, i.e. by 22.9% more than in the previous year.



The detailed list of issues included in this report is presented on page 59

Executive summary

Dear Sirs and Madams,

Q3 2014 is another reporting period in which the new Corporate Strategy was consistently implemented.

In September we completed the acquisition of Miejskie Przedsiębiorstwo Energetyki Ciepłej in Białystok. As a consequence of the transaction ENEA Wytwarzanie acquired 85% shares in the Company from Białystok city. Due to the transaction ENEA Wytwarzanie became a provider of heat for Białystok citizens. The merger of Elektrociepłownia Białystok with MPEC district network will enable optimisation of heat production in the city. During the upcoming 5 years ENEA Wytwarzanie will invest over PLN 101 mln in the development and modernisation of MPEC. Thanks to renovations of heating networks and nodes, the Company will increase the efficiency of heat sources and heating networks. ENEA Wytwarzanie will also modernise the technologically obsolete Ciepłownia Zachód, adjusting it to the ecological requirements which are getting stricter.

In Q3 subsequent activities were undertaken within the cooperation by the implementation of the project of construction of the first Polish atomic power plant. On 3 September, along with Polska Grupa Energetyczna, Tauron Polska Energia and KGHM Polska Miedź, we signed a Shareholder Agreement of the special purpose vehicle which will implement the above mentioned project.

In the reporting period we finalised subsequent stages of the construction of the new power unit in the power plant in Koźienice in a timely fashion. The implementation of the investment is a process which is extremely complex, requiring an ideally tight team of all the entities engaged in the process. A fact is also significant that all the activities are conducted within the existing infrastructure of the operating power plant. So far, we have realised 11 of 26 key construction stages.

On 1 October the process of the reconstruction of the corporate governance of ENEA Group which lasted for over a year was completed. Committees and Management Departments ensuring the efficiency and transparency of the management of companies comprising the Group were established. The new "DNA code" foresees a common goal for all the Companies and their Employees. The cost discipline and optimum use of the resources allow us to build a strong and modern organisation which flexibly adapts to the demanding situation on the Polish energy market.

A constant development of ENEA Group, besides the business subject, must be indisputably in line with the protection of the natural environment. In relation to the above we introduced a number of consistent activities which aim at the minimisation of the impact of our generating assets on the environment. We use the most modern techniques and cooperate with experienced partners. In July ENEA Wytwarzanie and Mitsubishi Hitachi Power Systems concluded a contract for the development of the installations of flue gases denitrification for 2 units in Koźienice power plant. The investment will allow to reduce the emission of nitric oxides by 80%. The investment is to be completed in May 2016.

A new organisational and functional shape of ENEA CG is market and customer oriented. We have been constantly updating our offer and searching for added values for our Customers to ensure a possibly wide range of services for them.

At the same time, as a company listed on the main market of WSE, we are obliged to take care of our Shareholders and Investors. We make every effort so that to meet the expectations also within this area. We are proud of the fact that our results were especially appreciated. In October ENEA was honoured in "The Best Annual Report 2013" competition for the best presentation of financial results in the report on operations. The distinction awarded confirms the justness of the selected direction of communication with capital market Participants and at the same time raises the bar and motivates us to make even a greater effort in the future.

Sincerely,

Krzysztof Zamasz
President of the Board of ENEA S.A.

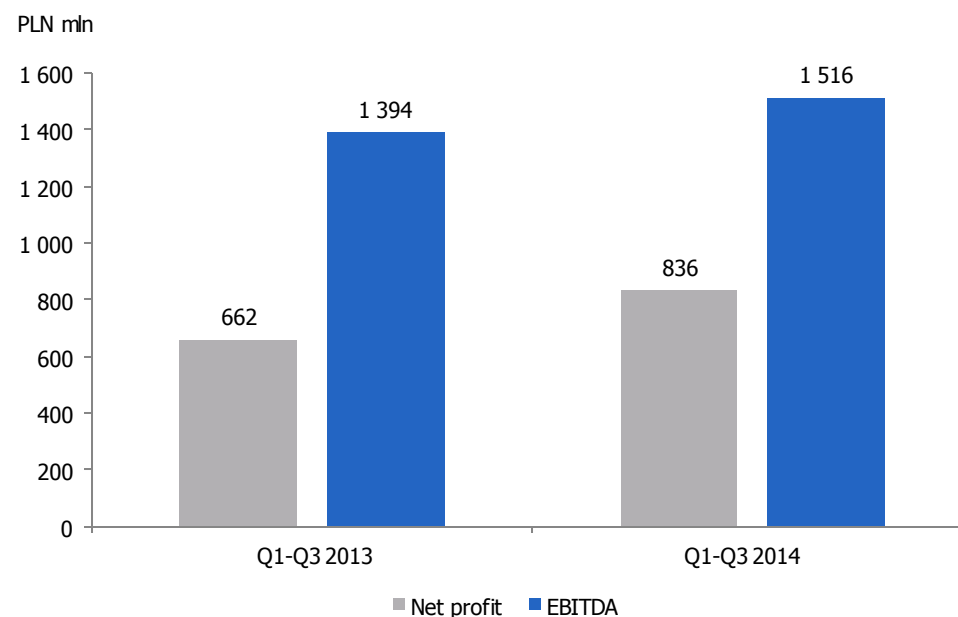


Selected consolidated financial data of ENEA Capital Group

[PLN '000]	Q1-Q3 2013	Q1-Q3 2014	Change	Change %
Net sales revenue	6 787 243	7 227 172	439 929	6.5%
Profit / (loss) from operations	819 677	991 550	171 873	21.0%
Profit / (loss) before tax	856 363	1 019 322	162 959	19.0%
Net profit / (loss) for the reporting period	661 657	836 315	174 658	26.4%
EBITDA	1 394 099	1 515 747	121 648	8.7%
Net cash flows from:				
operating activity	1 264 436	653 612	-610 824	-48.3%
investment activity	-1 380 023	-2 021 443	641 420	46.5%
financial activity	604 255	929 560	325 305	53.8%
Balance of cash	1 585 688	1 135 305	-450 383	-28.4%
Weighted average number of shares [pcs.]	441 442 578	441 442 578	-	-
Net profit per share [PLN]	1.50	1.89	0.39	26.0%
Diluted profit per share [PLN]	1.50	1.89	0.39	26.0%

[PLN '000]	Q3 2013	Q3 2014	Change	Change %
Net sales revenue	2 191 618	2 386 977	195 359	8.9%
Operating profit / (loss)	268 004	232 632	-35 372	-13.2%
Profit / (loss) before tax	282 987	251 463	-31 524	-11.1%
Net profit / (loss) for the reporting period	206 848	211 380	4 532	2.2%
EBITDA	456 506	412 249	-44 257	-9.7%
Weighted average number of shares [pcs.]	441 442 578	441 442 578	-	-
Net profit per share [PLN]	0.47	0.48	0.01	2.1%
Diluted profit per share [PLN]	0.47	0.48	0.01	2.1%

[PLN '000]	31 December 2013	30 September 2014	Change	Change %
Total assets	16 322 024	17 759 971	1 437 947	8.8%
Total liabilities	4 834 076	5 680 619	846 543	17.5%
Non-current liabilities	2 556 816	3 857 150	1 300 334	50.9%
Current liabilities	2 277 260	1 823 469	-453 791	-19.9%
Equity	11 487 948	12 079 352	591 404	5.1%
Share capital	588 018	588 018	-	-
Book value per share [PLN]	26.02	27.36	1.34	5.1%
Diluted book value per share [PLN]	26.02	27.36	1.34	5.1%



Key information on ENEA Capital Group

	Unit	Q1-Q3 2013	Q1-Q3 2014	Change	Change %	Q3 2013	Q3 2014	Change	Change %
Net sales revenue	PLN '000	6 787 243	7 227 172	439 929	6.5%	2 191 618	2 386 977	195 359	8.9%
EBITDA	PLN '000	1 394 099	1 515 747	121 648	8.7%	456 506	412 249	-44 257	-9.7%
EBIT	PLN '000	819 677	991 550	171 873	21.0%	268 004	232 632	-35 372	-13.2%
Net profit	PLN '000	661 657	836 315	174 658	26.4%	206 848	211 380	4 532	2.2%
Net cash flows from operating activities	PLN '000	1 264 436	653 612	-610 824	-48.3%	384 211	323 421	-60 790	-15.8%
CAPEX	PLN '000	1 322 638	1 580 495	257 857	19.5%	527 691	599 563	71 872	13.6%
Net debt / EBITDA ¹⁾	-	-0.6	0.2	0.8	-	-0.6	0.2	0.8	-
Return on assets (ROA) ¹⁾	%	5.7	6.3	0.6	-	5.3	4.8	-0.5	-
Return on equity (ROE) ¹⁾	%	7.7	9.2	1.5	-	7.3	7.0	-0.3	-
Trade									
Sales of electricity to end users	GWh	9 740	11 974	2 234	22.9%	3 164	4 224	1 060	33.5%
Number of recipients (Power Delivery Points)	thou.	2 365	2 366	1	0.0%	2 365	2 366	1	0.0%
Distribution									
Sales of distribution services to end users	GWh	12 880	13 129	249	1.9%	4 205	4 326	121	2.9%
Number of customers	thou.	2 435	2 456	21	0.9%	2 435	2 456	21	0.9%
Generation									
Total generation of electricity, including e.g.:	GWh	8 988	9 455	467	5.2%	3 010	3 341	331	11.0%
<i>from conventional sources</i>	GWh	8 321	8 680	359	4.3%	2 784	3 096	312	11.2%
<i>from renewable energy sources</i>	GWh	667	775	108	16.2%	226	245	19	8.4%
Heat generation	TJ	3 474	3 005	-469	-13.5%	581	526	-55	-9.5%
Sales of conventional electricity	GWh	10 191	11 757	1 566	15.4%	3 368	4 014	646	19.2%
Sales of electricity from RES	GWh	667	775	108	16.2%	226	245	19	8.4%
Sales of heat	TJ	3 188	2 743	-445	-14.0%	532	479	-53	-10.0%

Q1-Q3 2014 / Q1-Q3 2013:

Growth of EBITDA by PLN 122 mln

Higher production from conventional sources and RES by 467 GWh

Higher sales of conventional electricity by 1,566 GWh

Q1-Q3 2014:

- increase of EBITDA by 8.7%, (by PLN 122 mln): recognition of revenue from compensation for recovery of stranded costs in the amount of PLN 258 mln
- consistent development of ENEA CG: higher CAPEX by 19.5% (by PLN 258 mln) with a low value of net debt/EBITDA ratio on the level of 0.2
- higher sales of electricity to end users by 22.9% (by 2,234 GWh)
- higher production from conventional sources and RES by 5.2% (by 467 GWh)
- higher sales of conventional electricity to end users by 15.4% (by 1,566 GWh)

Q3 2014:

- lower EBITDA by 9.7% (by PLN 44 mln): lower average selling prices of electricity and higher costs of ecological duties
- higher CAPEX by 13.6% (by PLN 72 mln) with a low value of net debt/EBITDA ratio on the level of 0.2
- higher sales of electricity to end users by 33.5% (by 1,060 GWh)
- higher production from conventional sources and RES by 11.0% (by 331 GWh)
- higher sales of conventional electricity to end users by 19.2% (by 646 GWh)

1) Ratio definitions are presented on page 56

Key events in Q1-Q3 2014

Quarter 1

Comprehensive bank service of the Tax Capital Group

On 28 January 2014 Companies of ENEA Tax Capital Group concluded agreements with PKO BP and Peako S.A. They provide for a possibility of an intergroup financing and a comprehensive bank servicing. Due to the agreements ENEA will save PLN 3 mln and will have an access to an additional financing in the amount of up to PLN 700 mln. In the future Customers of ENEA Group Companies will be able to perform free cash payments in over 3,400 branches of BKO BP and Pekao S.A.

Gas purchase agreement with PKN Orlen

On 27 January 2014 ENEA Trading signed a frame agreement for a bulk-buy of gaseous fuel from PKN Orlen. The goal of the cooperation is optimisation of gas purchasing costs for end Customers, and as a consequence a possibility of making a competitive offer in the formula of combined sales of electricity and gas.

The last tranche of employee shares on WSE

On 11 February 2014, 2,000,033 shares of ENEA S.A. were listed on the stock exchange. These are nil paid shares obtained from the State Treasury by heirs of former employees of the Company and shares not taken up by authorised subjects.

Changes in the Boards of key Group Companies

On 5 March 2014, 2 new Members of the Board were appointed of ENEA Operator and ENEA Wytwarzanie. Marek Lelać was appointed the Vice-President of ENEA Operator for Economic and Financial Affairs, and Michał Prażyński became a new Vice-President of ENEA Wytwarzanie for Renewable Energy.

Changes in ENEA's shareholding

On 22 January 2014 in the process of the accelerated book-building Vattenfall AB sold a block of shares constituting 18.67% in the share capital. One of the buyers was ING OFE, which due to the transaction held the shares representing 5.26% in the share capital. On 12 March 2014 the fund sold part of the held shares, diminishing its engagement in the share capital of ENEA to 4.50% (according to the state presented in the notice).



Quarter 2

GSM's decision on dividend distribution

On 24 April an Ordinary General Meeting of Shareholders of ENEA S.A. was held which adopted a resolution regarding distribution of dividend to shareholders from net profit for 2013 in the amount of PLN 0.57 per share. The record date was set on 23 July 2014 and the payment date on 12 August 2014.

Affirmation of the rating by Fitch Ratings agency

On 30 April Fitch Ratings agency maintained the long term rating issued for the Company in April 2011 on the present level of BBB (on the international scale) and A (on the domestic scale). The outlook of the ratings is stable.

Area strategies

Based on the corporate strategy five area strategies were developed. They relate to generation, distribution, sales, trading and shared services. The strategy is a pillar for each of the key segments and specifies its share in the implementation of the Group's goals until 2020.

Agreement with Bank Gospodarstwa Krajowego

On 15 May ENEA and Bank Gospodarstwa Krajowego concluded a programme agreement relating to the issue of long-term bonds valued PLN 1 bln. The goal will be financing of the current operations and investment needs of ENEA Group, including in particular adjusting the units operating in Kozienice power plant to the environment requirements and acquisition projects in the segment of cogeneration and RES.

Letter of Intent regarding cooperation in research and development projects

Presidents of Boards of ENEA, ENERGA, PGE Polska Grupa Energetyczna and TAURON Polska Energia signed a letter of intent regarding cooperation in research and development projects. The main goal is intense search for technological solutions corresponding to the key challenges faced by the Polish energy sector. Selected research projects will focus on e.g. reduction of the emissions in the process of electricity generation, enhancing the efficiency of distribution and use of energy and developing intelligent distribution and transmission networks.

New bond issue programme

On 30 June ENEA S.A. and four banks: PKO BP, ING Bank Śląski, Pekao S.A. and mBank signed an agreement relating to the bond issue programme up to the total amount of PLN 5 bln. The proceeds from future issues will be used by the Company for the realisation of investments described in the corporate strategy and for the financing of current operations of the Group entities. The bonds issued within the programme will be straight, dematerialised, coupon or discount. The nominal and issue value of one bond will be set under the issue conditions of particular series. The interest or discount rate will be set individually for each tranche in the process of bond offering to investors. The maturity term may be from 1 month to 10 months. The bonds can be dematerialised in the National Depository for Securities, and then may be traded in an alternative system within the markets conducted by Bond Spot or Warsaw Stock Exchange.

Quarter 3

New installation of flue gases denitrification

ENEA Wytwarzanie and Mitsubishi Hitachi Power Systems, LTD. concluded an agreement for the installation of flue gases denitrification for units 1 and 2 fired with bituminous coal and biomass in Kozenice power plant. The investment will allow to reduce the emissions of nitric oxides by 80%. The investment is to be completed in May 2016, and its value is over PLN 92 mln.

A letter amending the loan agreement with EIB

On 12 August ENEA S.A. and EIB concluded a letter amending the financial agreement of 19 June 2013 relating to the loan granted to the Company in the amount of PLN 475 mln pursuant to which the period of the loan availability was prolonged to the end of 2015.

Another stage of the Capital Group's structure optimisation

During the first three quarters of 2014 activities relating to the facilitation of the structure of ENEA CG and concentration on its core operations were performed. On 30 June Windfarm Polska was incorporated under ENEA Wytwarzanie. On 29 August ITSERWIS and Entur were incorporated under ENEA Centrum. On 1 September another merger took place: Energetyka Poznańska Zakład Transportu was incorporated under Energobud Leszno. At the same time, ENEA Centrum and Energobud Leszno assumed the rights, obligations and tasks of the merged Companies.

Shareholder Agreement within the project of development and construction of the atomic power plant

On 3 September ENEA S.A., Polska Grupa Energetyczna S.A., TAURON Polska Energia S.A. and KGHM Polska Miedź S.A. concluded the Shareholder Agreement pursuant to which the Parties will acquire from PGE, subject to a separate agreement, 10% (a total of 30%) shares in a special purpose vehicle – PGE EJ 1 Sp. z o.o. - responsible for the preparation and construction of the first Polish atomic power plant with the capacity of around 3,000 MW. The Agreement obliges the parties to finance, proportionally to the shares held, the activities relating to the implantation of investments in the period of 3 subsequent years. On 8 October information was obtained on the decision of the President of the Office of Competition and Consumer Protection regarding the motion for the concentration, based on which the President of the Office of Competition and Consumer Protection issued an unconditional permit for the concentration, consisting in the establishment by the above mentioned entities, of a common enterprise under the name of PGE EJ1 Sp. z o.o. Obtaining the approval for concentration was a condition for the conclusion by the Parties of an agreement on purchase of shares in PGE EJ 1 Sp. z o.o., specified in the Shareholder Agreement.

Acquisition of 85% shares in MPEC Białystok

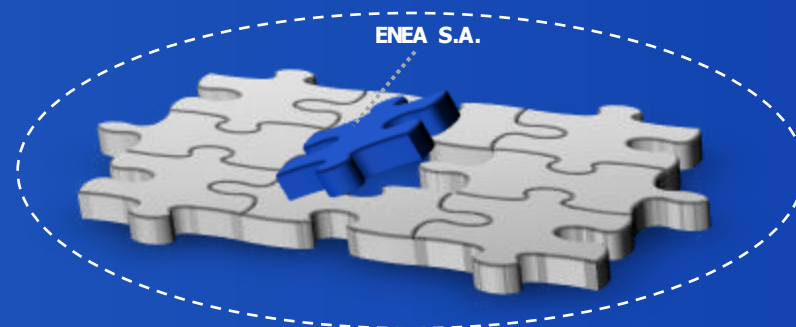
On 19 September ENEA Wytwarzanie finalised the transaction with Białystok city and took up 85% shares in Miejskie Przedsiębiorstwo Energetyki Ciepłej in Białystok. The agreement was signed already in May 2014. At the beginning of September the transaction was approved by the Office of Competition and Consumer Protection. Entry of the agreement into force means that the Company which owns the key producer of heat for the city, Elektrociepłownia Białystok, becomes also its supplier for the citizens. Cooperation of Elektrociepłownia Białystok with MPEC district network will enable optimisation of heat production in the city.

Shared Service Centre of ENEA CG

During the period from January to September 2014 works connected with the establishment of the Shared Service Centre for ENEA Group companies were continued. On 1 January ENEA S.A.'s financial and accounting services were transferred to SSC. An ultimate division of tasks from within customer service was also made between ENEA Operator and ENEA Centrum. On 1 May the process of transferring employees from the following areas to ENEA Centrum was completed: finance, accounting and IT from the other basic Group Companies - ENEA Wytwarzanie, ENEA Operator, ENEA Trading. On 1 October the HR functions were transferred to ENEA Centrum. The Shared Service Centre of ENEA CG gained a total of 31 people from HR management, and the following areas: administration of the Employee Benefit Fund, legal support and IT.

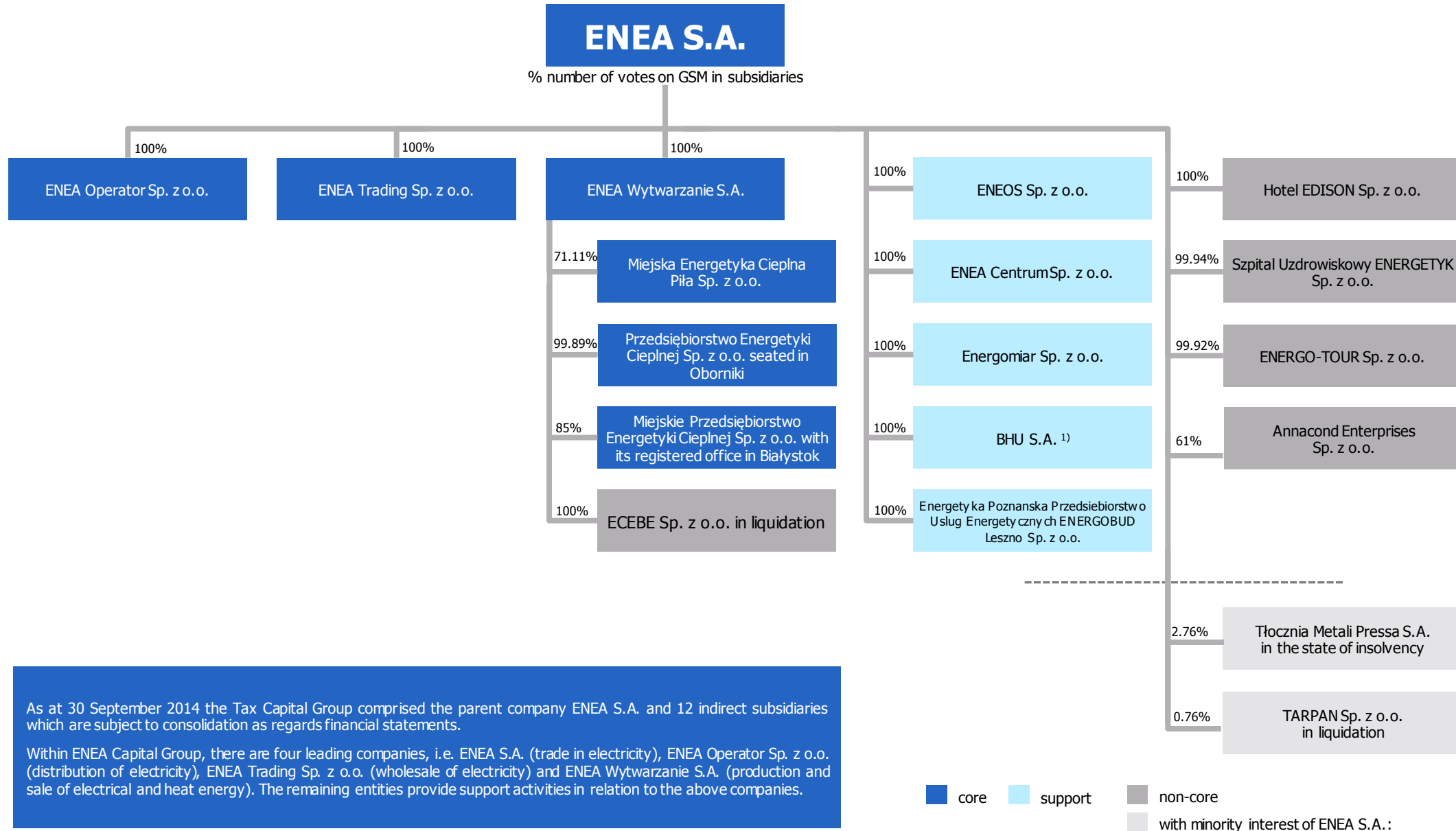
Target structure of corporate governance

On 1 October ENEA Group completed the reconstruction of its corporate governance which lasted for over a year. Currently, in the Group's structures there are 6 Committees (Management, Compliance, Investment, Trade and Promotion, Finance and IT, Risk) and 5 Management Departments (Audit, Security and Legal Service, Communication, Purchases, HR). Due to the transfer by the Board of ENEA S.A. some competences to the Committees and establishment of technical Management Departments, decision making processes were simplified in ENEA Group, the information flow was shortened and as a consequence the Group operates more flexibly and efficiently.



Organisation of ENEA Capital Group

Description of ENEA Capital Group



As at 30 September 2014 the Tax Capital Group comprised the parent company ENEA S.A. and 12 indirect subsidiaries which are subject to consolidation as regards financial statements.

Within ENEA Capital Group, there are four leading companies, i.e. ENEA S.A. (trade in electricity), ENEA Operator Sp. z o.o. (distribution of electricity), ENEA Trading Sp. z o.o. (wholesale of electricity) and ENEA Wytwarzanie S.A. (production and sale of electrical and heat energy). The remaining entities provide support activities in relation to the above companies.

1) From 1 October 2014 BHU Sp. z o.o.

Changes in ENEA Capital Group's structure

Restructuring

After the execution during previous years of key organisational changes within the Group, in Q3 2014, besides activities connected with the planned changes, no significant activities within the asset restructuring were performed.

Merger of companies

On 29 August 2014 ENEA Centrum Sp. z o.o. and ITSERWIS Sp. z o.o. and ENTUR Sp. z o.o. merged. On 1 September 2014 EP PUE ENERGOBUD Leszno Sp. z o.o. and EP Zakład Transportu Sp. z o.o. merged. As a result of the merger ENEA Centrum Sp. z o.o. and EP PUE ENERGOBUD Leszno Sp. z o.o. assumed all the rights and obligations of the acquired companies.

Transformation

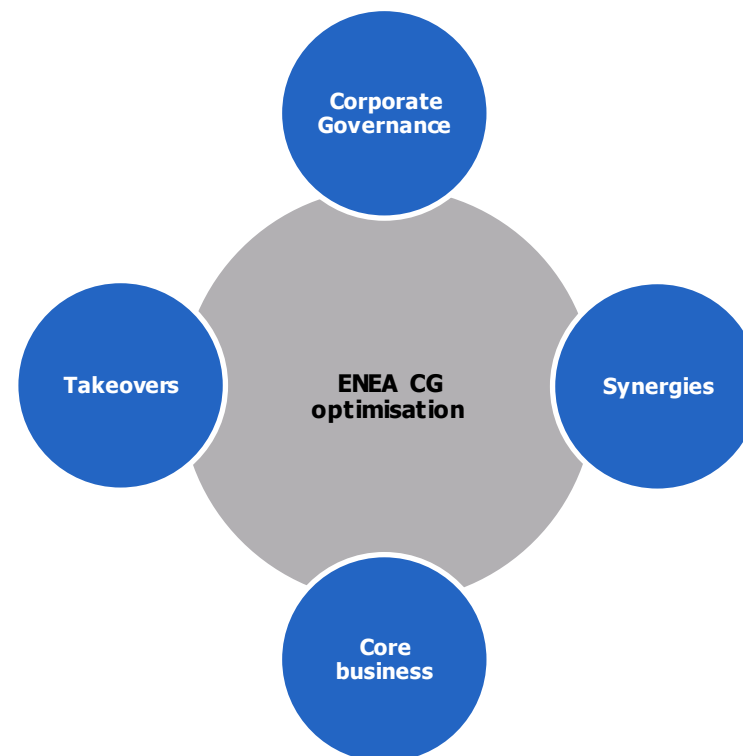
On 30 May 2014 the Extraordinary General Meeting of Shareholders of BHU S.A. decided to transform BHU S.A. into a limited liability company. The transformation was made on 1 October 2014. A significant justification for the above change is standardisation of the legal status of companies comprising ENEA Capital Group.

