Extended consolidated quarterly report of the ENEA Group for the third quarter of 2012

Poznań, 14 November 2012

Contents of the extended consolidated quaterly report

Selected consolidated financial data of ENEA Group

	in PLN '000		in EUR '000	
	9 months ended 30.09.2012	**9 months ended 30.09.2011**	**9 months ended 30.09.2012**	**9 months ended 30.09.2011**
Net sales revenue	7 429 317	7 167 950	1 771 078	1 773 674
Operating profit	752 681	774 923	179 432	191 751
Profit before tax	818 084	893 943	195 023	221 202
Net profit for the reporting period	645 221	720 755	153 814	178 347
Net cash flows from operating activities	971 434	1 048 318	231 581	259 401
Net cash flows from investing activities	(382 964)	(767 406)	(91 295)	(189 891)
Net cash flows from financing activities	(197 257)	(217 102)	(47 024)	(53 721)
Total net cash flows	391 213	63 810	93 261	15 789
Weighted average number of shares	441 442 578	441 442 578	441 442 578	441 442 578
Net earnings per share (in PLN)	1.46	1.63	0.35	0.40
Diluted earnings per share (in PLN / EUR)	1.46	1.63	0.35	0.40

	Balance as at 30.09.2012	**Balance as at 31.12.2011**	**Balance as at 30.09.2012**	**Balance as at 31.12.2011**
Total assets	13 831 750	13 699 894	3 362 281	3 101 769
Total liabilities	2 913 118	3 220 132	708 133	729 064
Non-current liabilities	1 472 842	1 447 783	358 025	327 790
Current liabilities	1 440 276	1 772 349	350 108	401 274
Equity	10 918 632	10 479 762	2 654 148	2 372 705
Share capital	588 018	588 018	142 938	133 132
Book value per share (in PLN / EUR)	24.73	23.74	6.01	5.37
Diluted book value per share (in PLN/EUR)	24.73	23.74	6.01	5.37

The above financial data for Q3 2012 and 2011 were translated into EUR in line with the following principles:

- individual assets and liabilities – at the average exchange rate as of 30 September 2012 – PLN/EUR. – 4.1138 PLN/EUR (as at 31 December 2011 – PLN/EUR 4.4168),
- individual items from the statement of comprehensive income and the statement of cash flows – as per the arithmetic mean of the average exchange rates determined by the National Bank of Poland as at the last day of each month of the financial period from 1 January to 30 September 2012 – PLN/EUR – 4.1948 PLN/EUR (for the period from 1 January to 30 September 2011 – 4.0413 PLN/EUR).

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

INDEPENDENT AUDITORS' REPORT ON REVIEW OF THE CONDENSED INTERIM FINANCIAL INFORMATION OF ENEA GROUP FOR THE PERIOD FROM 1 JANUARY 2012 TO 30 SEPTEMBER 2012

To the Shareholders of ENEA S.A.

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of ENEA Group, with its parent company's registered office in Poznań, ul. Górecka 1, as at 30 September 2012, the condensed consolidated statements of comprehensive income, for the three and nine month periods then ended, the condensed consolidated statements of changes in equity and cash flows for nine month period then ended, and notes to the condensed consolidated interim financial information ("the condensed consolidated interim financial information"). Management of the Parent Entity is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with the International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information, based on our review.

Scope of Review

We conducted our review in accordance with the national standard on auditing no. 3 *General principles of review of the financial statements/condensed financial statements and conducting of other assurance services* and the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 September 2012 is not prepared, in all material respects, in accordance with IAS 34.

On behalf of KPMG Audyt Sp. z o.o.
registration number 458
ul. Chłodna 51, 00-867 Warsaw

Signed on the Polish original	*Signed on the Polish original*
....	....
Certified Auditor No. 10176	Certified Auditor No. 90061
Michał Karwatka	Partner with power of attorney
	Marek Gajdziński

14 November 2012
Poznań

Condensed interim consolidated financial statements of the ENEA Group for the period from 1 January to 30 September 2012

Poznań, 14 November 2012

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

Acting Chairman of the Management Board	**Janusz Bil**	**………………………………….**
Member of the Management Board	**Hubert Rozpędek**	**………………………………….**
Member of the Management Board	**Krzysztof Zborowski**	**………………………………….**

Poznań, 14 November 2012

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

Consolidated Statement of Financial Position

		As at	
	Note	**30.09.2012**	**31.12.2011**
ASSETS			
Non-current assets			
Property, plant and equipment	7	9 633 641	9 076 871
Perpetual usufruct of land		69 738	69 496
Intangible assets	8	287 337	267 176
Investment property		30 004	32 219
Investments in subsidiaries, associates and joint ventures	9	5 841	278 854
Financial assets available for sale		78 547	70 490
Financial assets measured at fair value through profit or loss		1 588	1 557
Trade and other receivables		4 118	237
		10 110 814	**9 796 900**
Current assets			
Trade and other receivables	11	321 700	340 685
Current income tax receivables		1 237 107	1 052 119
Financial assets held to maturity		4 022	15 004
Financial assets measured at fair value through profit or loss		5 062	531 883
Cash and cash equivalents	13	521 962	723 439
Non-current assets classified as held for sale	12	1 609 574	1 218 361
Current assets		21 509	21 503
		3 720 936	**3 902 994**
TOTAL ASSETS		**13 831 750**	**13 699 894**

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

		As at	
EQUITY AND LIABILITIES	**Note**	**30.09.2012**	**31.12.2011**
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)		55 431	49 565
Reserve capital		(21 710)	(21 710)
Retained earnings	19	5 493 544	5 058 001
		10 892 083	**10 450 674**
Non-controlling interest		26 549	29 088
Total equity		**10 918 632**	**10 479 762**
LIABILITIES			
Non-current liabilities			
Credit facilities and loans	14	60 478	73 379
Trade and other liabilities		2	-
Finance lease liabilities		2 837	2 274
Deferred income from subsidies and connection fees	15	661 306	671 814
Provision for deferred tax	16	122 816	105 266
Liabilities due to employee benefits		474 840	454 363
Financial liabilities measured at fair value through profit or loss		-	1 451
Provisions for other liabilities and charges	18	150 563	139 236
		1 472 842	**1 447 783**
Current liabilities			
Credit facilities and loans	14	62 677	45 516
Trade and other liabilities		960 900	1 199 077
Financial lease liabilities		2 663	2 424
Deferred income from subsidies and connection fees	15	98 437	113 207
Current income tax liabilities		44 026	52 301
Liabilities due to employee benefits		170 211	182 246
Liabilities due to an equivalent of the right to acquire shares free of charge		320	508
Financial liabilities measured at fair value through profit or loss		926	1 723
Provision for certificates of origin	17	34 904	104 810
Provisions for other liabilities and charges	18	58 461	69 742
Liabilities related to non-current assets available for sale		6 751	795
		1 440 276	**1 772 349**
Total liabilities		**2 913 118**	**3 220 132**
Total equity and liabilities		**13 831 750**	**13 699 894**

The consolidated statement of financial position should be analyzed together with the notes, which constitute an integral part of the condensed interim consolidated financial statements.

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

Consolidated Statement of Comprehensive Income

	Note	9 months ended 30.09.2012	3 months ended 30.09.2012	9 months ended 30.09.2011	3 months ended 30.09.2011
Sales revenue		7 584 839	2 457 009	7 337 310	2 475 645
Excise tax		(155 522)	(49 490)	(169 360)	(53 371)
Net sales revenue		**7 429 317**	**2 407 519**	**7 167 950**	**2 422 274**
Other operating revenue		72 960	16 654	191 124	134 766
Depreciation/amortization		(597 018)	(196 424)	(519 582)	(192 716)
Costs of employee benefits		(728 727)	(222 790)	(700 978)	(237 086)
Consumption of materials and supplies and costs of goods sold		(1 315 761)	(501 377)	(1 216 384)	(467 884)
Energy purchase for sale		(3 012 464)	(914 034)	(3 076 239)	(952 133)
Transmission and distribution services		(533 971)	(177 286)	(534 693)	(179 342)
Other external services		(313 433)	(118 362)	(287 923)	(106 335)
Taxes and charges	9	(166 161)	(52 563)	(153 745)	(48 517)
Profit/(loss) on sale and liquidation of property, plant and equipment		(1 852)	(2 474)	47	(2 998)
Impairment loss on property, plant and equipment		(106)	-	(5 634)	(5 634)
Other operating expenses		(80 103)	(16 383)	(89 020)	(27 701)
Operating profit		**752 681**	**222 480**	**774 923**	**336 694**
Financial expenses		(48 722)	(10 600)	(29 713)	(21 676)
Financial revenue		111 206	38 273	143 914	60 972
Dividend income		2 724	-	1 438	697
Share in profit/(losses) of associates measured using the equity method		195	456	3 381	(5 078)
Profit before tax		**818 084**	**250 609**	**893 943**	**371 609**
Income tax	16	(172 863)	(61 756)	(173 188)	(64 967)
Net profit for the reporting period		**645 221**	**188 853**	**720 755**	**306 642**
Other items of comprehensive income					
Change in net fair value of financial assets available for sale reclassified to net profit		(838)	-	-	-
Change in net fair value of financial assets available for sale		8 080	(731)	(3 407)	(5 793)
Income tax related to other items of comprehensive income	16	(1 376)	139	647	1 101
Other items of net comprehensive income		**5 866**	**(592)**	**(2 760)**	**(4 692)**
Comprehensive income for the period		**651 087**	**188 261**	**717 995**	**301 950**
Including net profit:					
attributable to shareholders of the Parent		647 008	189 818	721 341	307 392
attributable to minority interest		(1 787)	(965)	(586)	(750)
Including comprehensive income:					
attributable to shareholders of the Parent		652 874	189 226	718 581	302 700
attributable to minority interest		(1 787)	(965)	(586)	(750)
Net profit attributable to shareholders of the Parent		647 008	189 818	721 341	307 392
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)		**1.46**	**0.43**	**1.63**	**0.69**
Diluted earnings per share (in PLN per share)		**1.46**	**0.43**	**1.63**	**0.69**

(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	Treasury shares	Share-based capital	Share premium	Revaluation reserve (financial instruments)	Other capitals	Retained earnings	Capital attributable to minority interests	Total equity
Balance as at		**01.01.2012**	**441 443**	**146 575**	**588 018**	**-**	**1 144 336**	**3 632 464**	**49 565**	**(21 710)**	**5 058 001**	**29 088**	**10 479 762**
Net profit											647 008	(1 787)	645 221
Other items of comprehensive income									5 866				5 866
Dividends	19										(211 892)		(211 892)
Valuation of option to purchase on non-controlling interest in subsidiaries											427	(752)	(325)
Balance as at		**30.09.2012**	**441 443**	**146 575**	**588 018**	**-**	**1 144 336**	**3 632 464**	**55 431**	**(21 710)**	**5 493 544**	**26 549**	**10 918 632**

	Note		Share capital (face value)	Revaluation of share capital	Total share capital	Treasury shares	Share-based capital	Share premium	Revaluation reserve (financial instruments)	Other capitals	Retained earnings	Capital attributable to minority interests	Total equity
Balance as at		**01.01.2011**	**441 443**	**146 575**	**588 018**	**-**	**1 144 336**	**3 632 464**	**50 922**	**(22 110)**	**4 458 944**	**23 897**	**9 876 471**
Net profit											721 341	(586)	720 755
Other items of comprehensive income									(2 760)				(2 760)
Dividends	19										(194 235)		(194 235)
Valuation of option to purchase on non-controlling interest in subsidiaries										388			388
Settlement of acquisition of shares in subsidiaries												4 642	4 642
Balance as at		**30.09.2011**	**441 443**	**146 575**	**588 018**	**-**	**1 144 336**	**3 632 464**	**48 162**	**(21 722)**	**4 986 050**	**27 953**	**10 405 261**

