

**Extended consolidated quarterly report
of the ENEA Group
for the third quarter of 2011**

Poznań, 14 November 2011

Selected consolidated financial data of the ENEA Capital Group

| | in PLN'000 | | in EUR '000 | |
|---|----------------|----------------|----------------|----------------|
| | 9 months ended | 9 months ended | 9 months ended | 9 months ended |
| | 30.09.2011 | 30.09.2010 | 30.09.2011 | 30.09.2010 |
| Net sales revenue | 7 167 950 | 5 827 752 | 1 773 674 | 1 455 955 |
| Operating profit/loss | 774 923 | 610 703 | 191 751 | 152 573 |
| Profit/loss before tax | 893 943 | 693 378 | 221 202 | 173 228 |
| Net profit/loss for the reporting period | 720 755 | 547 009 | 178 347 | 136 660 |
| Net cash flows from operating activities | 1 048 318 | 989 579 | 259 401 | 247 228 |
| Net cash flows from investing activities | (767 406) | (630 462) | (189 891) | (157 509) |
| Net cash flows from financing activities | (217 102) | (202 637) | (53 721) | (50 625) |
| Total net cash flows | 63 810 | 156 480 | 15 789 | 39 094 |
| Weighted average number of shares | 441 442 578 | 441 442 578 | 441 442 578 | 441 442 578 |
| Net earnings per share (in PLN per share) | 1,63 | 1,24 | 0,40 | 0,31 |
| Diluted earnings per share (in PLN/EUR) | 1,63 | 1,24 | 0,40 | 0,31 |

| | Balance as at | Balance as at | Balance as at | Balance as at |
|---|---------------|---------------|---------------|---------------|
| | 30 September | 31 December | 30 September | 31 December |
| | 2011 | 2010 | 2011 | 2010 |
| Total assets | 13 322 996 | 12 836 705 | 3 020 266 | 3 241 347 |
| Total liabilities | 2 917 735 | 2 960 234 | 661 438 | 747 477 |
| Non-current liabilities | 1 439 179 | 1 373 976 | 326 256 | 346 937 |
| Current liabilities | 1 478 556 | 1 586 258 | 335 182 | 400 540 |
| Equity | 10 405 261 | 9 876 471 | 2 358 828 | 2 493 869 |
| Share capital | 588 018 | 588 018 | 133 301 | 148 478 |
| Book value per share (in PLN / EUR) | 23,57 | 22,37 | 5,34 | 5,65 |
| Diluted book value per share (in PLN / EUR) | 23,57 | 22,37 | 5,34 | 5,65 |

The above financial data for Q3 2011 and 2010 were translated into EUR in line with the following principles:

- individual assets and liabilities – at the average exchange rate as at 30 September 2011 – 4.4112 PLN/EUR (as at 31 December 2010– 3.9603 PLN/EUR),
- individual items from the income statement and the cash flow statement – 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 2011 – 4.0413 PLN/EUR (for the period from 1 January to 30 September 2010 – PLN/EUR 4.0027).

**AUDITOR'S REPORT ON THE REVIEW OF THE CONDENSED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2011 TO 30 SEPTEMBER 2011**

To the Management Board and Supervisory Board of ENEA S.A.

We have reviewed the attached condensed interim consolidated financial statements of the ENEA S.A. Capital Group ("Capital Group"), with ENEA S.A. with registered office in Poznań, Nowowiejskiego 11 Street, as the Parent ("Parent Company"), including: consolidated balance sheet prepared as at 30 September 2011, and consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows prepared for the period from 1 January 2011 to 30 September 2011 as well as notes to condensed interim consolidated financial statements.

Compliance of these condensed interim consolidated financial statements with the requirements laid down in IAS 34 "Interim Financial Reporting" as endorsed by the European Union ("MSR 34") and with other regulations in force is the responsibility of the Management Board and Supervisory Board of the Parent Company. Our responsibility was to review these financial statements.

Our review has been conducted in accordance with the national auditing standards issued by the National Council of Statutory Auditors. These Standards require that we plan and conduct the review in such a way as to obtain reasonable assurance that the condensed interim consolidated financial statements are free from material misstatement. Our review has been conducted mainly based on an analysis of data included in the condensed interim consolidated financial statements, examination of the accounting records as well as information provided by the management and the financial and accounting personnel of the Capital Group.