Investments

Realising the strategies within the development and restructuring of ENEA Capital Group, pursuant to the agreement of 26 May 2014 concluded with Białystok Municipality, ENEA Wytwarzanie S.A. became a majority shareholder of Miejskie Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. seated in Białystok as of 16 September 2014. ENEA Wytwarzanie S.A. holds 1,115,553 shares in the Company, of the nominal value of PLN 55,777,650, constituting 85% in its share capital.

Planned changes

On 18 October 2013 the Supervisory Board of ENEA S.A. resolved to adopt the "Corporate Strategy of ENEA Capital Group for 2014-2020" which provides for the necessity of focusing on the core business. In relation to the above in 2014 in ENEA Capital Group the following activities are realised:



Company	Action
Hotel EDISON Sp. z o.o. seated in Barnanowo near Poznań	Sale of shares under negotiations undertaken based on the public invitation.
ECEBE Sp. z o.o. seated in Augustów	Continuation of the liquidation process.
ENEA Wytwarzanie S.A. with its registered office in Świerże Górne	Transformation into spółka z ograniczoną odpowiedzialnością (limited liability company).

ENEA Capital Group's operations

Operational segments of ENEA Capital Group

Generation

Specification	Q1-Q3 2013	Q1-Q3 2014	Change	Q3 2013	Q3 2014	Change
Total generation of electricity (net) [GWh], including:	8 988	9 455	5.2%	3 010	3 341	11.0%
Net production from conventional sources, including:	8 321	8 680	4.3%	2 784	3 096	11.2%
ENEA Wytwarzanie – Segment of System Power Plants (excluding biomass co-firing)	8 222	8 576	4.3%	2 777	3 096	11.5%
ENEA Wytwarzanie - Segment of Heat (Białystok Heat and Power Plant) (excluding biomass firing)	98	104	5.8%	7	0	-100.0%
MEC Piła	1	0	-100.0%	-	-	-
Production from renewable energy sources, including:	667	775	16.2%	226	245	8.4%
Co-combustion of biomass	290	371	28.0%	109	109	-0.5%
Combustion of biomass	169	208	22.9%	64	87	37.1%
Segment of RES (hydroelectric plants)	112	86	-23.2%	26	19	-26.5%
Segment of RES (wind farms)	89	104	17.2%	25	28	12.8%
Segment of RES (biogas plants)	7	6	-19.7%	2	2	-23.8%

The largest generator of electricity from the conventional sources is ENEA Wytwarzanie - Segment of System Power Plants, which under the name of Elektrownia Kozienice S.A. joined ENEA Capital Group in October 2007. This is the greatest commercial power plant fired with bituminous coal. It comprises 10 high-performance, updated power units with a total generating capacity of 2,919 MW.

Electricity from renewable sources is generated by: ENEA Wytwarzanie - Segment of System Power Plants by co-firing biomass with conventional fuel (bituminous coal), ENEA Wytwarzanie - Segment of Heat by production in cogeneration (electricity using biomass), ENEA Wytwarzanie - Segment of RES (21 hydroelectric plants, Darżyno wind farm, Bardy wind farm, biogas plants in Gorzesław and Liszkowo - the investment commissioned at the beginning of October 2014).



Fuel supplies

The basic fuel used to produce electricity in ENEA Wytwarzanie - Segment of System Power Plants, is bituminous coal. In Q1-Q3 2014 the cost of coal comprised about 43% of operating costs of ENEA Wytwarzanie - Segment of System Power Plants. Coal supplies were realised during three quarters of 2014 from two basic sources: Lubelski Węgiel "Bogdanka" S.A. which in the said period delivered ca. 68% of the material and Katowicki Holding Węglowy S.A. Additionally, ENEA Wytwarzanie - Segment of System Power Plants, in Q1-Q3 2014 made supplementary purchases from Petrokol Sp. z o.o. Sp. k. and Jastrzębska Spółka Węglowa S.A.

The only supplier of the light-up fuel to the Segment of System Power Plants in Q1-Q3 2014 was PKN ORLEN S.A. The fuel delivered is heavy heating oil with sulphur content of up to 3%.

Co-firing of biomass, carried out in the Segment of System Power Plants, is performed in eight units of the generating capacity ranging 215-228 MW. Sawdust wood straw pellets, sunflower pellets and briquettes, and straw pellets are primarily used as biomass. In Q1-Q3 2014 ENEA Wytwarzanie - Segment of System Power Plants held agreements with a total of 10 suppliers of biomass.

In Q1-Q3 2014 the consumption of biomass in the Segment of System Power Plants amounted to 212,725.853 tonnes, and in the Segment of Heat to 343,966.469 tonnes.

Energy production from RES in the Segment of Heat (Białystok Heat and Power Plant) takes place in the dedicated unit with the installed capacity of 78.503 MWe. Wood chips, energetic willow chips and sunflower pellets are primarily used as biomass. Segment of Heat in Q1-Q3 2014 it held agreements with 12 suppliers of biomass. Biomass deliveries are performed both by the rail and road transport. In 2014 the costs of coal and biomass constituted ca. 56% of operating costs of the Segment of Heat. The key supplier of coal in Q1-Q3 2014 to Białystok Heat and Power Plant was KREX Sp. z o.o. selected in the unlimited tender.

The volume and cost of fuel purchases from external suppliers in the Area of Generation are presented in the table below:

Fuel type	Q1-Q3 2013		Q1-Q3 2014		Change	
	Quantity ['000 tonnes]	Cost ¹⁾ [PLN mln]	Quantity ['000 tonnes]	Cost ¹⁾ [PLN mln]	Quantity	Cost ¹⁾
Bituminous coal	3 969	977	4 183	974	5.4%	-0.3%
Biomass	488	157	557	185	14.1%	17.8%
Fuel oil (heavy)	4	9	6	12	50.0%	33.3%
Gas ['000 m ³]	1 463	3	960	2	-34.4%	-33.3%
TOTAL	3 969	977	4 183	974	5.4%	-0.3%

1) Including transport

Coal transport

Segment of System Power Plants

The basic means of transport used to deliver bituminous coal to ENEA Wytwarzanie - Segment of System Power Plants in Q1-Q3 2014 was rail transport: 38% of supplies of this material were made by PKP Cargo S.A. forwarder, 12% by DB Schenker Rail Polska S.A., and ca. 50% were realised by Freightliner PL Sp. z o.o.

Segment of Heat

The basic means of transport used to deliver bituminous coal to ENEA Wytwarzanie - Segment of Heat in the period from January to September 2014 was rail transport. The key supplier of coal was KREX Sp. z o.o. selected in an unlimited tender. Costs of coal and biomass transport were included in the price of the purchased fuel.



Trade

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

Sales by value and volume

Specification	Revenue on sales of electricity to end users [PLN '000]		
	Q1-Q3 2013	Q1-Q3 2014	Change
Tariff group set A	250 321	564 654	126%
Tariff group set B	871 640	770 092	-12%
Tariff group set C	597 272	551 626	-8%
Tariff group set G	919 137	815 321	-11%
TOTAL	2 638 370	2 701 693	2%

Specification	Sales of electricity [GWh]		
	Q1-Q3 2013	Q1-Q3 2014	Change
Tariff group set A	1 144	3 443	201%
Tariff group set B	3 444	3 456	0%
Tariff group set C	1 874	1 853	-1%
Tariff group set G	3 278	3 222	-2%
TOTAL	9 740	11 974	23%

Higher by over 2% revenue from sales of energy to end users in the period of 9 months of 2014 as compared to the same period of the previous year affected higher sales of energy (by almost 23%). A slight growth in revenue, with such a dynamic growth in sales, stems from reduced prices as a result of growing competition on the retail market and lower prices of energy in G tariff group sets.

Purchase of electricity by ENEA S.A. for resale

Specification	Purchase of electricity [GWh]		
	Q1-Q3 2013	Q1-Q3 2014	Change
Purchase of electricity, including:	9 951	12 561	26%
Purchases on the domestic wholesale market - exchange	229	0	-100%
Purchases on the domestic wholesale market - other	9 537	12 543	32%
<i>including within ENEA CG</i>	8 347	11 115	33%
Purchases on the balancing market	185	18	-90%

Sales of electricity by ENEA S.A.

Specification	Sales of electricity [GWh]		
	Q1-Q3 2013	Q1-Q3 2014	Change
Sale of electricity, including:	9 951	12 561	26%
Sale to end users	9 740	11 974	23%
Sale on domestic wholesale market (within ENEA CG)	89	166	86%
Sale on the balancing market	122	421	245%

Purchase and sale of energy by ENEA S.A. on the wholesale market

In relation to organisational changes and separation on 1 August 2011 of the area of operations relating to the wholesale market to the special purpose vehicle, ENEA Trading Sp. z o.o., all the contracts relating to the wholesale market (also those concluded by ENEA S.A.) are serviced and administered by the subsidiary.

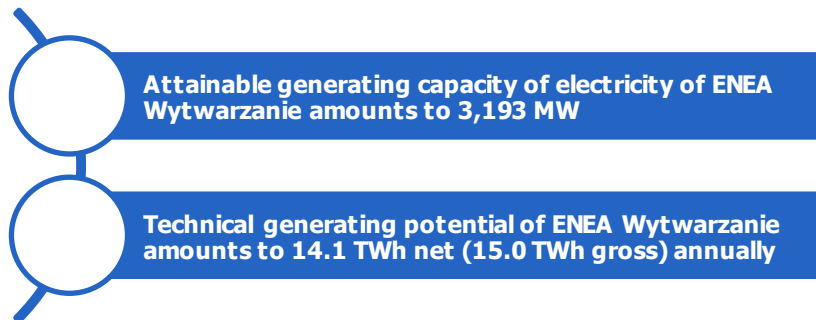
A major part of energy sold by ENEA S.A. was energy purchased within bilateral transactions, including mainly those with: ENEA Trading Sp. z o.o. (almost 88%), local sources (over 10%). The remaining purchase contracts were entered into in the process of balancing of the balancing mechanism unit on the balancing market (transactions on the balancing market of the Transmission System Operator resulting from the difference between estimated and actual trading positions) and in bilateral contracts.

In order to provide comprehensive services (sale of electricity and electricity distribution services) to end users connected to the network of ENEA Operator Sp. z o.o., the Company purchases electricity distribution services from ENEA Operator Sp. z o.o.

Purchase and sale of energy by ENEA Wytwarzanie on the wholesale market

In relation to the entry into force of amendments in the Energy Law since 9 August 2010 ENEA Wytwarzanie S.A. has been obliged to sell at least 15% of the generated electricity through the Power Exchange. Such a direction of sales is a consequence of greater trading volumes on the exchange market. It is a result of changes imposing an obligation resulting from Art. 49a of the Energy Law on enterprises dealing with generation.

Within the realisation of this obligation sales of generated electricity on PPE, during Q1-Q3 2014 constituted around 92.8% of sold and generated electricity.

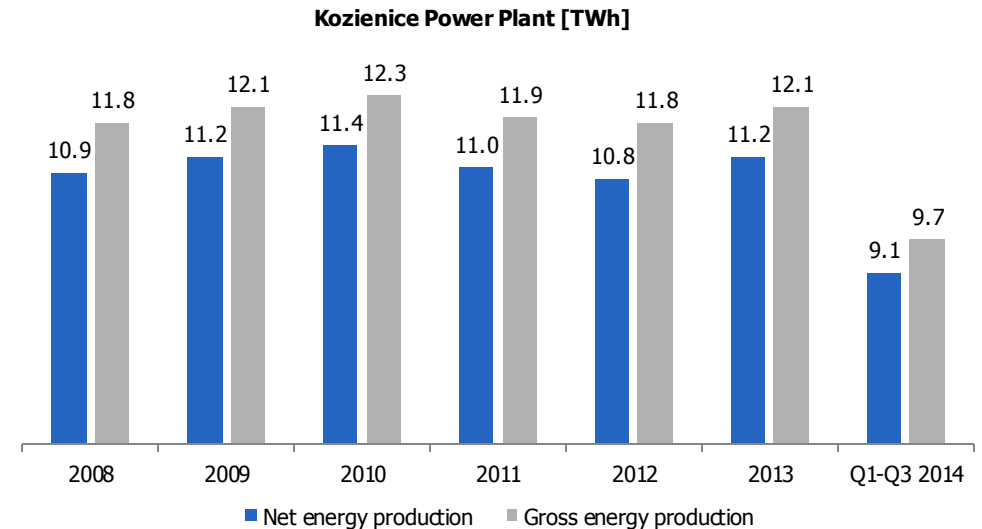


The remaining volume of electricity is sold to PSE S.A. on the balancing market - 2.1%, and to Operators of the Distribution Network to cover grid losses - 5.1%.

In relation to the transfer of competences to the special purpose vehicle - ENEA Trading Sp. z o.o. the Company has been rendering analytical support services within commercial processes from November 2011 for ENEA Wytwarzanie S.A. Currently, it services receivables and payables in a full scope (electrical, proprietary interests) and is a Scheduling Co-ordinator (OHT) for the Power Plant. From 1 January 2014 ENEA Trading Sp. z o.o. has been also supplying production fuels to ENEA Wytwarzanie S.A.

In January - September 2014 ENEA Wytwarzanie within the wholesale market purchased electricity based on bilateral agreements in the amount of 2,063.4 GWh - total within ENEA CG.

Additionally, purchases of electricity within the Balancing Market total to 1,001.1 GWh.



Distribution

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

ENEA Operator supplies electricity to 2.46 mln users in the western and north-western Poland. To this end it uses the distribution network covering an area of over 20% of the country, including over 113.5 thou. km of power lines (over 132 thou. including connections) and over 36 thou. power stations.

The basic task of ENEA Operator is a continuous and reliable supply of energy maintaining appropriate quality parameters. The so-called reliability ratios testify the way in which the Operator of the Distribution Network realises them: system average interruption duration index (SAIDI, expressed in minutes/customer) and system average interruption frequency index (SAIFI, expressed in number of interruptions/customer). Each of them is calculated for unplanned interruptions (failure) and planned interruptions.

Specification	Q1-Q3 2013	Q1-Q3 2014
SAIDI planned interruptions	85.71	71.65
SAIDI unplanned interruptions	192.25	188.23
SAIFI planned interruptions	0.35	0.32
SAIFI unplanned interruptions	2.83	2.64



Other activity

The Group Companies render supplementary services towards the core business mentioned above. The other activity is mainly:

- construction, expansion, modernisation and renovations of electric power equipment and networks,
- design, construction, production and sale of electrical and power equipment and apparatusj.

Besides that, the companies render services connected with the maintenance of the street lighting and low-voltage networks, transport services, social activity and customer service.

Information on concluded agreements

Agreements of significance to ENEA Capital Group operations

The key agreements concluded and realised by ENEA Capital Group companies include e.g. agreements connected with coal supplies. These are as a rule concluded as multiannual agreements, however in each year, within a given multiannual agreement the so called annual agreements are concluded. In annual agreements parties specify e.g. such notions as basic volume of coal supply, coal prices for particular classes, limit parameters, means of transport, method of financial settlements, detailed settlement conditions, notice periods and mode of calculating contractual penalties. Additionally, depending on the demand additional agreements are concluded - for supplementary supply of coal. Another category of agreements related to coal supply agreements are agreements connected with the transport. Such agreements specify e.g. volume of coal anticipated for transport, price per transport of one tone of coal, template of monthly transport schedules, principles of collecting dispatches with coal, method of settlements of due payments for transport, including complaint procedures.

Below, there is a description of agreements of significance to ENEA Capital Group concluded with ENEA Wytwarzanie and realised in Q1-Q3 2014 which relate to supplies and transport of coal.

Party to the agreement	Date of conclusion	Scope/subject
LW Bogdanka S.A.	4 March 2010	Multiannual agreement - specifies key conditions of coal supplies in 2010-2015.
PKP Cargo S.A.	20 February 2012	Transport of fuel coal for ENEA Wytwarzanie from mines and processing plants of KHW S.A., KW S.A. and JSW S.A. until 30 June 2014.
LW Bogdanka S.A.	15 January 2013	Annual Agreement concluded within the Multiannual Agreement of 2010 specifying key conditions of coal supplies in 2010-2025 - the subject of the Annual Agreement is fuel coal supplies in 2013 and until the end of March 2014.
PETROKOL Sp. z o.o. Sp. k.	5 November 2013	Fuel coal supplies in 2014.
Freightliner PL	13 December 2013	Transport of coal from LW Bogdanka until 30 June 2014.
DB Schenker Rail Polska S.A.	23 December 2013	Transport of coal from mines and processing plants of KHW S.A., KW S.A., PKW S.A., Śląskie Centrum Logistyki, ZWW "Julian" and JSW S.A. until 31 March 2015.
Katowicki Holding Węglowy S.A.	7 January 2014	Annual agreement for 2014. Fuel coal supplies in 2014.
JSW S.A.	21 March 2014	Coal supplies until the end of 2014.
LW Bogdanka S.A.	21 March 2014	Storage Agreement relates to storing some volumes of coal contracted within the Annual Agreement for 2014 deposited on the depot of LW Bogdanka. The deposit will be collected not later than 31 March 2015.
PKP Cargo S.A.	30 June 2014	Transport of fuel coal for ENEA Wytwarzanie from mines and processing plants of KHW S.A., KW S.A., mines belonging to PKW S.A., Śląskie Centrum Logistyki, JSW S.A., ZWW "Julian", HALDEX S.A., PG Silesia Sp. z o.o. and station Dąbrowa Górnicza Żąbkowice until 30 June 2015.
PKP Cargo S.A.	21 July 2014	Transport of fuel coal for ENEA Wytwarzanie from LW Bogdanka until 20 July 2015.

Significant agreements concluded with ENEA Wytwarzanie - Segment of Heat for supplies of fuels to the source of Białystok Heat and Power Plant

Party to the agreement	Date of conclusion	Scope/subject
KREX Sp. z o.o.	29 December 2006	Multiannual agreement for supplies of energetic biomass in the form of wood chips
ARBOR Sp. z o.o.	23 September 2010	Multiannual agreement for supplies of biomass in the form of energetic willow or energetic poplar chips
AM&HP Sp. z o.o.	21 September 2012	Multiannual agreement for supplies of biomass in the form of woof chips of Belarusian origin
QUERCUS Sp. z o.o.	25 October 2012	Multiannual agreement for supplies of biomass in M2E assortment in the commercial form of chips and bales
KREX Sp. z o.o.	29 November 2013	Annual agreement for coal supplies in 2014

The aforementioned agreements for supplies of biomass provide for annual price negotiations. If no agreement is reached as regards the price the agreements are terminated. The price mentioned in the agreement covers also costs of biomass transport to the generating source in Białystok Heat and Power Plant.

Agreements of significance as to financing of investments and current operations

Agreements being in force in Q1-Q3 2014 relating to investment and current operations financing are presented below.

Parties to the agreement	Date of conclusion	Description
ENE A S.A., PKO BP S.A., Bank Pekao S.A., Bank Zachodni WBK S.A., Bank Handlowy w Warszawie S.A., Nordea Bank Polska S.A.	31 January 2013	ENE A S.A. concluded an Annex to the Programme Agreement of 21 June 2012 which amended the conditions of financing in the amount of up to PLN 4,000,000 thou. adjusting them to the current market situation. Detailed information on the use of funds from the above mentioned agreement is published under <i>Investment Programme Financing Sources</i> .
ENE A S.A., European Investment Bank	19 June 2013 18 October 2012	ENE A S.A. holds two Financial Agreements concluded with EIB, in the total amount of PLN 1,425,000 thou. Detailed information on the use of funds from the above mentioned agreements is published under <i>Investment Programme Financing Sources</i> .
ENE A S.A., ENE A Wytwarzanie mBank S.A. (formerly BRE Bank S.A.)	16 July 2013	Bond Issue Programme Agreement for the amount of PLN 936,000 thou., amended on 17 January 2014. The detailed information on the use of funds from the above mentioned agreement is published under <i>Investment Programme Financing Sources</i> .
ENE A Tax Capital Group Companies Bank Pekao S.A., Bank PKO BP S.A.	28 January 2014	The Companies of ENE A Tax Capital Group, Bank Pekao S.A. and Bank PKO BP S.A. concluded cooperation agreements relating to the comprehensive bank service pursuant to which the Banks guarantee a wide range of banking services, e.g. within the aforementioned agreements ENE A S.A. and Bank Pekao S.A. concluded an overdraft agreement for the amount of PLN 300,000 thou. and with Bank PKO BP S.A. an overdraft agreement also for the amount of PLN 300,000 thou. Within the Agreement on cooperation with Bank Pekao S.A. an Agreement was concluded for opening of the guarantee line for the amount of PLN 100,000 thou. The agreements mentioned above were concluded for the period of 3 years of execution.
ENE A S.A., Bank Gospodarstwa Krajowego	15 May 2014	Conclusion of the programme agreement relating to the long-term bond issue programme valued PLN 1,000,000 thou., within which the terms of the bond issue programme were specified. Detailed information on the use of funds from the above mentioned agreement is published under <i>Investment Programme Financing Sources</i> .
ENE A S.A., Bank Pekao S.A., ING Bank Śląski S.A., PKO BP S.A., mBank S.A	30 June 2014	The agreement relating to the bond issue programme up to the maximum amount of PLN 5,000,000 thou. ("Programme"). Detailed information on the use of funds from the above mentioned agreement is published under <i>Investment Programme Financing Sources</i> .

Information on transactions with affiliated entities

During January - September 2014 ENEA S.A. or its subsidiaries did not conclude any significant transactions with related parties on non-market conditions.

Information on other significant transactions concluded by ENEA S.A. or its subsidiary with affiliates is presented in note 21 to the condensed semi-annual financial statements being a part of the extended consolidated report for Q3 2014.

Granted sureties and guarantees

During January - September 2014 ENEA Capital Group Companies did not grant any sureties or guarantees the total value of which would constitute at least 10% equity of the Issuer.

Date	Sureties and guarantees granted during January - September 2014
25 February 2014	ENEA S.A., as the Guarantor, concluded a Guarantee Agreement with Zespół Elektrowni Pątnów – Adamów – Konin Spółka Akcyjna. The subject of the agreement is guaranteeing for the liabilities of a subsidiary, ENEA Trading Sp. z o.o., as regards the transactions concerning the wholesale trade in electricity, up to the maximum amount of PLN 12,000 thou. The agreement was concluded based on the Guarantee Framework Agreement regulating the principles of granting guarantees by ENEA S.A. to third entities for the liabilities of ENEA Trading Sp. z o.o.
14 April 2014	On request of ENEA S.A. Bank Pekao S.A. issued a bank guarantee up to the total amount of PLN 50,000 thou. for the account of Warsaw Commodity Clearing House hedging the payment of margin and transaction deposits by ENEA Wytwarzanie S.A.
1 July 2014	ENEA S.A. and Białystok Municipality concluded a corporate guarantee agreement up to the amount of PLN 50,000 thou. Within the agreement, on the failure to perform by ENEA Wytwarzanie S.A. its payment obligation, ENEA S.A. is obliged to pay to Białystok Municipality the selling price of shares in relation to which Białystok Municipality accepted the purchase offer.
10 July 2014	On request of ENEA S.A. PKO BP S.A. issued an annex to the bank guarantee of 19 November 2013 reducing the level of security for Warsaw Commodity Clearing House from PLN 230,000 thou. to PLN 50,000 thou. The Annex hedges the payment of margin and transaction deposits by ENEA Trading Sp. z o.o.
21 July 2014	ENEA S.A. and Warsaw Commodity Clearing House concluded an annex No. 3 to the surety agreement of 21 July 2011 for the amount of PLN 50,000 thou. prolonging the term of the surety until 1 August 2017. Within the said agreement ENEA S.A. guarantees for all the obligations incurred by ENEA Trading Sp. z o.o. to Warsaw Commodity Clearing House in relation to its membership in the Commodity Clearing House.
9 September 2014	ENEA S.A. and the National Fund for Environmental Protection and Water Management concluded a surety agreement up to the amount of PLN 11,806 thou. within which ENEA S.A. is obliged to pay the obligations of Miejska Energetyka Ciepła Piła Sp. z o.o. related to the co-financing by the National Fund for Environmental Protection and Water Management of the project realised by Miejska Energetyka Ciepła Sp. z o.o.
26 September 2014	Bank Pekao S.A. issued a bank guarantee for indemnity up to the total maximum amount of PLN 100.75 thou. for Ardagh Glass S.A. for liabilities of EP PUE Energobud Leszno Sp. z o.o. The bank guarantee was issued with the validity from 21 December 2014 to 21 December 2016.

The reduction of the total maximum amount of the bank guarantee issued by Bank Pekao S.A. for the liabilities of ENEA Wytwarzanie S.A. to Warsaw Commodity Clearing House from the amount of PLN 50,000 thou. to PLN 25,000 thou. is being realised. The Company is also reducing the total maximum amount of the bank guarantee issued by Bank PKO BP S.A. for liabilities of ENEA Trading Sp. z o.o. to Warsaw Commodity Clearing House from the amount of PLN 50,000 thou. to PLN 15,000 thou.

Agreements of significance concluded after the reporting period

On 9 October 2014 an Annex was concluded to the Programme Agreement between ENEA S.A., as Guarantor, ENEA Operator Sp z o.o., as Issuer, and Nordea Bank Polska S.A., as Agent, relating to the bond issue programme up to the amount of PLN 1,425,000 thou. and an Annex to the Bond Subscription Guarantee Agreement between the Issuer and Guarantor. Pursuant to the Annexes the Term of the Programme availability expires on 31 December 2015, and the validity of the Programme was prolonged to 31 December 2030.

Bond issue programme of subsidiaries

One of the significant sources of financing capital expenditures within the Capital Group are bond issues. Information on the bonds issued by the Group companies in 2014 till the end of the reporting period is presented below.