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

Consolidated Statement of Cash Flows

	Note	9 months ended 30 September 2012	9 months ended 30 September 2011
Cash flows from operating activities			
Net profit for the reporting period		645 221	720 755
Adjustments:			
Income tax disclosed in the income statement		172 863	173 188
Depreciation/amortization		597 018	519 582
Profit on sale and liquidation of property, plant and equipment		1 852	(1 519)
Impairment loss on property, plant and the equipment		106	6 901
Profit on bargain purchase		-	(81 988)
Profit on sale of financial assets		(4 005)	(10 461)
Interest income		(110 033)	(124 122)
Dividend revenue		(2 724)	(1 438)
Interest expense		10 106	6 352
Share in the profit/loss of associates		(195)	(3 381)
Exchange (profit)/losses on credit facilities and loans		(10 439)	5 823
Other financial costs		5 756	-
Loss on valuation of financial instruments		23 077	-
Redemption of CO_2 emission allowances		51 311	102 238
Other adjustments		(1 430)	814
		733 263	**591 989**
Income tax paid		(156 542)	(195 920)
Interest received		87 686	53 811
Interest paid		(33 429)	(5 861)
Changes in working capital			
Inventory		25 959	(60 916)
Trade and other receivables		(147 330)	(33 960)
Trade and other liabilities		(83 189)	58 183
Liabilities due to employee benefits		8 803	6 236
Deferred income from subsidies and connection fees		(41 095)	(83 657)
Provisions for certificates of origin		(70 466)	12 346
Liabilities due to an equivalent of the right to acquire shares free of charge		(188)	(48)
Provisions for other liabilities and charges		2 741	(14 640)
		(304 765)	**(116 456)**
Net cash flows from operating activities		**971 434**	**1 048 318**
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets		(941 999)	(870 042)
Proceeds from disposal of property, plant and equipment		7 068	7 121
Acquisition of financial assets		(774 279)	(1 012 513)
Receipts from disposal of financial assets		1 378 335	1 422 721
Acquisition of subsidiaries, associates and a jointly-controlled entities, net of subsidiaries' cash acquired	9	(52 559)	(316 171)
Dividends received		2 724	1 282
Other outflows		(2 254)	196
Net cash flows from investing activities		**(382 964)**	**(767 406)**
Cash flows from financing activities			
Credit facilities and loans received		36 163	6 630
Credit facilities and loans repaired		(26 626)	(22 418)
Dividend paid to shareholders of the Parent		(204 690)	(187 265)
Payments of finance lease liabilities		(3 519)	(3 482)
Other inflows/(outflows) from financing activities		1 415	(10 567)
Net cash flows from financing activities		**(197 257)**	**(217 102)**
Net increase in cash		**391 213**	**63 810**
Opening balance of cash		1 218 361	899 627
Closing balance of cash		**1 609 574**	**963 437**

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

Notes to the condensed interim consolidated financial statements

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

ENEA S.A. changed its registered address from ul. Nowowiejskiego 11 to ul. Górecka 1. The change was registered in the National Court Register on 2 January 2012.

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 September 2012 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 September 2012 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 September 2012 the Group comprised the parent ENEA S.A. (the "Company", the "Parent"), 22 subsidiaries, 1 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 2011.

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 (IFRS EU), 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 September 2012. 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 2011, except for changes in standards and interpretations endorsed by the European Union which apply to the reporting periods beginning on 1 January 2012. The changes have not had any material 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. Material estimates and assumptions

The preparation of these condensed interim consolidated financial statements in conformity with IFRS-EU 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 interim period.

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

5. 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 30.09.2012	Share of ENEA S.A. in the total number of votes 31.12.2011
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*	93.99	91.02
13.	„ITSERWIS" Sp. z o.o. *Zielona Góra, Zacisze 28*	100	100
14.	„Auto – Styl" Sp. z o.o. *Zielona Góra, Zacisze 15*	100	100
15.	ENEA Operator Sp. z o.o. *Poznań, Strzeszyńska 58*	100	100
16.	ENEA Wytwarzanie S.A. *Świerże Górne, gmina Kozienice, Kozienice 1*	100	100
17.	Miejska Energetyka Cieplna Piła Sp. z o.o. *64-920 Piła, Kaczorska 20*	65.03	65.03
18.	Elektrociepłownia Białystok S.A. *Białystok, Gen. Andersa 3*	99.996	99.94
19.	DOBITT Energia Sp. z o.o. *Gorzesław 8, 56-420 Bierutów*	100	100
20.	Annacond Enterprises Sp. z o.o. *Warszawa, Jana III Sobieskiego 1/4*	61	61
21.	Windfarm Polska Sp z o.o. *Koszalin, Wojska Polskiego 24-26*	100	-
22.	Przedsiębiorstwo Produkcji Strunobetonowych Żerdzi Wirowanych WIRBET S.A. *Ostrów Wlkp., Chłapowskiego 51*	-	49
23.	ENEA Trading Sp. z o.o. *Świerże Górne, gmina Kozienice, Kozienice 1*	100	100*
24.	„Ecebe" Sp. z o.o. *Augustów, Wojciech 8*	99.996**	99.94**
25.	Energo-Invest-Broker S.A. *Toruń, Jęczmienna 21*	***	***

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

26.	Elektrownie Wiatrowe – ENEA Centrum Spółka Akcyjna Sp.k. *Samociążek 92, 86-010 Koronowo*	*****	100%****

* 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.
**** indirect subsidiary by shares in Elektrownie Wodne Sp. z o.o. and ENEA Centrum S.A.
*****on 2 January 2012 the business combination with Elektrownie Wodne Sp. z o.o. took place.

Changes in the structure of the ENEA Group in the period covered by these interim financial statements

On 2 January 2012 the business combination of Elektrownie Wiatrowe – ENEA Centrum Spółka Akcyjna Sp. k. and Elektrownie Wodne Sp. z o.o. took place.

On 16 February 2012 ENEA S.A. concluded a sales contract of 269,000 shares of Przedsiębiorstwo Produkcji Strunobetonowych Żerdzi Wirowanych WIRBET S.A. (WIRBET), which is 49% of share capital of WIRBET. On 22 March 2012 ownership of shares was transferred.

On 13 March 2012 the Extraordinary Shareholders' Meeting of Elektrownie Wodne Sp. z o.o. decided to increase the share capital by PLN 49 thousand, up to PLN 239,898.5 thousand, by way of issuing 98 new shares. The new shares in the Company's share capital were acquired by ENEA S.A. for contribution in kind as right of perpetual usufruct of land. On 13 March 2012 the contract transferring the right of perpetual usufruct was signed. The increased share capital of Elektrownie Wodne Sp. z o.o. was registered in the National Court Register on 5 April 2012.

On 8, 9 and 15 March 2012 ENEA S.A. purchase agreement of 984 shares in Elektrociepłownia Białystok S.A. (0.05% shares in the share capital and in the total number of votes at the General Meeting of Shareholders), with the register office in Białystok was signed, with the value of PLN 10 per share for the total amount of PLN 325 thousand. The acquisition was realized in April 2012 with due date of 30 days from signing the contract.

On 16 April 2012 ENEA S.A. acquired all 50 shares of Windfarm Polska Sp. z o.o., with the nominal value of PLN 1,000 per share.

On 25 May 2012 Elektrownia "Kozienice" S.A. changed its name in the National Court Register to ENEA Wytwarzanie S.A.

On 6 June 2012 ENEA S.A. acquired 308 employee shares in Przedsiębiorstwo Energetyki Cieplnej Sp. z o.o. with the registered office in Oborniki for the total amount of PLN 393 thousand, representing the second tranche (out of total four tranches) of repurchase of employee shares.

On 21 August 2012 the Extraordinary Shareholders' Meeting of Energetyka Poznańska Przedsiębiorstwo Usług

Energetycznych ENERGOBUD Leszno Sp. z o.o. adopted the Resolution to increase the share capital by PLN 2,265 thousand, up to PLN 11,050 thousand, by way of issuing 4,530 new shares of PLN 500 each. The new shares in the company's share capital were acquired by ENEA S.A. for a contribution in kind. The increased share capital of Energetyka Poznańska Przedsiębiorstwo Usług Energetycznych ENERGOBUD Leszno Sp. z o.o. was registered in the National Court Register on 20 September 2012.

On 22 August 2012 the Extraordinary Shareholders' Meeting of Elektrownie Wodne Sp. z o.o. adopted the Resolution for redemption of 17 company's shares, acquired from ENEA Centrum S.A on the basis of a sales agreement dated 3 July 2012.

On 17 September 2012 the agreement between ENEA S.A. and ENEA Wytwarzanie S.A. concerning transfer of shares of ELKO Trading Sp. z o.o. was signed. As the effect ENEA S.A. became a direct owner of 100% of shares of ELKO Trading Sp. z o.o. amounting to PLN 129,623 thousand, previously held indirectly though interests in ENEA Wytwarzanie S.A.

On 27 September 2012 the Extraordinary Shareholders' Meeting of ELKO Trading Sp. z o.o. decided to change the name of company to ENEA Trading Sp. z o.o. The change of the name was registered in the National Court Register on 18 October 2012.

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

6. Segment reporting

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

	Trade	Distribution	Production	All other segments	Eliminations	Total
Net sales revenue	3 024 989	2 095 282	2 143 124	165 922	-	7 429 317
Inter-segment sales	214 846	-	211 161	382 834	(808 841)	-
Total net sales revenue	**3 239 835**	**2 095 282**	**2 354 285**	**548 756**	**(808 841)**	**7 429 317**
Total expenses	(3 061 440)	(1 672 303)	(2 116 010)	(510 955)	781 594	(6 579 114)
Segment profit/(loss)	**178 395**	**422 979**	**238 275**	**37 801**	**(27 247)**	**850 203**
Unassigned general and administrative expenses						(97 522)
Operating profit						**752 681**
Financial expenses						(48 722)
Financial revenue						111 206
Revenue from dividends						2 724
Net profit sharing/(loss) coverage in associates						195
Income tax						(172 863)
Net profit						**645 221**
Non-controlling interests in net loss						(1 787)

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

Segment reporting for the period from 1 July to 30 September 2012:

	Trade	Distribution	Production	All other segments	Eliminations	Total
Net sales revenue	943 396	688 110	717 664	58 349	-	2 407 519
Inter-segment sales	61 384	-	56 190	146 079	(263 653)	-
Total net sales revenue	**1 004 780**	**688 110**	**773 854**	**204 428**	**(263 653)**	**2 407 519**
Total expenses	(940 872)	(519 347)	(751 607)	(189 285)	247 773	(2 153 338)
Segment profit/(loss)	**63 908**	**168 763**	**22 247**	**15 143**	**(15 880)**	**254 181**
Unassigned general and administrative expenses						(31 701)
Operating profit						**222 480**
Financial expenses						(10 600)
Financial revenue						38 273
Revenue from dividends						-
Net profit sharing/(loss) coverage in associates						456
Income tax						(61 756)
Net profit						**188 853**
Non-controlling interests in net loss						(965)

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

Segment reporting for the period from 1 January to 30 September 2011:

	Trade	**Distribution**	**Production**	**All other segments**	**Eliminations**	**Total**
Net sales revenue	2 873 337	1 950 506	2 167 125	176 982	-	7 167 950
Inter-segment sales	56 061	-	141 715	351 630	(549 406)	-
Total net sales revenue	**2 929 398**	**1 950 506**	**2 308 840**	**528 612**	**(549 406)**	**7 167 950**
Total expenses	(2 790 201)	(1 641 345)	(1 898 343)	(505 492)	528 824	(6 306 557)
Segment profit/(loss)	**139 197**	**309 161**	**410 497**	**23 120**	**(20 582)**	**861 393**
Unassigned general and administrative expenses						(86 470)
Operating profit						**774 923**
Financial expenses						(29 713)
Financial revenue						143 914
Revenue from dividends						1 438
Net profit sharing/(loss) coverage in associates						3 381
Income tax						(173 188)
Net profit						**720 755**
Non-controlling interests in net loss						(586)

