Condensed interim consolidated financial statements of ENEA Group for the period from 1 January to 30 June 2013

Poznań, 13 August 2013

Index to the condensed interim consolidated financial statements

These condensed interim consolidated financial statements have been prepared in compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting, as endorsed by the European Union (EU) and approved by the Management Board of ENEA S.A.

Members of the Management Board

President of the Management Board	**Krzysztof Zamasz**	**…………………………………**
Member of the Management Board	**Dalida Gepfert**	**…………………………………**
Member of the Management Board	**Grzegorz Kinelski**	**…………………………………**
Member of the Management Board	**Paweł Orlof**	**…………………………………**

Poznań, 13 August 2013

(all amounts in PLN'000, unless specified otherwise)

Consolidated statement of financial position

	Note	As at 30.06.2013	As at 31.12.2012
ASSETS			
Non-current assets			
Property, plant and equipment	8	10 868 682	10 459 377
Perpetual usufruct of land		66 343	70 369
Intangible assets	9	199 955	201 357
Investment property		31 741	30 752
Investments in associates		6 260	5 951
Deferred tax assets	18	164 483	175 081
Financial assets available for sale		49 709	66 735
Financial assets measured at fair value through profit or loss		1 808	1 504
Trade and other receivables		1 749	376
		11 390 730	**11 011 502**
Current assets			
CO_2 emission rights		131 349	194 622
Inventory	11	370 903	502 654
Trade and other receivables		1 438 383	1 449 314
Current income tax receivable		13 832	16 026
Financial assets held to maturity		5 278	5 135
Financial assets measured at fair value through profit or loss	14	418 280	422 173
Cash and cash equivalents	13	1 193 280	1 095 495
Non-current assets classified as held for sale		13 649	13 541
Current assets		**3 584 954**	**3 698 960**
TOTAL ASSETS		**14 975 684**	**14 710 462**

(all amounts in PLN'000, unless specified otherwise)

		As at	
EQUITY AND LIABILITIES	**Note**	**30.06.2013**	**31.12.2012**
Equity			
Equity attributable to shareholders of the Parent			
Share capital		588 018	588 018
Share premium		3 632 464	3 632 464
Share-based payments reserve		1 144 336	1 144 336
Revaluation reserve (financial instruments)		36 433	50 233
Other reserve		(21 317)	(21 317)
Retained earnings		5 806 878	5 521 833
		11 186 812	**10 915 567**
Non-controlling interest		23 103	22 721
Total equity		**11 209 915**	**10 938 288**
LIABILITIES			
Non-current liabilities			
Loans, borrowings and debt securities	15	41 730	50 797
Finance lease liabilities		2 955	4 248
Deferred income from subsidies and connection fees	17	643 511	659 627
Deferred tax liability	18	218 535	243 597
Liabilities due to employee benefits		558 749	542 511
Provisions for other liabilities and charges	19	276 626	247 724
		1 742 106	**1 748 504**
Current liabilities			
Loans, borrowings and debt securities	15	25 691	24 043
Trade and other liabilities		1 369 393	1 290 391
Financial lease liabilities		3 156	3 494
Deferred income from subsidies and connection fees	17	90 378	92 831
Current income tax liabilities		44 453	58 782
Liabilities due to employee benefits		199 383	177 407
Liabilities due to an equivalent of the right to acquire shares free of charge		294	306
Financial liabilities measured at fair value through profit or loss		-	14
Provisions for other liabilities and charges	19	290 117	375 864
Liabilities related to non-current assets held for sale		798	538
		2 023 663	**2 023 670**
Total liabilities		**3 765 769**	**3 772 174**
Total equity and liabilities		**14 975 684**	**14 710 462**

(all amounts in PLN'000, unless specified otherwise)

Consolidated statement of profit or loss and other comprehensive income

	Note	6 months ended 30.06.2013	3 months ended 30.06.2013	6 months ended 30.06.2012 (restated)*	3 months ended 30.06.2012 (restated)*
Sales revenue		4 698 484	2 262 934	5 127 830	2 429 888
Excise tax		(102 859)	(47 643)	(106 032)	(53 870)
Net sales revenue		**4 595 625**	**2 215 291**	**5 021 798**	**2 376 018**
Other operating revenue		79 334	22 136	56 306	26 202
Depreciation/amortization		(385 920)	(191 253)	(375 927)	(183 825)
Costs of employee benefits		(514 229)	(262 442)	(489 089)	(240 169)
Consumption of materials and supplies and costs of goods sold		(928 887)	(486 371)	(898 348)	(416 821)
Energy purchase for sale		(1 585 468)	(773 706)	(2 099 148)	(924 695)
Transmission and distribution services		(299 197)	(146 179)	(356 685)	(176 590)
Other external services		(201 173)	(105 232)	(194 353)	(105 014)
Taxes and charges		(127 492)	(58 449)	(113 598)	(51 842)
Gain/(loss) on sale and liquidation of property, plant and equipment		(3 227)	(1 051)	622	(2 005)
Impairment loss on property, plant and equipment		-	-	(106)	-
Other operating expenses		(81 048)	(34 216)	(63 720)	(41 713)
Operating profit		**548 318**	**178 528**	**487 752**	**259 546**
Financial expenses		(19 607)	(12 266)	(38 122)	(27 958)
Financial revenue		36 465	14 220	72 933	27 476
Dividend revenue		4 552	4 552	2 724	2 724
Share in profit/(losses) of associates measured using the equity method		293	(512)	(261)	267
Profit before tax		**570 021**	**184 522**	**525 026**	**262 055**
Income tax	18	(117 929)	(41 069)	(103 041)	(43 370)
Net profit for the reporting period		**452 092**	**143 453**	**421 985**	**218 685**
Other comprehensive income:					
Items that are or may be reclassified to profit or loss					
change in fair value of financial assets available for sale reclassified to profit or loss		-	-	(838)	(142)
change in fair value of financial assets available for sale		(17 037)	(8 956)	8 811	(2 531)
income tax	18	3 237	1 701	(1 515)	480
Items that are not or may not be reclassified to profit or loss					
actuarial gains/losses due to defined benefit plans		(9 563)	(9 563)	(16 848)	(16 848)
income tax	18	1 817	1 817	3 201	3 201
Net other comprehensive income		**(21 546)**	**(15 001)**	**(7 189)**	**(15 840)**
Total comprehensive income		**430 546**	**128 452**	**414 796**	**202 845**
Including net profit:					
attributable to shareholders of the Parent		451 710	143 915	422 807	219 817
attributable to non-controlling interests		382	(462)	(822)	(1 132)
Including comprehensive income:					
attributable to shareholders of the Parent		430 158	128 908	415 648	204 007
attributable to non-controlling interests		388	(456)	(852)	(1 162)
Net profit attributable to shareholders of the Parent		451 710	143 915	422 807	219 817
Weighted average number of ordinary shares		441 442 578	441 442 578	441 442 578	441 442 578
Net earnings per share (in PLN per share)		**1.02**	**0.33**	**0.96**	**0.50**
Diluted earnings per share (in PLN per share)		**1.02**	**0.33**	**0.96**	**0.50**

*- Restatements of comparative figures are presented in note 4 of these condensed interim consolidated financial statements

(all amounts in PLN'000, unless specified otherwise)

Consolidated statement of changes in equity

	Note	Share capital (face value)	Revaluation of share capital	Total share capital	Share premium	Share-based payments reserve	Revaluation reserve (financial instruments)	Other reserves	Retained earnings	Non-controlling interests	Total equity
Balance as at 01.01.2013		**441 443**	**146 575**	**588 018**	**3 632 464**	**1 144 336**	**50 233**	**(21 317)**	**5 521 833**	**22 721**	**10 938 288**
Net profit									451 710	382	**452 092**
Net other comprehensive income							(13 800)		(7 746)		**(21 546)**
Total comprehensive income							**(13 800)**		**443 964**	**382**	**430 546**
Dividend	27								(158 919)		**(158 919)**
Balance as at 30.06.2013		**441 443**	**146 575**	**588 018**	**3 632 464**	**1 144 336**	**36 433**	**(21 317)**	**5 806 878**	**23 103**	**11 209 915**

	Note	Share capital (face value)	Revaluation of share capital	Total share capital	Share premium	Share-based payments reserve	Revaluation reserve (financial instruments)	Other reserves	Retained earnings	Non-controlling interests	Total equity
Balance as at 01.01.2012		441 443	146 575	**588 018**	**3 632 464**	**1 144 336**	**49 565**	**(21 710)**	**5 058 001**	**29 088**	**10 479 762**
Net profit*									422 807	(822)	421 985
Net other comprehensive income							6 458		(13 647)		(7 189)
Total comprehensive income							**6 458**		**409 160**	**(822)**	**414 796**
Dividends	27								(211 892)		(211 892)
Put option on minority interest in subsidiaries									427	(752)	(325)
Balance as at 30.06.2012		**441 443**	**146 575**	**588 018**	**3 632 464**	**1 144 336**	**56 023**	**(21 710)**	**5 255 696**	**27 514**	**10 682 341**