On 17 January 2014 ENEA Wytwarzanie S.A. as the issuer, ENEA S.A. as Guarantor and mBank S.A. as Issue Agent, Payment Agent and Depositary, concluded an Annex No. 1 to the Bond issue programme agreement for the amount of PLN 746,000 thou. of 16 July 2013, pursuant to which the Programme Value was increased to PLN 936,000 thou. and the number of available bond issues within the Programme was increased to 5 series. On 22 January 2014 ENEA Wytwarzanie S.A. issued, and ENEA S.A. took up the 5th series of bonds in the total amount of PLN 190,000 thou. As at 30 September 2014 within the Bond Issue Programme Agreement for the amount of PLN 936,000 thou. of 16 July 2013 ENEA Wytwarzanie S.A. issued the 5th series of two-year bonds for the Programme's full amount.

On 26 September 2014 ENEA Operator Sp. z o.o. issued the third series of bonds in the total amount of PLN 100,000 thou. within the Programme Agreement regarding the bond issue programme up to the amount of PLN 1,425,000 thou. of 20 June 2013 concluded between ENEA Operator Sp. z o.o. as Issuer, ENEA S.A. as Guarantor and NORDEA Bank Polska S.A. as Issue Agent, Payment Agent and Depositary. On 9 October 2014 an Annex to the Programme Agreement and Annex to the Bond Subscription Guarantee Agreement were concluded pursuant to which the availability term of the Programme expires on 31 December 2015 and the period of validity of the Programme was prolonged to 31 December 2030.

Within the Programme Agreement of 8 September 2012 relating to the bond issue programme up to the amount of PLN 4,000,000 thou. concluded between ENEA Wytwarzanie S.A. as Issuer, ENEA S.A. as Guarantor and mBank S.A. as Issue Agent, Payment Agent and Depositary, ENEA Wytwarzanie S.A. issued 3 series of bonds in the total amount of PLN 660,000 thou.

On 12 August 2014 ENEA Wytwarzanie, as Issuer, ENEA S.A., as Guarantor and PKO Bank Polski S.A. as Issue Agent, Payment Agent and Depositary, concluded a Programme Agreement relating to the bond issue programme up to the amount of PLN 260,000 thou. Within this Programme on 16 September 2014 ENEA Wytwarzanie S.A. issued, and ENEA S.A. took up the first series of bonds in the total amount of PLN 260,000 thou.

The table below presents the status of intergroup bonds held as at 30 September 2014 [PLN '000]:

Bond Issuer	Date of agreements	Deadline for buy-out	Currency	Granted amount	Used amount	Current debt (capital)
Elektrownie Wodne Sp. z o.o.	10 March 2011	31 March 2023	PLN	26 000	26 000	26 000
Dobitt Energia Sp. z o.o.	29 September 2011	29 September 2019	PLN	14 500	14 500	9 500
Elektrociepłownia Białystok S.A.	23 July 2012	22 July 2019	PLN	158 500	158 500	121 436
ENEA Wytwarzanie S.A.	8 September 2012	depending on dates of issue of series of bonds, however not later than 15 June 2022	PLN	4 000 000	660 000	660 000
ENEA Operator Sp. z o.o.	20 June 2013	Depending on dates of issue of series of bonds, however not later than 31 December 2030	PLN	1 425 000	1 050 000	1 050 000
ENEA Wytwarzanie S.A.	16 July 2013	15 July 2015	PLN	936 000	936 000	936 000
ENEA Wytwarzanie S.A.	12 August 2014	15 December 2026	PLN	260 000	260 000	260 000

Presentation of the financial position of ENEA Capital Group

Financial results of ENEA Capital Group in Q1-Q3 and Q3 2014

Consolidated profit and loss statement¹⁾

[PLN '000]	Q1-Q3 2013	Q1-Q3 2014	Change	Change %	Q3 2013	Q3 2014	Change	Change %
Revenue from sales of electricity	4 339 250	4 527 505	188 255	4.3%	1 409 997	1 601 031	191 034	13.5%
Revenue from sales of distribution services	2 108 995	2 125 008	16 013	0.8%	684 332	684 318	-14	0.0%
Revenue from sales of goods and materials	56 981	68 069	11 088	19.5%	19 444	30 986	11 542	59.4%
Revenue from sales of other services	105 802	88 708	-17 094	-16.2%	30 939	36 204	5 265	17.0%
Revenue from certificates of origin	31 967	30 165	-1 802	-5.6%	13 331	7 479	-5 852	-43.9%
Revenue from sales of CO ₂ emission allowances	10 231	4 920	-5 311	-51.9%	5 645	0	-5 645	-100.0%
Recovery of stranded costs	964	257 508	256 544	26612.4%	0	0	0	0.0%
Revenue from sales of heat energy	133 053	125 289	-7 764	-5.8%	27 930	26 959	-971	-3.5%
Net sales revenue	6 787 243	7 227 172	439 929	6.5%	2 191 618	2 386 977	195 359	8.9%
Amortisation/depreciation	574 422	524 197	-50 225	-8.7%	188 502	179 617	-8 885	-4.7%
Employee benefit costs	730 615	675 142	-55 473	-7.6%	216 386	194 438	-21 948	-10.1%
Consumption of materials and raw materials and value of goods sold	1 375 543	1 299 698	-75 845	-5.5%	446 870	448 047	1 177	0.3%
Costs of purchases for resale	2 400 785	2 797 762	396 977	16.5%	783 203	1 019 891	236 688	30.2%
Transmission services	449 301	530 911	81 610	18.2%	150 104	178 716	28 612	19.1%
Other external services	245 967	240 979	-4 988	-2.0%	80 049	68 800	-11 249	-14.1%
Taxes and charges	185 099	198 819	13 720	7.4%	57 607	62 915	5 308	9.2%
Cost of sales	5 961 732	6 267 508	305 776	5.1%	1 922 721	2 152 424	229 703	11.9%
Other operating revenue	97 893	100 752	2 859	2.9%	18 559	17 036	-1 523	-8.2%
Other operating expenses	98 827	68 288	-30 539	-30.9%	17 779	18 380	601	3.4%
Profit / (loss) on sales and liquidation of tangible fixed assets	-4 900	-578	4 322	88.2%	-1 673	-577	1 096	65.5%
Operating profit (loss)	819 677	991 550	171 873	21.0%	268 004	232 632	-35 372	-13.2%
Financial expenses	22 546	46 849	24 303	107.8%	2 939	10 741	7 802	265.5%
Financial revenue	54 347	70 376	16 029	29.5%	17 882	29 402	11 520	64.4%
Dividend revenue	4 552	3 355	-1 197	-26.3%	0	0	0	0.0%
Share in (losses)/profits of affiliated entities accounted for using the equity method	333	890	557	167.3%	40	170	130	325.0%
Profit (loss) before tax	856 363	1 019 322	162 959	19.0%	282 987	251 463	-31 524	-11.1%
Income tax	194 706	183 007	-11 699	-6.0%	76 139	40 083	-36 056	-47.4%
Net profit (loss) for the reporting period	661 657	836 315	174 658	26.4%	206 848	211 380	4 532	2.2%
EBITDA	1 394 099	1 515 747	121 648	8.7%	456 506	412 249	-44 257	-9.7%

1) A comment on significant changes is presented below

Comment:

Q1-Q3 2014:

Change factors of EBITDA of ENEA CG (growth by PLN 122 mln):

- (+) higher revenue from recovery of stranded costs (by PLN 257 mln)
- (+) higher revenue from sales of electricity by 4.3% (by PLN 188 mln)
 - higher volumes of sales of electricity to end users in ENEA S.A. by 2,234 GWh adjusted with lower selling prices by 16.6%
 - higher volumes of sales of electricity realised by ENEA Wytwarzanie by 1,674 GWh adjusted with lower selling prices by 12.8%
- (+) lower costs of materials and value of goods sold by 5.5% (by PLN 76 mln) stemming mainly from a lower average price of coal with transport by 7.3% (by PLN 44 mln)
- (+) lower costs of employee benefits by 7.6% (by PLN 55 mln) stemming from the resignation of 206 people within the Programme of Voluntary Redundancy and lower costs of provisions
- (+) higher result on the other operating activity (by PLN 33 mln) stemming from e.g. lower level of costs of establishing provisions for claims for damages (discount of provisions relating to the legal regulation of lands under the grid assets) and final settlement of disputed claims against the provider of fixed assets against Windfarm
- (+) higher revenue from sales of distribution services by 0.8% (by PLN 16 mln) is a result of higher volumes of sales to end users
- (+) higher volumes of purchased energy (by 3,639 GWh) with a lower average purchase price by 11.3%
- (-) higher costs of ecological duties by PLN 43 mln
- (-) higher costs of transmission services by 18.2% (by PLN 82 mln) stem from higher costs of quality and transitory charges
- (-) lower revenue from sales of other services by 16.2% (by PLN 17 mln) resulting from the change of the method of registering lighting maintenance revenue¹⁾
- (-) higher costs of taxes and charges by 7.4% (PLN 14 mln)

Q3 2014:

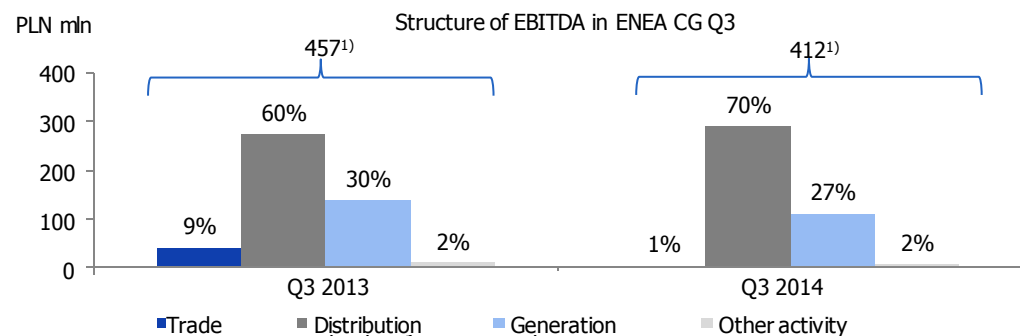
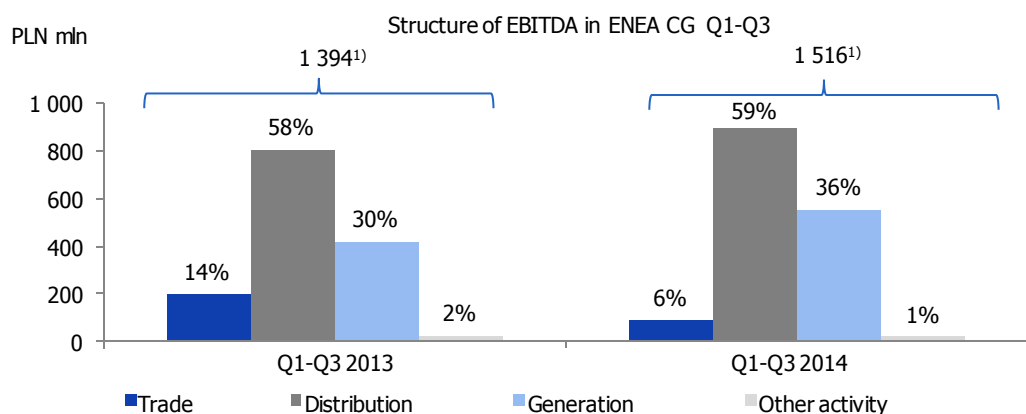
Change factors of EBITDA of ENEA CG (drop by PLN 44 mln):

- (-) higher dynamics of growth in costs of energy purchases for resale in relation to energy sales revenue stemming from:
 - change in purchase prices by +2.8% in relation to the average selling price to end users and by +1.5% in relation to average selling prices on the wholesale market
 - higher costs of ecological duties by PLN 26 mln
- (-) higher costs of transmission services by 19.1% (by PLN 29 mln) stem from higher costs of quality and transitory charges
- (+) lower costs of employee benefits by 10.1% (by PLN 22 mln) stemming from the resignation in Q3 2014 of 95 people within the Programme of Voluntary Redundancy and lower costs of provisions
- (+) higher revenue from the sale of goods and materials by 59.4% (by PLN 12 mln PLN)

1) The activity contributed in kind to ENEOS subsidiary at the end of 2013.

Results on particular segments of operations of ENEA Capital Group

EBITDA [PLN '000]	Q1-Q3 2013	Q1-Q3 2014	Change	Change %	Q3 2013	Q3 2014	Change	Change %
Trade	199 563	88 373	-111 190	-55.7%	42 173	6 102	-36 071	-85.5%
Distribution	806 676	895 201	88 525	11.0%	273 815	289 534	15 719	5.7%
Generation	418 483	552 500	134 017	32.0%	139 035	112 173	-26 862	-19.3%
Other activity	27 477	20 568	-6 909	-25.1%	10 285	7 936	-2 349	-22.8%
Undistributed items and exclusions	-58 100	-40 895	17 205	29.6%	-8 802	-3 496	5 306	60.3%
Total EBITDA	1 394 099	1 515 747	121 648	8.7%	456 506	412 249	-44 257	-9.7%



ENEA CG Q1-Q3 2014:

The highest EBITDA in the segment of distribution

The highest EBITDA growth in the segment of generation

ENEA CG Q3 2014:

The highest EBITDA in the segment of distribution

Higher EBITDA reported in the segment of distribution

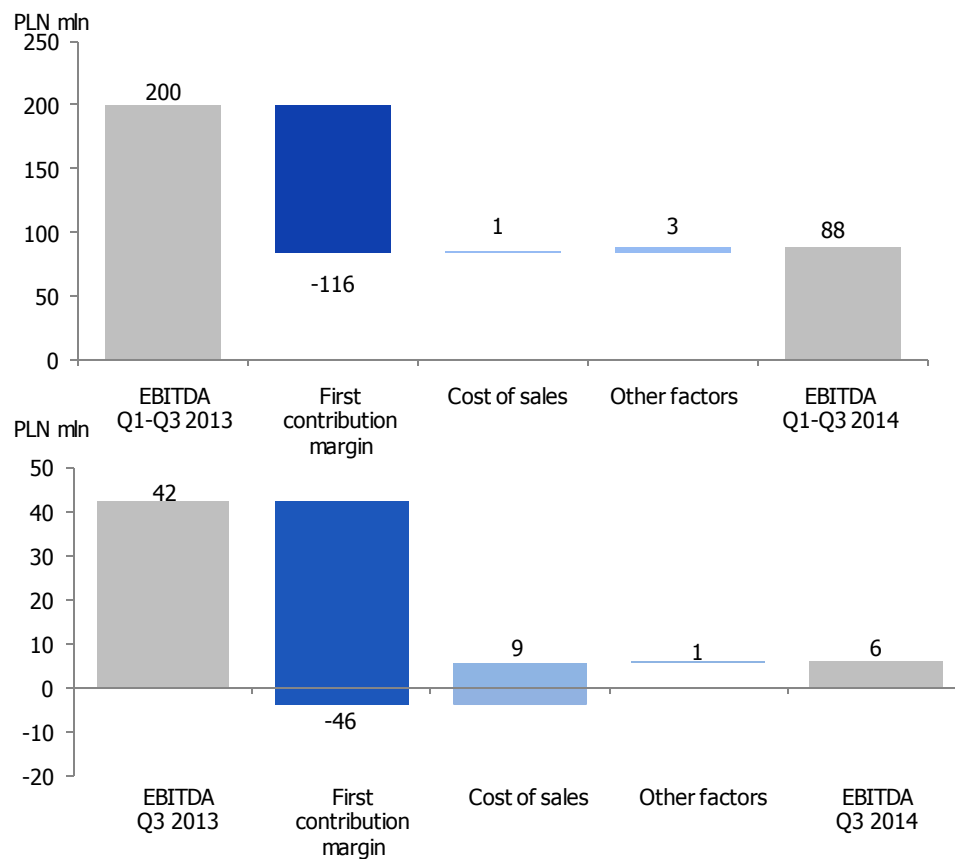
1) Including undistributed items and exclusions

Segment of Trade

[PLN '000]	Q1-Q3 2013	Q1-Q3 2014	Change	Change %	Q3 2013	Q3 2014	Change	Change %
Sales revenue	2 668 821	3 011 487	342 666	12.8%	844 910	1 022 066	177 156	21.0%
EBIT	199 175	86 922	-112 253	-56.4%	42 040	5 094	-36 946	-87.9%
Amortisation/depreciation	388	1 451	1 063	274.0%	133	1 008	875	657.9%
EBITDA	199 563	88 373	-111 190	-55.7%	42 173	6 102	-36 071	-85.5%
CAPEX	1 539	4 237	2 698	175.3%	361	3 418	3 057	846.8%
Percentage of the segment sales revenue in the sales revenue of the Group	39.3%	41.7%	-	-	38.6%	42.8%	-	-

Retail sales of electricity are performed by ENEA S.A.

Wholesale is realised by ENEA Trading Sp. z o.o.



Q1-Q3 2014 Change factors of EBITDA:

- **First contribution margin**
 - (-) lower average selling price by 16.6%
 - (-) higher costs of ecological duties by PLN 43 mln
 - (+) lower average purchase price of energy by 12.2%
 - (+) higher volumes of sales by 2,234 GWh

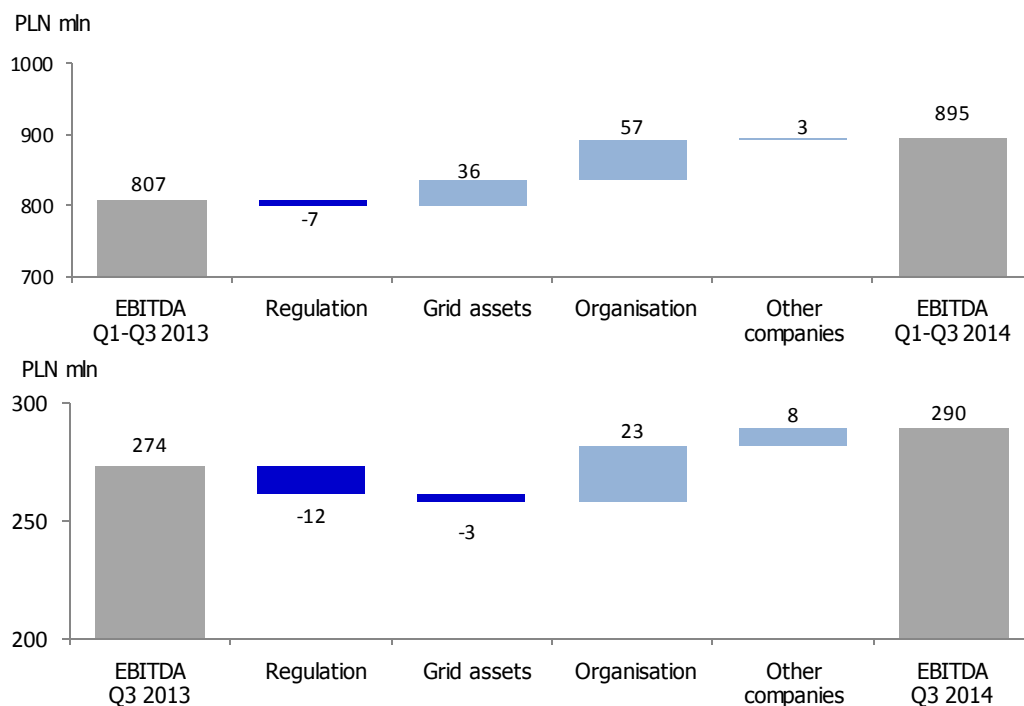
Q3 2014 Change factors of EBITDA:

- **First contribution margin**
 - (-) lower average selling price by 15.3%
 - (-) higher costs of ecological duties by PLN 26 mln
 - (+) lower average purchase price of energy by 9.7%
 - (+) higher volumes of sales by 1,060 GWh
- **Internal costs**
 - (+) lower costs relating to the customer service by PLN 4 mln
 - (+) lower costs by PLN 6 mln stemming from the adjustment of commission costs for business partners (one-off event)

Segment of Distribution

[PLN '000]	Q1-Q3 2013	Q1-Q3 2014	Change	Change %	Q3 2013	Q3 2014	Change	Change %
Sales revenue	2 214 574	2 215 884	1 310	0.1%	719 308	714 735	-4 573	-0.6%
<i>distribution services for end users</i>	<i>1 985 233</i>	<i>2 012 977</i>	<i>27 744</i>	<i>1.4%</i>	<i>646 503</i>	<i>657 816</i>	<i>11 313</i>	<i>1.7%</i>
<i>fees for customer grid connection</i>	<i>77 695</i>	<i>68 795</i>	<i>-8 900</i>	<i>-11.5%</i>	<i>27 652</i>	<i>17 489</i>	<i>-10 163</i>	<i>-36.8%</i>
<i>other</i>	<i>151 646</i>	<i>134 112</i>	<i>-17 534</i>	<i>-11.6%</i>	<i>45 154</i>	<i>39 430</i>	<i>-5 724</i>	<i>-12.7%</i>
EBIT	520 728	583 658	62 930	12.1%	177 468	180 652	3 184	1.8%
Amortisation/depreciation	285 948	311 543	25 595	9.0%	96 347	108 882	12 535	13.0%
EBITDA	806 676	895 201	88 525	11.0%	273 815	289 534	15 719	5.7%
CAPEX	479 562	432 290	-47 272	-9.9%	185 060	191 976	6 916	3.7%
Percentage of the segment sales revenues in the sales revenues of the Group	32.6%	30.7%	-	-	32.8%	29.9%	-	-

ENEA Operator Sp. z o.o. is responsible for electricity distribution to 2.46 mln customers in the western and north-western Poland on the area of 58,213 km². The basic task of ENEA Operator is a continuous and reliable supply of energy while maintaining relevant quality parameters.



Q1-Q3 2014 Change factors of EBITDA:

- **Regulation**
 - (-) mainly higher costs of purchasing transmission services and lower revenue from grid connection fees as a result of lower rates in the Tariff for 2014 vs. Tariff for 2013 compensated with a positive effect of lower costs of book-tax difference
- **Grid assets**
 - (+) optimisation of the process of exploitation of the Company's grid assets and lower costs related to the legal regulation of lands under the grid assets (resulting mainly from the provisions discounting)
- **Organisation**
 - (+) lower costs of employee benefits as a result of the performed employment optimisation and transfer of part of employees to ENEA Centrum

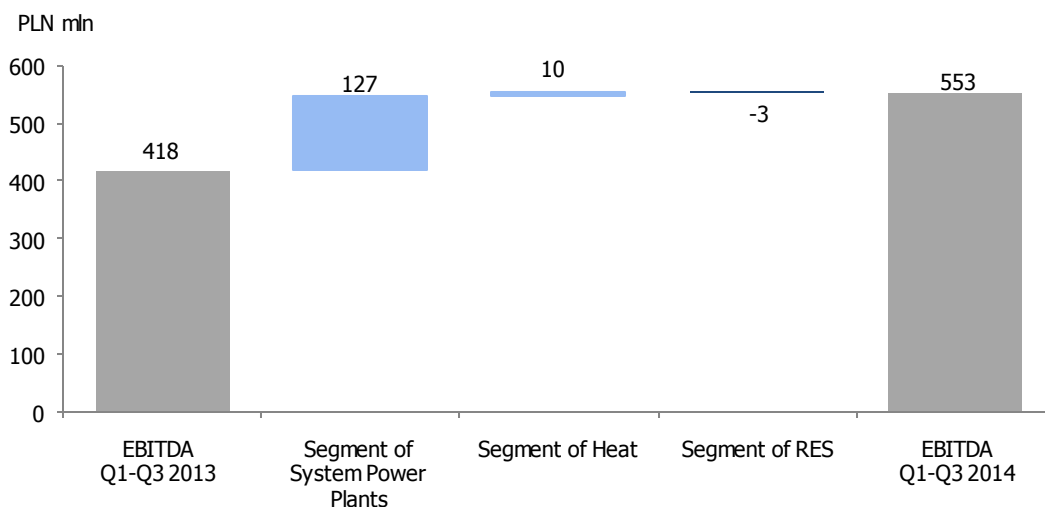
Q3 2014 Change factors of EBITDA:

- **Regulation**
 - (-) mainly higher costs of purchasing transmission services and lower revenue from grid connection fees as a result of lower rates in the Tariff for 2014 vs. Tariff for 2013 compensated with a positive effect of lower costs of book-tax difference
- **Organisation**
 - (+) lower costs of employee benefits as a result of the performed employment optimisation and transfer of part of employees to ENEA Centrum

Segment of Generation

[PLN '000]	Q1-Q3 2013	Q1-Q3 2014	Change	Change %	Q3 2013	Q3 2014	Change	Change %
Sales revenue	2 294 849	2 586 475	291 626	12.7%	754 243	786 443	32 200	4.3%
<i>electricity</i>	2 019 981	2 042 182	22 201	1.1%	668 371	708 141	39 770	6.0%
<i>certificates of origin</i>	114 113	140 798	26 685	23.4%	44 821	44 886	65	0.1%
<i>sales of CO₂ emission allowances</i>	10 231	4 925	-5 306	-51.9%	5 645	0	-5 645	-100.0%
<i>Heat</i>	133 053	125 290	-7 763	-5.8%	27 930	26 960	-970	-3.5%
<i>recovery of stranded costs</i>	964	257 508	256 544	26612.4%	0	0	0	0.0%
<i>other</i>	16 507	15 772	-735	-4.5%	7 476	6 456	-1 020	-13.6%
EBIT	143 059	349 488	206 429	144.3%	49 967	44 293	-5 674	-11.4%
Amortisation/depreciation	275 424	203 012	-72 412	-26.3%	89 068	67 880	-21 188	-23.8%
EBITDA	418 483	552 500	134 017	32.0%	139 035	112 173	-26 862	-19.3%
CAPEX	858 767	1 134 677	275 910	32.1%	347 247	398 808	51 561	14.8%
Percentage of the segment sales revenues in the sales revenues of the Group	33.8%	35.8%	-	-	34.4%	32.9%	-	-

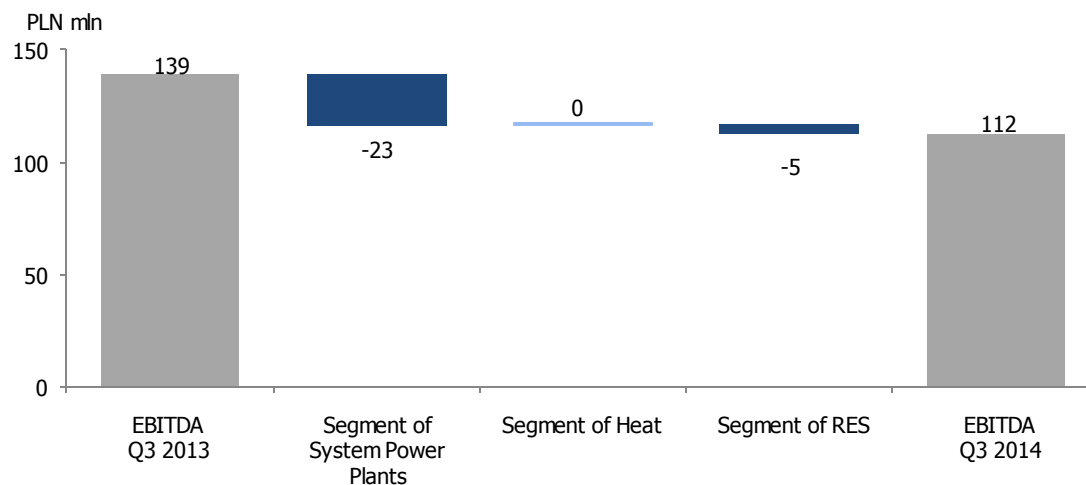
The segment of generation presents financial data of ENEA Wytwarzanie S.A. and its subsidiaries. ENEA Wytwarzanie possesses e.g. 10 highly-efficient and modernised power units in the Segment of System Power Plants. Annual production capacity amounts to ca. 15 TWh electricity in this segment.