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

Segment reporting for the period from 1 July to 30 September 2011:

	Trade	Distribution	Production	All other segments	Eliminations	Total
Net sales revenue	909 316	645 218	790 482	77 258	-	2 422 274
Inter-segment sales	53 707	-	64 016	132 461	(250 184)	-
Total net sales revenue	**963 023**	**645 218**	**854 498**	**209 719**	**(250 184)**	**2 422 274**
Total expenses	(926 685)	(525 542)	(655 202)	(193 218)	248 333	(2 052 314)
Segment profit/(loss)	**36 338**	**119 676**	**199 296**	**16 501**	**(1 851)**	**369 960**
Unassigned general and administrative expenses						(33 266)
Operating profit						**336 694**
Financial expenses						(21 676)
Financial revenue						60 972
Revenue from dividends						697
Net profit sharing/(loss) coverage in associates						(5 078)
Income tax						(64 967)
Net profit						**306 642**
Non-controlling interests in net loss						(750)

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

Segment reporting (cont'd)

Other segment reporting information as at 30 September 2012:

	Trade	Distribution	Production	All other segments	Eliminations	Total
Property, plant and equipment	16 099	5 824 993	3 623 158	311 165	(172 987)	9 602 428
Trade and other receivables	660 554	397 084	167 942	165 828	(185 752)	1 205 656
Total:	676 653	6 222 077	3 791 100	476 993	(358 739)	10 808 084
ASSETS excluded from segmentation						3 023 666
- including property, plant and equipment						31 213
- including trade and other receivables						35 569
TOTAL ASSETS						**13 831 750**
Trade and other liabilities	258 801	293 057	431 731	102 805	(178 011)	908 383
Equity and liabilities excluded from segmentation						12 923 367
- including trade and other liabilities						52 519
TOTAL EQUITY AND LIABILITIES						**13 831 750**
Capital expenditure for tangible assets and intangible assets*	319	495 882	287 181	25 901	(41 806)	767 477
Capital expenditure for tangible assets and intangible assets excluded from segmentation*						18 723
Depreciation/amortization of fixed assets and intangible assets*	762	269 112	294 371	21 559	(2 999)	582 805
Depreciation/amortization of fixed assets and intangible assets excluded from segmentation*						14 213
Impairment loss on receivables as at 30 September 2012	78 832	8 006	73 656	9 855	-	170 349

***** for 9-month period ended 30 September 2012

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

Other segment reporting information as at 30 December 2011:

	Trade	Distribution	Production	All other segments	Eliminations	Total
Property, plant and equipment	6 223	5 266 063	3 263 745	306 425	(137 710)	8 704 746
Trade and other receivables	514 223	374 233	109 740	219 529	(175 216)	1 042 509
Total:	520 446	5 640 296	3 373 485	525 954	(312 926)	9 747 255
ASSETS excluded from segmentation						3 952 639
- including property, plant and equipment						372 125
- including trade and other receivables						9 847
TOTAL ASSETS						**13 699 894**
Trade and other liabilities	234 241	504 552	368 627	177 148	(175 216)	1 109 352
Equity and liabilities excluded from segmentation						12 590 542
- including trade and other liabilities						92 899
TOTAL EQUITY AND LIABILITIES						**13 699 894**
Capital expenditure for tangible assets and intangible assets*	-	774 838	447 787	80 471	(39 721)	1 263 375
Capital expenditure for tangible assets and intangible assets excluded from segmentation*						32 196
Depreciation/amortization of fixed assets and intangible assets*	703	352 663	325 173	29 898	(3 186)	705 251
Depreciation/amortization of fixed assets and intangible assets excluded from segmentation*						6 340
Impairment loss on receivables as at 31 December 2011	81 193	6 275	74 561	6 202	-	168 231

***** for 12-month period ended 31 December 2012

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.

7. Property, plant and equipment

During the 9-month period ended 30 September 2012 the Group acquired property, plant and equipment for the total amount of PLN 760,457 thousand (during the period of 12 months ended 31 December 2011 it was PLN 1,078,067 thousand). The mentioned above amount consists mainly of two types of assets: tangible assets under construction (amounting to PLN 534,515 thousand, including distribution segment - PLN 255,947 thousand and production segment PLN 260,330 thousand) and buildings and constructions (amounting to PLN 135,675 thousand, mainly in distribution segment).

During the 9-month period ended 30 September 2012 the Group sold and liquidated property, plant and equipment for the total net carrying value of PLN 8,529 thousand (during the period of 12 months ended 31 December 2011 it was PLN 31,194 thousand).

During the 9-month period ended 30 September 2012, impairment loss on the carrying amount of property, plant and equipment decreased by net amount of PLN 247 thousand (during the 12 months ended 31 December 2011 impairment loss on the carrying amount of property, plant and equipment increased by net amount of PLN 5,654 thousand).

As at 30 September 2012 the total impairment loss of the carrying amount of property, plant and equipment amounted to PLN 12,180 thousand (as at 31 December 2011: PLN 12,427 thousand).

As at 30 September 2012 the Group transferred assets of a subsidiary Auto-Styl Sp. z o.o. to non-current assets held for sale and the liabilities of this subsidiary to liabilities related to non-current assets held for sale. As at 30 September 2012 the value of the assets amounted to PLN 8,457 thousand and the value of the liabilities amounted to PLN 6,244 thousand.

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

8. Intangible assets

During the 9-month period ended 30 September 2012 the Group acquired intangible assets for the total amount of PLN 25,743 thousand, including PLN 16,558 thousand related to CO_2 emission allowances (during the period of 12 months ended 31 December 2011 it was PLN 217,504 thousand, including PLN 198,094 thousand is related to CO_2 emission allowances).

During the 9-month period ended 30 September 2012 the Group did not sell or liquidate any considerable intangible assets, except for the redemption of CO_2 emission allowances for the amount of PLN 51,041 thousand (during the period of 12 months ended 31 December 2011 the Group did not sell or liquidate any considerable intangible assets, except for the redemption of CO_2 emission allowances for the amount of PLN 182,608 thousand).

9. Acquisition of a subsidiary

On 16 April 2012 ENEA S.A. concluded acquisition of 100% shares of Windfarm Polska Sp. z o.o. (the "Windfarm"), the owner of working wind farm Bardy 50 MW, consisting of 25 Vestas turbines with 2 MW power each and electricity network connection station. The wind farm is situated in the area with high level of wind, predicted annual production of "green" energy equals 150 000 MWh.
The transaction will enable a significant increase in production capacity from renewable sources in ENEA Group.
In the period from 16 April till 30 September 2012 Windfarm generated revenues of PLN 23,065 thousand and realized a net profit of PLN 13,429 thousand. The Management Board estimates that if the acquisition had occurred on 1 January 2012 the consolidated revenue for 9-month period ended 30 September 2012 would have been PLN 7,429,317 thousand and the consolidated net profit would have been PLN 638,103 thousand.

The following table summarizes fair values of identifiable net assets acquired determined on a provisional basis as at the acquisition date:

	16.04.2012
Purchase price	**470 394**
Property, plant and equipment	345 788
Inventory – certificates of origin	8 348
Trade and other receivables	46 567
Cash and cash equivalents	2 172
Deferred tax assets	23
Liabilities	(34 939)
Fair value of net assets at day of acquisition	**367 959**
Goodwill	**102 435**

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

The accounting for the acquisition has not been finalized as the value of tangible non-current assets acquired and liabilities assumed are still subject to verification. The Company assumes that the final accounting will be carried within the measurement period till the end of current financial year.

As part of the transaction the Company acquired a EUR denominated loan granted to Windfarm by its former shareholder and EUR denominated receivables due to delivery of turbines and wind farm construction for a total amount of PLN 369,137 thousand.

In connection with the transaction the Company incurred transaction costs including tax on civil law transactions amounting to PLN 987 thousand and advisory services amounting to PLN 154 thousand. In these condensed interim consolidated financial statements the transaction costs have been recognized directly in operating expenses in the statement of comprehensive income.

10. Impairment allowance on trade and other receivables

	30.09.2012	31.12.2011
Opening balance of impairment allowance on receivables	**168 231**	**155 597**
Acquisition of subsidiaries	-	4 664
Recognized	19 708	34 876
Reversed	(16 874)	(18 679)
Utilized	(716)	(8 227)
Closing balance of impairment allowance on receivables	**170 349**	**168 231**

During the 9-month period ended 30 September 2012 the impairment allowance on the carrying amount of trade and other receivables increased by PLN 2,118 thousand (during the period of 12 months ended 31 December 2011 the impairment allowance increased by PLN 12,634 thousand).

During the 3-month period ended 30 September 2012 the impairment allowance on the carrying amount of trade and other receivables increased by PLN 5,605 thousand (during the period of 3 months ended 30 September 2011 the impairment allowance increased by PLN 9,144 thousand).

11. Inventory

As at 30 September 2012 the inventory write-down allowance was PLN 9,427 thousand (PLN 9,879 thousand as at 31 December 2011).

During the 9-month period ended 30 September 2012 the inventory write-down allowance decreased by PLN 452 thousand (during the period of 12 months ended 31 December 2011 the inventory write-down allowance increased by PLN 3,131 thousand).

During the 3-month period ended 30 September 2012 the inventory write-down allowance has not changed (during the period of 3 months ended 30 September 2011 the inventory write-down allowance decreased by PLN 13 thousand).

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

12. Restricted cash

As at 30 September 2012 the restricted cash of ENEA S.A. amounted to PLN 7,946 thousand and comprised cash at bank (cash blocked due to a security deposit, a deposit for receivables and a transaction deposit). As at 31 December 2011 the restricted cash of ENEA S.A. amounted to PLN 9,262 thousand.

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

ENEA S.A. has an investment portfolio managed by a specialized financial institution dealing with professional management of cash. In accordance with an agreement with the portfolio manager, the funds are invested only in safe securities, in line with a structure presented below:

Type of assets	Minimum exposure	Maximum exposure
Debt instruments underwritten or guaranteed by the State Treasury and the National Bank of Poland	0%	100%
Bank deposits	0%	40%

As at 30 September 2012 the book value of investment portfolio amounted to PLN 700,687 thousand, including financial assets measured at fair value through profit or loss (treasury bills and bonds of PLN 423,126 thousand and bank deposits of PLN 92,627 thousand) and bank deposits for the period of up to 3 months of PLN 184,934 thousand presented as cash and cash equivalents. As at 30 September 2012 the financial assets measured at fair value through profit or loss held by other companies from Capital Group amounted to PLN 6,203 thousand.

The strategy is to maximize profit at a minimum risk.

14. Credit facilities and loans

	30.09.2012	31.12.2011
	Carrying amount	**Carrying amount**
Long-term		
Bank credit facilities	47 400	59 402
Loans	13 078	13 977
	60 478	**73 379**
Short-term		
Bank credit facilities	61 344	43 859
Loans	1 333	1 657
	62 677	**45 516**
Total	**123 155**	**118 895**

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

During the 9-month period ended 30 September 2012 the carrying amount of credit facilities and loans increased by net amount of PLN 4,260 thousand (during the period of 12 months ended 31 December 2011 the carrying amount of credit facilities and loans increased by PLN 4,135 thousand).