The scope and methodology of a review of condensed interim consolidated financial statements differ significantly from an audit, which serves as the basis for expressing an opinion on compliance of annual financial statements with the applicable accounting principles (policy) and an opinion on their fairness and clarity. Therefore, no such opinion on the attached financial statements may be issued.

Based on our review, we have not identified any issues which would prevent us from concluding that the condensed interim consolidated financial statements have been prepared, in all material respects, in compliance with the requirements laid down in IAS 34 “Interim Financial Reporting” as endorsed by the European Union.

.....
Marcin Samolik
Key certified auditor
conducting the review
No. 10066

.....
represented by

.....
entity authorized to audit
financial statements entered under
number 73 on the list kept by the
National Council of Statutory Auditors

Warsaw, 14 November 2011

The above auditor’s report on the review is a translation from the original Polish version. In case of any discrepancies between the Polish and English version, the Polish version shall prevail.

**Condensed interim consolidated financial statements
of the ENEA Capital Group
for the period from 1 January to 30 September 2011**

Poznań, 14 November 2011

Index to the Condensed Interim Consolidated Financial Statements

| | |
|---|----|
| Consolidated Balance Sheet | 4 |
| Consolidated Statement of Comprehensive Income | 6 |
| Consolidated Statement of Changes in Equity | 7 |
| Consolidated Cash Flow Statement | 8 |
| 1. General information about ENEA S.A. and the ENEA Capital Group | 9 |
| 2. Statement of Compliance | 9 |
| 3. Accounting Principles | 10 |
| 4. New Accounting Standards and Interpretations | 10 |
| 5. Material Estimates and Assumptions | 10 |
| 6. Composition of the Capital Group – List of Subsidiaries, Associates and Jointly-Controlled Entities | 11 |
| 7. Segment reporting | 16 |
| 8. Property, Plant and Equipment | 22 |
| 9. Intangible Assets | 23 |
| 10. Investment Property | 23 |
| 11. Investments in Associates and Jointly-Controlled Entities | 23 |
| 12. Impairment Loss on Trade and Other Receivables | 24 |
| 13. Inventories | 24 |
| 14. Restricted Cash | 24 |
| 15. Investment Portfolio | 24 |
| 16. Settlement of Acquisition of New Subsidiaries | 25 |
| 17. Equity related to share-based payments and liabilities due to the equivalent of the right to acquire shares free of charge | 27 |
| 18. Credit Facilities and Loans | 29 |
| 19. Settlement of Income due to Subsidies and Connection Fees | 30 |
| 20. Deferred Income Tax | 30 |
| 21. Certificates of origin | 31 |
| 22. Provisions for liabilities and other charges | 31 |
| 23. Dividend | 32 |
| 24. Related-Party Transactions | 33 |
| 25. Long-Term Contracts for the Sale of Electricity (LTC) | 34 |
| 26. Future liabilities under contracts concluded as of the balance sheet date | 37 |
| 27. Explanations of the Seasonal and Cyclical Nature of the Capital Group’s Business | 38 |
| 28. Contingent Liabilities and Proceedings before Courts, Arbitration or Public Administration Bodies | 38 |
| 28.1. Guarantees for Credit Facilities and Loans as well as other Sureties Granted by ENEA S.A. and its Subsidiaries | 38 |
| 28.2. Pending proceedings before courts of general jurisdiction | 38 |
| 28.3. Arbitration Proceedings | 39 |
| 28.4. Proceedings before Public Administration Bodies | 39 |
| 28.5. Risk Related to the Legal Status of Property used by the Capital Group | 43 |
| 28.6. Risk Related to Participation in Costs Incurred due to the Use of Woodland Managed by the National Forests for the Needs of Electricity Lines | 43 |
| 29. Changes in excise | 44 |
| 30. Negotiations concerning Acquisition of Shares | 44 |
| 31. Post-Balance Sheet Events | 45 |