Q1-Q3 2014 Change factors of EBITDA:

- Segment of System Power Plants:**
 - (+) higher revenue from recovery of stranded costs by PLN 257 mln
 - (+) lower fixed costs by PLN 23 mln
 - (+) higher margin on co-combustion by PLN 5 mln
 - (-) lower margin on generation by PLN 103 mln
 - (-) loss of EBITDA stemming from the unit No. 9's failure by PLN 23 mln
- Segment of Heat:**
 - (+) higher revenue from sales of electricity by PLN 10 mln
 - (+) higher revenue from certificates of origin by PLN 10 mln
 - (+) lower costs of materials by PLN 6 mln
 - (-) lower revenue from sales of heat by PLN 8 mln
 - (-) higher costs of external services by PLN 4 mln and of taxes and charges by PLN 3 mln
- Segment of RES:**
 - (-) Water: lower revenue from sales of electricity by PLN 6 mln and lower revenue from certificates of origin by PLN 4 mln
 - (+) Wind: Bardy Wind Farm - higher result on the other operating activity by PLN 10 mln

Segment of Generation



Q3 2014 Change factors of EBITDA:

- **Segment of System Power Plants:**
 - (-) lower margin on generation by PLN 20 mln
 - (-) lower margin on co-combustion by PLN 9 mln
 - (+) lower fixed costs by PLN 13 mln
- **Segment of RES:**
 - (-) Water: lower sales revenue by PLN 4 mln (lower production of electricity, lower recognition of certificates of origin and lower prices)

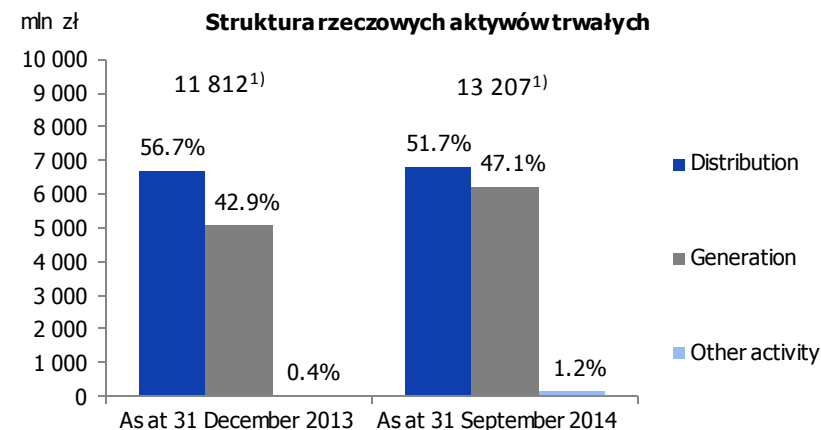
Segment of Other activity

[PLN '000]	Q1-Q3 2013	Q1-Q3 2014	Change	Change %	Q3 2013	Q3 2014	Change	Change %
Sales revenue	197 965	177 328	-20 637	-10.4%	62 414	63 214	800	1.3%
EBIT	15 334	11 170	-4 164	-27.2%	6 815	5 538	-1 277	-18.7%
Amortisation/depreciation	12 143	9 398	-2 745	-22.6%	3 470	2 398	-1 072	-30.9%
EBITDA	27 477	20 568	-6 909	-25.1%	10 285	7 936	-2 349	-22.8%
CAPEX	12 004	5 941	-6 063	-50.5%	3 069	2 905	-164	-5.3%
Percentage of the segment sales revenues in the sales revenues of the Group	2.9%	2.5%	-	-	2.8%	2.6%	-	-

The Segment of Other Activity presents the companies which conduct operation not related to the core operations of ENEA Capital Group. The Group will perform restructuring activities within functioning of entities whose scope of operations is not related to the operations of a power engineering company. The objective is keeping only those companies from the basic value chain and companies supporting them in the structure.

Asset position - structure of assets and liabilities of ENEA Capital Group

Assets [PLN'000]	As at:		Change	Change %
	31 December 2013	30 September 2014		
Non-current assets	12 369 473	13 920 640	1 551 167	12.5%
Tangible long-term assets	11 811 566	13 207 309	1 395 743	11.8%
Perpetual usufruct right	68 431	67 721	-710	-1.0%
Intangible assets	206 580	231 622	25 042	12.1%
Investment properties	30 641	29 714	-927	-3.0%
Investments in affiliates	3 298	4 191	893	27.1%
Deferred income tax assets	181 403	156 855	-24 548	-13.5%
Financial assets available for sale	61 761	54 070	-7 691	-12.5%
Financial assets valued at fair value by the profit and loss account	1 860	2 113	253	13.6%
Trade and other receivables	3 933	167 045	163 112	4147.3%
Current assets	3 952 551	3 839 331	-113 220	-2.9%
CO ₂ emission allowances	190 566	98 674	-91 892	-48.2%
Inventories	521 498	589 498	68 000	13.0%
Trade and other receivables	1 345 966	1 489 095	143 129	10.6%
Current income tax assets	11 455	3 374	-8 081	-70.5%
Financial assets held-to-maturity investments	45	191 878	191 833	426295.6%
Financial assets valued at fair value by the profit and loss account	296 339	317 911	21 572	7.3%
Cash and cash equivalents	1 573 195	1 135 305	-437 890	-27.8%
Non-current assets held for sale	13 487	13,596	109	0.8%
Total assets	16 322 024	17 759 971	1 437 947	8.8%



Change factors of fixed assets (growth by PLN 1,551 mln):

- growth in tangible fixed assets mainly stemming from expenditures in the segment of generation in the amount of PLN 1,114 mln, e.g. the realisation of capital expenditures for the construction of the power unit No. 11 in Koziencice and as a result of the acquisition of shares in Miejskie Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. in Białystok
- higher receivables from recovery of stranded costs by PLN 166 mln

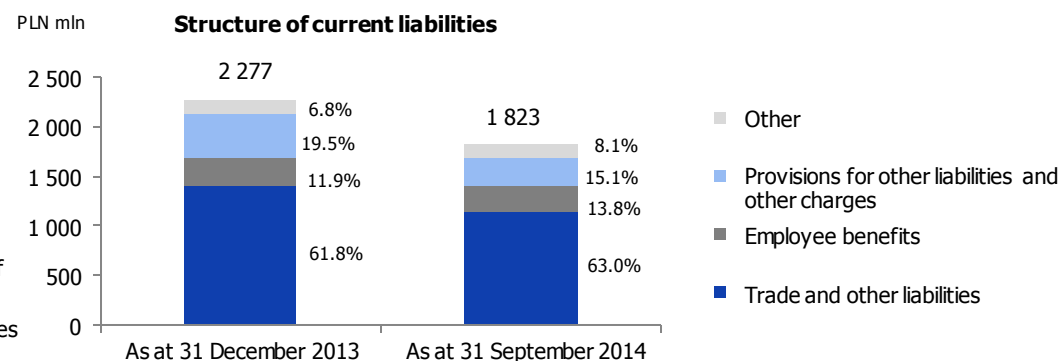
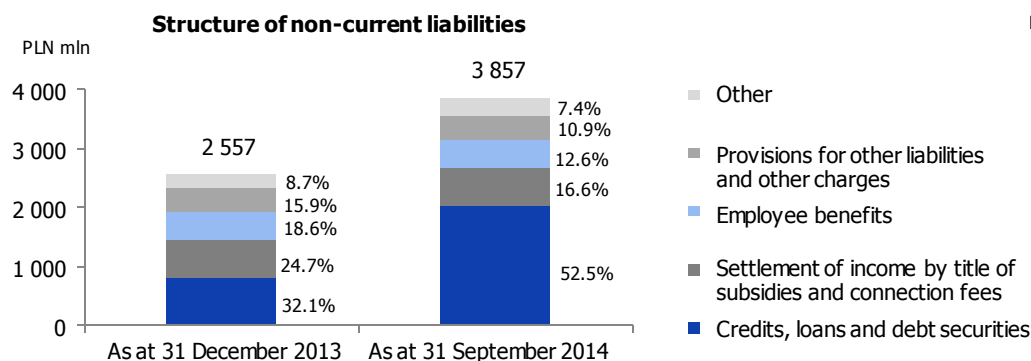
Change factors of current assets (drop by PLN 113 mln):

- lower cash and cash equivalents by PLN 438 mln, e.g. financing of the investment consisting in the construction of the power unit No. 11 from the equity
- redemption of allowances for emissions of CO₂ in the amount of PLN 105 mln
- higher assets held to maturity (deposits above 3 months) by PLN 192 mln
- increase of trade and other receivables by PLN 143 mln
- higher inventories of coal by PLN 26 mln and certificates of origin for energy by PLN 36 mln

1) Including exclusions

Asset position - structure of assets and liabilities of ENEA Capital Group

Liabilities [PLN '000]	As at:		Change	Change %
	31 December 2013	30 September 2014		
Total equity	11 487 948	12 079 352	591 404	5.1%
Share capital	588 018	588 018	0	0.0%
Share premium	3 632 464	3 632 464	0	0.0%
Share based payments reserve	1 144 336	0	-1 144 336	-100.0%
Financial instruments revaluation reserve	45 185	38 974	-6 211	-13.7%
Other reserves	-20 664	-45 883	-25 219	-122.0%
Retained earnings	6 079 288	7 800 268	1 720 980	28.3%
Non-controlling interests	19 321	65 511	46 190	239.1%
Total liabilities	4 834 076	5 680 619	846 543	17.5%
Non-current liabilities	2 556 816	3 857 150	1 300 334	50.9%
Current liabilities	2 277 260	1 823 469	-453 791	-19.9%
Total equity and liabilities	16 322 024	17 759 971	1 437 947	8.8%



Change factors of non-current liabilities (growth by PLN1,300 mln):

- special-purpose credit from EIB relating to the modernisation and extension of the distribution assets (higher nominal debt by PLN 270 mln)
- issue of bonds for the implementation of investments in the area of generation (higher nominal debt by PLN 920 mln)
- higher deferred income tax provisions mainly as a result of higher provisions for recovery of stranded costs (PLN 47 mln)

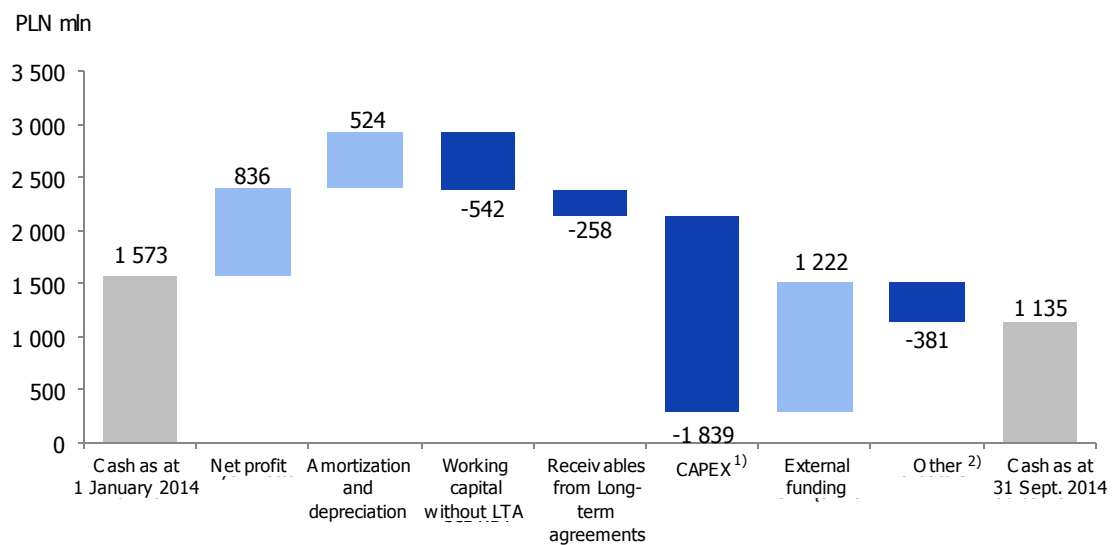
Change factors of current assets (drop by PLN454 mln):

- lower trade and other liabilities (by PLN 260 mln) mainly as a result of lower liabilities for purchases of energy and investment liabilities
- lower provisions for certificates of origin (by PLN 112 mln) stemming from a different comparative period (9 months vs. 12 months)
- lower provisions for acquisition of allowances for CO₂ emissions (by PLN 27 mln) stemming from a different comparative period (9 months vs. 12 months)

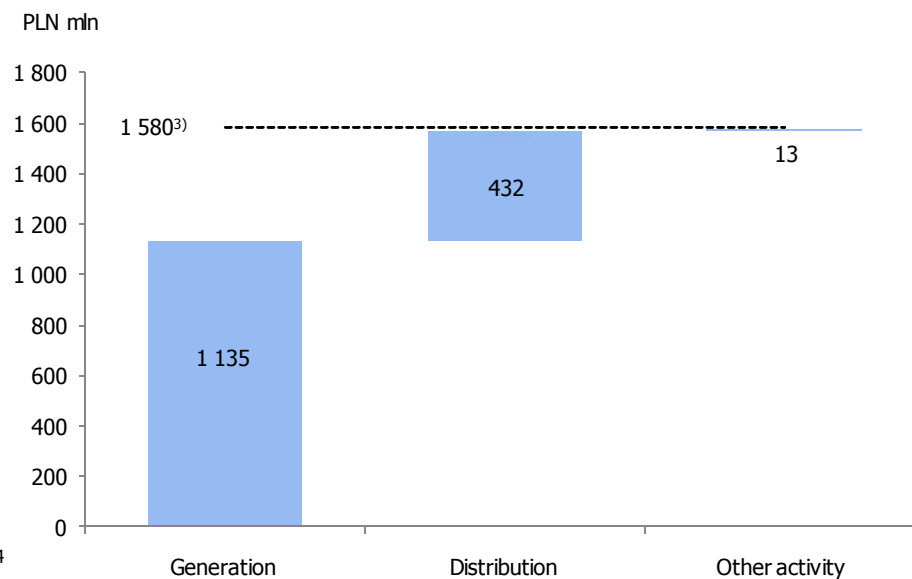
Cash situation of ENEA Capital Group

Cash flow statement [PLN'000]	Q1-Q3 2013	Q1-Q3 2014	Change	Change %
Net cash flows from operating activities	1 264 436	653 612	-610 824	-48.3%
Net cash flows from investing activities	-1 380 023	-2 021 443	641 420	46.5%
Net cash flows from financing activities	604 255	929 560	325 305	53.8%
Net increase / decrease in cash and cash equivalents	488 668	-438 271	-926 939	-189.7%
Cash and cash equivalents at the beginning of the reporting period	1 095 495	1 573 195	477 700	43.6%
Cash and cash equivalents at the end of the reporting period	1 585 688	1 135 305	-450 383	-28.4%

Cash flows Q1-Q3 2014



Capital expenditures of ENEA CG in Q1-Q3 2014



1) Acquisition of property, plant and equipment and intangibles and purchase of shares in MPEC Bialystok for PLN 260 mln

2) Including distribution of dividend (PLN 252 mln)

3) Including exclusions and expenditures excluded from segmentation

Ratio analysis¹⁾

	Q1-Q3 2013	Q1-Q3 2014	Q3 2013	Q3 2014
Profitability ratios				
ROE - return on equity	7.7%	9.2%	7.3%	7.0%
ROA - return on assets	5.7%	6.3%	5.3%	4.8%
Net profitability	9.7%	11.6%	9.4%	8.9%
Operating profitability	12.1%	13.7%	12.2%	9.7%
EBITDA profitability	20.5%	21.0%	20.8%	17.3%
Liquidity and financial structure ratios				
Current liquidity ratio	2.3	2.1	2.3	2.1
Equity-to-fixed assets ratio	97.2%	86.8%	97.2%	86.8%
Total debt ratio	26.8%	32.0%	26.8%	32.0%
Net debt / EBITDA	-0.6	0.2	-0.6	0.2
Economic activity ratios				
Current receivables turnover in days	55	53	56	56
Turnover of trade and other payables in days	64	66	67	62
Inventory turnover in days	26	29	23	28

Financial results forecasts

The Management Board of ENEA S.A. did not publish any forecasts of its financial results for Q3 2014 or for the whole 2014 financial year.

1) Ratio definitions are presented on page 56

Predicted financial position

A high share of the regulated segment of distribution in EBITDA of ENEA CG (in Q1-Q3 2014 the distribution accounted for 59% EBITDA) which contributes to cash flow predictability and stabilises cash flows over time. The segment of generation remains under the impact of a demanding energy market situation. In the area of trade we are increasing sales of energy - thanks to the new product offer we gain customers not only from the area of our operations. Despite a growth in the volume of sold energy, reduced prices as a result of growing competition on the retail market and lower prices of energy in G tariff group sets have a negative impact on the financial results.

Assessment of the Group's financial position is determined with a small diversification of generating fuels. The production concentrated on bituminous coal is related to a large exposure to a risk relating to costs of carbon dioxide emissions, which may negatively affect the results of the segment of conventional generation in 2014-2020.

The Group's financial standing is secure, supported with a considerable volume of cash and short-term financial assets held to maturity, which as at the end of September 2014 amounted to PLN 1.3 bln. Due to a consistent cost discipline and optimum allocation of held resources the Group is guaranteed an advantageous financing of the described corporate investment strategy thanks to:

- An agreement relating to the bond issue programme up to the amount of PLN 4 bln concluded with Bank PKO BP S.A., Pekao S.A., BZ WBK S.A., Bank Handlowy w Warszawie S.A. and Nordea Bank Polska S.A.,
- An agreement relating to the bond issue programme up to the maximum amount of PLN 5 bln concluded with PKO BP, ING Bank Śląski, Pekao S.A. and mBank S.A.,
- A programme agreement relating to long-term bond issue programme in the amount of PLN 1 bln with Bank Gospodarstwa Krajowego,
- Two loan agreements with the European Investment Bank for the total amount of PLN 1.425 bln.

It is anticipated that in the next year the ratio defined as net debt/EBITDA will increase from 0,2 to ca. 2.5. It stems from an intensive CAPEX programme (capital expenditures) designated for e.g. the segment of generation and distribution network. The CAPEX programme of ENEA CG for 2014-2020 relates mostly to the construction of a new 1GW unit fired with coal in the Koziencice plant.

Own cash of ENEA CG, available loan facilities and bond issue programmes will allow for the financing of the investment programme until 2020.

The implementation of the investment programme will enable increasing the Group's EBITDA. The future results may be positively affected by cost reduction which will be obtained due to the programme of a better efficiency realised in the Group.

Factors affecting ENEA Capital Group's results

Situation on the electricity market

Wholesale electricity prices

The three quarters of 2014 characterised with higher prices of electricity in the Day Ahead Market (Table 1) as compared to the same period of 2013 and a considerably greater price variations month on month. The average price of energy in Q3 2014 was the highest in the recent ten quarters. It stemmed mainly from the following factors: situation on the European carbon market, level of demand for energy, considerable growth in capacities installed in wind farms, introduced mechanism of compensation for operating power reserves, losses of power available to Operator of the transmission system and limitations in the intersystem exchange.

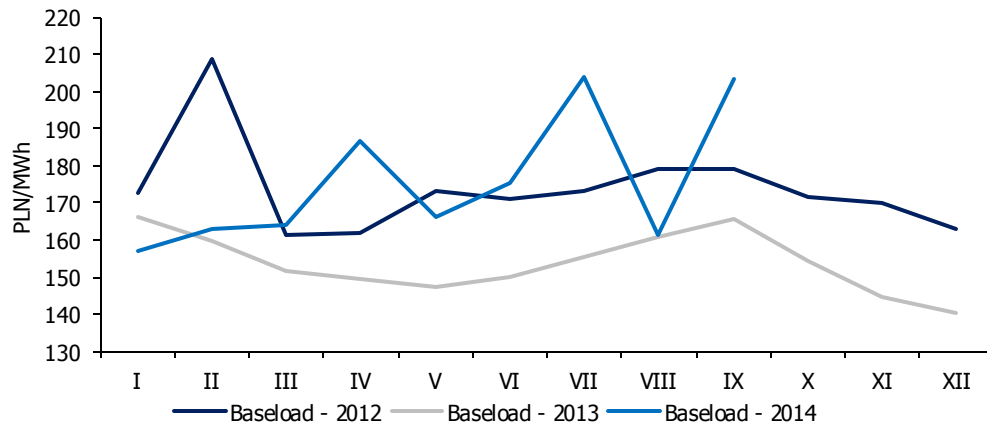
- The market of allowances for emissions after Q1 2014 grew regularly. Just on the turn of October/September 2014 the prices of allowances for emissions of CO₂ dropped gradually, probably under the impact of information relating to the prolongation of the legislation process relating to the prospective introduction of the structural reform of the ETS system.
- What significantly affected the price levels was also the demand for electricity in the Public Power System network, related e.g. with the weather conditions - "warm" winter and "hot" summer. In July, in which record high prices were reported, PSE informed three times on new records in demand for power in the system.

Table 1. Average prices on SPOT market (PPE)

Period	Average price [PLN/MWh]	Change [%]
Q1-Q3 2012	175.44	-
Q1-Q3 2013	156.31	↓10.9
Q1-Q3 2014	178.75	↑14.4

Source: Own paper based on data from PPE.

Information on the average level of prices in the baseload in subsequent months of the year is presented in the diagram below.



Source: Own paper based on data from PPE.

1) Price as at the end of September 2014.

- From January the Operator of the transmission system implemented a mechanism of remunerating for the operating power reserve, which affected a growth in the euro-peak prices.

The forward market of electricity for almost there quarters of 2014 was in the upward trend, and only during the last months of Q3 the sideways trend was observable.

Among all the futures contracts listed on PPE one of the most popular was the annual contract BASE Y-15.

- From the beginning of the year the contract's price increased form the level of 157.41 PLN/MWh to 172.07 PLN/MWh at the September's last session.
- During the reporting period BASE Y-15 reached the highest price on 30 June and 28 July - 176.00 PLN/MWh.
- Totally, the volume on the product from the beginning of the quotations until the end of September 2014 reached 9,421 MW on PPE. For comparison, in the same period of the previous year, when the attention of the participants was attracted by BASE Y-14, the trade was smaller and amounted to 8,884 MW.

A similar activity was observed on the related product, euro-peak profile, for 2015.

- The total trading volumes from the beginning of quotations until the end of September 2014 on PPE amounted to 1,720 MW, for comparison, in the same period of the previous year it was 1,744 MW on PEAK Y-14.
- The contract's price increased from the beginning of January from 191.75 PLN/MWh to 225.32 PLN/MWh at the end of September.

The information on the price levels for annual baseload contracts is presented in the table below.

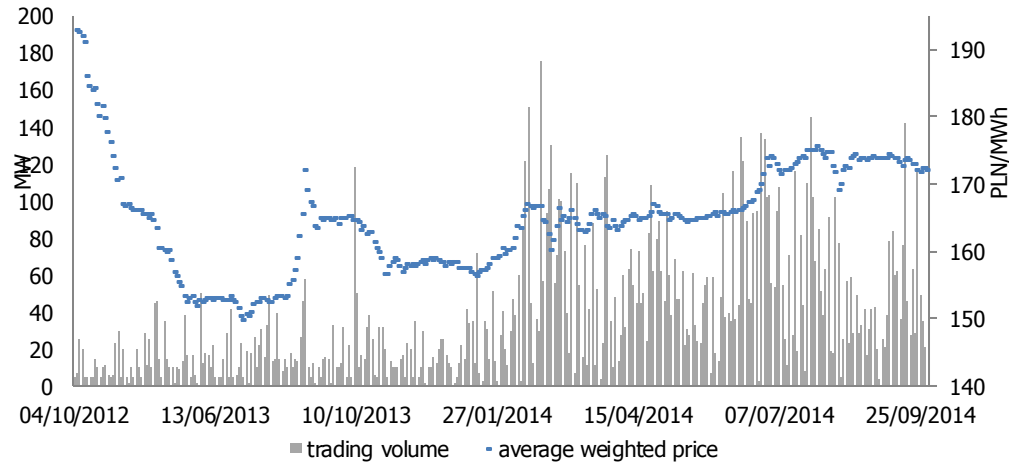
Table 2. Prices on the forward market

Product	Price at the end of quotations [PLN/MWh]	Change yoy [%]	Average price from quotation period [PLN/MWh]	Change yoy [%]
BASE Y-12	201.65	-	202.62	-
BASE Y-13	169.50	↓15.9	191.23	↓5.6
BASE Y-14	151.00	↓10.9	160.27	↓16.2
BASE Y-15	172.07 ¹⁾	-	166.54	-

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

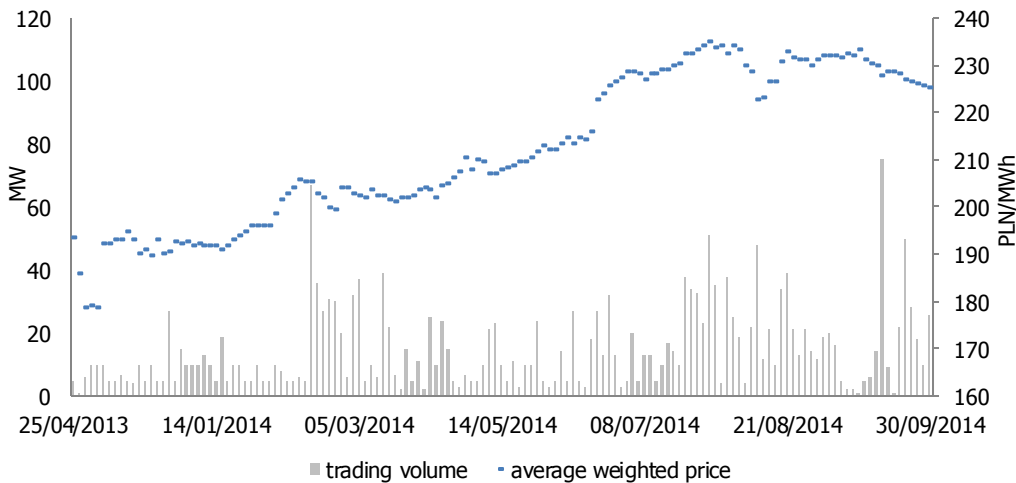
Detailed information on prices and trading volumes is presented on the diagram below.