15. Deferred income from subsidies and connection fees

	30.09.2012	31.12.2011
	Carrying amount	**Carrying amount**
Long-term		
Deferred income due to subsidies	167 282	159 020
Deferred income due to connection fees	494 024	512 794
	661 306	**671 814**
Short-term		
Deferred income due to subsidies	18 268	15 139
Deferred income due to connection fees	80 169	98 068
	98 437	**113 207**

Amortisation schedule of deferred income

	30.09.2012	31.12.2011
Up to 1 year	98 437	113 207
1 to 5 years	135 190	125 380
Over 5 years	526 116	546 434
	759 743	**785 021**

During the 9-month period ended 30 September 2012 the carrying amount of deferred income from subsidies and connection fees decreased by net amount of PLN 25,278 thousand (during period of 12 months ended 31 December 2011 the carrying amount decreased by PLN 50,564 thousand).

16. Deferred income tax

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

	30.09.2012	31.12.2011
Opening balance	105 266	80 453
Acquisition of subsidiaries	-	16 056
Amount debited/(credited) to profit	16 153	9 075
Amount debited/(credited) to other comprehensive income	1 397	(318)
Closing balance	**122 816**	**105 266**

During the 9-month period ended 30 September 2012, the Company's profit before tax was debited with PLN 16,153 thousand as a result of an increase in the deferred tax liability (during the period of 12 months ended 31 December 2011 the Company's profit before tax was debited with PLN 9,075 thousand due to an increase in the deferred tax liability).

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

During the 3-month period ended 30 September 2012 the Company's profit before tax was debited with PLN 18,484 thousand as a result of an increase in the deferred tax liability (during the 3-month period ended 30 September 2011 the Company's profit before tax was debited with PLN 15,910 thousand due to an increase in the deferred tax liability).

17. Certificates of origin

	30.09.2012	31.12.2011
Certificates of origin	(170 243)	(141 692)
Advance payments for certificates of origin	(1 338)	(645)
Provision for the costs of redemption of certificates of origin	206 485	247 147
Provision for certificates of origin	**34 904**	**104 810**

18. Provisions for liabilities and other charges

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

	30.09.2012	31.12.2011
Long-term	150 563	139 236
Short-term	58 461	69 742
Balance as at balance sheet date	**209 024**	**208 978**

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

Changes in the provisions for liabilities and other charges:

for the period ended 30 September 2012

	Provision for non-contractual use of property	Provision for projected losses due to compensation proceedings	Provision for the cost of disposal or storage of ash and slag mixture	Provision for land reclamation	Provision for the payment for using environment	Provision for purchasing CO_2 emission allowances	Other	TOTAL
Opening balance	58 548	67 222	1 376	9 856	2 094	2 836	67 046	208 978
Unwind of discount and changes in discount rate	-	-	-	-	-	-	-	-
Provisions made	23 514	67 263	6	2 153	1 978	-	632	95 546
Provisions used	-	(5 382)	(307)	-	(3 344)	-	(16 824)	(25 857)
Reversal of provisions	(17 230)	(52 278)	(315)	-	-	-	180	(69 643)
Closing balance	**64 832**	**76 825**	**760**	**12 009**	**728**	**2 836**	**51 034**	**209 024**

for the period ended 31 December 2011

	Provision for non-contractual use of property	Provision for projected losses due to compensation proceedings	Provision for the cost of disposal or storage of ash and slag mixture	Provision for land reclamation	Provision for the payment for using environment	Provision for purchasing CO_2 emission allowances	Other	TOTAL
Opening balance	53 324	74 631	2 334	9 890	17 663	907	8 644	167 393
Unwind of discount and changes in discount rate	-	-	-	(429)	-	-	-	(429)
Provisions made	23 180	14 789	324	395	5 332	2 836	75 683	122 539
Provisions used	-	(1 678)	-	-	(20 887)	(907)	(984)	(24 456)
Reversal of provisions	(17 956)	(20 520)	(1 282)	-	(14)	-	(16 297)	(56 069)
Closing balance	**58 548**	**67 222**	**1 376**	**9 856**	**2 094**	**2 836**	**67 046**	**208 978**

In the above table the comparable data were adjusted. Provisions in the amount of PLN 13,698 thousand, presented in the 2011 consolidated financial statements as other items, are provisions for anticipated losses arising from compensation proceedings.

A description of material claims and the related contingent liabilities has been presented in note 24.

19. Dividend

On 29 June 2012 the General Shareholders' Meeting of ENEA S.A. adopted Resolution no. 7 concerning net profit distribution for the financial period from 1 January 2011 to 31 December 2011 under which the dividend for shareholders amounts to PLN 211,892 thousand, PLN 0.48 per share (the dividend paid in 2011 for the financial period from 1 January 2010 to 31 December 2010 amounted to PLN 194,235 thousand, PLN 0.44 per share). The dividend had been paid to the shareholders before 30 September 2012. The amount of dividend was paid net of the capital gains tax.

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 three 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;
  - those resulting from loans of the Company's Social Benefit Fund granted to Members of the Parent's Management and Supervisory Boards, employed by ENEA S.A.;
  - resulting from other civil law agreements;
- transactions with entities whose shares are held by the State Treasury of the Republic of Poland.

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

Transactions with members of the Company's governing bodies:

Item	Management Board of the Company 01.01.2012 - 30.09.2012	Management Board of the Company 01.01.2011 - 30.09.2011	Supervisory Board of the Company 01.01.2012 - 30.09.2012	Supervisory Board of the Company 01.01.2011 - 30.09.2011
Remuneration under employment contract	-	769	-	-
Remuneration under managerial and consultancy agreements	2 791	566	-	-
Remuneration relating to appointment to management or supervisory bodies	-	-	277	317
Remuneration due to the position held in management and/or supervisory boards of subsidiaries	553	92	-	-
Remuneration due to other employee benefits (in particular electricity allowance)	71	113	-	-
TOTAL	**3 415**	**1 540**	**277**	**317**

During the 9-month period ended 30 September 2012 the loans granted from the Company's Social Benefits Fund to the members of the Supervisory Board amounted to PLN 24 thousand (PLN 5 thousand during the 12 month period ended 31 December 2011). During this period the repayments of these loans amounted to PLN 23 thousand (PLN 13 thousand during the 12-month period ended 31 December 2011). As at 30 September 2012 the balance of loans granted from Company's Social Benefits Fund amounts to PLN 22 thousand (PLN 21 thousand as at 31 December 2011). There are no loans granted to the members of the Management Board.

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)

On 20 April 2012, the Regional Court in Warsaw – Court for Competition and Consumer Protection announced a ruling on annual adjustment of stranded costs for 2008. Pursuant to that ruling, the Decision of the President of Energy Regulatory Office of 31 July 2009 was amended so that the amount of annual adjustment of stranded costs for ENEA Wytwarzanie S.A. for 2008 was determined as PLN -4,192 thousand instead of the original amount of PLN -89,537 thousand. President of the Energy Regulatory Office was charged with all costs of the proceeding. The ruling is not binding yet and on 27 June 2012 was appealed by the President of Energy Regulatory Office to the Court of Appeal in Warsaw.

On 27 June 2012 the Regional Court in Warsaw – Court for Competition and Consumer Protection announced a ruling on annual adjustment of stranded costs for 2009 (the hearing took place on 13 June 2012). Pursuant to that ruling, the Decision of the President of Energy Regulatory Office of 29 July 2010 was amended so that the amount of annual adjustment of stranded costs for ENEA Wytwarzanie S.A. for 2009 was determined as PLN 111,084 thousand instead of the original amount of PLN 15,580 thousand. The ruling is not binding yet and was appealed to the Court of Appeal in Warsaw by the President of Energy Regulatory Office on 4 September 2012 and by ENEA Wytwarzanie S.A. on 4 September 2012.

On 31 July 2012 the President of Energy Regulatory Office announced the amount of annual adjustment of stranded costs for 2011. It was determined as PLN -37,397 thousand. On 20 August 2012 ENEA Wytwarzanie S.A. appealed the decision of the President of Energy Regulatory Office to the Court for Competition and Consumer Protection, to the Regional Court in Warsaw applying suspension of decision enforcement until the case is decided. On 19 September 2012 the Regional Court in Warsaw refused the application. As the result ENEA Wytwarzanie S.A. returned the full amount of annual stranded costs adjustment to Zarządca Rozliczeń S.A. The Company adjusted the previously recognized in years 2008-2011 revenues due to compensation in the total amount of PLN 21,653 thousand. The dates of the hearings related to annual adjustments for the years 2010 and 2011 have not been determined.

ENEA Wytwarzanie S.A. has not requested an advance payment of stranded costs compensation for 2012. Till 30 September 2012 Company did not recognize any revenue due to compensation.

As at the date of preparation of these condensed interim consolidated financial statements it is not possible to unambiguously determine the final amounts of annual adjustments for 2008, 2009, 2010 and

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

2011. The full amount of allowable public subsidy granted as compensation for stranded costs will be stated in the decision of the President of Energy Regulatory Office determining the amount of the final adjustment, to be issued in 2015. Considering the foregoing, it should be stated that the revenue from LTC recognized based on annual adjustments set by the President of Energy Regulatory Office may change on the basis of the above referenced decision of the President of Energy Regulatory Office, determining the amount of final adjustment as well as court rulings.

22. Commitments under contract binding as at the reporting date

Contractual obligations assumed as at the reporting date but not yet recognized in the statement of financial position:

	30.09.2012	31.12.2011
Acquisition of property, plant and equipment	5 854 068	739 408
Acquisition of intangible assets	7 859	10 522
	5 861 927	**749 930**

On May 2012 ENEA Wytwarzanie S.A. settled a tender for construction of power plant unit for supercritical parameters and capacity of up to 1,000 MW and chosen a consortium Polimex-Mostostal and Hitachi Power Europe. On 27 July 2012 the National Board of Appeal dismissed an appeal filed by another bidder, a consortium COVEC/CNEEC allowing for signing a contract between ENEA Wytwarzanie S.A. and Polimex-Mostostal and Hitachi Power Europe. The value of the contract, which was signed on 21 September 2012 amounts to approximately PLN 6.28 bln gross.

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

Sales of electricity and distribution services during the year are subject to seasonal fluctuations. They increase during the winter months and decrease in summer. This depends on the temperature and the length of the day. The extent of fluctuations depends on low temperature and shorter days in winter and higher temperature and longer days in summer. Seasonal sales of electricity apply to a more considerable degree to small clients (44.12% of the sales value), rather than to the industrial sector.

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

24.1. Pending proceedings before courts of general jurisdiction

<u>Actions brought by the Group</u>

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 September 2012, the total of 11,699 cases brought by the Group were pending before common courts for the total amount of PLN 65,379 thousand (9,198 cases for the total amount of PLN 58,844 thousand as at 31 December 2011).

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.

Court proceedings against ENEA Wytwarzanie S.A. are related to claims for salaries and damages brought by former employees for PLN 566 thousand; a claim brought by Gospodarstwo Ogrodnicze w Ryczywole Kamila Lewek Wiśniewska Jacek Pospieszył spółka cywilna which concerns remedying damages resulting from the operation of the plant owned by ENEA Wytwarzanie S.A. located on the land adjacent to the plot of Gospodarstwo Ogrodnicze, by way of paying PLN 5,082 thousand and claim brought by "TABOO" Aneta Panek which concerns reimbursement of expenditure on leased premises and charges for unused basement rooms in the amount of PLN 303 thousand.

On 30 March 2012, a compromise was made in the Regional Court in Lublin between ENEA Wytwarzanie S.A. and Centrum Konsultingu Menadżerskiego Gordion sp. z o.o. ENEA Wytwarzanie agreed to pay PLN 200,000.00 to Gordion to satisfy Gordion's financial claims for compensation and redress as filed in the suit and in the motion of 10 October 2011; Gordion waived the remaining portion of its financial claims; interest on Gordion's financial claims were redeemed; ENEA Wytwarzanie S.A. agreed to publish a public announcement in *Puls Biznesu* and on the following web portals: www.pb.pl, www.wnp.pl, www.cire.pl, www.Gazetaprawna.pl and www.elko.com.pl, at its sole cost and expense, on the terms specified in detail in the settlement. ENEA Wytwarzanie S.A. agreed to return half of the court fee paid on the case to Gordion. Other costs were mutually offset. As a consequence of the compromise made in the Regional Court the provision in the amount of PLN 5,304 thousand was released.