* Restatements of comparative figures are presented in note 4 of these condensed interim consolidated financial statements

(all amounts in PLN'000, unless specified otherwise)

Consolidated statement of cash flows

	Note	6 months ended 30 June 2013	6 months ended 30 June 2012 (restated)*
Cash flows from operating activities			
Net profit for the reporting period		452 092	421 985
Adjustments:			
Income tax disclosed in the statement of profit or los and other comprehensive income		117 929	103 041
Depreciation		385 920	375 927
(Profit)/loss on sale and liquidation of property, plant and equipment		3 227	(622)
Impairment loss on property, plant and the equipment	8	-	106
(Profit)/loss on sale of financial assets		12 819	(10 332)
Interest income		(47 456)	(73 012)
Dividend income		(4 552)	(2 724)
Interest expense		5 453	9 081
(Gain)/loss on measurement of financial assets		(1 514)	6 997
Share in the (profit)/loss of associates		-	6 720
Exchange (gains)/losses on loans and borrowings		(293)	261
Other financial (profit)/loss		1 839	3 654
(Profit)/loss on valuation of financial instruments		(743)	(2 399)
Other adjustments		**472 629**	**416 698**
Income tax paid		(137 439)	(111 610)
Interest received		30 676	52 558
Interest paid		(3 288)	(7 072)
Changes in working capital			
CO_2 emission rights		63 273	125 387
Inventory		138 430	(29 288)
Trade and other receivables		13 097	(94 402)
Trade and other liabilities		(94 906)	(89 052)
Liabilities due to employee benefits		28 222	14 586
Deferred income from subsidies and connection fees		(25 852)	(22 418)
Liabilities due to an equivalent of the right to acquire shares free of charge		(12)	(188)
Non-current assets held for sale and related liabilities		152	5 454
Provisions for other liabilities and charges		(56 849)	(51 566)
		65 555	**(141 487)**
Net cash flows from operating activities		**880 225**	**631 072**
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets		(780 630)	(627 140)
Proceeds from disposal of property, plant and equipment		2 398	6 378
Acquisition of financial assets		(100 000)	(775 368)
Receipts from disposal of financial assets		106 774	1 013 967
Acquisition of subsidiaries and associates adjusted by acquired cash		-	(52 559)
Other payments for investing activities		(249)	-
Net cash flows from investing activities		**(771 707)**	**(434 722)**
Cash flows from financing activities			
Loans and borrowings received		2 075	14 277
Loans and borrowings repaid		(11 386)	(21 751)
Payment of finance lease liabilities		(2 711)	(2 307)
Other receipts/(payments) for financing activities		(225)	1 284
Net cash flows from financing activities		**(12 247)**	**(8 497)**
Net increase/(decrease) in cash		**96 271**	**187 853**
Balance at the beginning of the reporting period		1 095 495	1 218 361
Balance sheet change in cash and cash equivalents due to exchange rate differences		1 514	(1 241)
Balance at the end of the reporting period		**1 193 280**	**1 404 973**

* Restatements of comparative figures are presented in note 4 of these condensed interim consolidated financial statements

(all amounts in PLN'000, unless specified otherwise)

Notes to the condensed interim consolidated financial statements

1. General information about ENEA S.A. and ENEA Group

Name (business name):	ENEA Spółka Akcyjna
Legal form:	joint-stock company
Country:	Poland
Registered office:	Poznań
Address:	Górecka 1, 60-201 Poznań
National Court Register – District Court in Poznań	KRS 0000012483
Telephone:	(+48 61) 856 10 00
Fax:	(+48 61) 856 11 17
E-mail:	enea@enea.pl
Website:	www.enea.pl
Statistical number (REGON):	630139960
Tax identification number (NIP):	777-00-20-640

The main activities of the ENEA Group (the "Group", the "Capital Group") are:
- production of electricity (ENEA Wytwarzanie S.A., Elektrownie Wodne Sp. z o.o., Elektrociepłownia Białystok S.A., Windfarm Polska Sp z o.o., Przedsiębiorstwo Energetyki Cieplnej Sp. z o.o., Miejska Energetyka Cieplna Piła Sp. z o.o., DOBITT Energia Sp. z o.o.);
- trade in electricity (ENEA S.A., ENEA Trading Sp. z o.o.);
- distribution of electricity (ENEA Operator Sp. z o.o.).

As at 30 June 2013 the shareholding structure of the Parent, was the following: the State Treasury of the Republic of Poland – 51.51% of shares, Vattenfall AB – 18.67%, other shareholders – 29.82%.

As at 30 June 2013 the statutory share capital of ENEA S.A. equaled PLN 441,443 thousand (PLN 588,018 thousand upon adoption of IFRS-EU and considering hyperinflation and other adjustments) and was divided into 441,442,578 shares.

As at 30 June 2013 the Group comprised the parent ENEA S.A. (the "Company", the "Parent"), 15 subsidiaries, 7 indirect subsidiaries and 1 associate.

These condensed interim consolidated financial statements should be read together with the consolidated annual financial statements of the ENEA Group for the financial year ended 31 December 2012.

These condensed interim consolidated financial statements have been prepared on a going concern basis. There are no circumstances indicating that the ability of ENEA S.A. to continue as a going concern might be at risk.

2. Statement of compliance

These condensed interim consolidated financial statements have been prepared in compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*, as endorsed by the European Union and approved by the Management Board of ENEA S.A.

The Management Board of the Parent has used its best knowledge as to the application of standards and interpretations as well as measurement methods and principles applicable to individual items of the condensed interim consolidated financial statements of the ENEA Group in accordance with IFRS-EU as of 30 June 2013. The presented statements and explanations have been prepared using due diligence. These condensed interim consolidated financial statements have been reviewed by a certified auditor.

3. Accounting principles

These condensed interim consolidated financial statements have been prepared in accordance with accounting policies consistent with those applied during the preparation of the most recent annual consolidated financial statements for the financial year ended 31 December 2012, except for changes in standards and interpretations endorsed by the European Union which apply to the reporting periods beginning on 1 January 2013. Except for the additional disclosures required by IFRS 13 *Fair Value Measurement*, other changes do not have significant effect on the preparation of these condensed interim consolidated financial statements.

The Polish zloty has been used as the measurement and reporting currency of these condensed interim consolidated financial statements. The data in the condensed interim consolidated financial statements have been presented in PLN thousand (PLN '000), unless stated otherwise.

4. Changes in accounting policies and presentation of financial data

As a result of the applied in 2012 changes to the Group accounting policies presented in these condensed interim financial statements comparative data, derived from the approved, condensed interim consolidated financial statements for the period from 1 January to 30 June 2012 have been restated for comparability.

a) Recognition, measurement and presentation of CO_2 emission rights

In 2012 the Group implemented changes to the Group's accounting policies concerning the recognition, measurement and presentation of CO_2 emission rights. CO_2 emissions rights granted free of charge by the National Allocation Plan (*Krajowy Plan Rozdziału Uprawnień*) as well as acquired rights are classified as current intangible assets presented in current assets in a separate line. They are not subject to amortization, however they are tested for impairment whenever there are indications that an impairment loss might have occurred. The rights granted free of charge are recognized at nil cost whereas acquired rights are recognized at acquisition price, less accumulated impairment losses. The costs of rights are determined according to the FIFO method (first in, first out).

The provision for the actual CO_2 emission is recognized in profit or loss, and calculated as the best estimate of the expenditure required to settle, in annual periods, the present obligation at the reporting date. The liability (provision) due to CO_2 emissions is settled through redemption of emission rights. The emission rights are redeemed against the provision, based on the FIFO method in the given group of emission rights

Before the change of the accounting policy, CO_2 emission rights used to be presented as intangible assets (non-current assets). Emission rights granted free of charge under the National Allocation Plan were presented at nil cost and the purchased rights were valued at acquisition price. A provision was created if the actual emissions exceeded the quantity of emission rights allocated to the given year, received by the Group free of charge, starting at the beginning of the year in proportion to the actual energy production, at the market value of emission rights as at the reporting date.

b) Presentation of the balance sheet change in cash due to exchange rate differences

In the statement of cash flows the Group specified an effect of exchange rate fluctuations on cash in a separate line.

c) Change in presentation of certificates of origin

The certificates of origin, these acquired and internally developed, are presented in inventories and their carrying amount does not decrease the provision for certificates of origin. Earlier the carrying amount of certificates of origin held by the Group set off the provision presented in the statement of financial position.

d) Application of amendments to IAS 19 Employee benefits

In 2012 the Group decided to early adopt amendments to IAS 19, which became effective for the periods beginning on 1 January 2013, which require actuarial gains and losses related to defined benefit plans to be recognized in other comprehensive income.

e) Other changes in presentation

The Group has made also other changes in presentation, the most important of which concerns presentation of provision for certificates of origin together with provisions for other liabilities and charges and presentation of non-current assets held for sale in the current assets.