Transaction prices and volumes - baseload for 2015



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

Transaction prices and volumes - euro-peak for 2015

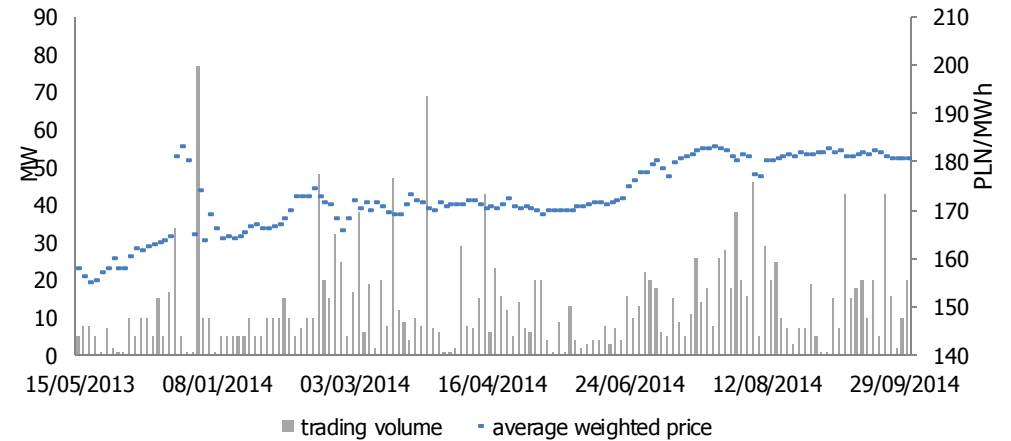


Source: Own development based on data from PPE and TFS and WSI InfoEngine.

The interest in the baseload product for 2016 also increased.

- The product price at the first January transaction amounted to 166.00 PLN/MWh, on the last day of September it was 180.80 PLN/MWh.
- During that period the maximum price amounted to 183.25 PLN/MWh on 25 July 2014.
- The volume on this product from the beginning of quotations until the end of September 2014 amounted to 1,191 MW, of which 752 MW in Q3.

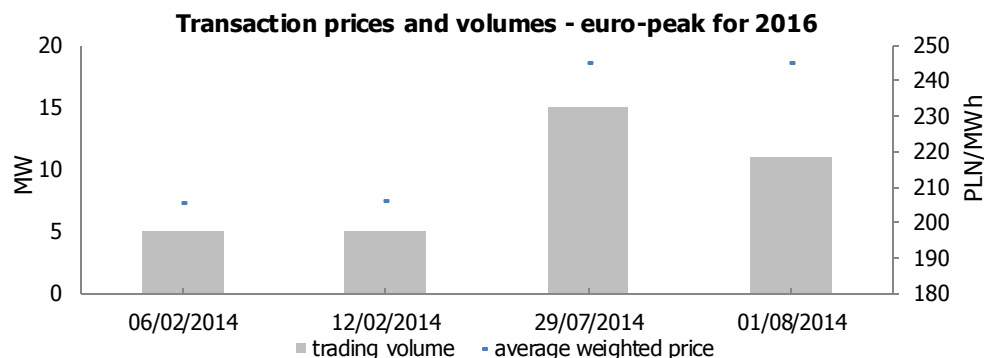
Transaction prices and volumes - baseload for 2016



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

Among the remaining annual contracts

- A total of just four transactions on the euro-peak product with delivery in 2016 were concluded.
- At the end of January the first transaction was concluded on BASE Y-17 at 175.00 PLN/MWh, another transaction was concluded on 22 July at 186.00 PLN/MWh. Due to distant time frames the product is not so attractive for market players.
- No transactions for euro-peak 2017.



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



Obligations with respect to obtaining energy certificates of origin

In accordance with the regulations being in force energy companies selling electricity to end users in 2014 were obliged to obtain and redeem the following types of certificates of origin:

- for energy generated in renewable sources, the so called "green" certificates - the obligation on the level of 13.0% sales to end users,
- for energy generated in cogeneration fired with methane released and captured by underground mining works in operating, liquidated or closed mines of hard coal or with gas obtained from biomass processing, mentioned in Art. 9l item 1(1a) of the Act of 10 April 1997 - Energy Law, the so called "violet" certificates - the obligation on the level of 1.1% sales to end users,
- energy efficiency certificates, the so-called "white" certificates.
- for the period from 30 April 2014 also for energy generated in gas cogeneration units or with the total installed capacity up to 1 MW, the so-called "yellow" certificates - the obligation on the level of 4.9% and for energy generated in the other cogeneration sources, the so-called "red" certificates - the obligation on the level of 23.2%.

Below, the pricing structure is presented for contract award procedure on the session market of PPE for particular proprietary interests in 2014. For certificates of origin from cogeneration no period on period comparison was made, due to a different character of proprietary interests resulting from a period of validity limited to one year (resulting from the provisions of the so called Cogeneration Law). "Green" PMOZE proprietary interests were disregarded due to lack of trading volumes and complete replacement by PMOZE_A.

Table 3. Prices on the market of certificates of origin (PPE session market).

	Average index in Q1-Q3 2014		Change to Q4 2013		Maximum index PLN/MWh	Minimum index PLN/MWh
	PLN/MWh	%	PLN/MWh	%		
OZEX_A ("green" PI)	195.99	↓ -0.7%	↓ -1.41		249.69	168.66
KGMX-2014 ("yellow" PI)	104.39	-	-		105.00	101.14
KECX-2014 ("red" PI)	10.41	-	-		10.55	10.30
KMETX-2014 ("violet" PI)	59.83	-	-		60.71	54.00
EFX ("white" PI)	960.60	-	-		975.00	900.00

Source: Own paper based on data from PPE.

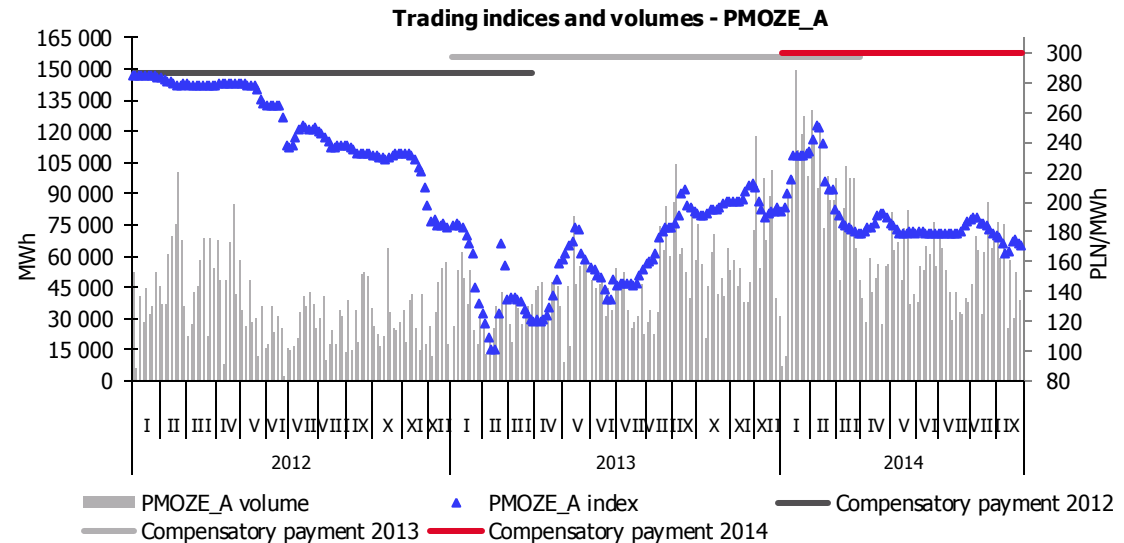
In mid February 2014 a threat about the realisation of the obligation within "green" certificates elevated their price to 250 PLN/MWh. Higher demand on the market stemming from the commencement of issuing by the President of ERO of "outstanding" certificates resulted in regular drops in prices from the second half of February.

Another growth in prices related to the publication of the new version (6.3) of RES Law. The trend was however broken in relation to 5 TWh surplus of rights after the realisation of the obligation for 2013. From April the Energy Regulatory Office issued on average ca. 1.7 TWh of allowances monthly. As a result, at the end of September 2014 there was almost 11 TWh unredeemed "green" certificates. Despite that, prices of "green" proprietary interests in Q3 remained on a relatively stable level, ranging 164.70-188.98 PLN/MWh (average PI price in Q3 amounted to 178.62 PLN/MWh.)

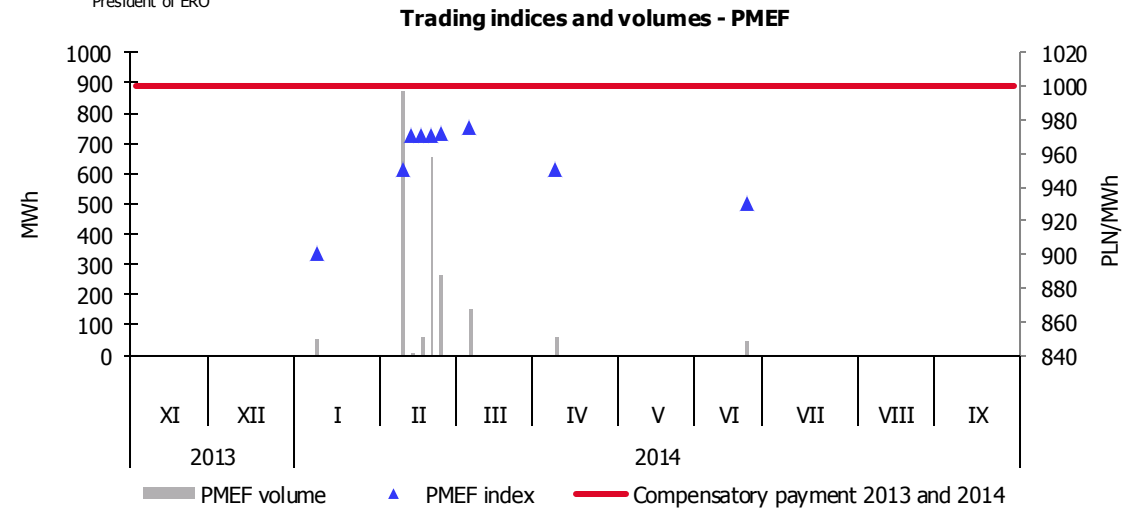
On 8 July a draft RES Law was presented by the Government Legislation Centre to the Sejm, after the Office of Competition and Consumer Protection informed on no necessity to notify the regulations by the European Commission. Pursuant to the announcements of the commission working on the project, the act should be in the final version until the end of November, taking into account single amendments notified during the public hearing on 15 September 2014 (the commission rejected almost all of 300 proposals notified by producers' representatives, energy concerns, and also RES opponents¹⁾). Among the remarks to the act also solutions appeared relating to e.g. offshore development, keeping the support for co-combustion, increasing the benefits and strengthening of the position of prosumers, changes in the principles of acting of a nominated vendor.

In the assessment of the Ministry of Economy the Act may enter into force the next year, and the new system of support would be valid from January 2016. Legislative changes within the new act include e.g. the new support mechanism, i.e. introduction of the auction system, changes in the rules of allocating the certificates of origin for energy generated in the so-called co-firing and lack of certificates for hydroelectric plants with the capacity exceeding 5 MW, and also changes in the level of the obligation to redeem "green" certificates (higher obligation of redemption of "green" PI to the level of 20%, but with the possibility of its being reduced via a regulation).

In January 2014 the first transaction on new instruments was concluded, aiming at the support of the energy efficiency, the so called "white" certificates. The first tender, announced by the Energy Regulatory Office already in December 2012 was completed in September 2013. In consequence enterprises were selected which totally accounted for 20.698 thou. toe of the total 550 thou. (ca. 4%) possible to gain within the tender. During the reporting period, within these PI transactions were realised of the total volume of 2,178.80 toe, against 20,518.73 toe issued by the Energy Regulatory Office according to the information available as at the date of publication of this report²⁾. A winner of another tender, within which the motions were collected until 27 January 2014, has not been yet selected until the publication date of this report³⁾.



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



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

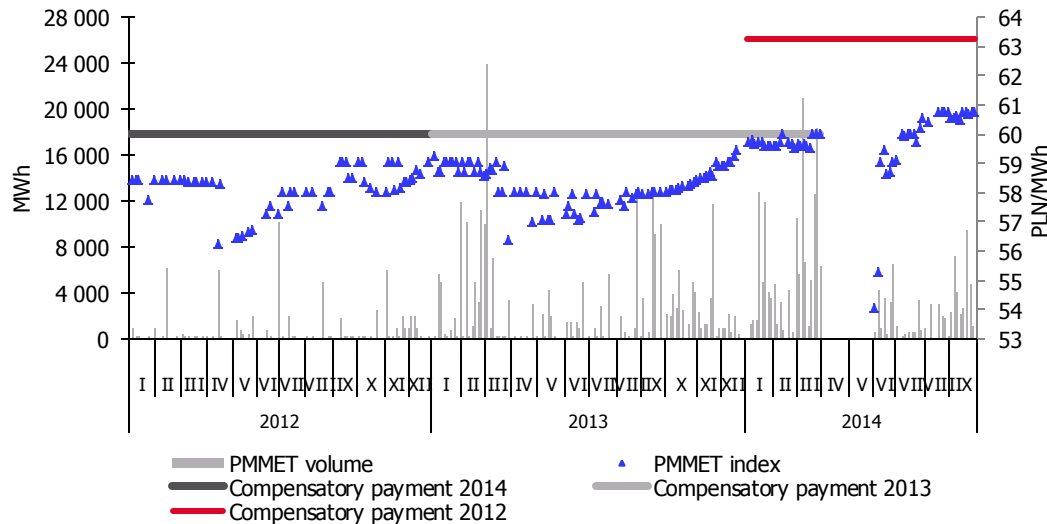
1) <http://wysokienapiecie.pl/wiatraki/493-rzad-odrzuca-prawie-300-uwag-do-ustawy-o-oze>

2) <http://bip.ure.gov.pl/bip/efektywnosc-energetyczna/swiadectwa-efektywnosci/1144,Za%20gregowane%20dane%20na%20koniec%20lutego%202014%20r%20dotyczace%20wydanych%20swiadectw%20efektywnos.html>

3) <http://bip.ure.gov.pl/bip/efektywnosc-energetyczna/przetargi>

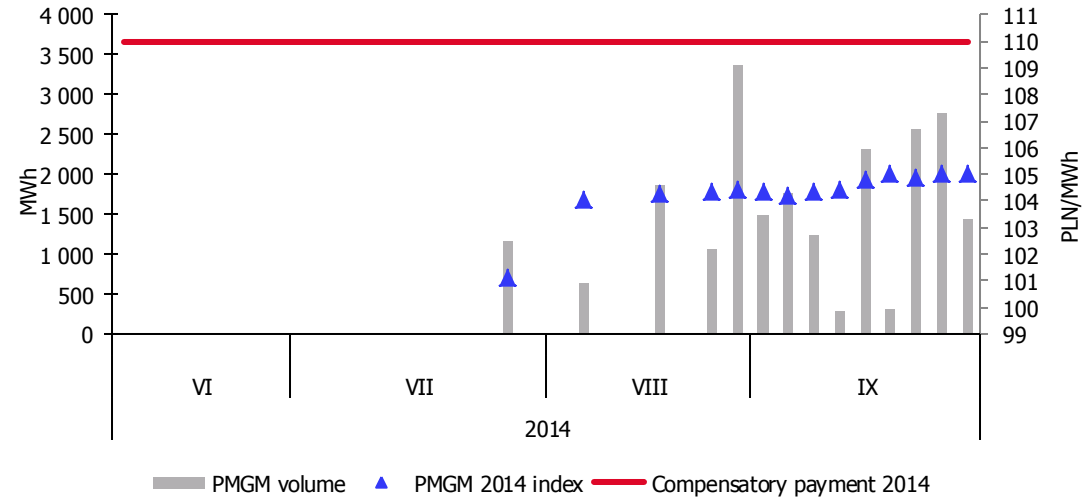
On 30 April 2014 the so-called "cogeneration" law entered into force (Law amending the Energy Law and others) restoring the system of support for cogeneration certificates, the so-called "yellow" and "red" certificates, until the end of 2018. The obligation may be realised exclusively with interests obtained for energy generated in a given year (the obligation for 2014 relates only to "red" and "yellow" PI issued for energy generated from 30 April 2014 until 31 December 2014, for "violet" PI for whole 2014), and the period of its realisation was prolonged until the end of June 2015. In relation to that, as from 30 May 2014 the following instruments were withdrawn from the market: PMMET, PMEC, PMGM and they were replaced by: PMMET-2013 (for the realisation of the obligation for 2013 listed until 30 June 2014), PMMET-2014, PMEC-2014, PMGM-2014.

Trading indices and volumes – PMMET-2014



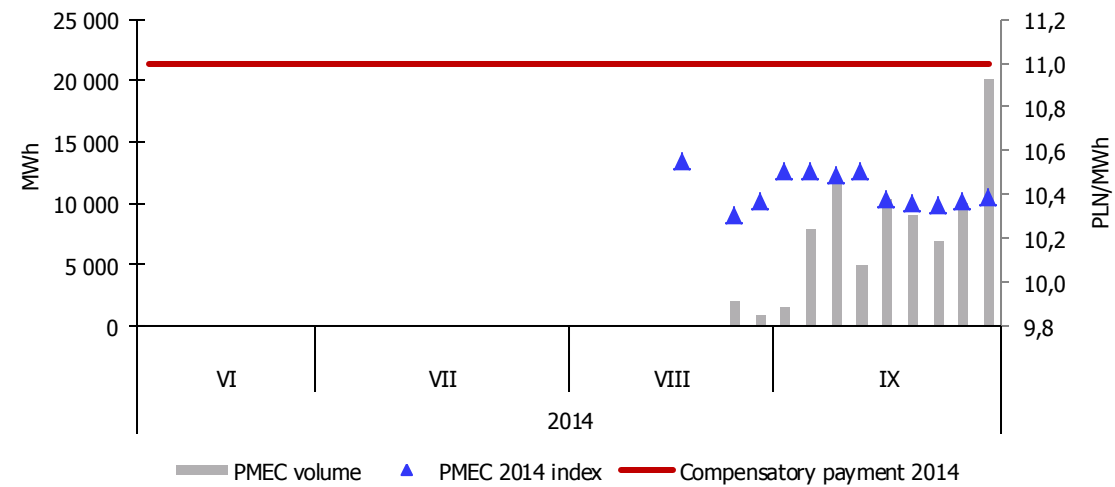
Source: own development based on the data from PPE, the levels of unit compensatory payment acc. to the information from the President of ERO

Trading indices and volumes – PMGM 2014



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

Trading indices and volumes – PMEC 2014



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

Limits of CO₂ emission allowances and their market prices

The market of allowances for emissions of CO₂ is strongly dependant on political actions undertaken in the European Union. The most important events significantly affecting the levels of allowances during the past three quarters of 2014 include in particular:

- "Backloading", whose adoption resulted in the continued growth in the value of EUA prices¹⁾. On 26 February 2014 in the Official Journal of the European Union, an amendment, as a regulation of the European Commission of 25 February 2014 No. 176/2014, was published to the auction regulation providing for the withdrawal of 400, 300 and 200 mln EUA allowances, respectively, from the auctions of 2014, 2015 and 2016, and their return to the market during 2019-2020 in the amount of 300 and 600 mln²⁾.
- Determination of the proposal of the climate and energy package strategy till 2030 constituting the foundations for the establishment of another ETS term, in force for the years of 2021-2030. It includes introduction of a legally binding objective of reducing the emissions of greenhouse gases by 40% in relation to levels of 1990, increase of the share of energy from renewable sources (RES) to at least 27%³⁾, and also improvement in the energy efficiency by 30%,
- Decision of the European Parliament's Environment Commission, thanks to which energy consuming companies will still receive free CO₂ units in order to reduce the effect of the so-called carbon leakage, although the result of such an activity is decrease in the value of EUA⁴⁾, as e.g. in March 2014 (the only country which has not yet received any free units for 2013 is Lithuania, while the Czech Republic has already obtained its allowances for 2014⁵⁾).
- Works which are still being performed on the stabilisation reserve mechanism (SRM) which would come into force in 2021 (the voting is planned for February 2015⁶⁾). Pursuant to the regulations in force 12% of the total number of allowances traded in n-2 year would reach the stabilisation reserve, and the units would return to the market when the total number of allowance in n year would be lower than 400 mln. The reform seems controversial, in relation to an artificial impact of politicians on the price level of allowances.

The price of EUA allowances on the closing of the last day of Q3 2014 (based on DEC-14 contract on ICE exchange) amounted to 5.84 EUR/t. At the beginning of the year the units of the same contract were valued 4.83 EUR/t, which constitutes a 21% growth in the value over Q1-Q3 2014.

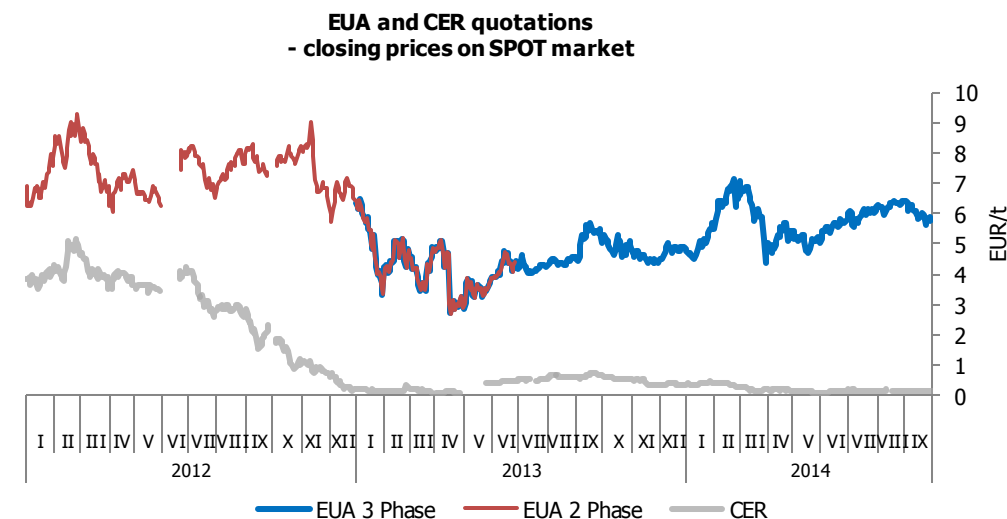
The value of CER units in DEC-14 futures contracts on the last day of the quarter amounted to 0.11 EUR/t, which in relation to the price from the beginning of Q1 2014, 0.34 EUR/t, constitutes 67% loss.

Detailed information on quotations of allowances for emissions of CO₂ and trading volumes is presented in the table and diagrams below.

Table 4. EUA and CER price change

Product	Price [EUR/t]		
	Beginning of January 2014	End of September 2014	Change %
EUA Spot	4.73	5.82	↑ 23
CER Spot	0.32	0.12	↓ 63
EUA Dec-14	4.83	5.84	↑ 21
CER Dec-14	0.34	0.11	↓ 67

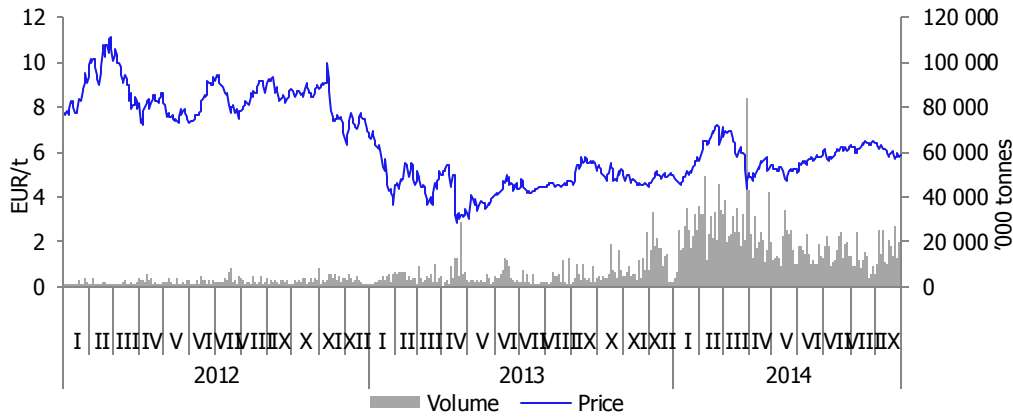
Source: Own development based on data from ICE.