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

Chairman of the Management Board **Maciej Owczarek**

Member of the Management Board **Maksymilian Górniak**

Member of the Management Board **Hubert Rozpędek**

Member of the Management Board **Krzysztof Zborowski**

Poznań, 14 November 2011

Consolidated Balance Sheet

| | As at | |
|---|-------------------|-------------------|
| | 30.09.2011 | 31.12.2010 |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 8 841 337 | 8 308 650 |
| Perpetual usufruct of land | 70 974 | 29 208 |
| Intangible assets | 308 585 | 145 141 |
| Investment property | 8 225 | 8 203 |
| Investments in associated entities measured using the equity method | 10 986 | 170 220 |
| Financial assets available for sale | 71 135 | 74 867 |
| Financial assets measured at fair value through profit or loss | 1 352 | 1 411 |
| Trade and other receivables | 250 | 168 |
| | 9 312 844 | 8 737 868 |
| Current assets | | |
| Inventories | 346 396 | 242 058 |
| Trade and other receivables | 981 203 | 922 460 |
| Current income tax receivables | 1 001 | 1 819 |
| Financial assets held to maturity | 586 398 | 250 934 |
| Financial assets measured at fair value through profit or loss | 1 131 717 | 1 781 939 |
| Cash and cash equivalents | 963 437 | 899 627 |
| | 4 010 152 | 4 098 837 |
| Non-current assets available for sale | - | - |
| Total assets | 13 322 996 | 12 836 705 |

ENEA Capital Group

Condensed interim consolidated financial statements for the period from 1 January to 30 September 2011.

(all figures in PLN '000 unless stated otherwise)

| | As at | |
|--|-------------------|-------------------|
| | 30.09.2011 | 31.12.2010 |
| EQ UITY AND LIABILITIES | | |
| Equity | | |
| Equity attributable to shareholders of the Parent | | |
| Share capital | 588 018 | 588 018 |
| Share premium | 3 632 464 | 3 632 464 |
| Share-based capital | 1 144 336 | 1 144 336 |
| Revaluation reserve (financial instruments) | 48 162 | 50 922 |
| Other capitals | (21 722) | (22 110) |
| Retained earnings | 4 986 050 | 4 458 944 |
| | 10 377 308 | 9 852 574 |
| Minority interest | 27 953 | 23 897 |
| Total equity | 10 405 261 | 9 876 471 |
| LIABILITIES | | |
| Non-current liabilities | | |
| Credit facilities and loans | 87 069 | 72 362 |
| Trade and other liabilities | - | 2 |
| Finance lease liabilities | 1 882 | 1 742 |
| Settlement of income due to subsidies and connection fees | 703 759 | 713 215 |
| Deferred tax liability | 117 712 | 80 453 |
| Liabilities due to employee benefits | 437 838 | 428 134 |
| Provisions for other liabilities and charges | 90 919 | 78 068 |
| | 1 439 179 | 1 373 976 |
| Current liabilities | | |
| Credit facilities and loans | 47 447 | 42 398 |
| Trade and other liabilities | 929 864 | 1 017 805 |
| Finance lease liabilities | 1 929 | 2 134 |
| Settlement of income due to subsidies and connection fees | 115 383 | 122 370 |
| Current income tax liabilities | 59 573 | 72 159 |
| Liabilities due to employee benefits | 154 893 | 146 864 |
| Liabilities due to an equivalent of the right to acquire shares free of charge | 509 | 557 |
| Provision for certificates of origin | 105 049 | 92 646 |
| Provisions for other liabilities and charges | 63 909 | 89 325 |
| | 1 478 556 | 1 586 258 |
| Total liabilities | 2 917 735 | 2 960 234 |
| Total equity and liabilities | 13 322 996 | 12 836 705 |