(all amounts in PLN'000, unless specified otherwise)

Consolidated statement of profit or loss and other comprehensive income

	6 months ended 30.06.2012	(a)	(d)	(e)	Total adjustments	6 months ended 30.06.2012 Restated
Sales revenue	5 127 830					5 127 830
Excise duty	(106 032)					(106 032)
Net sales revenue	**5 021 798**					**5 021 798**
Other operating revenue	56 306					56 306
Depreciation	(400 594)	24 667			24 667	(375 927)
Costs of employee benefits	(505 937)		16 848		16 848	(489 089)
Consumption of materials and supplies and costs of goods sold	(814 384)	(83 964)			(83 964)	(898 348)
Energy purchase for sale	(2 098 430)			(718)	(718)	(2 099 148)
Transmission services	(356 685)					(356 685)
Other external services	(195 071)			718	718	(194 353)
Taxes and charges	(113 598)					(113 598)
Gain/(loss) on sale and liquidation of property. plant and equipment	622					622
Impairment loss on property. plant and equipment	(106)					(106)
Other operating expenses	(63 720)					(63 720)
Operating profit	**530 201**	**(59 297)**	**16 848**	**-**	**(42 449)**	**487 752**
Financial expenses	(38 122)					(38 122)
Financial revenue	72 933					72 933
Impairment of goodwill	-					-
impairment of negative goodwill	-					-
Dividend revenue	2 724					2 724
Share in profits/losses of associates measured using the equity method	(261)					(261)
Profit before tax	**567 475**	**(59 297)**	**16 848**		**(42 449)**	**525 026**
Income tax	(111 107)	11 267	(3 201)		8 066	(103 041)
Net profit for the reporting period	**456 368**	**(48 030)**	**13 647**	**-**	**(34 383)**	**421 985**

(all amounts in PLN'000, unless specified otherwise)

	6 months ended 30.06.2012	**(a)**	**(d)**	**(e)**	**Total adjustments**	**6 months ended 30.06.2012 Restated**
Other comprehensive income						
Items that are or may be reclassified to profit or loss						
- change in fair value of financial assets available for sale reclassified to profit or loss	(838)					(838)
- change in fair value of financial assets available for sale	8 811					8 811
- income tax	(1 515)					(1 515)
Items that are not or may not be reclassified to profit or loss						
- actuarial gains/losses due to defined benefit plans	-		(16 848)		(16 848)	(16 848)
- income tax	-		3 201		3 201	3 201
Net other comprehensive income	**6 458**	**-**	**(13 647)**	**-**	**(13 647)**	**(7 189)**
Total comprehensive income for the reporting period	**462 826**	**(48 030)**	-	-	**(48 030)**	**414 796**
Including net profit:						
attributable to shareholders of the Parent	457 190	(48 030)	13 647		(34 383)	422 807
attributable to non-controlling interests	(822)	-	-		-	(822)
Including comprehensive income:						
attributable to shareholders of the Parent	463 648	(48 030)	30		(48 000)	415 648
attributable to non-controlling interests	(822)	-	(30)		(30)	(852)

(all amounts in PLN'000, unless specified otherwise)

	3 months ended 30.06.2012	(a)	(d)	(e)	Total adjustments	3 months ended 30.06.2012 Restated
Sales revenue	2 429 888					2 429 888
Excise duty	(53 870)					(53 870)
Net sales revenue	**2 376 018**	**-**	**-**	**-**	**-**	**2 376 018**
Other operating revenue	26 202					26 202
Depreciation	(196 159)	12 334			12 334	(183 825)
Costs of employee benefits	(257 017)		16 848		16 848	(240 169)
Consumption of materials and supplies and costs of goods sold	(402 135)	(14 686)			(14 686)	(416 821)
Energy purchase for sale	(923 977)			(718)	(718)	(924 695)
Transmission services	(176 590)				-	(176 590)
Other external services	(105 732)			718	718	(105 014)
Taxes and charges	(51 842)					(51 842)
Gain/(loss) on sale and liquidation of property. plant and equipment	(2 005)					(2 005)
Other operating expenses	(41 713)					(41 713)
Operating profit	**245 050**	**(2 352)**	**16 848**	**-**	**14 496**	**259 546**
Financial expenses	(27 958)					(27 958)
Financial revenue	27 476					27 476
Dividend revenue	2 724					2 724
Share in profits/losses of associates measured using the equity method	267					267
Profit before tax	**247 559**	**(2 352)**	**16 848**	**-**	**14 496**	**262 055**
Income tax	(40 617)	448	(3 201)	-	(2 753)	(43 370)
Net profit for the reporting period	**206 942**	**(1 904)**	**13 647**	**-**	**11 743**	**218 685**

(all amounts in PLN'000, unless specified otherwise)

	3 months ended 30.06.2012	(a)	(d)	(e)	Total adjustments	3 months ended 30.06.2012 Restated
Other comprehensive income						
Items that are or may be reclassified to profit or loss						
- change in fair value of financial assets available for sale reclassified to profit or loss	(142)					(142)
- change in fair value of financial assets available for sale	(2 531)					(2 531)
- income tax	480					480
Items that are not or may not be reclassified to profit or loss						
- actuarial gains/losses due to defined benefit plans	-		(16 848)		(16 848)	(16 848)
- income tax	-		3 201		3 201	3 201
Net other comprehensive income	**(2 193)**	**-**	**(13 647)**	**-**	**(13 647)**	**(15 840)**
Total comprehensive income for the reporting period	**204 749**	**(1 904)**	**-**	**-**	**(1 904)**	**202 845**
Including net profit:						
attributable to shareholders of the Parent	208 074	(1 904)	13 647	-	11 743	219 817
attributable to non-controlling interests	(1 132)	-	-	-	-	(1 132)
Including comprehensive income:						
attributable to shareholders of the Parent	205 881	(1 904)	30	-	(1 874)	204 007
attributable to non-controlling interests	(1 132)	-	(30)	-	(30)	(1 162)

(all amounts in PLN'000, unless specified otherwise)

Consolidated statement of cash flows

	6 months ended 30.06.2012	(a)	(b)	(c)	(d)	(e)	Total adjustments	6 months ended 30.06.2012 Restated
Cash flows from operating activities								
Net profit for the reporting period	456 368	(48 030)			13 647		(34 383)	421 985
Adjustments:								
Income tax	111 107	(11 267)			3 201		(8 066)	103 041
Depreciation	400 594	(24 667)					(24 667)	375 927
(Profit)/loss on sale and liquidation of property. plant and equipment	(622)							(622)
Impairment loss on property. plant and the equipment	106							106
Impairment gain on bargain purchase	(4 878)					(5 454)	(5 454)	(10 332)
(Profit)/loss on sale of financial assets	(73 012)							(73 012)
Interest income	(2 724)							(2 724)
Dividend income	9 081							9 081
Interest expense	5 756		1 241				1 241	6 997
(Gain)/loss on measurement of financial assets	261							261
Share in the (profit)/loss of associates	3 654							3 654
Exchange (gains)/losses on loans and borrowings	6 720							6 720
Other adjustments	20 990	(23 389)					(23 389)	(2 399)
	477 033	**(59 323)**	**1 241**		**3 201**	**(5 454)**	**(60 335)**	**416 698**
Paid income tax	(111 610)							(111 610)
Interest received	52 558							52 558
Interest paid	(7 072)							(7 072)
Changes in working capital								
CO_2 emission rights	-	125 387					125 387	125 387
Inventory	(4 336)			(24 952)			(24 952)	(29 288)
Trade and other receivables	(94 402)							(94 402)
Trade and other liabilities	(89 052)							(89 052)
Liabilities due to employee benefits	31 434				(16 848)		(16 848)	14 586
Deferred income due to subsidies and connection fees	(22 418)							(22 418)
Provision for certificates of origin	(62 437)			62 437			62 437	-
Liabilities due to an equivalent of the right to acquire shares free of charge	(188)							(188)
Non-current assets held for sale and associated liabilities	-					5 454	5 454	5 454
Provisions for other liabilities and other charges	11 230	(25 311)		(37 485)			(62 796)	(51 566)
	(230 169)	**100 076**	**-**	**-**	**(16 848)**	**5 454**	**88 682**	**(141 487)**
Net cash flows from operating activities	**637 108**	**(7 277)**	**1 241**	**-**	**-**		**(6 036)**	**631 072**

(all amounts in PLN'000, unless specified otherwise)

	6 months ended 30.06.2012	(a)	(b)	(c)	(d)	(e)	Total adjustments	6 months ended 30.06.2012 Restated
Cash flows from investing activities								
Acquisition of property. plant and equipment	(634 417)	7 277					7 277	(627 140)
Receipts from disposal of property. plant and equipment and intangible assets	6 378							6 378
Acquisition of financial assets	(775 368)							(775 368)
Receipts from disposal of financial assets	1 013 967							1 013 967
Acquisition of subsidiaries. associates and joint-ventures adjusted for acquired cash	(52 559)							(52 559)
Net cash flows from investing activities	**(441 999)**	**7 277**	**-**	**-**	**-**	**-**	**7 277**	**(434 722)**
Cash flows from financing activities								
Loans and borrowings received	14 277							14 277
Loans and borrowings repaid	(21 751)							(21 751)
Payment of finance lease liabilities	(2 307)							(2 307)
Other adjustments	1 284							1 284
Net cash flows from financing activities	**(8 497)**	**-**	**-**	**-**	**-**	**-**	**-**	**(8 497)**
Net increase/(decrease) in cash	**186 612**	**-**	**1 241**	**-**	**-**	**-**	**1 241**	**187 853**
Balance at the beginning of the reporting period	1 218 361							1 218 361
Balance sheet change in cash and cash equivalents due to exchange rate differences			(1 241)				(1 241)	(1 241)
Balance at the end of the reporting period	**1 404 973**	-	-	-	-	-	-	**1 404 973**

The notes presented on pages 9 to 40 constitute an integral part of the condensed interim consolidated financial statements.