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

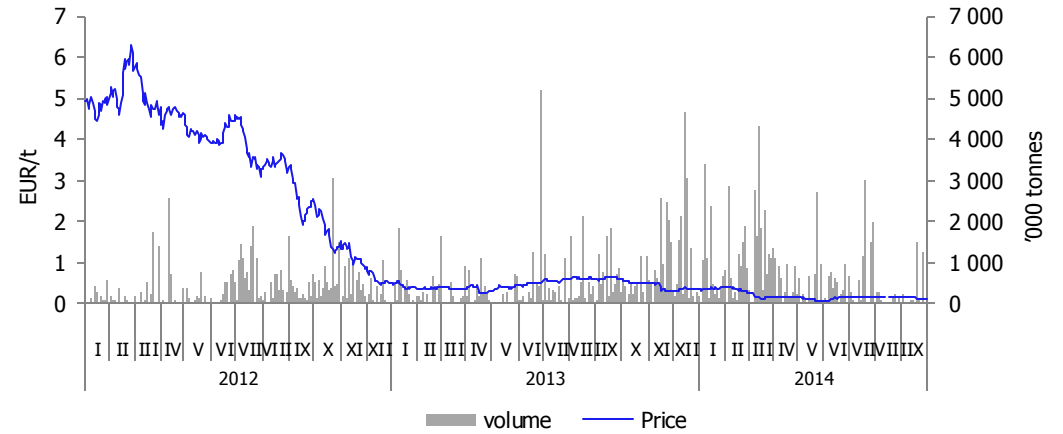
1) <http://www.handel-emisjami-co2.cire.pl/st.34,278,item.88797,5,0,0,0,0,dane-i-komentarz-0302---07022014-r.html>
 2) <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2014:056:0011:0013:PL:PDF>
 3) <http://www.consus.eu/n.15866.ke-opublikowala-zalozenia-pakietu-klimatyczno-energetycznego-do-2030-r.html>
 4) <http://www.consus.eu/n.17943.envi-popiera-dalsze-wydawanie-darmowych-jednostek-carbon-dla-energochlonnego-przemyslu-w-ramach-eu-ets.html>
 5) <http://www.consus.eu/n.17994.pierwsze-panstwo-otrzymalo-zgode-na-alkacje-darmowych-eu-za-2014-r.html>
 6) <http://www.consus.eu/n.17930.envi-zaglosuje-nad-reforma-eu-ets-pod-koniec-lutego-2015-r.html>

Futures EUA dec-14



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

Futures CER gru-14



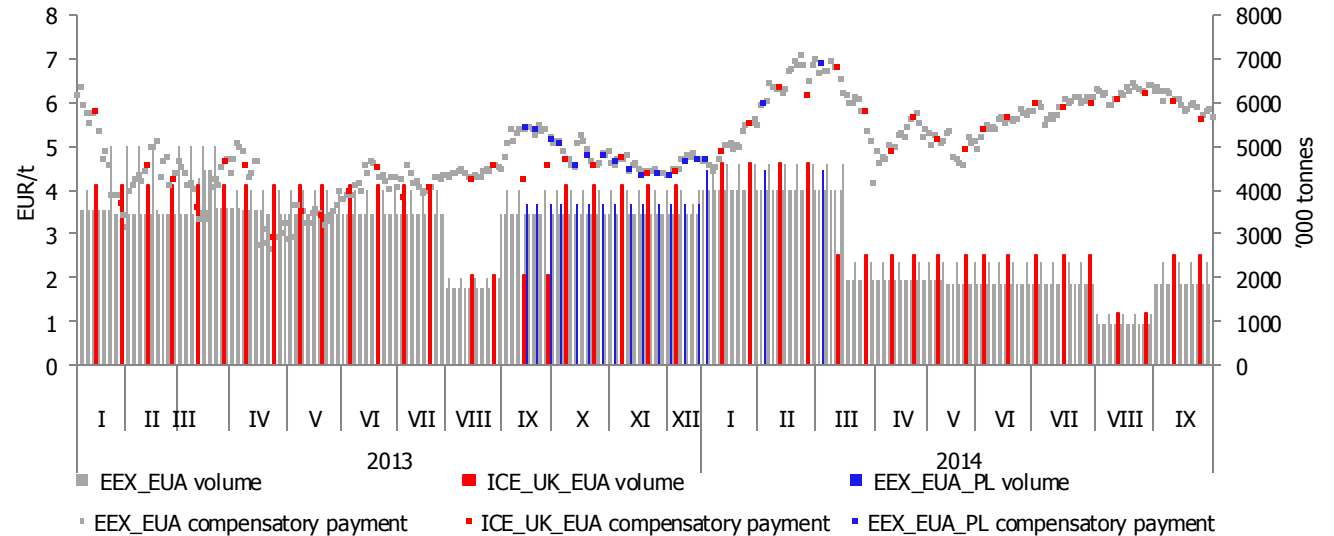
Source: Own development based on data from BlueNext and ICE.

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

Apart from quotations of EUA on the spot and futures market a significant role was played by the primary auction market:

- total auctions on EEX and ICE exchanges provided the market with allowances to over 426 mln units of CO₂ emissions,
- the average price on EEX and ICE auctions amounted at that time to 5.74 EUR/t (ranging between the minimum of 4.17 EUR/t and the maximum of 7.10 EUR/t).

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



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

Development strategy of the Capital Group

Mission Increasing the Group's goodwill by building customer confidence

Vision Fully integrated energy group building its competitive advantage by responding flexibly to the market needs and efficient resource management

Strategic goals

A detailed description of the operating strategy of ENEA Capital Group is presented in the Report of the Management Board on the operations of ENEA Capital Group for 2013. Selected information relating to the issue is presented below.

Pursuant to the approved Corporate Strategy of ENEA Capital Group for 2014-2020 the key goals of operations in the coming years will include:

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

Within the superior goal, i.e. higher value for shareholders, the Group pursues the improvement of key financial ratios. We anticipate that in the Strategy's perspective ROE and ROA will respectively achieve the levels of 10% and 5%.

The path of growth in profitable areas is realised through the development of a competitive generation portfolio. The Group pursues to develop generating capacity to the level of an additional 1,075 MWe in the segment of system power plants in 2017. In 2020 we are planning to obtain an additional ca. 500 MWe capacity in RES and ca. 300 MWe and 1,500 MWt in cogeneration sources and heating networks.

Capital expenditures

Realisation of investments planned by ENEA Capital Group during 2014-2020 requires incurring total capital expenditures in the amount of PLN 20 bln. Within the analysed volume of capital expenditures (2013 prices, with no costs of financing) what should be separated is the amount for the development of the areas of distribution and generation in the so called basic amount, i.e. PLN 11.8 bln, and additional outlays covering a growth of RES, cogeneration and heating networks, i.e. PLN 7.7 bln.

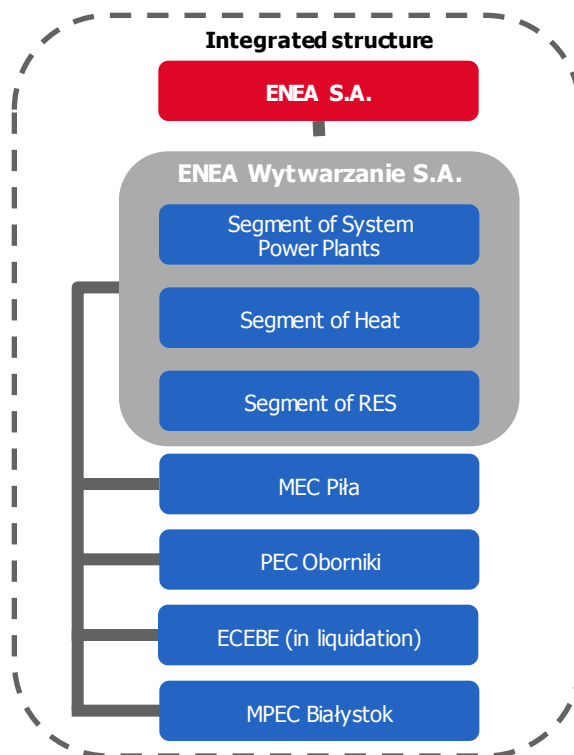
Within the fields of our operations we assume that expenditures in the segment of generation will be dominating.

Implementation of the Capital Group's strategy

Area of Generation

- The operations of ENEA Wytwarzanie, Elektrociepłownia Białystok were transferred within the supplies in production fuels to ENEA Trading in order to integrate the wholesale trade in the Group,
- Takeover by ENEA Wytwarzanie of 85% shares in Miejskie Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. seated in Białystok, whose core assets is the heating network (185 MWt),
- Windfarm Polska was incorporated, with its all assets and liabilities, under ENEA Wytwarzanie in order to integrate the area.

The area of generation presently operates in an integrated structure, in accordance with the schema below.



Distribution Area

- Works and modernisations of the grid infrastructure and the required equipment were performed.
- Exploitation activities were conducted, in particular within the tree cutting under energy cable lines,
- Activities within live works were developed in order to:
 - satisfy higher demand for electricity and the necessity to connect renewable energy sources.
 - increase the efficiency of network operation and reducing grid losses,
 - increase the reliability of electricity supplies to customers.

Area of Trade

- Polish wide sales structures were built and a new incentive scheme was implemented for the area of sales in order to enhance the efficiency of electricity sales,
- New products were implemented:
 - "Fixed Price" for building the loyalty of customers of G tariff group sets in the historical area of ENEA's operations,
 - "Fixed Price+" and "Energy with an Account" in order to gain and loyalise customers,
- An action building relations with business customers based on the dedicated offer ("Always cheaper+", "Write off the raise") was conducted.
- Trade in natural gas was commenced and first customers were gained in the dual-fuel offer within the product offer widening,
- Sales of products were commenced via Contact Centre and sales of products realised by Customer Service Centres were intensified in order to raise the sales efficiency.

Area of Wholesale Trade

- New area strategies were developed for derivative products,
- The process of implementation of an advanced IT tool supporting the fundamental model based on the market price scenario forecasting was completed,
- On 3 November 2014 ENEA Trading became the Market Maker on the Polish Power Exchange in order to optimise variable costs of concluded transactions,
- Non-standard, structured origination type products were developed for customers from the segment of trade in electricity and fuels,
- On 9 October 2014 ENEA Trading became a member of the London ICE Futures Europe exchange,
- On 1 October 2014 first supplies of gaseous fuel were launched for end customers of ENEA, and also prop-trading operations were commenced on the gas market organised by PPE,
- The upgrade process of the trading system was commenced in order to introduce additional functions to the existing modules, include new products and adjust the tailored system to the current trading needs. Four-stage process. Date of completion - February 2015.

Area of Customer Service

- The whole post-sale customer service of a business, strategic and key customer with the employees were transferred from ENEA S.A. to SSC,
- The number of service positions in the Contact Centre was increased with additional 20 ones and procedures were established which enable conclusion of agreements by phone in order to enhance the customer service efficiency,
- Distribution customer service standards were developed in order to facilitate the customer service in this area,
- Works within the project relating to the new visualisation of the Customer Service Centre network were continued,
- The final process and organisational model was approved in the area of Customer Service in order to optimise its operation.

Shared Service Centre of ENEA CG (stages of development)

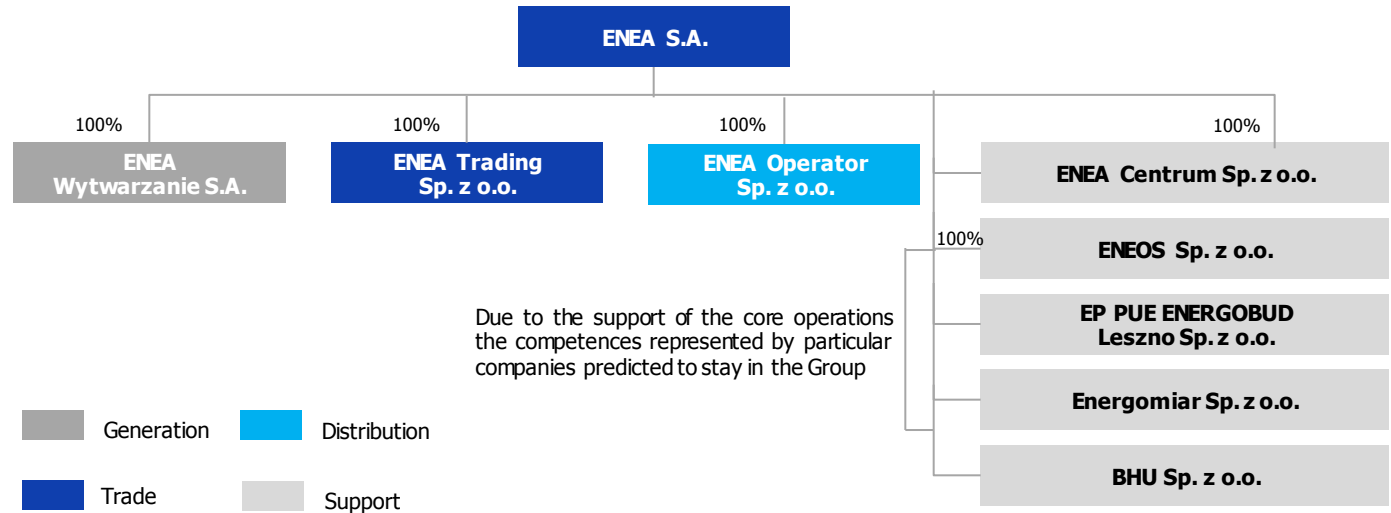
Whole of tasks within the following scopes was transferred to ENEA Centrum Sp. z o.o. being the Shared Service Centre in ENEA CG:

- finance and accounting and after sales service from ENEA S.A. (1 January 2014),
- finance and accounting from ENEA Operator and IT (1 April 2014),
- finance and accounting from ENEA Wytwarzanie and ENEA Trading and IT from ENEA Operator and ENEA Wytwarzanie (1 May 2014),
- distribution customer service from ENEA Operator (1 July 2014),

- HR management from ENEA S.A., ENEA Operator, ENEA Wytwarzanie and ENEA Trading (1 October 2014),
- legal service from ENEA S.A., ENEA Operator, ENEA Wytwarzanie and ENEA Trading (1 October 2014),

Structure of ENEA Capital Group

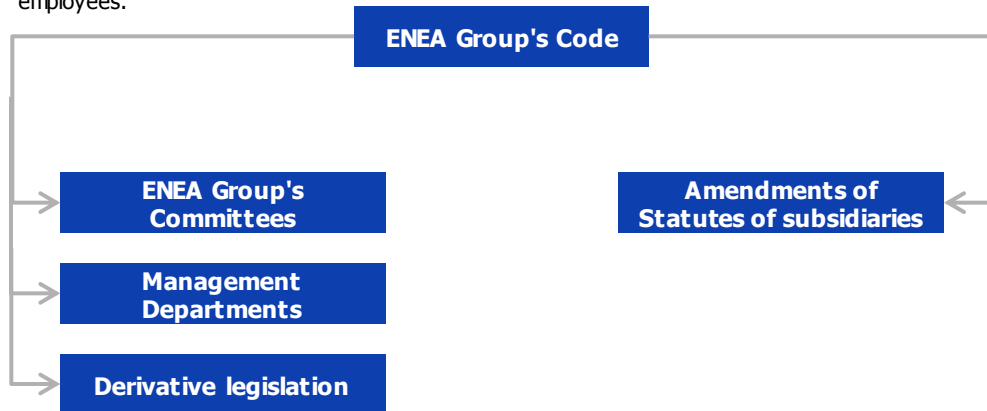
- Zakład Transportu with its competences was incorporated under EP PUE ENERGOBUD Leszno (1 September 2014),
- Change of legal status from BHU S.A. to BHU Sp. z o.o. (from 1 October 2014).



Corporate Governance - an effective model of managing ENEA CG resulting from the corporate strategy was implemented

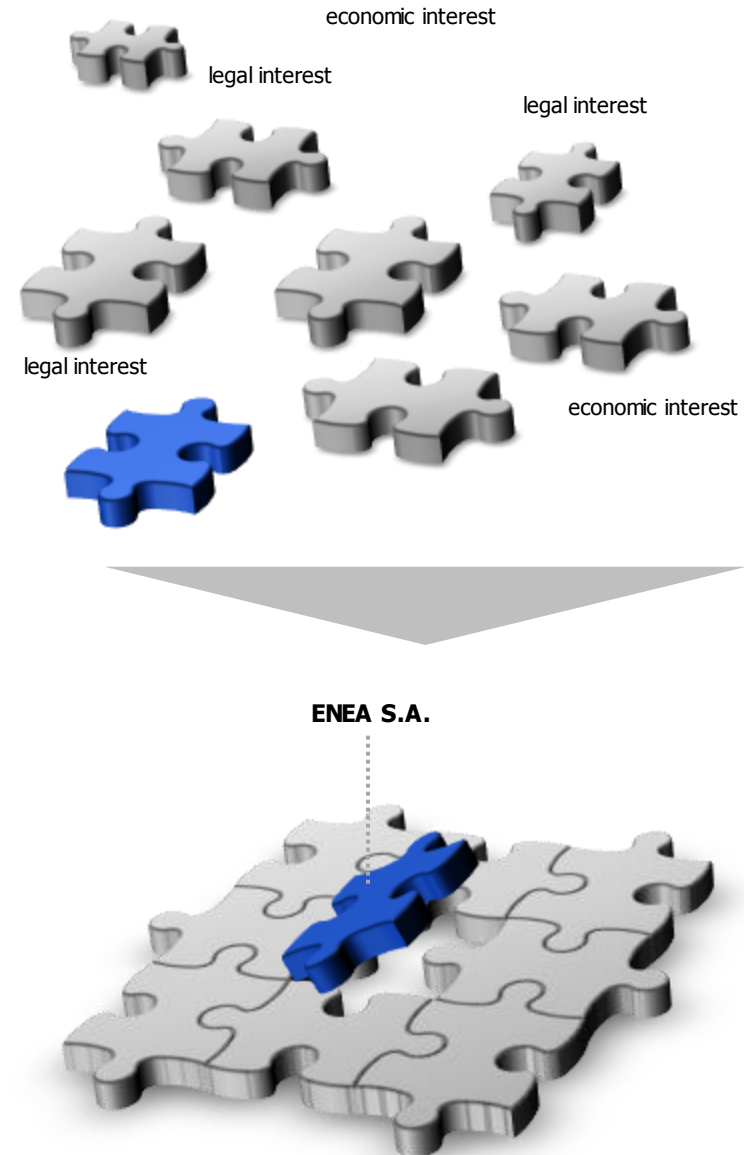
Pursuant to the schedule of implementation works of the new corporate governance, resulting from the ENEA Capital Group Management Plan, in 2014 the review was performed of all the functional areas in ENEA Group Companies. The review related to the justness of centralising selected functions and its new regulation within the corporate governance. As a consequence of the performed analyses a more efficient model was elaborated of dividing the decision making competences among the Board of ENEA S.A., Boards of ENEA Group Companies, Committees of ENEA Group and Management Departments. The model is based on the legal tools of the new corporate governance, i.e. the Code of ENEA Group and Derivative Legislation. On 22 July the Board of ENEA S.A. approved the list of Management Departments, the final list of Committees of ENEA Group and set the date of their implementation for 1 October 2014.

Changing the corporate governance, i.e. the individual DNA code of the Group, results from our corporate strategy. It foresees e.g. optimum use of human labour and numerous possibilities of the organisation. The foundation of the new governance in ENEA Group Code is its "constitution" adopted in 9 September 2013. It foresees e.g. a common goal for all the companies and their employees.



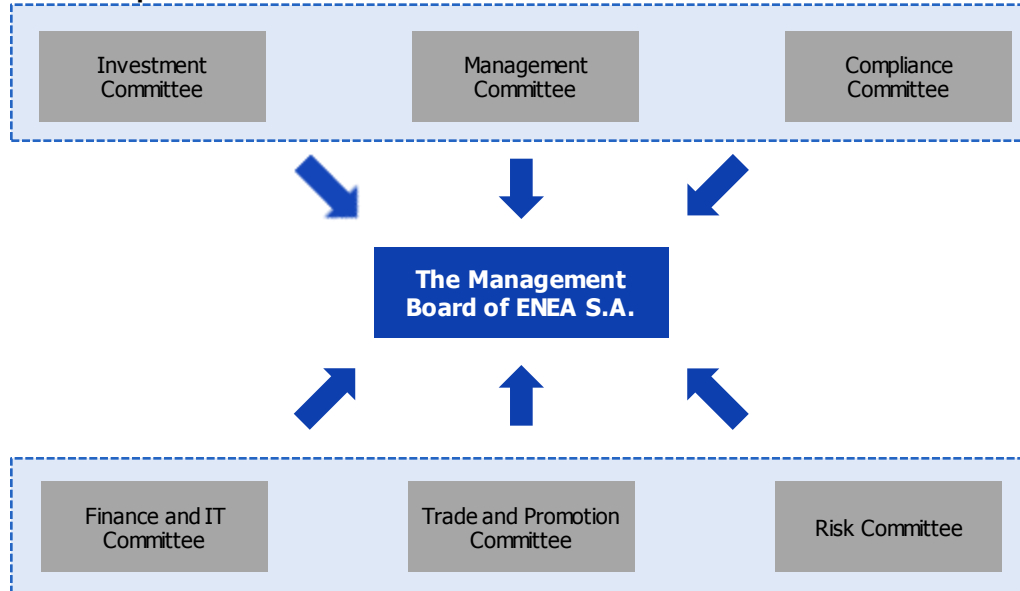
New "DNA Code" of ENEA Group enables:

- development of a homogeneous economic body,
- fastening of the decision making process within the Group,
 - introduction of modern management methods,
- strengthening of the position of ENEA CG on a competitive market,
 - stronger integration of companies in the Group.



ENEA Group's Committees, via a partial takeover of decision making competences of the Board of ENEA S.A., or developing recommendations for it, support the Board of ENEA S.A. in managing the Subsidiaries in the most important areas of the Group's operations.

ENEA Group's Committees - state as at 1 October 2014



Investment Committee

Manages the key material investments and capital expenditures in ENEA Group.

Management Committee

Guarantees support in governance management of subsidiaries.

Compliance Committee

Takes care for the compliance of decisions made with ENEA Group's Code and corporate strategy.

Finance and IT Committee

Supports the Board of ENEA S.A. in making decisions relating to finance management and IT.

Risk Committee

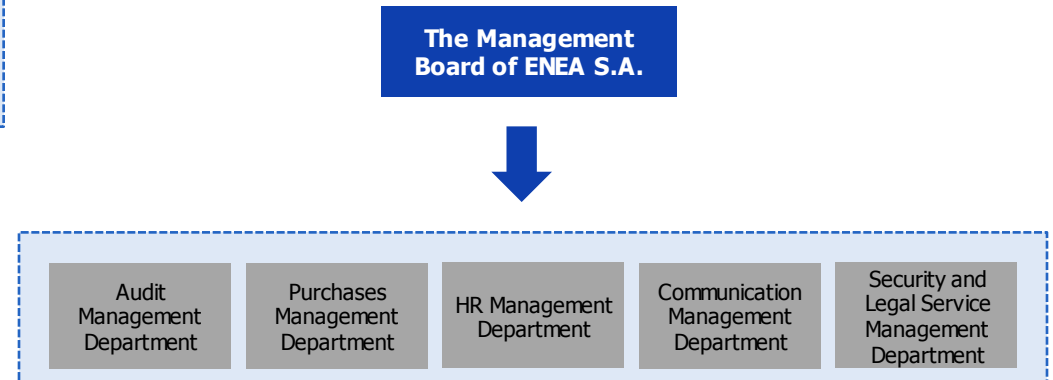
Minimises the business threats related to the realisation of strategic goals and everyday operations. Its task is monitoring the level of most important risks (threats) for ENEA Group and approving optimum activities protecting us within this scope.

Trade and Promotion Committee

Manages the area of trade being core for the Group and relations with Customers. Its task is also making decisions relating to the promotional and marketing support for salesmen.

Management Departments which were established will optimise the co-operation of ENEA Group Companies within particular functions, such as HR Management, Purchases or Audit.

Management Departments in ENEA Group - state as at 1 October 2014



Audit Management Department

Assesses the internal processes as for their compliance with relevant standards, procedures and legal regulations.

Purchases Management Department

Deals with the optimisation of purchase and logistic processes in the Group, so that using the effect of scale to gain better commercial terms.

HR Management Department

Realises a coherent HR policy, taking into account the competences and professional development of employees in all the Capital Group's companies, so that to effectively use human capital.

Communication Management Department

Runs the Group's common communication within the promotional, image and media activities, so that to coherently communicate and support sale activities.

Security and Legal Service Management Department

Manages the security in ENEA Group and ensures legal service for the Group companies, in order to ensure the compliance of all the procedures and documents functioning within ENEA CG with the legal regulations being in force.

Investments implemented in ENEA CG

Generation

ENEA Wytwarzanie - Segment of System Power Plants:

- 3rd stage of the construction of the installation of the catalytic denitrogenation of flue gases for OP-650 boilers No. 4 to 8 (SCR installation on the unit No. 7),
- construction of the Flue gas desulphurisation plant IOS IV with flue gas channels, auxiliary ventilators and modernisation of the chimney No. 3,
- modernisation of the generator's reserve stator for unit No. 4,
- modernisation of unit No. 10.

In Q1-Q3 2014 by the construction of a new supercritical 1,075 MW gross power unit the following were executed or completed:

- performance of the lower slab with turbine set's load bearing structure's posts,
- performance of the reinforced concrete structure of the cooling tower up to 120 m,
- concreting of the boiler house main foundation slab,
- assembly of the load bearing structure of the boiler with grid,
- reinforced concrete structure of communication pylons,
- foundations: of electrostatic precipitators, flue gas ventilators, objects of the flue gas desulphurisation plant and EUOSILO gypsum storehouse,
- installation of the steel structure for the IOS blowdown tank,



- installation of the absorber bottom structure,
- concreting of the IOS electrical device building floor slab,
- concreting of the electrical device building floor slab,
- reinforced concrete structure of the cooling water pumping station building.

ENEA Wytwarzanie - Segment of Heat:

- construction of the heat recovery system from K6 boiler flue gases,
- construction of deNOx installation on K7 and K8 boilers,
- modernisation of the boiler house building.
- acquisition of 85% shares in MPEC Białystok.

ENEA Wytwarzanie - Segment of RES

- commencement of the tender procedure for the supply and assembly of turbines for a project of a wind farm with the capacity of 15 MW,
- conditions of connection to the grid of the project of a wind farm with the capacity of 27.5 MW were obtained and positive decision of the Regional Directorate for Environmental Protection to issue an environmental decision,
- commencement of the zoning procedure for the project of a 50 MW wind farm,
- works were continued in relation to obtaining the building permit for the pilot project of a 1 MW photovoltaic farm,
- within the acquisition activities the Company is currently engaged in the acquisition processes of wind farms with the capacity of ca. 200 MW.



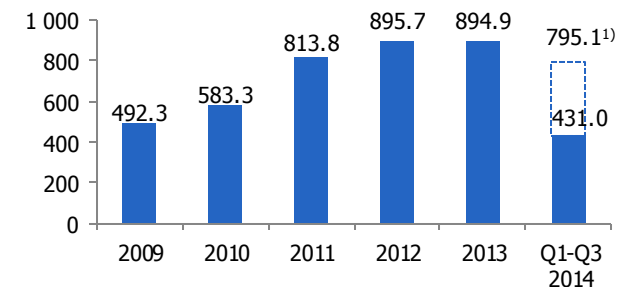
MEC Piła:

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

Distribution

Below we present the amounts of capital expenditures made by ENEA Operator from 2009 till the end of Q3 2014.