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

Consolidated Statement of Comprehensive Income

| | 9 months ended | | 3 months ended | |
|--|------------------|------------------|------------------|------------------|
| | 30.09.2011 | 30.09.2011 | 30.09.2010 | 30.09.2010 |
| Sales revenue | 7 337 310 | 2 475 645 | 6 016 457 | 1 964 670 |
| Excise tax | (169 360) | (53 371) | (188 705) | (54 745) |
| Net sales revenue | 7 167 950 | 2 422 274 | 5 827 752 | 1 909 925 |
| Other operating revenue | 191 124 | 134 766 | 49 023 | 25 528 |
| Amortization | (519 582) | (192 716) | (490 332) | (165 854) |
| Costs of employee benefits | (700 978) | (237 086) | (669 023) | (187 689) |
| Consumption of materials and supplies and costs of goods sold | (1 216 384) | (467 884) | (1 151 159) | (423 405) |
| Energy purchase for sale | (3 076 239) | (952 133) | (1 971 696) | (612 303) |
| Transmission services | (534 693) | (179 342) | (517 207) | (172 370) |
| Other external services | (287 923) | (106 335) | (263 501) | (90 997) |
| Taxes and charges | (153 745) | (48 517) | (137 744) | (42 888) |
| (Profit) / loss on sale and liquidation of property, plant and equipment | 47 | (2 998) | (3 333) | (4 349) |
| Impairment loss on property, plant and equipment | (5 634) | (5 634) | - | - |
| Other operating expenses | (89 020) | (27 701) | (62 077) | (18 408) |
| Operating profit | 774 923 | 336 694 | 610 703 | 217 190 |
| Financial expenses | (29 713) | (21 676) | (24 129) | (4 772) |
| Financial revenue | 143 914 | 60 972 | 113 261 | 35 030 |
| Revenue from dividends | 1 438 | 697 | 640 | (56) |
| Share in profits/losses of associates measured using the equity method | 3 381 | (5 078) | (7 097) | (11 597) |
| Profit before tax | 893 943 | 371 609 | 693 378 | 235 795 |
| Income tax | (173 188) | (64 967) | (146 369) | (53 478) |
| Net profit for the reporting period | 720 755 | 306 642 | 547 009 | 182 317 |
| Other items of comprehensive income | | | | |
| Measurement of financial assets available for sale | (3 407) | (5 793) | 23 921 | 21 073 |
| Income tax related to other items of comprehensive income | 647 | 1 101 | (2 474) | (1 933) |
| Other items of net comprehensive income | (2 760) | (4 692) | 21 447 | 19 140 |
| Comprehensive income for the period | 717 995 | 301 950 | 568 456 | 201 457 |
| Including net profit: | | | | |
| attributable to shareholders of the Parent | 721 341 | 307 392 | 547 388 | 183 392 |
| attributable to minority interests | (586) | (750) | (379) | (1 075) |
| Including comprehensive income: | | | | |
| attributable to shareholders of the Parent | 718 581 | 302 700 | 568 835 | 202 532 |
| attributable to minority interests | (586) | (750) | (379) | (1 075) |
| Net profit attributable to shareholders of the Parent | 721 341 | 307 392 | 547 388 | 183 392 |
| 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) | 1,63 | 0,69 | 1,24 | 0,41 |
| Diluted earnings per share (in PLN per share) | 1,63 | 0,69 | 1,24 | 0,41 |

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

ENE Capital Group

Condensed interim consolidated financial statements for the period from 1 January to 30 September 2011.

*(all figures in PLN '000 unless stated otherwise)***Consolidated Statement of Changes in Equity**

| | 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 |
| Comprehensive income | | | | | | | (2 760) | | 721 341 | (586) | 717 995 |
| Dividends | | | | | | | | | (194 235) | | (194 235) |
| Put option on minority 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 |

| | 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 01.01.2010 | 441 443 | 146 575 | 588 018 | - | 1 144 336 | 3 632 464 | 20 756 | (22 110) | 3 985 386 | 23 778 | 9 372 628 |
| Comprehensive income | | | | | | | 21 447 | | 547 388 | (379) | 568 456 |
| Dividends | | | | | | | | | (167 748) | | (167 748) |
| Balance as at 30.09.2010 | 441 443 | 146 575 | 588 018 | - | 1 144 336 | 3 632 464 | 42 203 | (22 110) | 4 365 026 | 23 399 | 9 773 336 |

The consolidated statement of changes in equity should be read together with the notes, which constitute an integral part of the condensed interim consolidated financial statements.