(all amounts in PLN'000, unless specified otherwise)

5. Material estimates and assumptions

The preparation of these condensed interim consolidated financial statements in conformity with IAS 34 requires the Management Board to make certain judgments, estimates and assumptions that affect the application of the adopted accounting policies and the amounts reported in the condensed interim consolidated financial statements and notes thereto. The adopted assumptions and estimates are based on the Management Board's best knowledge of the current and future activities and events. The actual figures, however, can be different from those assumed. The estimates adopted for the needs of preparation of these condensed interim consolidated financial statements are consistent with the estimates adopted during preparation of the consolidated financial statements for the previous financial year. The estimates presented in the previous financial years do not exert any significant influence on the current period.

6. Composition of the Group – list of subsidiaries, associates and jointly-controlled entities

No.	Name and address of the Company	Share of ENEA S.A. in the total number of votes 30.06.2013	Share of ENEA S.A. in the total number of votes 31.12.2012
1.	ENERGOMIAR Sp. z o.o. *Poznań, Strzeszyńska 58*	100	100
2.	BHU S.A. *Poznań, Strzeszyńska 58*	92.62	92.62
3.	ENEA Centrum S.A. *Poznań, Górecka 1*	100	100
4.	Hotel „EDISON" Sp. z o.o. *Baranowo near Poznań*	100	100
5.	Energetyka Poznańska Zakład Transportu Sp. z o.o. *Poznań, Strzeszyńska 58*	100	100
6.	Energetyka Poznańska Przedsiębiorstwo Usług Energetycznych Energobud Leszno Sp. z o.o. *Lipno, Gronówko 30*	100	100
7.	ENERGO-TOUR Sp. z o.o. *Poznań, Marcinkowskiego 27*	99.92	99.92
8.	ENEOS Sp. z o.o. *Poznań, Strzeszyńska 58*	100	100
9.	ENTUR Sp. z o.o. *Szczecin, Malczewskiego 5/7*	100****	100
10.	Niepubliczny Zakład Opieki Zdrowotnej Centrum Uzdrowiskowe ENERGETYK Sp. z o.o. *Inowrocław, Wilkońskiego 2*	99.94	99.94
11.	Elektrownie Wodne Sp. z o.o. *Samociążek, 86-010 Koronowo*	100*	100*
12.	Przedsiębiorstwo Energetyki Cieplnej Sp. z o.o. *Oborniki, Wybudowanie 56*	96,85*	93.99*
13.	„IT SERWIS" Sp. z o.o. *Zielona Góra, Zacisze 28*	100	100
14.	ENEA Operator Sp. z o.o. *Poznań, Strzeszyńska 58*	100	100
15.	ENEA Wytwarzanie S.A. *Świerże Górne, commune Kozienice. Kozienice 1*	100	100
16.	Miejska Energetyka Cieplna Piła Sp. z o.o. *64-920 Piła, Kaczorska 20*	65.03*	65.03*
17.	Elektrociepłownia Białystok S.A. *Białystok, Gen. Andersa 3*	99.996*	99.996*
18.	DOBITT Energia Sp. z o.o. *Gorzesław 8, 56-420 Bierutów*	100*	100*

(all amounts in PLN'000, unless specified otherwise)

19.	Annacond Enterprises Sp. z o.o. *Warszawa, Jana III Sobieskiego 1/4*	61	61
20.	Windfarm Polska Sp. z o.o. *Koszalin, Wojska Polskiego 24-26*	100*	100*
21.	ENEA Trading Sp. z o.o. *Świerże Górne, commune Kozienice. Kozienice 1*	100	100
22.	„Ecebe" Sp. z o.o. *Augustów, Wojciech 8*	99.996**	99.996**
23.	Energo-Inwest-Broker S.A. *Toruń, Jęczmienna 21*	38.46 ***	30.3***

* indirect subsidiary by shares in ENEA Wytwarzanie S.A.
** indirect subsidiary by shares in Elektrociepłownia Białystok S.A.
*** an associate of ENEA Wytwarzanie S.A.
**** - on 27 January 2013 the Extraordinary Shareholders' Meeting of Entur Sp. z o.o. with registered office in Szczecin adopted the Resolution No. 3 on the dissolution of the company after completion of the liquidation proceeding.

On 16 July 2013, in National Court Register (KRS) changed the company name "Niepubliczny Zakład Opieki Zdrowotnej Centrum Uzdrowiskowe ENERGETYK Sp. z o.o." to "Centrum Uzdrowiskowe ENERGETYK Sp. z o.o."

(all amounts in PLN'000, unless specified otherwise)

7. Segment reporting

Segment reporting for the period from 1 January to 30 June 2013:

	Trade	Distribution	Production	All other segments	Eliminations	Total
Net sales revenue	1 704 899	1 424 043	1 362 215	104 468	-	4 595 625
Inter-segment sales	119 012	-	178 391	213 170	(510 573)	-
Total net sales revenue	**1 823 911**	**1 424 043**	**1 540 606**	**317 638**	**(510 573)**	**4 595 625**
Total expenses	(1 610 971)	(1 097 880)	(1 482 983)	(290 291)	486 967	(3 995 158)
Segment profit/(loss)	**212 940**	**326 163**	**57 623**	**27 347**	**(23 606)**	**600 467**
Depreciation	(208)	(186 185)	(186 356)	(12 089)		
EBITDA	**213 148**	**512 348**	**243 979**	**39 436**		
% of net sales revenue	***11.7%***	***36.0%***	***15.8%***	***12.4%***		
Unassigned Group costs (general and administrative expenses)						(52 149)
Operating profit						**548 318**
Financial expenses						(19 607)
Financial revenue						36 465
Revenue from dividends						4 552
Share in profit/(losses) of associates measured using the equity method						293
Income tax						(117 929)
Net profit						**452 092**
Share of non-controlling interests						382

(all amounts in PLN'000, unless specified otherwise)

Segment reporting for the period from 1 April to 30 June 2013:

	Trade	Distribution	Production	All other segments	Eliminations	Total
Net sales revenue	808 417	687 551	659 839	59 484	-	2 215 291
Inter-segment sales	59 879	-	83 376	115 652	(258 907)	-
Total net sales revenue	**868 296**	**687 551**	**743 215**	**175 136**	**(258 907)**	**2 215 291**
Total expenses	(792 430)	(548 548)	(754 420)	(156 916)	240 500	(2 011 814)
Segment profit/(loss)	**75 866**	**139 003**	**(11 205)**	**18 220**	**(18 407)**	**203 477**
Depreciation	(109)	(93 344)	(91 735)	(5 666)		
EBITDA	**75 975**	**232 347**	**80 530**	**23 886**		
% of net sales revenue	***8.7%***	***33.8%***	***10.8%***	***13.6%***		
Unassigned Group costs (general and administrative expenses)						(24 949)
Operating profit						**178 528**
Financial expenses						(12 266)
Financial revenue						14 220
Revenue from dividends						4 552
Share in (losses)/profit of associates measured using the equity method						(512)
Income tax						(41 069)
Net profit						**143 453**
Share of non-controlling interests						(462)

(all amounts in PLN'000, unless specified otherwise)

Segment reporting for the period from 1 January to 30 June 2012:

	Trade	Distribution	Production	All other segments	Eliminations	Total
Net sales revenue	2 081 593	1 407 172	1 425 460	107 573	-	5 021 798
Inter-segment sales	104 714	-	154 971	223 637	(483 322)	-
Total net sales revenue	**2 186 307**	**1 407 172**	**1 580 431**	**331 210**	**(483 322)**	**5 021 798**
Total expenses	(2 067 431)	(1 146 485)	(1 418 909)	(307 355)	471 955	(4 468 225)
Segment profit/(loss)	**118 876**	**260 687**	**161 522**	**23 855**	**(11 367)**	**553 573**
Depreciation	(174)	(186 734)	(176 261)	(12 347)		
EBITDA	**119 050**	**447 421**	**337 783**	**36 202**		
% of net sales revenue	***5.4%***	***31.8%***	***21.4%***	***10.9%***		
Unassigned Group costs (general and administrative expenses)						(65 821)
Operating profit						**487 752**
Financial expenses						(38 122)
Financial revenue						72 933
Dividend revenue						2 724
Share in profit/(losses) of associates measured using the equity method						(261)
Income tax						(103 041)
Net profit						**421 985**
Share of non-controlling interests						(822)

(all amounts in PLN'000, unless specified otherwise)

Segment reporting for the period from 1 April to 30 June 2012:

	Trade	Distribution	Production	All other segments	Eliminations	Total
Net sales revenue	943 923	685 051	708 638	38 406	-	2 376 018
Inter-segment sales	56 730	-	52 966	144 316	(254 012)	-
Total net sales revenue	**1 000 653**	**685 051**	**761 604**	**182 722**	**(254 012)**	**2 376 018**
Total expenses	(923 974)	(570 016)	(677 273)	(167 819)	257 589	(2 081 493)
Segment profit/(loss)	**76 679**	**115 035**	**84 331**	**14 903**	**3 577**	**294 525**
Depreciation	(90)	(92 121)	(86 480)	(6 295)		
EBITDA	**76 769**	**207 156**	**170 811**	**21 198**		
% of net sales revenue	***7.7%***	***30.2%***	***22.4%***	***11.6%***		
Unassigned Group costs (general and administrative expenses)						(34 979)
Operating profit						**259 546**
Financial expenses						(27 958)
Financial revenue						27 476
Dividend revenue						2 724
Share in profit/(losses) of associates measured using the equity method						267
Income tax						(43 370)
Net profit						**218 685**
Share of non-controlling interests						(1 132)

(all amounts in PLN'000, unless specified otherwise)

Segment reporting (cont'd)

Other segment reporting information as at 30 June 2013:

	Trade	Distribution	Production	All other segments	Eliminations	Total
Property, plant and equipment	16 532	6 218 799	4 493 094	325 508	(209 666)	10 844 267
Trade and other receivables	741 266	427 523	234 308	161 048	(564 352)	999 793
Total:	757 798	6 646 322	4 727 402	486 556	(774 018)	11 844 060
ASSETS excluded from segmentation						3 131 624
- including property, plant and equipment						24 415
- including trade and other receivables						440 339
TOTAL ASSETS						**14 975 684**
Trade and other liabilities	268 128	634 786	660 885	126 224	(555 177)	1 134 846
Equity and liabilities excluded from segmentation						13 840 838
- including trade and other liabilities						234 547
TOTAL EQUITY AND LIABILITIES						**14 975 684**
<u>for the 6-month period ended 30 June 2013</u>						
Capital expenditure for fixed assets and intangible assets	1 178	284 152	511 520	19 285	(24 388)	791 747
Capital expenditure for fixed assets and intangible assets excluded from segmentation						3 200
Depreciation/amortization	208	186 185	186 356	12 089	(2 868)	381 970
Depreciation/amortization excluded from segmentation						3 950
Recognition/(reversal/utilization) of receivables allowance	(28 215)	1 217	(1 472)	(1 284)	-	(29 754)

(all amounts in PLN'000, unless specified otherwise)

Other segment reporting information as at 31 December 2012:

	Trade	Distribution	Production	All other segments	Eliminations	Total
Property, plant and equipment	16 022	6 111 417	4 172 988	322 721	(194 113)	10 429 035
Trade and other receivables	657 231	417 583	427 720	204 911	(326 362)	1 381 083
Total:	673 253	6 529 000	4 600 708	527 632	(520 475)	11 810 118
ASSETS excluded from segmentation						2 900 344
- including property, plant and equipment						28 559
- including trade and other receivables						68 607
TOTAL ASSETS						**14 710 462**
Trade and other liabilities	399 990	507 290	480 992	142 395	(317 672)	1 212 995
Equity and liabilities excluded from segmentation						13 497 467
- including trade and other liabilities						77 396
TOTAL EQUITY AND LIABILITIES						**14 710 462**
for the 12-month period ended 31 December 2012						
Capital expenditure for fixed assets and intangible assets	323	868 755	901 470	62 455	(57 485)	1 775 518
Capital expenditure for fixed assets and intangible assets excluded from segmentation						27 601
Depreciation/amortization	366	365 782	346 714	24 258	(1 952)	735 168
Depreciation/amortization excluded from segmentation						14 569
Recognition/(reversal/utilization) of receivables allowance	211	5 616	(3 294)	3 410	-	5 943

Segment revenue is generated from sales to external clients and transactions with other segments, which are directly attributable to a given segment with a relevant portion of the Company's revenue that may be reasonably attributed to the segment.

Segment costs include costs of goods sold to external clients and costs of transactions with other Group segments, which result from operations of a given segment and may be directly allocated to the segment with a relevant portion of the Company's costs that may be reasonably allocated to the segment.

Market prices are used in inter-segment transactions, which allow individual entities to earn a margin sufficient to carry out independent operations in the market. Trade in electricity and transmission services are governed by prices specified in line with the Energy Law of 10 April 1997 and secondary legislation thereto.

8. Property, plant and equipment

During the 6-month period ended 30 June 2013 the Group acquired property, plant and equipment for the total amount of PLN 794,769 thousand (during the period of 12 months ended 31 December 2012 it was PLN 1,778,863 thousand). The mentioned above amount consists mainly in production segment (PLN510,380 thousand) and in distribution segment (PLN 284,309 thousand). The expenditure in production segment are connected mainly with the construction of new power plant unit.
During the 6-month period ended 30 June 2013 the Group sold and liquidated fixed assets in the total net book value of PLN 5,735 thousand (during the 12 months ended 31 December 2012 PLN 16,026 thousand).

During the 6-month period ended 30 June 2013, impairment loss on the carrying amount of property, plant and equipment decreased by net amount of PLN 608 thousand (during the 12 months ended 31 December 2012 impairment loss on the carrying amount of property, plant and equipment increased by net amount of PLN 5,349 thousand).

As at 30 June 2013 the value of the impairment on the carrying amount of property, plant and equipment amounted to PLN 17,168 thousand (as at 31 December 2012 PLN 17,776 thousand).

9. Intangible assets

During the 6-month period ended 30 June 2013 the Group acquired intangible assets for the total amount of PLN 178 thousand (during the period of 12 months ended 31 December 2012 it was PLN 22,338 thousand).
Neither during the 6-month period ended 30 June 2013 nor during the period of 12 months ended 31 December 2012 the Group did not sold and liquidated intangible assets.

(all amounts in PLN'000, unless specified otherwise)

10. Allowance on trade and other receivables

	30.06.2013	31.12.2012
Opening balance of receivables allowance	**174 174**	**168 231**
Addition	10 878	28 804
Reversed	(6 256)	(21 914)
Utilized	(34 376)	(947)
Closing balance of receivables allowance	**144 420**	**174 174**

During the 6-month period ended 30 June 2013 the allowance on the carrying amount of trade and other receivables decreased by PLN 29,754 thousand (during the period of 12 months ended 31 December 2012 the impairment allowance increased by PLN 5,943 thousand). The decrease of the allowance represents mainly the write-off of bad debts.

11. Inventory

	30.06.2013	31.12.2012
Materials	273 794	311 892
Semi-finished products and work in progress	2 064	1 502
Finished products	568	605
Certificates of origin	92 677	191 624
Goods for resale	13 391	14 405
Total gross value of inventory	**382 494**	**520 028**
Inventory allowance	(11 591)	(17 374)
Total net value of inventory	**370 903**	**502 654**

During the 6-month period ended 30 June 2013 the inventory allowance decreased by PLN 5,783 thousand (during the period of 12 months ended 31 December 2012 the inventory allowance increased by PLN 5,636 thousand).

12. Certificates of origin

	30.06.2013	31.12.2012
Opening balance – net value	**180 521**	**144 012**
Self-production	77 927	222 060
Acquisition	70 854	283 574
Redemption	(244 723)	(420 491)
Sale	-	(37 531)
Change in allowance	3 432	(11 103)
Closing balance – net value	**88 011**	**180 521**

(all amounts in PLN'000, unless specified otherwise)

13. Restricted cash

As at 30 June 2013 the restricted cash amounted to PLN 73,370 thousand. This comprised cash at bank (cash blocked due to a deposit for receivables, a security deposit and a transaction deposit), cash on electricity trade deposits, funds restricted based on collateral agreements and deposits paid by suppliers.
As at 31 December 2012 the restricted cash amounted to PLN 10,386 thousand.