As at 30 September 2012 there were 1,170 cases pending before common courts which have been brought against the Group for the total amount of PLN 136,155 thousand (671 cases for the total amount of

PLN 92,696 thousand as at 31 December 2011). Provisions related to the court cases have been presented in note 18.

24.2. Proceedings before public administration bodies

As described in the financial statements for the year ended 31 December 2011 in 2008 the President of the Energy Regulatory Office concluded that ENEA failed to comply with the obligation to purchase electricity produced in the energy cogenerated with heat in 2006, imposing a fine of PLN 7,594 thousand. On 30 May 2012 the Court of Appeal in Warsaw reversed the sentence of the Regional Court in Warsaw – Court of Competition and Consumer Protection of 27 September 2011 and remanded the case to the Court of First Instance for settling the costs of the appeal proceedings.

On 11 February 2009 ENEA Wytwarzanie S.A. applied to the Customs Office in Radom for ascertainment and refund of excise duties on electricity paid in excess for the months from January 2006 to December 2008 in the amount of PLN 694.6 mln. On 24 November 2009 the company applied to the Customs Office in Radom for ascertainment and refund of excise duties on electricity paid in excess for subsequent months, i.e. January 2009 and February 2009 in the amount of PLN 34.6 mln.

On 11 July 2012 the Supreme Administrative Court dismissed complaints of the Director of the Customs Chamber in Warsaw concerning the amounts of excise duties for the months: August 2006, April 2007, May 2007, June 2007, October 2007, June 2008, August 2008 and October 2008.

On 12 July and 19 September 2012 as a result of the withdrawal of complaints the Supreme Administrative Court in Warsaw discontinued the complaints of the Director of the Customs Chamber in Warsaw on the amount of excise duties for the months: March 2008, May 2008, July 2008, September 2008, November 2008 - February 2009.

The termination of the above mentioned cases does not imply that ENEA Wytwarzanie S.A. will receive the excise duties refund for the above mentioned months. Separate judicial proceedings are pending on excess payments of the excise duties.

25. Bond issue programme

On 21 June 2012 ENEA S.A. (Issuer) executed a Programme Agreement with five banks acting as issue guarantors, related to Bond Issue Programme up to the amount of PLN 4 bln (Programme). The Agreement was concluded for the term of 10 years. The Programme finishes on 15 June 2022. The Programme will finance current operations and investment needs of the Issuer and its subsidiaries.

On 30 September 2012 and till the day these condensed interim consolidated financial statements ENEA S.A. has no bonds issued under the above Bond Issue Programme.

According to the Agreement the Company is obligated to maintain the determined level of the indicator: net debt/EBITDA relating to data from consolidated financial statement. As at the balance sheet date the condition is met.

26. Signing of a 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 cooperation of the Parties based on the Agreement 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 held by PGNiG (the "Wejherowo Concession").

The Agreement provides for cooperation based on the targeted structure of a limited partnership that, following a successful exploration, will extract shale gas. Estimated expenditures on exploration, evaluation and extraction with respect to the first three zones (the Kochanowo, Częstkowo and Tępcz pads) within the Area of Cooperation are projected to be in the amount of PLN 1.72 bln.

The Parties are working to determine the detailed terms of cooperation, including a detailed project budget and timeline, the shares of the Parties in financing the expenditures arising from the agreed-on budget, shares in the project's profits and the principles of responsibility, including contractual penalties in the case of the failure, in particular by PGNiG, to fulfil certain obligations resulting from the Agreement. Should such specific arrangements not be forthcoming, the Agreement may be terminated by each of the Parties. On 12 November 2012 the Parties signed an annex to the Agreement and agreed to extend the deadline to determine detailed terms of cooperation till 4 February 2013. If within three months after reaching such arrangements the Parties have not received all of the required corporate approvals, or if by 31 December 2013 the required antimonopoly clearances have not been received, the Agreement will expire.

27. 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 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.

28. Post balance sheets events

On 18 October 2012 ENEA S.A. (Debtor) executed a Bank Loan Agreement (Agreement) with European Investment Bank (Bank) for the value of PLN 950 million or its equivalent in Euro currency. The Agreement anticipates a possibility of granting a loan in other currency commonly used on main foreign exchange markets.

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 3,244 mln.

The loan should be repaid after maximum of 15 year from the scheduled date of the loan payday. The loan availability period equals 24 months from the date of the Agreement. The loan will be paid in maximum of 6 tranches; the value of each will not be lower than PLN 100 mln, except for the last tranche which amounts to unused part of the loan.

The interest rate of the loan can be fixed or floating. The Debtor has the right to choose a fixed or floating interest rate separately for the each loan tranche under the terms of the Agreement.

In connection with the Agreement, on 18 October 2012 ENEA S.A. executed an additional agreement on the Programme realization with ENEA Operator Sp. z o.o. and the Bank which settles issues relating the rules of the Programme realization in part based on funds granted by the Bank.

Selected separate financial data

	in PLN '000		in EUR '000	
	9 months ended 30.09.2012	9 months ended 30.09.2011	9 months ended 30.09.2012	9 months ended 30.09.2011
Net sales revenue	4 298 331	4 186 319	1 024 681	1 035 884
Operating profit	64 085	53 138	15 277	13 149
Profit before tax	477 250	383 270	113 772	94 838
Net profit for the reporting period	453 569	351 503	108 126	86 978
Net cash flows from operating activities	(104 681)	(51 468)	(24 955)	(12 735)
Net cash flows from investing activities	(54 937)	425 745	(13 096)	105 348
Net cash flows from financing activities	(207 167)	(189 887)	(49 387)	(46 987)
Total net cash flows	(366 785)	184 390	(87 438)	45 626
Weighted average number of shares	441 442 578	441 442 578	441 442 578	441 442 578
Net earnings per share (in PLN)	1.03	0.80	0.24	0.20
Diluted earnings per share (in PLN / EUR)	1.03	0.80	0.24	0.20

	Balance as at 30.09.2012	Balance as at 31.12.2011	Balance as at 30.09.2012	Balance as at 31.12.2011
Total assets	11 321 106	11 161 111	2 751 983	2 526 968
Total liabilities	874 252	955 255	212 517	216 278
Non-current liabilities	119 015	115 785	28 931	26 215
Current liabilities	755 237	839 470	183 586	190 063
Equity	10 446 854	10 205 856	2 539 466	2 310 690
Share capital	588 018	588 018	142 938	133 132
Book value per share (in PLN / EUR)	23.67	23.12	5.75	5.23
Diluted book value per share (in PLN/EUR)	23.67	23.12	5.75	5.23

The above financial data for Q3 2012 and 2011 were translated into EUR in line with the following principles:

- individual assets and liabilities – at the average exchange rate as of 30 September 2012 – PLN/EUR. – 4.1138 PLN/EUR (as at 31December 2011 – PLN/EUR 4.4168),
- individual items from the statement of comprehensive income and the statement of cash flows – as per the arithmetic mean of the average exchange rates determined by the National Bank of Poland as at the last day of each month of the financial period from 1 January to 30 September 2012 – PLN/EUR – 4.1948 PLN/EUR (for the period from 1 January to 30 September 2011 – 4.0413 PLN/EUR).

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

INDEPENDENT AUDITORS' REPORT ON REVIEW OF THE CONDENSED INTERIM FINANCIAL INFORMATION OF ENEA S.A. FOR THE PERIOD FROM 1 JANUARY 2012 TO 30 SEPTEMBER 2012

To the Shareholders of ENEA S.A.

Introduction

We have reviewed the accompanying condensed separate statement of financial position of ENEA S.A., with its registered office in Poznań, ul. Górecka 1, as at 30 September 2012, the condensed separate statements of comprehensive income for three and nine month periods then ended, the condensed separate statements of changes in equity and cash flows for nine month period then ended, and notes to the condensed interim financial information ("the condensed separate interim financial information"). Management is responsible for the preparation and presentation of this condensed separate interim financial information in accordance with the International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on this condensed separate interim financial information, based on our review.

Scope of Review

We conducted our review in accordance with the national standard on auditing no. 3 *General principles of review of the financial statements/condensed financial statements and conducting of other assurance services* and the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity.* A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed separate interim financial information as at 30 September 2012 is not prepared, in all material respects, in accordance with IAS 34.

On behalf of KPMG Audyt Sp. z o.o.
registration number 458
ul. Chłodna 51, 00-867 Warsaw

Signed on the Polish original

....
Certified Auditor No. 10176
Michał Karwatka

Signed on the Polish original

....
Certified Auditor No. 90061
Partner with power of attorney
Marek Gajdziński

14 November 2012
Poznań

Condensed interim separate financial statements of ENEA S.A. for the period from 1 January to 30 Septemer 2012

Poznań, 14 November 2012

Index to the condensed interim separate financial statements

These condensed interim separate 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

Acting Chairman of the Management Board	**Janusz Bil**	**………………………………….**
Member of the Management Board	**Hubert Rozpędek**	**………………………………….**
Member of the Management Board	**Krzysztof Zborowski**	**………………………………….**

Poznań, 14 November 2012

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

Separate Statement of Financial Position

	Note	Balance as at 30.09.2012	Balance as at 31.12.2011
ASSETS			
Non-current assets			
Property, plant and equipment	6	178 998	178 785
Perpetual usufruct of land		1 404	1 471
Intangible assets	7	3 726	3 114
Investment property		17 592	17 512
Investments in subsidiaries, associates and joint ventures	8	8 483 263	8 522 698
Deferred tax asset	14	47 189	56 833
Financial assets available for sale		19 362	19 365
Financial assets held to maturity		409 000	142 193
Financial assets measured at fair value through profit or loss		1 588	1 557
Other financial assets	9	349 825	-
		9 511 947	**8 943 528**
Current assets			
Trade and other receivables		903 072	765 420
Current income tax receivables		-	14 065
Financial assets held to maturity		34 318	-
Financial assets measured at fair value through profit or loss	13	515 759	712 670
Cash and cash equivalents	12	340 825	707 610
Non-current assets classified as held for sale	10	15 185	17 818
		1 809 159	**2 217 583**
TOTAL ASSETS		**11 321 106**	**11 161 111**

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

		Balance as at	
EQUITY AND LIABILITIES	**Note**	**30.09.2012**	**31.12.2011**
EQUITY			
Share capital		588 018	588 018
Share premium		4 627 673	4 627 673
Share-based payments reserve		1 144 336	1 144 336
Revaluation reserve (financial instruments)		11 310	11 989
Reserve capital		1 205 625	1 062 349
Retained earnings		2 869 892	2 771 491
Total equity		**10 446 854**	**10 205 856**
LIABILITIES			
Non-current liabilities			
Finance lease liabilities		6 066	5 548
Deferred income from subsidies and connection fees		30 453	30 853
Liabilities due to employee benefits		82 496	79 384
		119 015	**115 785**
Current liabilities			
Trade and other liabilities		517 783	572 092
Finance lease liabilities		3 304	3 136
Deferred income from subsidies and connection fees		2 245	2 343
Current income tax liabilities		7 624	-
Liabilities due to employee benefits		13 904	14 567
Liabilities due to cash settled share-based payments		320	508
Provision for certificates of origin	15	155 715	192 946
Provisions for other liabilities and charges	16	54 342	53 878
		755 237	**839 470**
Total liabilities		**874 252**	**955 255**
TOTAL EQUITY AND LIABILITIES		**11 321 106**	**11 161 111**