Consolidated Cash Flow Statement

| | 9 months ended 30.09.2011 | 9 months ended 30.09.2010 |
|--|--------------------------------------|--------------------------------------|
| Cash flows from operating activities | | |
| Net profit for the reporting period | 720 755 | 547 009 |
| Adjustments: | | |
| Income tax disclosed in the income statement | 173 188 | 146 369 |
| Amortization | 519 582 | 490 332 |
| (Profit) / loss on sale and liquidation of property, plant and equipment | (1 519) | 3 333 |
| Impairment loss on property, plant and equipment | 6 901 | - |
| Write-down on profit due to bargain purchase | (81 988) | - |
| (Profit) / loss on sale of financial assets | (10 461) | 814 |
| Interest income | (124 122) | (110 599) |
| Revenue from dividends | (1 438) | (640) |
| Interest expense | 6 352 | 8 006 |
| Share in the (profit) / loss of associates | (3 381) | 7 097 |
| Exchange (gains) / losses on credit facilities and loans | 5 823 | (1 543) |
| Other adjustments | 103 052 | 1 788 |
| | 591 989 | 544 957 |
| Income tax paid | (195 920) | (167 874) |
| Interest received | 53 811 | 36 890 |
| Interest paid | (5 861) | (4 824) |
| Changes in working capital | | |
| Inventories | (60 916) | 55 941 |
| Trade and other receivables | (33 960) | 31 754 |
| Trade and other liabilities | 58 183 | (46 947) |
| Liabilities due to employee benefits | 6 236 | 28 204 |
| Settlement of income due to subsidies and connection fees | (83 657) | (19 439) |
| Provisions for certificates of origin | 12 346 | (18 041) |
| Liabilities due to an equivalent of the right to acquire shares free of charge | (48) | (43) |
| Other provisions | (14 640) | 1 992 |
| | (116 456) | 33 421 |
| Net cash flows from operating activities | 1 048 318 | 989 579 |
| Cash flows from investing activities | | |
| Acquisition of property, plant and equipment and intangible assets | (870 042) | (543 898) |
| Proceeds from disposal of property, plant and equipment | 7 121 | 8 009 |
| Acquisition of financial assets | (1 012 513) | (286 613) |
| Proceeds from disposal of financial assets | 1 422 721 | 181 379 |
| Acquisition of subsidiaries adjusted by acquired cash | (316 171) | - |
| Dividends received | 1 282 | 16 181 |
| Other outflows | 196 | (5 520) |
| Net cash flows from investing activities | (767 406) | (630 462) |
| Cash flows from financing activities | | |
| Credit facilities and loans received | 6 630 | (2 382) |
| Credit facilities and loans repaid | (22 418) | (28 526) |
| Dividend paid to Parent's shareholders | (187 265) | (167 748) |
| Payment of finance lease liabilities | (3 482) | (3 256) |
| Other adjustments | (10 567) | (725) |
| Net cash flows from financing activities | (217 102) | (202 637) |
| Net increase (decrease) in cash | 63 810 | 156 480 |
| Opening balance of cash | 899 627 | 902 543 |
| Closing balance of cash | 963 437 | 1 059 023 |

Notes to the Condensed Interim Consolidated Financial Statements

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

| | |
|---|--|
| Name (business name): | ENEA Spółka Akcyjna |
| Legal form: | joint-stock company |
| Country: | Poland |
| Registered office: | Poznań |
| Address: | ul. Nowowiejskiego 11, 60-967 Poznań |
| National Court Register – District Court in Poznań | KRS 0000012483 |
| Telephone: | (+48 61) 856 10 00 |
| Fax: | (+48 61) 856 11 17 |
| E-mail: | enea@enea.pl |
| Website: | www.enea.pl |
| Statistical number (REGON): | 630139960 |
| Tax identification number (NIP): | 777-00-20-640 |

The main activities of the ENEA Capital Group (“Group”, “Capital Group”) are:

- production of electricity (Elektrownia “Kozienice” S.A., Elektrownie Wodne Sp. z o.o.);
- trade in electricity (ENEA S.A.);
- distribution of electricity (ENEA Operator Sp. z o.o.);

As at 30 September 2011 the shareholding structure of ENEA S. A., the Parent, was the following: the State Treasury of the Republic of Poland – 51.73% of shares, Vattenfall AB – 18.67%, other shareholders – 29.60%.

As at 30 September 2011 the statutory share capital of ENEA S.A. equalled 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 2011 the Capital Group comprised the parent ENEA S.A. (“Company”, “Parent”), 20 subsidiaries, 3 indirect subsidiaries and 2 associates.

These condensed interim consolidated financial statements have been prepared as a going concern. There are no circumstances indicating that the Group’s ability 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 Capital Group in accordance with IFRS-EU as at 30 September 2011. 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, except for changes in standards and interpretations endorsed by the European Union which apply to the reporting periods beginning after 1 January 2011.

The accounting principles applied by the Group were presented in the consolidated financial statements of the ENEA Capital Group for the financial year ended 31 December 2010.