CAPEX of ENEA Operator Sp. z o.o. [PLN mln]



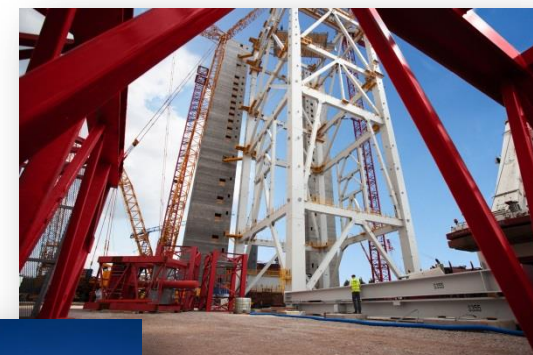
1) The investment plan for 2014

The Company designated the outlays to:

- Connecting new users and new sources and related construction of new networks,
- Modernisation and reinstatement of the existing assets connected with improving the quality of services and/or power demand increase,
- Other investment outlays (in particular: connectivity, measurements, IT, buildings, constructions, means of transport),
- Since 2009 ENEA Operator's capital expenditures have demonstrated an explicit trend consisting in the reduction of the share of outlays for connecting new users (including new sources), with a simultaneous growth in the share of outlays designed for the modernisation and reinstatement of the existing assets.

Planned capital expenditures

Planned capital expenditures for 2014 financial year	[PLN '000]
Capital expenditures on distribution assets¹⁾, including:	795 109
Modernisation and reconstruction of the existing assets connected with improving the quality of services and/or power demand increase ¹⁾	441 529
Connecting new users and new sources and construction of new grids connected with it ¹⁾	286 888
Other capital expenditures ¹⁾	66 692
Capital expenditures on generation assets, including:	2 339 938
ENE A Wytwarzanie - Segment of System Power Plants, including:	1 816 003
Construction of a power unit with the capacity of approx. 1,000 MW	1 391 188
Joint investments ²⁾ in 200 MW units	239 668
Investments in individual 200 MW units	91 950
Joint investments ²⁾ in 200 MW and 500 MW units	45 422
Investments in individual 500 MW units	34 150
Joint investments ²⁾ in 500 MW units	9 360
Purchase of ready investment goods and used fixed assets	4 265
ENE A Wytwarzanie - Segment of Heat	323 069
ENE A Wytwarzanie - Segment of RES	166 557
Other capital expenditures on generation assets of subsidiaries of ENE A Wytwarzanie	34 309
Other capital expenditures	24 790
TOTAL	3 159 837



1) The given figures result from the development plan for 2014-2019 approved by the President of ERO. The agreed level of capital expenditures does not determine the reduction of a possible investment activity in the distribution assets of ENE A Operator.
 2) Joint investments cover investments in technological systems common to the operation of individual groups of units (i.e. joint investments for 200 MW units, joint investments for 500 MW units and joint investments for 200 MW and 500 MW units).

Financing sources of the investment programme

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

Within the realised project of "Obtaining financing for the implementation of investment projects in ENEA CG" ENEA S.A. holds a programme agreement of 21 June 2012, relating to the bond issue programme up to the amount of PLN 4,000,000 thou. with five banks acting as Issue Guarantors, i.e.: PKO BP S.A., Bank Pekao S.A., BZ WBK S.A., Bank Handlowy w Warszawie S.A. and Nordea Bank Polska S.A. The funding is unsecured and free from limitations for shareholders within the so called ownership clause and dividends. Within the above mentioned programme agreement as at the date of publication of this report ENEA S.A. issued 5 series of bonds in the total amount of PLN 860,000 thou. The whole issue was subscribed for by the above five banks. The bonds bear a floating rate of interest based on WIBOR rate for 6-month deposits increased with a margin. The above amount was fully distributed in the form of ENEA S.A.'s acquisition of intergroup bonds issued by ENEA Wytwarzanie S.A.

The funds gained from commercial banks are designated for the construction of the 1,075 MWe gross supercritical bituminous coal fired power unit, which is implemented within the operations of ENEA Wytwarzanie.

Investment loan from the European Investment Bank

On 18 October 2012 ENEA S.A. concluded a Financial Agreement with the European Investment Bank (EIB) providing for the granting to ENEA S.A. of a loan in the amount of PLN 950,000 thou. or its equivalent in EUR. On 19 June 2013 another "loan agreement was concluded with EIB for the amount of PLN 475,000 thou. The funds in the total amount of PLN 1,425,000 thou. gained from the loan are designated for the funding of a multiannual investment plan regarding the modernisation and extension of the power grids of ENEA Operator Sp. z o.o. The loan repayment period is up to 15 years from the planned disbursement of the facility. As at the publication date of this report ENEA S.A. withdrew the funds from the loan in the total amount of PLN 1,050,000 thou. The currency of the disbursed loan is the Polish zloty, floating rate, based on the WIBOR rate for 6-month deposits increased with the Bank margin and flat rate.

On 12 August 2014 the Issuer and EIB signed a letter amending the Financial Agreement relating to granting a loan to the Company in the amount of PLN 475,000,000 (Loan). Pursuant to the new wording of the Agreement the availability term of the Loan is prolonged and expires on 31 December 2015.

Additionally, ENEA S.A. continues talks with the European Investment Bank (EIB) within increasing the financing for the investment programme of ENEA Operator over a longer period of time than currently.

Programme Agreement concluded with Bank Gospodarstwa Krajowego relating to bond issue of 15 May 2014

On 15 May 2014 ENEA and Bank Gospodarstwa Krajowego concluded the programme agreement relating to the long-term bond issue programme valued PLN 1,000,000 thou., within which the terms of the bond issue programme were specified. The objective of the bond issue will be financing of the current operations and investment needs of ENEA Capital Group companies. The bond issue programme was concluded for 12 years and 7 months. Within the above mentioned programme agreement as at the date of publication of this report ENEA S.A. issued bonds in the total amount of PLN 260,000 thou.

The above amount was fully distributed in the form of ENEA S.A.'s acquisition of intergroup bonds issued by ENEA Wytwarzanie S.A.

The Programme Agreement on the bond issue up to the amount of PLN 5,000,000 thou.

Within the financing gained for the realisation of investments described in the Company's strategy and financing of the current operations of ENEA Capital Group entities, on 30 June 2014 the Company, ING Bank Śląski S.A., Bank Polska Kasa Opieki S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and mBank S.A. (collectively: "Banks") concluded an agreement relating to the bond issue programme of ENEA S.A. up to the maximum amount of PLN 5,000,000 thou. ("Programme"), based on which the Banks were appointed bond dealers ("Agreement").

The bonds issued within the above programme will be straight, dematerialised, coupon or discount bonds. The nominal and issue value of one bond will be set under the issue conditions of particular series, interest or discount rates will be determined individually for each tranche during the process of offering bonds to investors. The bond maturity term may be from 1 month to 10 years. Pursuant to the provisions of the Agreement the bonds can be dematerialised in the National Depository for Securities, and then may be traded in an alternative trading system within the markets conducted by Bond Spot or Warsaw Stock Exchange. The bonds will be issued in accordance with the Act of 29 June 1995 on bonds, the offering will be performed under Article 9 item 3 of the Act. The bonds will not be issued in a public offer in the meaning of the Act of 29 July 2005 on Public Offerings. The Agreement has been executed for an indefinite period of time.

ENEA S.A. holds sufficient financial funds for the realisation of current investment plans, including capital investments. In further actions ENEA S.A. will focus in the optimisation of the held sources of financing. The Board also plans to maintain the financing model in which ENEA S.A. obtains external sources of investment funding and later distributes them to ENEA CG companies within the intergroup financing.

A stable position of the Group on the Polish power market and a reasonable financial policy confirmed with the rating have a significant meaning for obtaining funding for the investment programme.



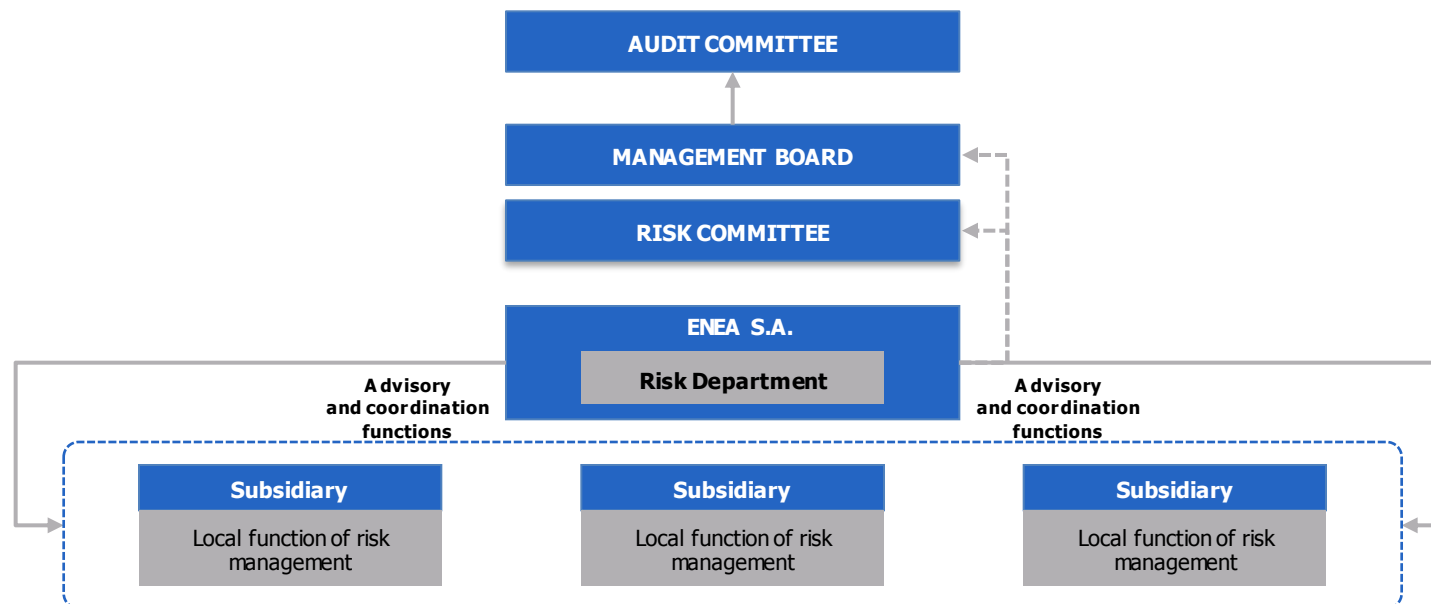
ENEA S.A. notices the advantages of market bond issue programmes as a complementary source of capital. Therefore it is planned to undertake activities aiming at the issue of bonds directed at institutional investors. Due to the investment plan realised within the Strategy of ENEA CG, during the coming years ENEA S.A. plans to take an active part on the market of debt securities.

Risk management in ENEA Group

ENEA aware of threats in the realisation of goals consciously manages the risk based on the so-called coordinated model.

The main strategy of the coordinated model
The Group Companies manage the risk based on homogeneous standards specified in Policies and Procedures.
The Key Companies have risk management structures.
The Group Companies cyclically report to ENEA's Risk Department.
ENEA's Risk Department coordinates the process of risk management on the Group's level cyclically reporting to the Risk Committee and Board of ENEA.
The Risk Committee performs decision making functions from within the area of risk management and issues opinions within the scope agreed with the Board of ENEA.
Supervising functions from the area of risk management are performed by the Audit Committee by ENEA's Supervisory Board.

Risk Committee
Recommending the content of policies, strategies, risk and insurance management organisational model and update changes within this scope to the Board of ENEA.
Approval of operating documentation regulating the process of risk management along with the acceptance of update changes (procedures, methods, tools, instructions, guidelines, etc.).
Approving the corporate risk map, list of key and critical risks of ENEA Group.
Approving mitigation methods of key risks of ENEA Group.



Other key events that may considerably affect future results

Building a generating portfolio

Within the realisation of the superior goal of ENEA CG, i.e. higher value for shareholders, the Group pursues the improvement of the key financial ratios. Building of a competitive generating portfolio is one of the basic elements of the realisation of the above strategic goal. The Group pursues to develop generating capacity to the level of an additional 1,075 MWe in the segment of system power plants in 2017. In 2020 it is planned to obtain an additional ca. 500 MWe capacity in RES and ca. 300 MWe and 1,500 MWt in cogeneration sources and heating networks.

Limits in CO₂ emission allowances

A material element within costs, conditioning the profitability of electricity generation is the allocation of free allowances for emissions of CO₂ and other gases and substances in a given settlement period. Obtaining a free allocation of CO₂ emission is conditioned by the realisation of the dedicated investments in ENEA CG reported in the National Investment Plan (NIP). The value of actually incurred expenditures is the base to receive the allowances.

Continuation of the construction of the power unit

In 2012 ENEA Wytwarzanie S.A. and Hitachi Power Europe GmbH (currently Mitsubishi Hitachi Power Systems Europe GmbH) and Polimex-Mostostal S.A. consortium signed a PLN 5.1 bln worth of agreement on the construction of 1,075 MWe gross supercritical bituminous coal fired power unit of the efficiency of 45.6% net. The investment in the construction of the new power unit is one of the key undertakings in order to increase generating capacities of ENEA Group for a long-term satisfaction of the demand for electricity of all ENEA Group's customers. The new power unit in Kozienice will be the most modern unit fired with coal in Poland and Europe. The completion of the investment will allow for increasing generating capacities of the power plant in Kozienice by ca. 30%.

Continuation of the cooperation on the construction of the first atomic power plant in Poland

During the first three quarters of 2014 the parties to the draft Shareholder Agreement, initialled by the parties on 23 September 2014 by ENEA S.A., PGE Polska Grupa Energetyczna S.A., TAURON Polska Energia S.A. and KGHM Polska Miedź S.A., of PGE EJ1 Sp. z o.o. continued works in the project of preparation for the construction of an atomic power plant in Poland through development of updated provisions in the draft Shareholder Agreement including attachments. The Parties agreed on the final draft Shareholder Agreement.

On 3 September 2014 ENEA S.A. and Polska Grupa Energetyczna S.A. ("PGE"), TAURON Polska Energia S.A. and KGHM Polska Miedź S.A. concluded the Shareholder Agreement pursuant to which ENEA S.A., TAURON Polska Energia S.A. and KGHM Polska Miedź S.A., as Business Partners, will purchase from PGE, based on a separate agreement, a total of 30% shares (10% shares for each of the Business Partners) in the special purpose vehicle – PGE EJ 1 Sp. z o.o., which is responsible for the preparation and implementation of the investment consisting in the construction and operation of the first in Poland atomic power plant with the capacity of ca. 3,000 MWe ("Project"). Pursuant to the strategy, PGE Group will be the Project leader, and PGE EJ1 Sp. z o.o. is to be the power plant operator in the future. The condition for purchasing the shares in PGE EJ1 Sp. z o.o. by Business Partners was obtaining an approval for the concentration issued by the President of the Office for Competition and Consumer Protection. The motion within this scope was filed by the parties to the Shareholder Agreement on 1 August 2014.

Pursuant to the Shareholder Agreement, the parties undertake to finance, jointly and proportionate to the shares they hold, the operations performed during 2014-2016 as a preliminary stage of the Project ("Preliminary Stage"). The Preliminary Stage is to specify such elements as potential partners, including the strategic partner, technology providers, EPC providers (Engineering, Procurement, Construction), suppliers of the atomic fuel and obtaining financing for the Project, and also competence and organisational preparation of PGE EJ1 Sp. z o.o. to act as a future operator of the atomic power plant, responsible for its safe and efficient operation ("Integrated Proceedings"). Pursuant to the Shareholder Agreement, the financial commitment of ENEA S.A. at the Preliminary Stage will not exceed the amount of ca. PLN 107 mln and is to involve making contributions, up to this amount, for the raised share capital of PGE EJ1 Sp. z o.o.

The Parties to the Shareholder Agreement foresee that subsequent decisions relating to the Draft, including the decision relating to the declaration of further participation of particular Parties (including ENEA S.A.) in the next stage of the Project, will be made after the completion of the Preliminary Stage directly before the completion of the Integrated Proceedings. The conclusion of the Shareholder Agreement was notified by the Company in the current report No. 30/2014 of 3 September 2014.

In the current report No. 31/2014 of 9 October 2014 the Board of ENEA S.A. informed also on the issue by the President of the Office for Competition and Consumer Protection of an unconditional consent for the concentration, consisting in the establishment by the Applicants of a common company under the name of PGE EJ1 Sp. z o.o. Obtaining the approval for concentration was a condition for the conclusion by the Parties of an agreement on purchase of shares in PGE EJ 1 Sp. z o.o., specified in the Shareholder Agreement.

Cooperation in research and development projects

On 26 June 2014 ENEA S.A., ENERGA S.A., PGE Polska Grupa Energetyczna S.A. oraz TAURON Polska Energia S.A. signed a letter of intent regarding cooperation in research and development projects.

The main goal of the cooperation is intense search for technological solutions corresponding to the key challenges faced by the Polish energy sector. Selected research projects will focus on e.g. reduction of the emissions in the process of electricity generation, enhancing the efficiency of distribution and use of energy. It is important also to develop intelligent distribution and transmission networks, which will be helpful on the implementation of projects such as "intelligent house" or storing electricity.

A coordinated process of research works will bring not only an added value in the form of an effect of scale and technological synergies. It will also contribute to a fuller use of the Polish research and development potential, which will constitute a significant development impulse for regional academic centres, business partners and for the whole economy.

Joining efforts of the partners to the agreement on the level of research and development projects will also allow for more efficient use of funds for innovativeness from the European Union which are available in 2014-2020 and easier and more flexible obtaining additional external capital.

On another stage of cooperation the letter signatories plan to develop optimum mechanisms of realisation of research and development undertakings, adequate to regulatory, formal and legal and business requirements.

Information on shares and shareholding

Share capital structure

As at the date of preparation of this report the amount of the Issuer's share capital is PLN 441,442,578. A general number of votes vested in all the issued shares of the Issuer corresponds to the number of shares and amounts to 441,442,578 votes.

As at the date of preparation of this report the structure of the share capital consists of 441,442,578 ordinary bearer shares. Pursuant to §6 item 3 of the Statute of ENEA S.A. registered shares of B series belonging to the State Treasury are designated for the purposes specified in the act on commercialisation and privatisation and act on the principles of purchasing from the State Treasury of shares in the process of consolidation of energy sector companies, became bearer shares with the moment of expiry of the prohibition to sell or expiry of the right to acquire them free of charge.

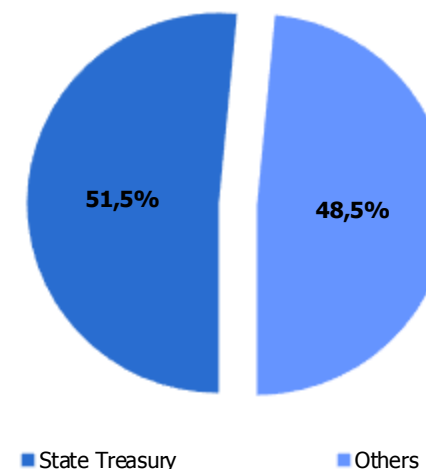
Changes in the shareholding structure from the date of publication of the previous quarterly report

The Company holds no information that until the publication date of the previous periodic report, i.e. an extended consolidated report for H1 2014, and from the date of publication of the previous quarterly report, i.e. extended consolidated report for Q1 2014, there were any changes in the structure of significant shareholders of the Company.

Shareholding structure

The table below and the diagram on the right present the structure of shareholders holding above 5% of the total number of votes at a general meeting of ENEA S.A. as at the publication date of the previous periodic report, i.e. as at 27 August 2014 and as the publication of the periodic report for Q3 2014, i.e. 12 November 2014.

Significant shareholders of ENEA S.A.
as at 27 August and 12 November 2014



As at 27 August and 12 November 2014

Shareholder	Number of shares/number of votes during GM	Share in the share capital/share in the total number of votes
State Treasury	227 364 428	51.5%
Others	214 078 150	48.5%
TOTAL	441 442 578	100.0%

Authorities of the Capital Group

The Management Board of ENEA S.A.

Composition of the Company's Management Board

As at the date of publication of this report, i.e. 12 November 2014, the Company's Management Board operates in the following composition:

Name and position	Scope of competence ¹⁾
President of the Board Krzysztof Zamasz	Coordinates tasks in connection with the overall operations of the Company and ENEA Capital Group.
Member of the Management Board for Commercial Affairs Grzegorz Kinelski	Supervises and coordinates the overall tasks in connection with the trade in electricity and customer service.
Member of the Management Board for Financial Affairs Dalida Gepfert	Controls and coordinates economic, financial and accounting affairs connected with risk management in the Company and ENEA Capital Group, teleinformation and controlling.
Member of the Management Board for Corporate Affairs Paweł Orlof	Controls and coordinates the issues connected with the ownership supervision in ENEA Capital Group and affairs connected with services and purchases.

Changes in the composition

During the period from 1 January 2014 to the date of publication of this report, i.e. 12 November 2014, no changes were made to the composition of the Management Board.

The Supervisory Board of ENEA S.A.

Composition of the Supervisory Board

As at the date of publication of this report, i.e. 12 November 2014, the Supervisory Board of the Company of the 8th term is composed of eight members and operates in the following composition:

Name and position	Scope of competence
Wojciech Chmielewski	Chairman of the Supervisory Board
Jeremi Mordasewicz ²⁾	Vice-Chairman of the Supervisory Board
Michał Kowalewski	Secretary of the Supervisory Board
Małgorzata Niezgoda	Member of the Supervisory Board
Sandra Malinowska	Member of the Supervisory Board
Sławomir Brzeziński	Member of the Supervisory Board
Przemysław Łyczyński	Member of the Supervisory Board
Tadeusz Mikłosz	Member of the Supervisory Board

On 22 January 2014 the resignation from the position of a Member of the Supervisory Board of ENEA S.A. with an immediate effect was submitted by Mr. Torbjörn Wahlborg.

List of shares and entitlements to shares of ENEA S.A. held by the members of the Management and Supervisory Boards

Name	Position	Number of shares of ENEA S.A. held as at 27 August 2014	Number of shares of ENEA S.A. held as at 12 November 2014
Tadeusz Mikłosz	Member of the Supervisory Board	4 140	4 140

As at the day of publication of this periodic report the other persons from the Management and Supervisory Board do not own ENEA S.A.'s shares.

As at the day of publication of this periodic report the other persons from the Management and Supervisory Board are not entitled to ENEA S.A.'s shares.

During the period from the publication of the previous periodic report, i.e. an extended consolidated report for H1 2014, and from the date of publication of the previous quarterly report, i.e. extended consolidated report for Q1 2014, there were no changes in the shareholding structure of managers and supervisors.

1) Pursuant to § 4 item 3 of the Rules of the Management Board being in force, the normal business of the Company not reserved for a resolution of the Management Board, is conducted by the President of the Management Board acting alone and by particular Members of the Board according to the division of competencies presented in the table. It does not however change a rule concerning making declarations of will on behalf of the Company mentioned in § 10 item 2 of the Company's Statute.

2) Member of the Supervisory Board fulfilling the independence criterion mentioned in § 22 item 7 of the Company's Statute.

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

Rating

The affirmation for ENEA S.A. on 30 April 2013 by Fitch Ratings agency of a long-term rating of an entity in national and foreign currency on the level of "BBB" and a long-term national rating on the level of "A(pol)" is of a key importance as to the implementation of investment intentions of the Group, as happened in 2012-2013. The outlook of the ratings is stable.

Collective disputes

Currently, there are no collective disputes in any key company comprising ENEA CG. In order to eliminate the threat or potential occurrence of a collective dispute the boards of companies perform regular dialogue with the society.

Court and administrative proceedings

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

The detailed description of proceedings is presented in note 25 of the Consolidated financial statements.

Long-Term Power Purchase Agreements (LTTPA)

During the three quarters of 2014 revenue from recovery of stranded costs was recognised in the amount of PLN 258 mln. The amount includes the projected revenue from annual adjustment for 2013 and also the planned final adjustment of stranded costs in the full amount.

Detailed description relating to Long-term Agreements is presented in note 22 of the Consolidated financial statements.

Corporate social responsibility

In Q1-Q3 2014 CSR activities in ENEA S.A. focused mainly on the performance of the below mentioned activities:

Implementation of "ENEA Capital Group's Code of Conduct"

Communicating ENEA Capital Group's Code of Conduct

In 2013 ENEA Capital Group developed ENEA Capital Group's Code of Conduct.

In January 2014 all the Group's employees received it in paper.

The communication was accompanied with posters promoting the Code and corporate values, on which the document is based.

Concurrently, a tab was made available in the corporate Intranet dedicated to the Code along with the developed document to download.

Each new employee is being trained on the ethical principles included in the Code.

E-learning training promoting attitudes compliant with ENEA Capital Group's Code of Conduct

In June 2014 a cycle of e-learning trainings commenced which is available for all the Group's employees, promoting a behaviour compliant with ENEA Capital Group's Code of Conduct. At the end of each month, until December 2014, new trainings will appear in the both channels of communication.

Under the tab dedicated to the Code in the corporate Intranet and e-learning platform of the Group, till the end of Q3 2014 four trainings were made available.

Employees will be offered a 7 series cycle, of which each one will relate to a different ethical principle included in the Code.

Common election for two members of ENEA Capital Group's Code of Conduct Commission

Pursuant to ENEA Capital Group's Code of Conduct employees may present their doubts and questions, e.g. to one, common for the Group's companies, three-person ENEA Capital Group's Code of Conduct Commission of ENEA CG for explanation or verification.

To that end, in September 2014 two-stage common election was organised for two members of the Commission in the scale of all the companies of ENEA Capital Group. For the process to be transparent an electronic voting platform was used, which was available for each employee of the Group using a dedicate and unique token. In the main election, each of the employees could give just one vote, selecting from among candidates selected on the pre-election stage.

The third member of the Committee and its chairman is the Director of the Control and Audit Bureau in ENEA S.A.



ENEA foundation operations

Corporate volunteering – we teach, entertain, collect, order ...

Development of children and youth, activation of the sports area and promotion of a healthy lifestyle - are the key areas of operations of ENEA Foundation. For six months the corporate foundation has been implementing the corporate social responsibility of ENEA Group.

At that time it initiated the author's programme "Summer with energy", due to which children from disadvantaged families went for summer vacation, and thanks to the cooperation with partners we were able to co-fund rehabilitation camps for children with disabilities.

The Foundation engaged also in the project of promotion of prophylactic research realised in the area of ENEA's distributions, due to which several thousand people may be granted a free access to oncology diagnostics.

ENEA Foundation realises also its statutory objectives, supporting entities conducting a socially usable activity. The support is granted in the form of financial aid, aid in kind, and consisting in the engagement of volunteers of the Foundation in the realisation of the beneficiaries' projects.



Spurt of heart - employee volunteering of ENEA Group

From the beginning of the programme functioning, i.e. from June 2011, ENEA Group's volunteers worked socially 5,500 hours for over 90,000 beneficiaries, realising mainly the competence volunteering, based on two educational programmes:

- "Power-not so scary",
- "First aid – pre-medical rescue".

Within the short-term volunteering volunteers act for the account of various organisations and institutions.