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

Separate Statement of Comprehensive Income

	Note	9 months ended 30 September 2012	3 months ended 30 September 2012	9 months ended 30 September 2011	3 months ended 30 September 2011
Sales revenue		4 453 455	1 381 867	4 355 462	1 367 897
Excise tax		(155 124)	(49 348)	(169 143)	(53 218)
Net sales revenue		**4 298 331**	**1 332 519**	**4 186 319**	**1 314 679**
Other operating revenue		7 370	956	12 527	2 013
Depreciation/amortization		(12 574)	(4 405)	(12 785)	(4 098)
Costs of employee benefits		(49 180)	(15 376)	(41 371)	(12 608)
Consumption of materials and supplies and costs of goods sold		(3 086)	(993)	(4 116)	(1 416)
Energy purchase for sale		(2 778 499)	(847 527)	(2 666 212)	(845 885)
Transmission and distribution services		(1 199 626)	(373 098)	(1 261 216)	(386 736)
Other external services		(159 314)	(52 308)	(123 192)	(51 845)
Taxes and charges		(6 547)	(1 642)	(7 613)	(2 036)
Profit/(loss) on sale and liquidation of property, plant and equipment		2 186	(7)	123	(92)
Impairment loss on property, plant and equipment		-	-	(5 634)	(5 634)
Other operating expenses		(34 976)	(10 131)	(23 692)	(7 407)
Operating profit		**64 085**	**27 988**	**53 138**	**(1 065)**
Financial expenses		(33 104)	(12 776)	(4 867)	(1 611)
Financial revenue		84 178	23 627	98 660	41 752
Dividend income		362 091	161 154	236 339	156
Profit before tax		**477 250**	**199 993**	**383 270**	**39 232**
Income tax	14	(23 681)	(7 759)	(31 767)	(8 919)
Net profit for the reporting period		**453 569**	**192 234**	**351 503**	**30 313**
Other comprehensive income					
Change in fair value of available for sale financial assets reclassified to profit or loss		(838)	-	-	-
Income tax related to other comprehensive income	14	159	-	-	-
Other comprehensive income, net of tax		**(679)**	**-**	**-**	**-**
Total comprehensive income for the period		**452 890**	**192 234**	**351 503**	**30 313**
Earnings attributable to the Company's shareholders		453 569	192 234	351 503	30 313
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)		**1.03**	**0.44**	**0.80**	**0.07**
Diluted earnings per share (in PLN per share)		**1.03**	**0.44**	**0.80**	**0.07**

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

Separate 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)	Reserve capital	Retained earnings	Total equity
Balance as at 1.01.2012		441 443	146 575	**588 018**	**4 627 673**	**1 144 336**	**11 989**	**1 062 349**	**2 771 491**	**10 205 856**
Net profit									453 569	**453 569**
Other comprehensive income							(679)			**(679)**
Distribution of the net profit								143 276	(143 276)	-
Dividends	17								(211 892)	**(211 892)**
Balance as at 30.09.2012		441 443	146 575	**588 018**	**4 627 673**	**1 144 336**	**11 310**	**1 205 625**	**2 869 892**	**10 446 854**

	Note	Share capital (face value)	Revaluation of share capital	Total share capital	Share premium	Share-based payments reserve	Revaluation reserve (financial instruments)	Reserve capital	Retained earnings	Total equity
Balance as at 1.01.2011		441 443	146 575	**588 018**	**4 627 673**	**1 144 336**	**10 941**	**892 198**	**2 780 708**	**10 043 874**
Net profit									351 503	**351 503**
Distribution of the net profit								170 151	(170 151)	-
Dividends	17								(194 235)	**(194 235)**
Balance as at 30.09.2011		441 443	146 575	**588 018**	**4 627 673**	**1 144 336**	**10 941**	**1 062 349**	**2 767 825**	**10 201 142**

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

Separate Statement of Cash Flows

	Note	9 months ended 30.09.2012	9 months ended 30.09.2011
Cash flows from operating activities			
Net profit for the reporting period		453 569	351 503
Adjustments:			
Income tax expense		23 682	31 767
Depreciation/amortization		12 574	12 785
(Profit)/loss on sale and liquidation of property, plant and equipment		(2 186)	(1 595)
Impairment loss on property, plant and equipment		-	6 901
(Profit)/loss on disposal of financial assets		(6 972)	(10 299)
Interest income		(77 205)	(92 277)
Dividend income		(362 091)	(236 339)
Interest expense		4 271	1 925
(Profit)/loss on valuation of financial instruments		23 077	-
Other financial (income)/costs		5 756	-
		(379 094)	**(287 132)**
Income tax paid		608	(48 738)
Interest received		47 706	27 351
Interest paid		(3 412)	(1 642)
Changes in working capital			
Trade and other receivables		(135 946)	28 763
Trade and other liabilities		(51 955)	(132 645)
Liabilities due to employee benefits		2 449	(10 155)
Deferred income from subsidies and connection fees		(1 650)	(1 717)
Provisions for certificates of origin		(37 231)	20 586
Liabilities due to cash settled share-based payments		(188)	(48)
Provisions for other liabilities and charges		464	2 406
		(224 057)	(92 810)
Net cash flows from operating activities		**(104 680)**	**(51 468)**
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets		(16 518)	(21 975)
Proceeds from disposal of property, plant and equipment and intangible assets		2 341	362
Proceeds from disposal of financial assets		231 170	732 767
Acquisition of financial assets		(448 483)	(140 500)
Investments in subsidiaries, associates and joint ventures	8	(55 925)	(380 447)
Dividends received		232 468	235 209
Other proceeds from investing activities		10	329
Net cash flows from investing activities		**(54 937)**	**425 745**
Cash flows from financing activities			
Dividends paid		(204 690)	(187 238)
Payments of finance lease liabilities		(2 477)	(2 649)
Net cash flows from financing activities		**(207 167)**	**(189 887)**
Net increase/(decrease) in cash		**(366 785)**	**184 390**
Cash and cash equivalents at the beginning of the reporting period		707 610	366 116
Cash and cash equivalents at the end of the reporting period		**340 825**	**550 509**

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

1. General information about ENEA S.A.

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

ENEA S.A., operating under the business name Energetyka Poznańska S.A., was entered in the National Court Register at the District Court in Poznań under KRS number 0000012483 on 21 May 2001.
The Company changed its address from Nowowiejskiego 11 to Górecka 1. The change was registered in the National Court Register on 2 January 2012.

As at 30 September 2012 the shareholding structure of ENEA S.A. 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 September 2012 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.

Trade in electricity is the core business of ENEA S.A. ("ENEA", "Company").

ENEA S.A. is the parent company in the ENEA S.A. Group ("Group"). As at 30 September 2012 the Group comprised also 22 subsidiaries, 1 indirect subsidiary and 1 associate.
The Company prepared condensed interim consolidated financial statement of ENEA Group as at 30 September 2012 and for the nine months period then ended. This condensed interim separate financial statement should be read together with this condensed interim consolidated financial statement and with separate financial statements of ENEA S.A. for the financial year ended at 31 December 2011.

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

The Management Board of the Company 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 separate financial statements of ENEA S.A. in accordance with IFRS-EU as of 30 September 2012. The presented statements and explanations have been prepared using due diligence. These condensed interim separate financial statements have been reviewed by a certified auditor.

3. Accounting principles

These condensed interim separate financial statements have been prepared in accordance with accounting principles consistent with those applied during the preparation of the most recent annual separate financial statements, except for changes in standards and interpretations endorsed by the European Union which apply to the reporting periods beginning on or after 1 January 2012. These changes does not have any material effect on the preparation of these condensed interim separate financial statements.

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

4. Material estimates and assumptions

The preparation of these condensed interim separate financial statements in conformity with IFRS-EU 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 separate 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 separate financial statements are consistent with the estimates adopted during preparation of the separate financial statements for the previous financial year. The estimates presented in the previous financial years do not exert any significant influence on the current interim period.

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

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

	Name and address of the Company	Share of ENEA S.A. in the total numbers of votes in % 30.09.2012	Share of ENEA S.A. in the total numbers of votes in % 31.12.2011
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 k/Poznania*	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*	99.996	99.996
12.	Przedsiębiorstwo Energetyki Cieplnej Sp. z o.o. *Oborniki, Wybudowanie 56*	93.99	91.02
13.	„IT SERWIS" Sp. z o.o. *Zielona Góra, Zacisze 28*	100	100
14.	„Auto – Styl" Sp. z o.o. *Zielona Góra, Zacisze 15*	100	100
15.	ENEA Operator Sp. z o.o. *Poznań, Strzeszyńska 58*	100	100
16.	ENEA Wytwarzanie S.A. *Świerże Górne, Kozienice, Kozienice 1*	100	100
17.	Miejska Energetyka Cieplna Sp. z o.o. *64-920 Piła, Kaczorska 20*	65.03	65.03
18.	Przedsiębiorstwo Produkcji Strunobetonowych Żerdzi Wirowanych WIRBET S.A. *Ostrów Wlkp.,Chłapowskiego 51*	-	49
19.	Elektrociepłownia Białystok S.A. *Białystok, Gen. Andersa 3*	99.996	99.94
20.	DOBITT Energia Sp. z o.o. *Gorzesław 8, 56-420 Bierutów*	100	100
21.	Annacond Enterprises Sp. z o.o. *Warszawa, Jana III Sobieskiego 1/4*	61	61
22.	Windfarm Polska Sp. z o.o. *Koszalin, Wojska Polskiego 24-26*	100	-
23.	ENEA Trading Sp. z o.o. *Świerże Górne, Kozienice, Kozienice 1*	100	100*
24.	„Ecebe" Sp. z o.o. *Augustów, Wojciech 8*	99.996**	99.94**
25.	Energo-Invest-Broker S.A. *Toruń, Jęczmienna 21*	***	***

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

26.	Elektrownie Wiatrowe – ENEA Centrum Spółka Akcyjna Spółka Komandytowa *Samociążek, 86-010 Koronowo*	*****	100%****

* - indirect subsidiary held by interests in ENEA Wytwarzanie S.A.
** - indirect subsidiary by shares in Elektrociepłownia Białystok S.A.
*** - an associate of ENEA Wytwarzanie S.A.
**** - indirect subsidiary held by interests in Elektrownie Wodne Sp. z o.o. and ENEA Centrum S.A.
***** - on 2 January 2012 a legal merger of the company and Elektrownie Wodne Sp. z o.o. took place.

Changes in the structure of the ENEA Group in the period covered by these interim financial statements

On 2 January 2012 a legal merger of Elektrownie Wiatrowe – ENEA Centrum Spółka Akcyjna Sp. k. and Elektrownie Wodne Sp. z o.o. took place.

On 16 February 2012 ENEA S.A. concluded a sales contract for 269,000 shares of Przedsiębiorstwo Produkcji Strunobetonowych Żerdzi Wirowanych WIRBET S.A. ("WIRBET"), which is 49% of share capital of WIRBET. On 22 March 2012 ownership of shares was transferred.

On 13 March 2012 the Extraordinary Shareholders' Meeting of Elektrownie Wodne Sp. z o.o. decided to increase the share capital by PLN 49 thousand, up to PLN 239,898.5 thousand, by way of issuing 98 new shares. The new shares in the Company's share capital were acquired by ENEA S.A. for contribution in kind as right of perpetual usufruct of land. On 13 March 2012 the contract transferring the right of perpetual usufruct was signed. The increased share capital of Elektrownie Wodne Sp. z o.o. was registered in the National Court Register on 5 April 2012.

On 8, 9 and 15 March 2012 ENEA S.A. purchase agreement of 984 shares in Elektrociepłownia Białystok (0,05% shares in the share capital and in the total number of votes at the General Meeting of Shareholders), with the register office in Białystok was signed, with the value of PLN 10 per share for the total amount of PLN 325 thousand. The acquisition was realized in April 2012 with due date of 30 days from signing the contract.