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.

These condensed interim consolidated financial statements should be read together with the consolidated financial statements of the ENEA Capital Group for the financial year ended 31 December 2010.

4. New Accounting Standards and Interpretations

The standards applicable to annual periods beginning after 1 January 2011 as endorsed by the EU have been revised. However, the changes have not had any effect on the preparation of these condensed interim consolidated financial statements.

5. 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.

6. Composition of the Capital 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 30.09.2011 | % share of ENEA S.A. in the total number of votes 31.12.2010 |
|-----|---|--|--|
| 1. | ENERGOMIAR Sp. z o.o. <i>Poznań, ul. Strzeszyńska 58</i> | 100 | 100 |
| 2. | BHU S.A. <i>Poznań, ul. Strzeszyńska 58</i> | 92,55 | 91,47 |
| 3. | ENEA Centrum S.A. <i>Poznań, ul. Św. Wojciech 7/9</i> | 100 | 100 |
| 4. | Hotel „EDISON” Sp. z o.o. <i>Baranowo k/Poznania</i> | 100 | 100 |
| 5. | Energetyka Poznańska Zakład Transportu Sp. z o.o. <i>Poznań, ul. Strzeszyńska 58</i> | 100 | 100 |
| 6. | Energetyka Poznańska Przedsiębiorstwo Usług Energetycznych Energobud Leszno Sp. z o.o. <i>Lipno, Gronówko 30</i> | 100 | 100 |
| 7. | ENERGO-TOUR Sp. z o.o. <i>Poznań, ul. Marcinkowskiego 27</i> | 99.92 | 99.92 |
| 8. | ENEOS Sp. z o.o. <i>Poznań, ul. Strzeszyńska 58</i> | 100 | 100 |
| 9. | ENTUR Sp. z o.o. <i>Szczecin, ul. Malczewskiego 5/7</i> | 100 | 100 |
| 10. | Niepubliczny Zakład Opieki Zdrowotnej Centrum Uzdrawiskowe ENERGETYK Sp. z o.o. <i>Inowrocław, ul. Wilkońskiego 2</i> | 99.94 | 99.94 |
| 11. | Elektrownie Wodne Sp. z o.o. <i>Samociążek, 86-010 Koronowo</i> | 100 | 100 |
| 12. | Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. Oborniki, ul. Wybudowanie 56 | 90.92 | 87.99 |
| 13. | „ITSERWIS” Sp. z o.o. <i>Zielona Góra, ul. Zacisze 28</i> | 100 | 100 |
| 14. | „Auto – Styl” Sp. z o.o. <i>Zielona Góra, ul. Zacisze 15</i> | 100 | 100 |
| 15. | FINEA Sp. z o.o. in liquidation <i>Poznań, ul. Warszawska 43</i> | - | 100 |
| 16. | ENEA Operator Sp. z o.o. <i>Poznań, ul. Strzeszyńska 58</i> | 100 | 100 |
| 17. | Elektrownia „Kozienice” S.A. <i>Świerże Górne, gmina Kozienice, Kozienice 1</i> | 100 | 100 |
| 18. | Miejska Energetyka Ciepła Piła Sp. z o.o. <i>64-920 Piła, ul. Kaczorska 20</i> | 65.03 | 64.064 |
| 19. | Kozienice II Sp. z o.o. <i>Świerże Górne, gmina Kozienice, Kozienice 1</i> | - | 100 |
| 20. | Elektrociepłownia Białystok S.A. <i>Białystok, ul. Gen. Andersa 3</i> | 99.94 | 30.36 |
| 21. | DOBITT Energia Sp. z o.o. <i>Gorzewo 8, 56-420 Bierutów</i> | 100 | - |
| 22. | Annacond Enterprises Sp. z o.o. Warszawa, ul. Jana III Sobieskiego 1/4 | 61 | - |
| 23. | Przedsiębiorstwo Produkcji Strunobetonowych Żerdzi Wirowanych WIRBET S.A. <i>Ostrów Wlkp., ul. Chłapowskiego 51</i> | 49 | 49 |
| 24. | Przedsiębiorstwo Energetyki Ciepłej w Śremie S.A. <i>Śrem, ul. Staszica 6</i> | - | 41.65 |
| 25. | ELKO Trading Sp. z o.o. <i>Świerże Górne, gmina Kozienice, Kozienice 1</i> | _* | _* |
| 26. | Elektrownie Wiatrowe – ENEA Centrum Spółka Akcyjna Spółka Komandytowa <i>Samociążek 92, 86-010 Koronowo</i> | _*_* | - |
| 27. | “Ecebe” Sp. z o.o. <i>Augustów, ul. Wojciech 8</i> | _*_*_* | - |
| 28. | Energo-Invest-Broker S.A. Toruń, ul. Jęczmienna 21 | _*_*_*_* | - |