14. Financial assets measured at fair value through profit or loss

As at 30 June 2013 the book value of investment portfolio amounted to PLN 519,518 thousand, including financial assets measured at fair value through profit or loss (treasury bills and bonds of PLN 314,403 thousand and bank deposits of PLN 103,877 thousand) and bank deposits for the period of up to 3 months of PLN 101,238 thousand presented as cash and cash equivalents. In addition, the Group has units in the "Pioneer" Investment Fund, presented as long-term assets.

15. Loans and borrowings

	30.06.2013	31.12.2012
Long-term		
Bank loans	29 070	38 342
Borrowings	12 660	12 455
	41 730	**50 797**
Short-term		
Bank loans	24 069	21 206
Borrowings	1 622	2 837
	25 691	**24 043**
Total	**67 421**	**74 840**

During the 6-month period ended 30 June 2013 the carrying amount of credit facilities and loans increased by net amount of PLN 7,419 thousand (during the period of 12 months ended 31 December 2012 the carrying amount of credit facilities and loans decreased by PLN 44,055 thousand).
The information on new credit agreements has been presented in note 30.

(all amounts in PLN'000, unless specified otherwise)

16. Financial instruments

The table below presents the fair values as compared to carrying amounts:

	30.06.2013		31.12.2012	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Long-term financial assets available for sale (shares in unrelated parties)	49 709	49 709	66 735	66 735
Non-current financial assets measured at fair value through profit or loss	1 808	1 808	1 504	1 504
Current financial assets held to maturity	5 278	5 278	5 135	5 135
Current financial assets measured at fair value through profit or loss	418 280	418 280	422 173	422 173
Cash and cash equivalents	1 193 280	1 193 280	1 095 495	1 095 495
Loans, borrowings and debt securities	67 421	67 421	74 840	74 840
Finance lease liabilities	6 111	6 111	7 742	7 742

The book values of trade and other receivables and trade and other payables approximate their fair values.

Financial assets available for sale include shares in unrelated parties for which the ratio of interest in capital to the nominal value is lower than 20%. Their fair value is estimated using a discounted cash flows method.

Long-term financial assets measured at fair value through profit or loss include units in the “Pioneer” Investment Fund which can be traded on an active market, as a result of which their fair value may be determined. The fair value of the above units was measured at the market price of participation units, whereas its changes in the financial period recognized in profit or loss.

Short-term financial assets measured at fair value through profit or loss include an investment portfolio managed by a company specialized in professional fund management. The fair value of the investment portfolio is estimated based on market quotations. Current financial assets held to maturity include bank deposits with the original maturity from 3 months to 1 year.

The table below presents the analysis of financial instruments measured at fair value and classified into the following three levels:

Level 1 – fair value based on stock exchange prices (unadjusted) offered for identical assets or liabilities in active markets.

Level 2 – fair value determined based on market observations instead of market quotations (e.g. direct or indirect reference to similar instruments traded in the market).

Level 3 – fair value determined using various valuation methods, but not based on any observable market information.

(all amounts in PLN'000, unless specified otherwise)

	30.06.2013			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value through profit or loss				
Non-derivative financial assets held for trading	420 088	-	-	420 088
Financial assets available for sale				
Listed equity instruments	49 164	-	-	49 164
Non- listed equity instruments	-	-	545	545
Total	**469 252**	**-**	**545**	**469 797**

	31.12.2012			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value through profit or loss				
Non-derivative financial assets held for trading	423 677	-	-	423 677
Financial assets available for sale				
Listed equity instruments	66 202	-	-	66 202
Non-listed equity instruments	-	-	533	533
Total	**489 879**	**-**	**533**	**490 412**
Financial liabilities measured at fair value through profit or loss				
Forward contracts	(14)	-	-	(14)
Total	**(14)**	**-**	**-**	**(14)**

17. Deferred income from subsidies and connection fees

	30.06.2013	**31.12.2012**
Long-term		
Deferred income due to subsidies	169 264	172 501
Deferred income due to connection fees	474 247	487 126
	643 511	**659 627**
Short-term		
Deferred income due to subsidies	17 205	17 413
Deferred income due to connection fees	73 173	75 418
	90 378	**92 831**

Deferred income schedule

	30.06.2013	**31.12.2012**
Up to 1 year	90 378	92 831
1 to 5 years	131 723	133 312
Over 5 years	511 788	526 315
	733 889	**752 458**

During the 6-month period ended 30 June 2013 the carrying amount of deferred income from subsidies and connection fees decreased by net amount of PLN 18,569 thousand (during period of 12 months ended 31 December 2012 the carrying amount decreased by PLN 32,563 thousand).

(all amounts in PLN'000, unless specified otherwise)

18. Deferred income tax

Changes in the deferred income tax liability (considering the net-off of the asset and liability):

	30.06.2013	31.12.2012
Opening balance	68 516	105 266
Acquisition of subsidiaries	-	(23)
Amount debited/(credited) to profit or loss	(9 410)	(29 349)
Amount debited/(credited) to other comprehensive income	(5 054)	(7 378)
Closing balance	**54 052**	**68 516**

During the 6-month period ended 30 June 2013, the Company's profit before tax was debited with PLN 9,410 thousand as a result of a decrease in net deferred tax asset (during the period of 12 months ended 31 December 2012 the Company's profit before tax was credited with PLN 29,349 thousand as a result of the increase in deferred tax liability).

19. Provisions for other liabilities and charges

Long-term and short-term provisions for other liabilities and charges

	30.06.2013	31.12.2012
Long-term	276 626	247 724
Short-term	290 117	375 864
Closing balance	**566 743**	**623 588**

During the 6-month period ended 30 June 2013 provisions for other liabilities and charges decreased by net amount of PLN 56,845 thousand, mainly due to settlement of 2012 obligation related to sale to end users of electricity generated in a renewable source or in cogeneration (during the period of 12 months ended 31 December 2012 provisions for other liabilities and charges increased by PLN 85,605 thousand).

(all amounts in PLN'000, unless specified otherwise)

Change in provisions for other liabilities and charges

for the period ended 30 June 2013

	Provision for non-contractual use of land	Provision for other claims	Provision for land reclamation	Provision for the environmental fee	Provision for certificates of origin	Provision for CO_2 emissions rights	Other	Total
Opening balance	**159 861**	**23 695**	**24 648**	**2 098**	**236 083**	**90 361**	**86 842**	**623 588**
Reversal of discount and discount rate change	-	-	-	-	-	-	(7)	(7)
Increase in provisions	35 057	15	541	710	172 798	88 455	6 232	271 320
Provisions applied	(3 560)	(48)	-	(1 456)	(245 033)	(339)	(2 052)	(220 000)
Unused provision reversed	(5 699)	(1 773)	-	(710)	(9 064)	(90 022)	(890)	(108 158)
Closing balance	**185 659**	**21 889**	**25 189**	**642**	**154 784**	**88 455**	**90 125**	**566 743**

for the period ended 31 December 2012

	Provision for non-contractual use of land	Provision for other claims	Provision for land reclamation	Provision for the environmental fee	Provision for certificates of origin	Provision for CO_2 emissions rights	Other	Total
Opening balance	**99 262**	**26 508**	**9 856**	**2 094**	**247 147**	**84 694**	**68 422**	**537 983**
Reversal of discount and discount rate change	-	-	13 781	-	-	-	-	13 781
Increase in provisions	128 570	27 348	2 076	2 706	434 108	90 361	48 092	733 261
Provisions applied	(32 733)	(1 043)	(1 065)	(2 702)	(444 437)	(81 858)	(22 445)	(586 283)
Unused provision reversed	(35 238)	(29 118)	-	-	(735)	(2 836)	(7 227)	(75 154)
Closing balance	**159 861**	**23 695**	**24 648**	**2 098**	**236 083**	**90 361**	**86 842**	**623 588**

Significant claims and liabilities are described\ in note 24.

(all amounts in PLN'000, unless specified otherwise)

20. Related party transactions

The Group companies subject to consolidation conclude transactions with the following related parties:

- the Group companies subject to consolidation – transactions are eliminated at the consolidation stage;
- transactions concluded between the Group and Members of its governing bodies fall within two categories:
  - those resulting from employment contracts with Members of the Management Board of the Parent and related to the appointment of Members of Supervisory Board;
  - resulting from other civil law agreements;
- transactions with entities whose shares are held by the State Treasury of the Republic of Poland.