On 16 April 2012 ENEA S.A. acquired all 50 shares of Windfarm Polska Sp. z o.o., with the nominal value of PLN 1,000 per share.

On 25 May 2012 Elektrownia "Kozienice" S.A. changed its name in the National Court Register to ENEA Wytwarzanie S.A.

On 6 June 2012 ENEA S.A. acquired 308 employee shares in Przedsiębiorstwo Energetyki Cieplnej Sp. z o.o. with the registered office in Oborniki for the total amount of PLN 393 thousand, representing the second tranche (out of total four tranches) of repurchase of employee shares.

On 21 August 2012 the Extraordinary Shareholders' Meeting of Energetyka Poznańska Przedsiębiorstwo Usług Energetycznych ENERGOBUD Leszno Sp. z o.o. adopted the Resolution to increase the share capital by PLN 2,265 thousand, up to PLN 11,050 thousand, by way of issuing 4 530 new shares of PLN 500 each. The new shares in the company's share capital were acquired by ENEA S.A. for a contribution in kind. The increased share capital of Energetyka Poznańska Przedsiębiorstwo Usług Energetycznych ENERGOBUD Leszno Sp. z o.o. was registered in the National Court Register on 20 September 2012 r.

On 22 August 2012 the Extraordinary Shareholders' Meeting of Elektrownie Wodne Sp. z o.o. adopted the Resolution for redemption of 17 company's shares, acquired from ENEA Centrum S.A on the basis of a sales agreement dated 3 July 2012.

On 17 September 2012 the agreement between ENEA S.A. and ENEA Wytwarzanie S.A. concerning transfer of shares of ENEA Trading Sp. z o.o. was signed, and ENEA S.A. became a direct owner of 100% of shares of Elko Trading Sp. z o.o. amounting to PLN 129,623 thousand, previously held indirectly though interests in ENEA Wytwarzanie S.A.

On 27 September 2012 the Extraordinary Shareholders' Meeting of ELKO Trading Sp. z o.o. decided to change the name of company to ENEA Trading Sp. z o.o. The change of the name was registered in the national Court Register on 18 October 2012.

6. Property, plant and equipment

During the 9-month period ended 30 September 2012, the Company acquired property, plant and equipment for the total amount of PLN 17,320 thousand (during the period of 12 months ended 31 December 2011 it was PLN 29,986 thousand).

During the 9-month period ended 30 September 2012, the Company sold and liquidated property, plant and equipment for the total net amount of PLN 1,664 thousand (during the period of 12 months ended 31 December 2011 it was PLN 4,221 thousand).

As at 30 September 2012 the total impairment loss on the carrying amount of property, plant and equipment amounted to PLN 1,592 thousand (as at 31 December 2011: PLN 1,592 thousand).

7. Intangible assets

During the 9-month period ended 30 September 2012, the Company did not acquire intangible assets – certificates of origin (during the period of 12 months ended 31 December 2011: PLN 0 thousand).

During the 9-month period ended 30 September 2012 intangible assets of PLN 1,141thousand were transferred from fixed assets under construction (PLN 687 thousand during the period of 12 months ended 31 December 2011).

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

8. Investments in subsidiaries, associates and joint ventures

	30.09.2012	31.12.2011
Opening balance	**8 522 698**	**7 874 545**
Reclassification to non-current assets held for sale	(2 309)	(15 575)
Acquisition of investments	187 813	665 131
Disposal of investments	-	(9 230)
Settlement of acquisition of Windfarm Polska Sp. z o.o.	(224 910)	(4 523)
(Increase)/decrease of impairment loss	(29)	12 350
Closing balance	**8 483 263**	**8 522 698**
Impairment loss		
Opening balance	**27 505**	**39 855**
Recognized	29	2 908
Reversed	-	(1 505)
Utilized	-	(13 753)
Closing balance	**27 534**	**27 505**

During the 9-month period ended 30 September 2012 the Company increased it shares in its subsidiaries: Elektrownie Wodne Sp. z o.o., Przedsiębiorstwo Energetyki Cieplnej Sp. z o.o., Elektrociepłownia Białystok S.A., Annacond Enterprises Sp. z o.o. and Energetyka Poznańska Przedsiębiorstwo Usług Energetycznych Energobud Leszno Sp. z o.o. by increasing capital or partial repurchase of minority interests for the total amount of PLN 3,192 thousand (in the 12-month period ended 31 December 2011 the Company acquired shares in subsidiaries for the total amount of PLN 665,131 thousand).

On 30 July 2012 r. the Supervisory Board of ENEA S.A. agreed for the ENEA S.A. to acquire shares of ENEA Trading Sp. z o.o. as a non-cash dividend from ENEA Wytwarzanie S.A. ENEA S.A. became a direct owner of 100% of shares of ENEA Trading Sp. z o.o. amounting to PLN 129,623 thousand, previously held indirectly through interests in ENEA Wytwarzanie S.A.

On 16 April 2012 ENEA S.A. concluded acquisition of 100% shares of Windfarm Polska Sp. z o.o. (the "Windfarm"), the owner of working wind farm Bardy 50 MW, consisting of 25 Vestas turbines with 2 MW power each and electricity network connection station. The wind farm is situted in the area with high level of wind, predicted annual production of "green" energy equals 150 000 MWh. The total purchase price amounted to PLN 102,398 thousand, including PLN 1,141 thousand of transaction costs.
In connection with the settlement of Windfarm acquisition, part of the amount paid in 2011 as an advance payment, in the amount of PLN 224,910 thousand has been reclassified and as at 30 September 2012 is presented within long-term other financial assets.

During the 9-month period ended 30 September 2012 the Company reclassified shares in "Auto-Styl" Sp. z o.o. in the amount of PLN 2,309 thousand to non-current assets held for sale.

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

9. Other financial assets

In the Windfarm's acquisition transaction (described in Note 8) the Company acquired also denominated in EUR receivables from a loan granted to Windfarm by its previous shareholder and denominated in EUR receivables due to supplies of turbines and wind farm construction in the total amount of PLN 369,137 thousand. In this condensed interim separate financial statements the total value of acquired receivables is presented as long-term other financial assets.

10. Non-current assets held for sale

	30.09.2012	31.12.2011
Opening balance	**17 818**	**-**
Reclassification from investments in subsidiaries, associates and joint ventures	2 309	15 575
Reclassification from financial assets available for sale	-	2 243
Sale of assets	(4 942)	-
Closing balance	**15 185**	**17 818**

The Company reclassified shares in „Auto-Styl" Sp. z o.o. to non-current assets held for sale from investments in subsidiaries, associates and joint ventures. As of 30 September 2012 the carrying value of these assets amounted to PLN 2,309 thousand. The Company sold shares in Towarowa Giełda Energii S.A. and Przedsiębiorstwo Produkcji Strunobetonowych Żerdzi Wirowanych "WIRBET" S.A.

11. Impairment allowance on trade and other receivables

	30.09.2012	31.12.2011
Opening balance of impairment allowance on receivables	**82 104**	**82 343**
Recognized	9 289	13 383
Reversed	(8 382)	(7 063)
Utilized	87	(6 559)
Closing balance of impairment allowance on receivables	**83 098**	**82 104**

During the 9-month period ended 30 September 2012 the impairment allowance on the carrying amount of trade and other receivables increased by PLN 994 thousand (during the period of 12 months ended 31 December 2011 the impairment allowance decreased by PLN 239 thousand).

During the 3-month period ended 30 September 2012 the impairment allowance on the carrying amount of trade and other receivables increased by PLN 2,451 thousand (during the period of 3 months ended 30 September 2011 r. the impairment allowance increased by PLN 867 thousand).

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

12. Cash and cash equivalents

	30.09.2012	31.12.2011
Cash in hand and at bank	**340 318**	**707 076**
- cash in hand	145	192
- cash at bank	340 173	706 884
Other cash	**507**	**534**
- cash in transit	507	534
Total cash and cash equivalents	**340 825**	**707 610**
Cash disclosed in the statement of cash flows	**340 825**	**707 610**

As at 30 September 2012 the restricted cash amounted to PLN 7,946 thousand and comprised cash at bank (cash blocked due to a security deposit, a deposit for receivables and a transaction deposit).
As at 31 December 2011 the restricted cash amounted to PLN 9,262 thousand.

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

The Company has an investments portfolio managed by a specialized institution dealing with professional management of cash. In accordance with an agreement with the portfolio manager, the funds are invested only in safe securities, in line with the structure presented below:

Type of assets	Minimum exposure	Maximum exposure
Debt instruments underwritten or guaranteed by the State Treasury and the National Bank of Poland	0%	100%
Bank deposits	0%	40%

As at 30 September 2012 the book value of investments portfolio amounted to PLN 700,687 thousand, including financial assets measured at fair value through profit or loss (treasury bills and bonds of PLN 423,126 thousand and bank deposits of PLN 92,627 thousand) and bank deposits for the period of up to 3 months of PLN 184,934 thousand presented as cash and cash equivalents.
The strategy is to maximize profit at a minimum risk.

14. Deferred income tax

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

	30.09.2012	31.12.2011
Opening balance	**(56 833)**	**(40 137)**
Amount debited/(credited) to profit	9 803	(16 942)
Change recognized in other comprehensive income	(159)	246
Closing balance	**(47 189)**	**(56 833)**

During the 9-month period ended 30 September 2012, the Company's profit before tax was debited with PLN 9,803 thousand as a result of a decrease in the deferred tax asset (during the period of 12 months ended 31 December 2011 the Company's profit before tax was credited with PLN 16,942 thousand due to an increase in the asset).

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

During the 3-month period ended 30 September 2012, the Company's profit before tax was debited with PLN 6,047 thousand (during the 3-month period ended 30 September 2011 the Company's profit before tax was credited with PLN 1,097 thousand due to an increase in the asset).

15. Provision for certificates of origin

	30.09.2012	31.12.2011
Certificates of origin	(48 929)	(56 119)
Advance payments for certificates of origin	(1 338)	(645)
Provision for the costs of redemption of certificates of origin	205 982	249 710
Provision for certificates of origin	**155 715**	**192 946**

16. Provisions for liabilities and other charges

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

	30.09.2012	31.12.2011
Long-term	-	-
Short-term	54 342	53 878
Balance as at the reporting date	**54 342**	**53 878**

	Provision for non-contractual use of property	Provision for projected loss due to compensation proceedings	Other	Total
Balance as at 01.01.2011	**5 551**	**12 832**	**25 146**	**43 529**
Provisions made	12 766	5 258	10	**18 034**
Provisions used	-	(1 753)	-	**(1 753)**
Reversal of provisions	(1 387)	(3 527)	(1 018)	**(5 932)**
Balance as at 31.12.2011	**16 930**	**12 810**	**24 138**	**53 878**
Provisions made	9 735	7 931	-	**17 666**
Provisions used	-	(1 043)	(14 394)	**(15 437)**
Reversal of provisions	-	(1 765)	-	**(1 765)**
Balance as at 30.09.2012	**26 665**	**17 933**	**9 744**	**54 342**

A description of material claims and contingent liabilities has been presented in note 21.

During the 9-month period ended 30 September 2012 the provisions for projected losses due to compensation proceedings and penalties increased by PLN 464 thousand, in connection with using the provision for a contractual penalty of PLN 13,845 thousand and increasing provisions for non-contractual use of property and other provisions by PLN 17,666 thousand (during the period of 12 months ended 31 December 2011 the provisions for projected losses due to compensation proceedings and penalties increased by PLN 10,349 thousand).