*100% of shares in ELKO Trading Sp. z o.o. is held by Elektrownia „Kozienice” S.A.

** 99% of total rights and obligations in Elektrownie Wiatrowe – ENEA Centrum Spółka Akcyjna Spółka Komandytowa is vested in Elektrownie Wodne Sp. z o. o. and 1% in ENEA Centrum S.A.

***100% of shares in Ecebe is held by Elektrociepłownia Białystok S.A.

**** an associate of Elektrownia Kozienice S.A.

Changes in the Capital Group Structure in the Period Covered by these Condensed Interim Consolidated Financial Statements

On 27 December 2010, the Extraordinary Shareholders' Meeting of BHU S.A. adopted Resolution to increase the share capital of the Company by PLN 2,072 thousand, up to PLN 16,375.1 thousand, by way of issuing 20,720 K series shares, by a private placement. 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 BHU S.A. was registered in the National Court Register on 21 January 2011.

On 30 December 2010 the Extraordinary Shareholders' Meeting decided to increase the share capital of MEC Piła Sp. z o.o. by PLN 773 thousand up to PLN 28,689 thousand, by way of creating 773 new shares with the face value of PLN 1,000 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 MEC Piła Sp. z o.o. was registered in the National Court Register on 24 February 2011.

On 27 January 2011 an auction was announced for on the sale of shares in the share capital of Przedsiębiorstwo Energetyki Ciepłej w Śremie S.A. The auction includes 6,860 ordinary registered shares of Przedsiębiorstwo Energetyki Ciepłej w Śremie S.A. with the face value of PLN 1,000 each and the total value of PLN 6,860 thousand, accounting for 41.65% of its share capital. The total market value of the shares – corresponding to the starting price – is PLN 9,611,820,40 and has been based on measurement carried out as at 30 June 2010. Since none of the potential investors paid the deposit within the deadline, no buyer was selected in the tender and ENEA S.A. remained the holder of the shares. On 21 February 2011 ENEA S.A. received a letter from Centrozap S.A. (a holder of 51% of shares in PEC Śrem S.A.) declaring the will to buy the block in question, but due to corporate procedures only after 16 May 2011. At the same time, Centrozap S.A. accepted the starting price published in the tender announcement.

The preliminary agreement on the sale of shares was concluded on 26 May 2011 under which the Parties were obliged to conclude the Final Agreement by 14 July 2011. The Final Agreement was concluded on 13 July 2011.

The increase in the share capital of Elektrownie Wodne Sp. z o.o. by PLN 26,000 thousand, up to PLN 239,841 thousand was registered in the National Court Register on 7 February 2011. All new shares in the Company's share capital were taken up by the existing shareholder – ENEA S.A. and covered in full by a contribution in kind in the form of an organized part of the enterprise of ENEA S.A. operating under the business name: ENEA S. A. Oddział Elektrownia Biogazowa Liszkowo.

On 15 February 2011 the Extraordinary Shareholders' Meeting decided to increase the share capital of Hotel EDISON Sp. z o.o. by PLN 35 thousand up to PLN 21,271.5 thousand, by way of creating 70 new shares with the face value of PLN 500 each. All shares in the increased share capital of Hotel EDISON Sp. z o.o. will be acquired by the existing sole shareholder - ENEA S.A. and fully covered with a cash contribution. The increase in the share capital was registered in the National Court Register on 28 July 2011.

Business combination of Elektrownia "Kozienice" S. A. (the Acquirer) and Kozienice II Sp. z o. o. (the Acquiree) by transfer of all the assets of the Acquiree to the Acquirer and simultaneous increase in the share capital of the Acquirer (by way of the issue of shares targeted at ENEA S.A.) was registered on 30 March 2011. As a result of the business combination, the share capital of Elektrownia "Kozienice" S.A. was increased by PLN 12,482 thousand up to PLN 462,482 thousand by way of issuing 1,248,244 series B ordinary bearer shares with the face value of PLN 10 each.