Transactions with members of the Company's governing bodies:

Item	Management Board of the Company 01.01.2013 - 30.06.2013	Management Board of the Company 01.01.2012 - 30.06.2012	Supervisory Board of the Company 01.01.2013 - 30.06.2013	Supervisory Board of the Company 01.01.2012 - 30.06.2012
Remuneration under managerial contracts and consultancy agreements	2 941	1 679	-	-
Remuneration relating to appointment of members of supervisory bodies	23	511	207	184
Remuneration due to other employee benefits (particularly electricity allowance)	33	-	-	-
TOTAL	**2 997**	**2 190**	**207**	**184**

During the 6-month period ended 30 June 2013 the loans granted from the Company's Social Benefits Fund to the members of the Supervisory Board amounted to PLN 11 thousand (PLN 24 thousand during the 12-month period ended 31 December 2012 – appointment of new Member of the Supervisory Board). During this period the repayments of these loans amounted to PLN 2 thousand (PLN 24 thousand during the 12-month period ended 31 December 2012, including PLN 18 thousand – the expiry of mandate of the Member of the Supervisory Board). The balances of loand from the Company's Social Fund as at 30 June 2013 amounts to PLN 30 thousand (PLN 21 thousand as at 31 December 2012). Members of the Management Board have no borrowings from the Fund.

Other transactions resulting from civil law agreements concluded between ENEA S.A. and members of the Company's governing bodies concern only private use of company cars by Members of the Management Board of ENEA S.A.

ENEA S.A. also concludes business transactions with entities of the central and local administration and entities whose shares are held by the State Treasury of the Republic of Poland.

The transactions concern mainly:

- purchase of coal, electricity and property rights resulting from certificates of origin as regards renewable energy and energy cogenerated with heat from companies whose shares are held by the State Treasury;
- sale of electricity, distribution services and other related fees, provided by the Group both to central and local administration bodies (sale to end users) and entities whose shares are held by the State Treasury (wholesale and retail sale to end users).

Such transactions are concluded under arm's length terms and their conditions do not differ from those applied in transactions with other entities. The Group does not keep record that enable to aggregate value of all transactions concluded with all state institutions and entities controlled by the State Treasury.

21. Long-term contracts for the sale of electricity (LTC)

ENEA Wytwarzanie S.A. applied for the advance payment in the amount of PLN 18,000 thousand to cover stranded costs in 2013. On 5 April 2013 Zarządca Rozliczeń S.A. made an advance payment for the first quarter of 2013, amounting to PLN 4,500 thousand. On 5 July it made an advance payment for the second quarter of 2013, also in the amount of PLN 4,500 thousand. An income from compensation of stranded costs has been recognized in the first half year of 2013, except for the amount of PLN 964 thousand resulting from the ruling of 10 April 2013 for the year 2009.

On 10 April 2013, hearing concerning determination of stranded costs compensation for ENEA Wytwarzanie S.A. for 2009 was held at the Court of Appeal in Warsaw. The Court of Appeal partly considered the appeal of the President of Energy Regulatory Office (URE) to the judgment of Court for Competition and Consumer Protection (SOKiK) of 27 June 2012. The Court of Appeal reversed the judgment under appeal in this way, that he determined the amount of the annual adjustment to be PLN 16,544 thousand, i.e. at the higher of PLN 964 thousand than the amount set out in the decision of the President of Energy Regulatory Office (URE). The Court of Appeal did not approve a substantial part of the annual adjustment determined in the judgment of the District Court. On 13 May 2013 Zarządca Rozliczeń S.A. made a payment of PLN 964 thousand. ENEA Wytwarzanie S.A. will fill cassation appeal to the judgment of 10 April 2013.

On 27 June 2013, a hearing concerning determination of stranded costs compensation for ENEA Wytwarzanie S.A. for 2008 was held at the Court of Appeal in Warsaw. The Court closed the hearing and adjourned the sentence until 10 July 2013.

On 10 July 2013 the Court of Appeal announced the ruling on LTC for 2008. Pursuant to that ruling, the Court refused the appeal of the President of URE against the ruling of the Regional Court of 20 April 2012. The President of URE's decision was amended so that the amount adjustment was determined as PLN (4 192) thousand instead of original amount of PLN (89 537) thousand and the amendment is legally binding. The sentence means that all substantial allegations included in the appeal against the decision of the President of URE had been considered. On 24 July 2013 ENEA Wytwarzanie S.A. received a payment of PLN 40 577 thousand from Zarządca Rozliczeń S.A.

The dates of the hearings related to annual adjustments for the years 2010 and 2011 have not been determined.

(all amounts in PLN'000, unless specified otherwise)

On 12 August 2013 ENEA Wytwarzanie S.A. received the decision of the President of Energy Regulatory Office determining the stranded costs compensation for 2012 to be PLN (17 687) thousand.
The Group is awaiting a justification of the judgment of the Court of Appeal of 10 July 2013. After analyzing the justification the Group intends to reanalyze the previously applicable revenue recognition policy for compensation for stranded costs.

22. Commitments under contract binding as at the reporting date

Contractual obligations assumed as at the end of the reporting period, not yet recognized in the statement of financial position:

	30.06.2013	31.12.2012
Acquisition of property, plant and equipment	5 586 277	5 516 356
Acquisition of intangible assets	72 562	62 473
	5 658 839	**5 578 829**

23. Explanations of the seasonal and the cyclical nature of the Group's business

The seasonality of electricity consumption by the recipients depends on low temperature and shorter days in winter. These factors are becoming less of an impact on sales volumes of energy by ENEA S.A. due to the very high dynamics of the seller, especially among customers in tariff groups A and B, and also in the segment of customers connected to the low voltage (tariff groups C and G). The process of switching will have in the near future more and more influence on the share of sales of the various periods of the year, and increasingly irrelevant will be seasonal consumption by customers.

24. Contingent liabilities and proceedings before courts, arbitration or public administration bodies

24.1. Pending proceedings before courts of general jurisdiction

Actions brought by the Group
Actions which ENEA S.A. and ENEA Operator Sp. z o.o. brought to courts of general jurisdiction refer to claims for receivables due to provision of electricity (the so–called electricity cases) and claims for other receivables – illegal consumption of electricity, connections to the grid and other specialized services (the so-called non-electricity cases).

Actions brought to courts of general jurisdiction by ENEA Wytwarzanie S.A. are connected mainly with claims for receivables due to breaches of forwarding agreements and penalties from biomass suppliers.
As at 30 June 2013, the total of 10,409 cases brought by the Group were pending before common courts for the total amount of PLN 70,992 thousand (13,384 cases for the total amount of PLN 70,979 thousand as at 31 December 2012).

None of the cases can significantly affect the Group's net profit.

Actions brought against the Group

Actions against the Group are brought both by natural and legal persons. They mainly refer to such issues as compensation for interrupted delivery of electricity, identification of illegal electricity consumption and compensation for the Group's use of real property where electrical devices are located. The Group considers actions concerning non-contractual use of real property not owned by the Group as particularly important.

As at 30 June 2013 there were 1,388 cases pending before common courts which have been brought against the Group for the total amount of PLN 219,287 thousand (1,102 cases for the total amount of PLN 176,262 thousand as at 31 December 2012). Provisions related to the court cases have been presented in note 19.

24.2. Proceedings before public administration bodies

As described more in detail to the financial statement for the year ended 31 December 2012 the President of the Energy Regulatory Office issued in 2009 a decision on ENEA's failure to comply with the obligation to purchased electricity produced in the energy cogenerated with heat system in the first half of 2007, imposing a fine of PLN 2,150 thousand on the Company. On 20 February 2013 the Court of Appeal dismissed the appeal of the President of the Energy Regulatory Office and upheld the sentence of the Regional Court in Warsaw – the Court of Competition and Consumer Protection from 6 March 2012, which repealed the decision of the President of the Energy Regulatory Office about imposing a fine of PLN 2,150 thousand on the Company. Furthermore, the Court ordered the reimbursement of the costs of the appeal in the amount of PLN 270 from the President of the Energy Regulatory Office to ENEA S.A. The verdict is valid. On 18 June 2013 the President of the Energy Regulatory Office filed cassation appeals against the sentence.

On 22 January 2013 the Supreme Administrative Court in Warsaw dismissed 6 appeals by ENEA Wytwarzanie against the decision of the Local Government Board of Appeals in Warsaw concerning refusal to confirm and return overpaid excise tax for the months: July 2006, August 2006, March 2006, May 2006, September 2006, June 2006 and as a result of the withdrawal of complaints discontinued 6 complaints of the Director of the Customs Chamber in Warsaw on the amount of excise duties for the months: January 2006, February 2006, March 2006, May 2006, June 2006, July 2006.

On 23 January 2013 the Supreme Administrative Court in Warsaw dismissed 6 appeals by ENEA Wytwarzanie against the decision of the Local Government Board of Appeals in Warsaw concerning refusal to confirm and return overpaid excise tax for the months: January 2006, February 2006, April 2006, October 2006, October 2008, February 2009 and as a result of the withdrawal of complaints discontinued 6 complaints of the Director of the Customs Chamber in Warsaw on the amount of excise duties for the months: September 2007, October 2007, November 2007, January 2007, February 2007, March 2007.

On 24 January 2013 the Supreme Administrative Court in Warsaw dismissed 6 appeals by ENEA Wytwarzanie against the decision of the Local Government Board of Appeals in Warsaw concerning refusal to confirm and return overpaid excise tax for the months: November 2006, July 2007, August 2007, February 2008, March 2008, May 2008 and as a result of the withdrawal of complaints discontinued 6 complaints of the Director of the

Customs Chamber in Warsaw on the amount of excise duties for the months: July 2007, August 2007, September 2007, November 2007, December 2007, January 2008.