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

During the 3-month period ended 30 September 2012 the provisions for projected losses due to compensation proceedings and penalties increased by PLN 3,587 thousand (during the period of 12 months ended 31 December 2011 the provisions for projected losses due to compensation proceedings and penalties increased by PLN 22 thousand).

17. Dividend

On 29 June 2012 the General Shareholders' Meeting of ENEA S.A. adopted Resolution 7 concerning net profit distribution for the financial period from 1 January 2011 to 31 December 2011 under which the dividend for the shareholders amounted to PLN 211,892 thousand, PLN 0.48 per share (the dividend paid in 2011 for the financial period from 1 January 2010 to 31 December 2010 amounted to PLN 194,235 thousand, PLN 0.44 per share). The dividend had been paid to the shareholders before 30 September 2012. The amount of dividend was reduced by the capital gains tax.

18. Related party transactions

The Company concludes transactions with the following related parties:

(i) Companies from the ENEA Group

	01.01.2012 - 30.09.2012	01.01.2011.-.30.09.2011
Purchases, including:	**2 814 409**	**1 527 401**
investment purchases	9 924	6 411
materials	525	645
services	110 055	1 332 280
other (including energy)	2 693 905	188 065
Sales, including:	**98 026**	**18 262**
energy	53 673	9 768
services	34 531	2 039
other	9 822	6 455

	30.09.2012	31.12.2011
Receivables	6 724	11 010
Liabilities	342 172	309 546

(ii) Transactions concluded between the Company and members of its governing bodies fall within three categories:

- those resulting from employment contracts with Members of the Management Board of the Parent and related to the appointment of Members of Supervisory Boards;
- those resulting from loans from the Company's Social Benefit Fund granted to Members of the Management Board of the Parent and Supervisory Boards employed by ENEA S.A.;
- resulting from other civil law agreements.

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

The value of transactions falling within the scope of the first category has been presented below. The date comprise only paid remuneration and benefits:

Item	Management Board of the Company		Supervisory Board of the Company	
	01.01.2012 - 30.09.2012	01.01.2011- 30.09.2011	01.01.2012 - 30.09.2012	01.01.2011 - 30.09.2011
Remuneration under employment contract	-	769	-	-
Remuneration under managerial and consultancy agreements	2 791	566	-	-
Remuneration relating to appointment of members of management or supervisory bodies	-	-	277	317
Other employee benefits (in particular electricity allowance)	71	113	-	-
TOTAL	**2 862**	**1 448**	**277**	**317**

During the 9-month period ended 30 September 2012 the loans granted from the Company's Social Benefits Fund to the members of the Supervisory Board amounted to PLN 24 thousand (PLN 5 thousand during the12-month period ended 31 December 2012). During this period the repayments of these loans amounted to PLN 23 thousand (PLN 13 thousand during the 12-month period ended 31 December 2012). Balance of receivables from loans granted from the Company's Social Benefits Fund on 30 September 2012 equals PLN 22 thousand (PLN 21 thousand during the 12-month period ended 31 December 2012). There are no loans granted to the members of the Management Board.

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.

(iii) Transactions with entities whose shares are held by the State Treasury of the Republic of Poland

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 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 Company 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. As the Company does not keep record of the aggregate value of all transactions concluded with all state institutions and entities controlled by the State Treasury, the turnover and balances of transactions with related parties disclosed in these condensed interim separate financial statements do not include data related to transactions with entities controlled by the State Treasury.

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

19. Commitments under contracts binding as at the reporting date

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

	30.09.2012	31.12.2011
Acquisition of property, plant and equipment	4 413	4 845
Acquisition of intangible assets	771	254
Acquisition of shares	-	207 590
	5 184	**212 689**

20. Explanations of the seasonal and the cyclical nature of the Company's business

Sales of electricity during the year are subject to seasonal fluctuations. They increase during the winter months and decrease in summer. This depends on the temperature and the length of a day. The extent of fluctuations depends on low temperature and shorter days in winter and higher temperature and longer days in summer. Seasonal sales of electricity apply to a more considerable degree to small clients (44.12% of the sales value), rather than to the industrial sector.

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

21.1. Guarantees for credit facilities and loans as well as other sureties granted by the Company

In the 9-month period ended 30 September 2012 the Company did not give any guarantees or sureties for credit facilities or loans. On 12 July 2012 ENEA S.A. entered into an annex to the contract of guarantee with no. ZAM/DF/40/1072/2011 of 27 July 2011 with Warsaw Commodity Clearing House which extends the duration of the surety for the liabilities of ENEA Trading Sp. z o.o. till 31 July 2013.

21.2. Pending proceedings before courts of general jurisdiction

Actions brought by the Company

Actions which ENEA S.A. brought to common courts of law 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 power grid and other specialist services rendered by the Company (the so-called non-electricity cases).

As at 30 September 2012, the total of 9,679 cases brought by the Company were pending before common courts of law for the total amount of PLN 18,344 thousand (7,677 cases for the total amount of PLN 17,530 thousand as at 31 December 2011).

None of the cases can significantly affect the Company's financial profit/loss.

Actions brought against the Company

Actions against the Company 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 Company's use of real property where electrical devices are located. The Company considers actions concerning non-contractual use of real property not owned by the Company as particularly important.

As at 30 September 2012, the total of 233cases against the Company were pending before common courts of law for the total amount of PLN 17,934 thousand (141 cases for the total amount of PLN 36,949 thousand as at 31 December 2011).

21.3. Proceedings before Public Administration Bodies

As described in the financial statement for the year ended 31 December 2011 in 2008 the President of the Energy Regulatory Office concluded that ENEA failed to comply with the obligation to purchase electricity produced in the energy cogenerated with heat in 2006, imposing a fine of PLN 7,594 thousand. On 30 May 2012 the Court of Appeal in Warsaw reversed the sentence of the Regional Court in Warsaw – Court of Competition and

Consumer Protection of 27 September 2011 and remanded the case to the Court of First Instance for settling the costs of the appeal proceedings.

22. Bond issue programme

22.1. Bond issue programme - ENEA S.A.

On 21 June ENEA S.A. executed a Programme Agreement with five banks acting as issue guarantors. The Agreement relates to Bond Issue Programme to the amount of PLN 4 bln. The Agreement was concluded for the term of 10 years. The Programme finishes on 15 June 2022. The Programme will finance current operations and investment needs of the ENEA S.A. and ENEA Group's companies.

On 30 September 2012 and till the date of these condensed interim separate financial statements, ENEA S.A. has no bonds issued under the above Bond Issue Programme.

According to the Agreement the Company is obligated to maintain the determined level of the indicator: net debt/EBITDA relating to data from consolidated financial statement. As at the balance sheet date the condition is met.

22.2. Bond issue programme – Elektrociepłownia Białystok S.A.

On 23 July 2012 ENEA S.A. (here as: Guarantor) concluded with Elektrociepłownia Białystok S.A. (here as: Bond Issuer) and Financial Authority (Organiser, Issue Agent, Paying Agent and Depositary) an Agreement on the Bond Issue Programme for PLN 98,500 thousand. On the same day ENEA S.A. executed the Guarantee Agreement with Elektrociepłownia Białystok S.A.

Till 30 September 2012 ENEA S.A. purchased bonds from three issues for the total value of PLN 98,500 thousand.

22.3. Bond issue programme – ENEA Wytwarzanie S.A.

On 8 September 2012 ENEA S.A. executed a Programme Agreement with ENEA Wytwarzanie S.A. and BRE Bank S.A. (Bank). The Agreement relates to Bond Issue Programme up to the amount of PLN 4 bln (the "Agreement"). The bond issue programme established by ENEA Wytwarzanie S.A. based on the Agreement (the "Programme") provides bond issue under the bond purchase referral to ENEA S.A.

The Programme finishes on 15 June 2022 and the availability period expires on 31 December 2017. The issued bonds will be straight.

The funds from the issue (up to PLN 4 bln) will be designated for financing of the construction of a new coal fired power unit of a minimum capacity of 900 MWe and a maximum capacity of 1,000 MWe in the Power Plant in Kozienice and other investment needs of ENEA Wytwarzanie S.A., approved by ENEA S.A.

The Programme Agreement anticipates a possibility of issuing bonds of maximum 40 numerous series, the nominal value of each series will not be lower than PLN 100 million and the nominal value of one bond will amount to PLN 1 million. These will be dematerialised bearer bonds. The interest rate of the bonds is floating and determined annually based on WIBOR 6M rate plus a fixed margin. The bonds will bear interest from the issue date (inclusive) till the redemption date (exclusive).
Bonds issued within the Bond Issue Programme are bonds in accordance with the Act on Bonds dated 29 June 1995, the offering will be held in the meaning of Art. 9, par. 3 of the Act. The bonds will not be issued on the terms of public offering of shares within the meaning of the Public Offer of Financial Instruments Act dated 29 July 2005.
The Agreement is valid during the Programme period or till the day of the last bond redemption if on the last day of the Programme period all bonds are not purchased.
As a part of the Agreement, on 8 September 2012 ENEA S.A. and ENEA Wytwarzanie S.A. executed a Guarantee Agreement concerning the Programme. Under the terms of the Guarantee Agreement ENEA S.A. is obliged to purchase bonds of initial offering, on the terms determined in the Guarantee Agreement and in the Programme. The obligation of ENEA S.A. to purchase bonds applies to the Availability Period.
The Guarantee Agreement is valid for the Programme period and expires on 15 June 2022 or till the day of the last bond redemption if on the last day of the Programme period all bonds are not purchased.

On 30 September 2012 and till the date of these condensed interim separate financial statement ENEA Wytwarzanie S.A. has not issued bonds under the Programme.

23. Signing of a 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 cooperation of the Parties based on the Agreement 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 held by PGNiG (the "Wejherowo Concession").
The Agreement provides for cooperation based on the targeted structure of a limited partnership that, following a successful exploration, will extract shale gas. Estimated expenditures on exploration, evaluation and extraction with respect to the first three zones (the Kochanowo, Częstkowo and Tępcz pads) within the Area of Cooperation are projected to be in the amount of PLN 1.72 bln.
The Parties are working to determine the detailed terms of cooperation, including a detailed project budget and timeline, the shares of the Parties in financing the expenditures arising from the agreed-on budget, shares in the project's profits and the principles of responsibility, including contractual penalties in the case of the failure, in particular by PGNiG, to fulfil certain obligations resulting from the Agreement. Should such specific arrangements not be forthcoming, the Agreement may be terminated by each of the Parties. On 12 November

2012 the Parties signed an annex to the Agreement and agreed to extend the deadline to determine detailed terms of cooperation till 4 February 2013. If within three months after reaching such arrangements the Parties have not received all of the required corporate approvals, or if by 31 December 2013 the required antimonopoly clearances have not been received, the Agreement will expire.

24. 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 realisation 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 realisation.

25. Post balance sheet events

On 18 October 2012 ENEA S.A. (Debtor) executed a Bank Loan Agreement (Agreement) with European Investment Bank (Bank) for the value of PLN 950 million or its equivalent in Euro currency. The Agreement anticipates a possibility of granting a loan in other currency commonly used on main foreign exchange markets.
The funds from the issue will be designated for financing of long-term investment plan (Programme) for the modernization and extention 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 3,244 million.
The loan should be repaid after maximum of 15 year from the scheduled date of the loan payday. The loan availability period equals 24 months from the date of the Agreement. The loan will be paid in maximum of 6 tranches; the value of each will not be lower than PLN 100 million, except for the last tranche which amounts to unused part of the loan.
The interest rate of the loan can be fixed or floating. The Debtor has the right to choose a fixed or floating interest rate separately for the each loan tranche under the terms of the Agreement.
In connection with the Agreement, on 18 October 2012 ENEA S.A. executed an additional agreement on the Programme realization with ENEA Operator Sp. z o.o. and the Bank which settles issues relating the rules of the Programme realization in part based on funds granted by the Bank.