2nd charity run - Business Run 2014

In September 2014 55 employees, volunteers from ENEA Group commenced the charity run-relay race, whose objective was to collect money for the purchase of prostheses for two disabled Poznań citizens. The proceeds from the start fees and the accompanying action titled "I help more" (totally over PLN 207 thou.) will be allocated for the purchase of prostheses. The organiser of the action was Fundacja Poza Horyzonty Jaśka Meli (foundation).

A total of 600 five-person teams took part in the run. Each of the participants had to run 3.8 km. The best team from ENEA Group was 8th.

z porywu
serca

Rescue manoeuvres in Pogorzelnica

Volunteers, who are pre-medical rescuers at the same time, teach how to save human life as part of the volunteering programme. In order, however, to render professional help, they must be regularly trained and raise their skills themselves. Annual rescue manoeuvres help here, whose objective is to learn a proper procedure of rescuers in specific situations. In 2014 manoeuvres over 150 rescuers from the whole ENEA Group took part.

"25 years of freedom. 25 years of business engagement in the building of a civil society" debate

The presidents-volunteers of the most socially engaged companies in Poland met in the Presidential Palace in Warsaw. Among the guests invited by the President of Poland was Grzegorz Kinelski, Vice-President of the Board of ENEA S.A. for Commercial Affairs. Talks related to the business engagement, including of the energy sector, in the building of the civil society.

ENEA supplying electricity to millions of Polish houses and companies, creates thousands of work places and is engaged in the life of regions and local societies. For the last 25 years ENEA realised projects from within the culture, education, sports and environmental protection, being conscious of the impact it has on the change in thinking about the role of business in the creation of a sustainable development.



Attachment No. 1 - Financial results of ENEA S.A. in Q1-Q3 and Q3 2014

Profit and Loss Statement

[PLN '000]	Q1-Q3 2013	Q1-Q3 2014	Change	Change %	Q3 2013	Q3 2014	Change	Change %
Sales of electricity to end users	2 638 370	2 701 693	63 323	2.4%	832 863	939 118	106 255	12.8%
Sales of distribution services to users holding comprehensive agreements	1 143 315	1 070 557	-72 758	-6.4%	356 101	342 053	-14 048	-3.9%
Sales of electricity to other entities	22 767	92 320	69 553	305.5%	4 652	43 772	39 120	840.9%
Sales of services	48 146	7 705	-40 441	-84.0%	16 516	1 826	-14 690	-88.9%
Other revenue	-2 015	-8 487	-6 472	-321.2%	850	-675	-1 525	-179.4%
Excise tax	150 597	154 774	4 177	2.8%	47 873	51 629	3 756	7.8%
Net sales revenue	3 699 986	3 709 014	9 028	0.2%	1 163 109	1 274 465	111 356	9.6%
Amortisation/depreciation	13 468	6 067	-7 401	-55.0%	4 754	1 934	-2 820	-59.3%
Employee benefit costs	28 289	32 927	4 638	16.4%	-1 206	11 109	12 315	1021.1%
Consumption of materials and energy and value of sold materials	2 926	2 253	-673	-23.0%	1 051	820	-231	-22.0%
Costs of purchases for resale	2 194 911	2 444 737	249 826	11.4%	711 592	901 540	189 948	26.7%
Cost of providing distribution services for the performance of comprehensive agreements for the provision of electricity and distribution services	1 141 350	1 055 919	-85 431	-7.5%	356 990	335 012	-21 978	-6.2%
Other external services	121 501	112 522	-8 979	-7.4%	35 385	24 944	-10 441	-29.5%
Taxes and charges	7 496	2 815	-4 681	-62.4%	2 172	392	-1 780	-82.0%
Cost of sales	3 509 941	3 657 240	147 299	4.2%	1 110 738	1 275 751	165 013	14.9%
Other operating revenue	36 143	19 699	-16 444	-45.5%	4 891	4 629	-262	-5.4%
Other operating expenses	36 022	24 227	-11 795	-32.7%	5 210	5 024	-186	-3.6%
Profit / loss on sales of fixed assets	-36	-4	32	88.9%	-1	0	1	100.0%
Tangible and intangible impairment write-off	0	0	0	0.0%	0	0	0	0.0%
Operating profit / loss	190 130	47 242	-142 888	-75.2%	52 051	-1 681	-53 732	-103.2%
Financial revenue	58 001	113 481	55 480	95.7%	23 080	41 294	18 214	78.9%
Dividend revenue	605 676	569 022	-36 654	-6.1%	243 856	0	-243 856	-100.0%
Financial expenses	4 512	38 285	33 773	748.5%	2 097	17 637	15 540	741.1%
Gross profit / loss	849 295	691 460	-157 835	-18.6%	316 890	21 976	-294 914	-93.1%
Income tax	50 431	30 208	-20 223	-40.1%	17 223	29 847	12 624	73.3%
Net profit / loss	798 864	661 252	-137 612	-17.2%	299 667	-7 871	-307 538	-102.6%
EBITDA	203 598	53 309	-150 289	-73.8%	56 805	253	-56 552	-99.6%

Comment:

Q1-Q3 2014

Change factors of EBITDA of ENEA S.A.: (drop by PLN 150 mln):

- (-) lower first contribution margin by PLN 116 mln
 - (-) lower average selling price by 16.6%
 - (-) higher costs of ecological duties by PLN 43 mln
 - (+) lower average purchase price of energy by 12.2%
 - (+) higher volumes of sales by 2,234 GWh
- (-) since 2014 ENEA S.A. has not conducted operations related to the street lighting (the activity contributed in kind to ENEOS subsidiary at the end of 2013), which affects lower EBITDA by PLN 15 mln
- (+) higher revenue on sales of energy on the wholesale market (by PLN 70 mln) is a result of higher volumes by 375 GWh and higher average price by 46.0%
- (+) higher employee benefits costs (by PLN 5 mln) stemming from:
 - release of the provisions for the equivalent related to employee shares in the comparative period (September 2013 - lower costs by PLN 15 mln)
 - with a decrease in other costs of employee benefits of the period (by PLN 10 mln) resulting mainly from the transfer of part of employees to ENEA Centrum in 2014

Q3 2014

Change factors of EBITDA of ENEA S.A.: (drop by PLN 57 mln):

- (-) lower first contribution margin by PLN 46 mln
 - (-) lower average selling price by 15.3%
 - (-) higher costs of ecological duties by PLN 26 mln
 - (+) lower average purchase price of energy by 9.7%
 - (+) higher volumes of sales by 1,060 GWh
- (-) since 2014 ENEA S.A. has not conducted operations related to the street lighting (the activity contributed in kind to ENEOS subsidiary at the end of 2013), which affects lower EBITDA by PLN 4 mln
- (+) higher revenue on sales of energy on the wholesale market (by PLN 39 mln) is a result of higher volumes by 233 GWh and higher average price by 35.6%
- (+) higher employee benefits costs (by PLN 12 mln) stemming from:
 - release of the provisions for the equivalent related to employee shares in the comparative period (September 2013 - lower costs by PLN 15 mln)
 - with a decrease in other costs of employee benefits of the period (by PLN 3 mln) resulting mainly from the transfer of part of employees to ENEA Centrum in 2014

Attachment No. 2 - Financial results of ENEA Operator in Q1-Q3 and Q3 2014

Profit and Loss Statement

[PLN '000]	Q1-Q3 2013	Q1-Q3 2014	Change	Change %	Q3 2013	Q3 2014	Change	Change %
Revenue from sales of distribution services to end users	1 985 233	2 012 977	27 744	1.4%	646 503	657 816	11 313	1.7%
Revenue from additional fees	2 897	5 013	2 116	73.0%	1 080	1 722	642	59.4%
Revenue from non-invoiced sales of distribution services	-1 123	-11 041	-9 918	-883.2%	1 542	1 102	-440	-28.5%
Clearing of the Balancing Market	20 547	29 519	8 972	43.7%	542	-207	-749	-138.2%
Fees for customer grid connection	77 695	68 795	-8 900	-11.5%	27 652	17 489	-10 163	-36.8%
Revenue from the illegal collection of electricity	5 495	5 389	-106	-1.9%	1 324	1 620	296	22.4%
Revenue from services	73 222	58 662	-14 560	-19.9%	23 510	12 954	-10 556	-44.9%
Sales of distribution services to other entities	18 732	14 012	-4 720	-25.2%	5 901	4 615	-1 286	-21.8%
Sales of goods and services and other revenues	2 901	2 765	-136	-4.7%	964	1 117	153	15.9%
Sales revenue	2 185 599	2 186 091	492	0.0%	709 018	698 228	-10 790	-1.5%
Depreciation and amortisation of fixed and intangible assets	281 942	307 284	25 342	9.0%	94 673	107 107	12 434	13.1%
Employee benefit costs	403 875	316 089	-87 786	-21.7%	122 333	77 208	-45 125	-36.9%
Consumption of materials and raw materials and value of goods sold	32 230	31 763	-467	-1.4%	11 092	8 822	-2 270	-20.5%
Purchase of energy for own needs and grid losses	235 129	179 948	-55 181	-23.5%	74 204	60 185	-14 019	-18.9%
Costs of transmission services	452 080	528 522	76 442	16.9%	150 101	176 814	26 713	17.8%
Other external services	133 355	151 287	17 932	13.4%	45 174	56 925	11 751	26.0%
Taxes and charges	104 577	113 192	8 615	8.2%	32 236	33 698	1 462	4.5%
Cost of sales	1 643 188	1 628 085	-15 103	-0.9%	529 813	520 759	-9 054	-1.7%
Other operating revenue	31 655	44 638	12 983	41.0%	8 518	5 680	-2 838	-33.3%
Other operating expenses	51 759	21 486	-30 273	-58.5%	8 903	8 776	-127	-1.4%
Profit / loss on sales and liquidation of tangible fixed assets	-2 689	-1 072	1 617	60.1%	-838	-938	-100	-11.9%
Operating profit / loss	519 618	580 086	60 468	11.6%	177 982	173 435	-4 547	-2.6%
Financial revenue	4 207	3 295	-912	-21.7%	1 341	537	-804	-60.0%
Financial expenses	16 540	24 006	7 466	45.1%	5 598	8 181	2 583	46.1%
Gross profit / loss	507 285	559 375	52 090	10.3%	173 725	165 791	-7 934	-4.6%
Income tax	98 549	106 583	8 034	8.2%	33 226	32 224	-1 002	-3.0%
Net profit / loss	408 736	452 792	44 056	10.8%	140 499	133 567	-6 932	-4.9%
EBITDA	801 560	887 370	85 810	10.7%	272 655	280 542	7 887	2.9%

Comment:

Q1-Q3 2014

Change factors of EBITDA of ENEA Operator Sp. z o.o. (growth by PLN 86 mln):

- (+) lower costs of employee benefits as a result of the performed employment optimisation and transfer of part of employees to ENEA Centrum (PLN 88 mln)
- (+) lower volumes of energy purchases and lower average purchase price of energy for covering book-tax difference (PLN 63 mln)
- (+) mainly lower costs related to the legal regulation of lands under grid assets and higher result on the liquidation of tangible assets (PLN 37 mln)
- (+) higher volumes of sales of distribution services (PLN 18 mln)
- (-) higher costs of purchase of transmission services (PLN 76 mln)
- (-) lower revenue from grid connection fees as a result of lower rates in the Tariff for 2014 vs. Tariff for 2013 (PLN 9 mln)
- (-) higher property tax and higher fees for using the road line (PLN 9 mln)

Q3 2014

Change factors of EBITDA of ENEA Operator Sp. z o.o. (growth by PLN 8 mln):

- (+) lower costs of employee benefits as a result of the performed employment optimisation and transfer of part of employees to ENEA Centrum (PLN 45 mln)
- (+) lower average price and lower volumes of purchased electricity for covering book-tax difference (PLN 14 mln)
- (+) higher volumes of sales of distribution services (PLN 11 mln)
- (-) higher costs of purchase of transmission services (PLN 27 mln)
- (-) lower revenue from grid connection fees as a result of lower rates in the Tariff for 2014 vs. Tariff for 2013 (PLN 10 mln)
- (+) higher costs relating to legal regulation of lands under grid assets (PLN 3 mln)
- (-) higher property tax (PLN 1 mln)

Attachment No. 3 - Financial results of ENEA Wytwarzanie in Q1-Q3 and Q3 2014

Profit and Loss Statement

[PLN '000]	Q1-Q3 2013	Q1-Q3 2014	Change	Change %	Q3 2013 ¹⁾	Q3 2014 ¹⁾	Change	Change %
Revenue from sales of electricity	2 019 886	2 042 182	22 296	1.1%	679 855	720 920	41 065	6.0%
<i>licence for generation</i>	1 776 860	1 716 367	-60 493	-3.4%	602 100	642 061	39 961	6.6%
<i>licence for trade</i>	243 026	325 815	82 789	34.1%	77 755	78 859	1 104	1.4%
Revenue from certificates of origin	114 070	140 798	26 728	23.4%	62 755	61 758	-997	-1.6%
Revenue from sales of CO ₂ emission allowances	10 231	4 925	-5 306	-51.9%	5 645	0	-5 645	-100.0%
Revenue from the sale of heat	100 964	96 077	-4 887	-4.8%	23 311	22 545	-766	-3.3%
Recovery of stranded costs	964	257 508	256 544	26 612.4%	0	0	0	0.0%
Revenue from services	7 499	8 061	562	7.5%	2 467	2 550	83	3.4%
Sales of goods and services and other revenues	8 648	6 998	-1 650	-19.1%	4 638	3 234	-1 404	-30.3%
Excise tax	230	342	112	48.7%	95	90	-5	-5.3%
Net sales revenue	2 262 032	2 556 207	294 175	13.0%	778 576	810 917	32 341	4.2%
Depreciation and amortisation of fixed and intangible assets	272 591	199 902	-72 689	-26.7%	96 862	73 814	-23 048	-23.8%
Employee benefit costs	216 878	202 886	-13 992	-6.5%	68 264	58 354	-9 910	-14.5%
Consumption of materials and raw materials and value of goods sold	1 250 456	1 224 238	-26 218	-2.1%	411 506	429 816	18 310	4.4%
Costs of purchases for resale	243 498	431 247	187 749	77.1%	78 395	126 871	48 476	61.8%
Transmission services	1 224	1 310	86	7.0%	331	349	18	5.4%
Other external services	86 295	88 489	2 194	2.5%	35 247	37 456	2 209	6.3%
Taxes and charges	65 521	70 653	5 132	7.8%	22 285	26 232	3 947	17.7%
Cost of sales	2 136 463	2 218 725	82 262	3.9%	712 890	752 892	40 002	5.6%
Other operating revenue	27 150	32 331	5 181	19.1%	4 273	17 773	13 500	315.9%
Other operating expenses	9 476	21 821	12 345	130.3%	3 113	6 460	3 347	107.5%
Profit / loss on sales and liquidation of tangible fixed assets	-2 590	344	2 934	113.3%	-850	272	1 122	132.0%
Operating profit / loss	140 653	348 336	207 683	147.7%	65 996	69 610	3 614	5.5%
Financial revenue	14 113	6 358	-7 755	-54.9%	-17 393	-8 817	8 576	49.3%
Financial expenses	14 782	16 315	1 533	10.4%	4 888	4 725	-163	-3.3%
Dividend revenue	4 552	3 355	-1 197	-26.3%	-21 852	0	21 852	100.0%
Gross profit / loss	144 536	341 734	197 198	136.4%	21 863	56 068	34 205	156.5%
Income tax	43 176	71 354	28 178	65.3%	24 259	5 919	-18 340	-75.6%
Net profit / loss	101 360	270 380	169 020	166.8%	-2 396	50 149	52 545	2 193.0%
EBITDA	413 244	548 238	134 994	32.7%	162 858	143 424	-19 434	-11.9%

1) Incorporation of Windfarm as of the beginning of July 2014 (report for Q3 included Windfarm's results for Q1-Q3)

Comment:

Q1-Q3 2014

Change factors of EBITDA of ENEA Wytwarzanie S.A. (growth by PLN 135 mln):

- **Segment of System Power Plants - higher EBITDA by PLN 127 mln:**
 - (+) higher revenue from recovery of stranded costs (PLN 257 mln) - planned final and annual adjustment for 2013-14 in full amount in 2014
 - (+) lower fixed costs (PLN 23 mln) - mainly lower costs of repairs
 - (+) higher margin on co-combustion (PLN 5 mln) mainly as a result of higher prices of certificates, higher recognition of certificates and higher result on sale of certificates
 - (-) lower margin on generation (by 103 mln) resulting mainly from lower market energy prices
 - (-) lower margin on trade (PLN 39 mln), which mainly stems from lower average selling price, and higher average purchase price
 - (-) loss of EBITDA stemming from the unit No. 9's failure (PLN 23 mln)
- **Segment of Heat – growth in EBITDA by PLN 11 mln:**
 - (+) higher revenue from sales of electricity (PLN 10 mln) as a result of higher volumes and higher prices
 - (+) higher revenue from certificates of origin (PLN 10 mln) as a result of higher recognition and higher prices
 - (-) lower revenue from sales of heat (PLN 5 mln), mainly as a result of lower volumes
 - (-) higher costs of external services (PLN 4 mln) - mainly higher repair services
 - (-) higher costs from taxes and charges (PLN 3 mln) – tax on civil law transactions
- **Segment of RES - drop of EBITDA by PLN 3 mln¹⁾ :**
 - (-) Water: lower revenue from sales of electricity by PLN 6 mln (worse hydrological conditions and lower prices) and lower revenue from certificates of origin by PLN 4 mln (smaller recognition and lower prices)
 - (+) Wind: Bardy wind farm - higher by PLN 10 mln result on the other operating activity, higher by PLN 1 mln revenue from sale of electricity (higher volumes) and at the same time higher costs of external services by PLN 4 mln

Q3 2014

Change factors of EBITDA of ENEA Wytwarzanie S.A. (drop of EBITDA by PLN 19 mln) stem mainly from:

- **Segment of System Power Plants - drop of EBITDA by PLN 23 mln:**
 - (-) lower margin on generation (20 mln) resulting mainly from lower market energy prices
 - (-) lower margin on co-combustion (PLN 9 mln) mainly as a result of lower prices of certificates and lower price of electricity
 - (-) lower margin on trade (PLN 14 mln) resulting mainly from lower average selling price
 - (+) lower fixed costs (PLN 13 mln) - mainly lower costs of repairs
 - (+) higher revenue from Regulatory System Services (PLN 7 mln) – higher revenue from operating power reserve
- **Segment of RES - growth in EBITDA by PLN 3 mln¹⁾:**
 - (+) Wind: Bardy wind farm: higher by PLN 10 mln result on the other operating activity, higher by PLN 1 mln revenue from sale of electricity (higher volumes) and at the same time higher costs of external services by PLN 4 mln
 - (-) Water: lower sales revenue by PLN 4 mln (lower production of electricity, lower recognition of certificates of origin and lower prices), higher costs of external services by PLN 1 mln

1) Incorporation of Windfarm as of July 2014

Glossary of terms

Financial ratios

Below please find a glossary of terms and a list of acronyms used in this periodic report.

Ratio	Specification
EBITDA	= Operating profit (loss) + amortisation and depreciation
Return on equity (ROE)	= $\frac{\text{Net profit (loss) for the reporting period}}{\text{Equity}}$
Return on assets (ROA)	= $\frac{\text{Net profit (loss) for the reporting period}}{\text{Total assets}}$
Net profitability	= $\frac{\text{Net profit (loss) for the reporting period}}{\text{Net sales revenue}}$
Operating profitability	= $\frac{\text{Operating profit (loss)}}{\text{Net sales revenue}}$
EBITDA profitability	= $\frac{\text{EBITDA}}{\text{Net sales revenue}}$
Current liquidity ratio	= $\frac{\text{Current assets}}{\text{Current liabilities}}$
Equity-to-fixed assets ratio	= $\frac{\text{Equity}}{\text{Non-current assets}}$
Total debt ratio	= $\frac{\text{Total liabilities}}{\text{Total assets}}$
Net debt / EBITDA	= $\frac{\text{interest-bearing liabilities} - \text{cash}}{\text{EBITDA}}$
Current receivables turnover in days	= $\frac{\text{Average trade and other receivables} \times \text{number of days}}{\text{Net sales revenue}}$
Turnover of trade and other payables in days	= $\frac{\text{Average trade and other liabilities} \times \text{number of days}}{\text{Cost of products, goods and materials sold}}$
Inventory turnover in days	= $\frac{\text{Average inventory} \times \text{number of days}}{\text{Cost of products, goods and materials sold}}$
Cost of products, goods and materials sold	= Use of materials and value of goods sold; purchases of energy for resale; transmission services; other outsourced services; taxes and charges; excise tax

Sectoral terms/abbreviations

Abbreviation/term	Full name/explanation
BueNext	Trading platform enabling trade in allowances for emissions of CO ₂ (EUA) and units of certified reduction of emissions (CER) on spot and futures market
CAPEX	Capital expenditures
CO₂	Carbon dioxide
Price of baseload (BASE)	Price of contract with delivery of the same volume of energy on each day hour
Price of euro-peak (PEAK)	Price of contract with delivery of the same volume of energy in euro-peak (i.e. from 7:00 to 22:00 on business days)
CER	Certified Emission Reduction
EUA	EU Emission Allowance - allowances for emissions within the European Emissions Trading System
European Emissions Trading System EU ETS	European system supporting reduction of greenhouse gases emissions
ICE	Trading platform enabling trade in allowances for emissions of CO ₂ (EUA) and units of certified reduction of emissions (CER) on futures market
IOS installation	Flue gas desulphurisation plant
deNOx installation	Installation of denitrogenation (including SCR technology - selective catalytic reduction)
Cogeneration	A technological process of a combined generation of electricity and usable heat energy in combined heat and power plants
KSE	Public Power System
MWe	Megawatt of electrical power
MWh	Megawatthour (1 GWh = 1,000 MWh, 1 TWh = 1,000 GWh)
MWt	Megawatt of heating power
Offshore	In the context of RES the notion relates to sea wind farms
OH	Commercial Coordinator
OHT	Scheduling Co-ordinator

Abbreviation/term	Full name/explanation
Operating capacity reserve	Maintaining by generators surplus generating capacity available for Operators of the transmission system for a relevant fee. Its settlement is performed exclusively for peak hours of demand understood as the time from 7:00 to 22:00 hours on business days.
OSD	Operator of Distribution Network
Compensatory payment	Payment which is an alternative of the obligation fulfilment to redemption of the proprietary interest
RES	Renewable energy sources
PMOZE	Proprietary interests from certificates of origin for energy from renewable sources of energy
"Green" proprietary interests	Same as PMOZE
OZEX	Index for session transactions the subject of which are contracts for proprietary interests resulting from certificates of origin for energy generated in energy renewable sources whose production period (indicated in the certificate of origin) was till 28 February 2009 inclusive
OZEX_A	Index for session transactions the subject of which are contracts for proprietary interests resulting from certificates of origin for energy generated in energy renewable sources whose production period (indicated in the certificate of origin) commenced on 1 March 2009 inclusive
"Yellow" proprietary interests	Proprietary Interests in certificates of origin being the confirmation of electricity generation in a gas cogeneration unit or in a unit of the total installed capacity of up to 1 MW
KGMX	Index for session transactions the subject of which are contracts for proprietary interests resulting from certificates of origin for electricity generated in a gas cogeneration unit or in a unit of the total installed capacity of up to 1 MW
"Red" proprietary interests	Proprietary Interests in certificates of origin being the confirmation of electricity generation in other cogeneration sources
KECX	Index for session transactions the subject of which are contracts for proprietary interests resulting from certificates of origin for electricity generated in other cogeneration sources

Abbreviation/term	Full name/explanation
"Violet" proprietary interests	Proprietary Interests in certificates of origin being the confirmation of electricity generation in a cogeneration unit fired with methane released and abstracted on pit mining works or with gas obtained from biomass processing in the meaning of Article 2 item 1(2) of the Act on biocomponents and liquid biofuels
KMETX	Index for session transactions the subject of which are contracts for proprietary interests resulting from certificates of origin for electricity generated in a cogeneration unit fired with methane released and abstracted on pit mining works or with gas obtained from biomass processing in the meaning of Article 2 item 1(2) of the Act on biocomponents and liquid biofuels
"White" proprietary interests	Proprietary interests in certificates of origin resulting from energy efficiency certificates, the so called "white" certificates
EFX	Index for session transactions the subject of which are contracts for proprietary interests resulting from Energy efficiency certificates, the so called "white" certificates
PMMET	Proprietary Interests in certificates of origin being the confirmation of electricity generation in a cogeneration unit fired with methane released and abstracted on pit mining works or with gas obtained from biomass processing in the meaning of Article 2 item 1(2) of the Act on biocomponents and liquid biofuels
Prosument	A person who generates electricity for own needs (generates and consumes energy at the same time), and sells surpluses to energy networks
Balancing market	Technical market by an Operator of the transmission system. Its objective is balancing, in real time, the demand for electricity with its production in the public power system (PPS, Polish "KSE")
Day Ahead Market (DAM)	Divided within the Day Ahead and Intraday Market of electricity (DAIM) the Day Ahead Market is conducted by the Polish Power Exchange (PPE). The trade on DAM is conducted on two days preceding the date of product delivery.
Wholesale market	Electricity market on which forward products are listed
SPOT market	Cash market (spot)
SAIDI	System average interruption duration index (expressed in minutes/customer)
SAIFI	System average interruption frequency index (expressed in number of interruptions/customer)

Abbreviation/term	Full name/explanation
Smart grid(Intelligent grid)	A power grid and IT and telecom technologies related to it interfering intelligently with the activities of participants of the process of generation, storing, transmission, distribution and use of electricity in order to improve the reliability and efficiency of supplies and actively engage users in raising the energy efficiency
TFS	Tradition Financial Services, electricity trading platform designated for concluding various types of transactions, purchase and sale of conventional energy, proprietary interests, renewable energy and allowances for emissions of CO ₂
TJ	Terajoule
TGE (PPE)	Towarowa Giełda Energii (Polish Power Exchange)
toe	Tonne of oil equivalent
Bilateral transactions	Purchase/sale agreements for energy concluded directly between producers and other entities acting on the market
Energy Law	The Act of 10 April 1997 - Energy Law (Journal of Laws 1997 No. 54 item 348, as amended)
WIBOR	Warsaw Interbank Offered Rate - interest rate for loans on the Polish interbank market
Tariff group set A	Energy sold and delivered to customers connected to a high-voltage grid
Tariff group set B	Energy sold and delivered to customers connected to a medium-voltage grid
Tariff group set C	Energy sold and delivered to customers connected to a low-voltage grid, with the exception of end users using electricity for household purposes
Tariff group set G	Energy sold and delivered to end users using electricity for household purposes, regardless of voltage of the grid to which they are connected

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