On 29 January 2013 the Supreme Administrative Court in Warsaw dismissed 10 appeals by ENEA Wytwarzanie against the decision of the Local Government Board of Appeals in Warsaw concerning refusal to confirm and return overpaid excise tax for the months: December 2006, January 2007, February 2007, April 2007, January 2008, April 2008, August 2008, September 2008, November 2008, January 2009 and as a result of the withdrawal of complaints discontinued 2 complaints of the Director of the Customs Chamber in Warsaw on the amount of excise duties for the months: February 2008, April 2008.

On 12 February 2013 the Supreme Administrative Court in Warsaw dismissed 10 appeals by ENEA Wytwarzanie against the decision of the Local Government Board of Appeals in Warsaw concerning refusal to confirm and return overpaid excise tax for the months: March 2007, May 2007, June 2007, September 2007, October 2007, November 2007, December 2007, June 2008, July 2008, December 2008 and as a result of the withdrawal of complaints discontinued 2 complaints of the Director of the Customs Chamber in Warsaw on the amount of excise duties for the months: April 2006, December 2006.

On 20 January 2011 ENEA Wytwarzanie S.A. (then Elektrownia „Kozienice" S.A.) applied for reinstatement the deadline to declare the amount of electricity consumed in the production of electricity process in December 2010, which is exempted from excise duty. On 3 February 2011 The Head of the Radom Custom Office refused the reinstatement the deadline to forward the abovementioned declaration. As a result of a complaint filed the Director of the Customs Chamber in Warsaw with a decision of 31 July 2013 reversed the aforementioned decision of 3 February 2011 and remanded the case for reconsideration to the Head of the Radom Custom Office. With a decision of 20 February 2013 the Head of the Radom Custom Office discontinued the proceeding on reinstatement the deadline to declare the amount and use of electricity consumed in the production of electricity process in December 2010, which is exempted from excise duty. On 20 March 2013 a law firm acting on behalf of ENEA Wytwarzanie S.A. filed an appeal against the aforementioned decision. With a decision of 10 June 2013 the Director of the Customs Chamber in Warsaw informed that the appeal would not be considered within the period specified in Art. 139 of Tax Ordinance Act and set a new date for the completion of the proceeding on 11 October 2013.

25. Changes in the composition of the Parent's Management Board

On 11 March 2013 the Supervisory Board dismissed all members of the Management Board of ENEA S.A., effective from 11 March 2013 and at the same time appointed:

- Mr. Krzysztof Zamasz to the position of the President of the Company's Management Board;
- Mr. Grzegorz Kinelski to the position of the Member of the Company's Management Board responsible for Commercial Matters;
- Mr. Paweł Orlof to the position of the Member of the Company's Management Board responsible for Corporate Matters.

On 9 April 2013 the Supervisory Board appointed Mrs. Dalida Gepfert to the position of the Member of the Company's Management Board responsible for Financial Matters, effective from 10 May 2013.

On 15 April 2013 the Supervisory Board adopted a resolution amending the resolution dated 9 April 2013, in such a way that the appointment of Mrs. Dalida Gepfert was effective from 23 April 2013 and not from the date of 10 May 2013 as indicated previously.

26. Changes in the composition of the Parent's Supervisory Board

On 27 March 2013 Mr. Graham Wood resigned from the position of the Member of Supervisory Board, effective from 24 April 2013. On 24 April 2013 the General Shareholders' Meeting appointed:

- Mrs. Małgorzata Niezgoda;
- Mr. Torbjörn Wahlborg

to the Supervisory Board for the 8th term.

On 25 June 2013 Mr. Michał Jarczyński resigned from the position of the Member of Supervisory Board of ENEA S.A., effective from 24 June 2013.

27. Dividend

On 24 April 2013 the General Shareholders' Meeting of ENEA S.A. adopted Resolution no. 7 concerning net profit distribution for the financial period from 1 January 2012 to 31 December 2012 under which the dividend for shareholders amounts to PLN 158,919 thousand, PLN 0.36 per share (the dividend paid in 2012 for the financial period from 1 January 2011 to 31 December 2011 amounted to PLN 211,892 thousand, PLN 0.48 per share). The dividend had not been paid to the shareholders by 30 June 2013.

28. Framework agreement on the exploration for and extraction of shale gas

On 4 July 2012 the Company signed a framework agreement on the exploration for and extraction of shale gas (the "Agreement"). The parties to the Agreement are ENEA S.A., Polskie Górnictwo Naftowe i Gazownictwo S.A. ("PGNiG"), KGHM Polska Miedź S.A., PGE Polska Grupa Energetyczna S.A. and TAURON Polska Energia S.A. (hereafter jointly referred to as the "Parties").

The subject of possible cooperation of the Parties will be the exploration, evaluation and extraction of shale gas in geological formations for which concessions have been granted for the exploration and evaluation of deposits of crude oil and natural gas in relation to the Wejherowo concession.

The Parties are working to determine the detailed terms of cooperation.

29. The participation in the construction of the atomic power plant programme

On 5 September 2012 PGE Polska Grupa Energetyczna S.A., KGHM Polska Miedź S.A., Tauron Polska Energia S.A. and ENEA S.A. have signed a letter of intent concerning the purchase of shares in the first special purpose vehicle, established for the construction and operation of the first atomic power plant in Poland.

In accordance with the letter the companies will undertake the development of a draft agreement for the purchase of shares of PGE EJ 1 Sp. z o.o., a special purpose vehicle, which is responsible for the direct preparation of the investment process of the construction and operation of the first atomic power plant in Poland.

The agreement is to regulate the rights and obligations of each party by the realization of the project, assuming that PGE Polska Grupa Energetyczna S.A. will act, directly or through a subsidiary, as a leader in the process of the project preparation and realization.

On 28 December 2012 the Parties to the letter of intent agreed to extend its validity period till 31 March 2013.

On 25 June 2013 ENEA S.A., KGHM Polska Miedź S.A., PGE Polska Grupa Energetyczna S.A. oraz TAURON Polska Energia S.A. concluded an Agreement on continuation of development of a draft agreement for the purchase of PGE EJ 1 Sp. z o.o. (Agreement).

The Agreement is valid till 30 September 2013 with the possibility to extend the deadline by one quarter, provided all Parties agree.

30. Signing of the Loan Agreement with European Investment Bank

On 19 June 2013 ENEA S.A. (Debtor) executed a Financial Agreement B (Agreement) with European Investment Bank (Bank) for the value of PLN 475 million or its equivalent in Euro currency. Therefor the total amount of financing granted by the Bank over the last twelve months amounted to PLN 1.425 billion.

The funds from the issue will be designated for financing of long-term investment plan (Programme) for the modernization and extension of power grids of ENEA Operator Sp. z o.o located in north - western Poland.

The total value of the Programme is estimated at approximately PLN 3,275.87 million.

The loan should be repaid after maximum of 15 year from the scheduled date of the loan payday. The loan availability period expires on 18 October 2014. The interest rate of the loan can be fixed or floating.

Additionally, on 19 June 2013 ENEA S.A. and ENEA Operator Sp. z o.o. signed an annex to the Agreement on the Programme realization dated 18 October 2012, which settled issues relating the rules of the Programme realization in part based on funds granted by the Bank. The annex updates the rules of the Programme realization due to the increase of the total level of funds granted by the Bank.

As at 30 June 2013 and till the date of these interim condensed separate financial statements, ENEA S.A. has not utilize any funds within the Agreement and had no liability due to the loan.

31. Arrangement entered into with employees of ENEA S.A.

As a result of collective arrangements entered into by ENEA S.A. and the labor unions in February 2005 and July 2007 the parties undertook to apply measures aimed at payment of compensations to the employees of ENEA S.A. who are not entitled to receive shares in ENEA S.A. from the 15% block of shares to be granted to Eligible Employees. The parties agreed to enter into a separate arrangement regarding the potential compensations.

Considering the aforementioned arrangements, on 28 May 2008 the Management Board of ENEA S.A. entered into an arrangement with labor union organizations providing for a payment of cash compensation of PLN 14.5 million on a one-off basis. The compensation was to become payable after 24 months from the date of disposal of at least 1 share in ENEA S.A. by the State Treasury in line with the provisions of the Act on Commercialization and Privatization. The above arrangement superseded the earlier arrangements regarding employee shares and payment of compensation under the aforementioned arrangements of 2005 and 2007.

On 16 July 2013 the Management Board of ENEA S.A. adopted a resolution finding the aforementioned agreement dated 28 May 2008 in Zdroisko as invalid and decided to reverse the provision for the benefits set out in the agreement.

ENEA S.A. will reverse the provision in July i.e. the month in which the resolution has been adopted.