The purpose of the business combination was to benefit from many years of experience and potential in managing and investing in production assets of Elektrownia "Kozienice".

On 30 March 2011 the Group acquired all rights and obligations in ZU-AN Sp. z o. o. sp. k. for the total amount of PLN 28,383 thousand. PLN 28,117 thousand was paid by Elektrownie Wodne Sp. z o.o. - PLN 1,773 was paid after the balance sheet date - and PLN 266 thousand by Energetyka Poznańska Biuro Usług Technicznych S.A. The name of the Acquiree is Elektrownie Wiatrowe – Energetyka Poznańska Biuro Usług Technicznych Spółka Akcyjna Spółka Komandytowa. The change in the name of the general partner resulted in a change in the name of the partnership to Elektrownie Wiatrowe – ENEA Centrum Spółka Akcyjna Spółka Komandytowa. 99% of total rights and obligations is vested in Elektrownie Wodne Sp. z o. o. (limited partner), and 1% in ENEA Centrum S. A. (general partner).

On 11 May 2011 ENEA S. A. acquired 100% of shares in DOBITT Energia Sp. z o. o. for PLN 3,350 thousand and at the same time the share capital was increased by PLN 9,075 thousand up to PLN 9,175 thousand. The increased share capital was registered in the National Court Register on 22 August 2011.

On 1 June 2011 ENEA S. A. acquired 1,283,214 shares in Elektrociepłownia Białystok S. A. with the value of PLN 10 per share for the total amount of PLN 347,751 thousand.

On 8 June 2011 the Extraordinary Shareholders' Meeting of FINEA Sp. z o.o. in liquidation approved distribution of liquidation amounts. On 13 June 2011 a motion to remove the entity was filed to the National Court Register. On 20 July 2011 FINEA Sp. z o.o. in liquidation was wound up and removed from the National Court Register.

On 27 May and on 6 and 8 June 2011 ENEA S. A. acquired 304 employee shares in Przedsiębiorstwo Energetyki Ciepłej Sp. z o. o. with the registered office in Oborniki for the total amount of PLN 387.6 thousand.

On 29 December 2010 the Extraordinary Shareholders' Meeting of Energo-Invest-Broker S. A. adopted the following resolutions: Resolution 1 approving the acquisition of 55.625% of shares in EIB S.A. held by PGE Górnictwo i Energetyka Konwencjonalna S.A. for redemption; Resolution 2 decreasing the share capital of the Company due to redemption of own shares acquired; Resolution 3 on redemption of own shares acquired for redemption.

On 28 April 2011 District Court for Toruń, VII Business Division of the National Court Register issued a decision to register the decrease in the share capital from PLN 500 thousand to PLN 221,9 thousand due to redemption of 1,780 shares previously held by PGE Górnictwo i Energetyka Konwencjonalna S. A. After redemption the number of shares in EIB S.A. fell to 1,420. As a result the share of Elektrownia "Kozienice" S.A. in the share capital of the Company changed from 12.5% to 28.17%.

In accordance with IAS 28 point 23, the excess of the share of the fair value of net assets over the cost of PLN 2,908 thousand was recognized in these condensed interim consolidated financial statements as revenue of the period in which EIB became an associate measured using the equity method.

On 26 July 2011, the Extraordinary Shareholders' Meeting of EP PUE ENERGOBUD Leszno Sp. z o.o. adopted a resolution to increase the share capital by PLN 1,151 thousand, i.e. from PLN 7,634 thousand to PLN 8,785 thousand, in exchange for a contribution in-kind. The acquisition of shares in the increased share capital of EP PUE ENERGOBUD Leszno Sp. z o.o. by ENEA S.A. and the transfer of perpetual usufruct right to real property related to the contribution in kind took place on 3 August 2011.

On 22 August 2011 ENEA S. A. acquired 21,265 shares in "Annacond Enterprises" Sp. z o. o. with the registered office in Warsaw, with the face value of PLN 500 per share and accounting for 61% of the share capital of the company.

On 12 September 2011 the Extraordinary Shareholders' Meeting of ENEOS Sp. z o.o. adopted Resolution on the increase in the share capital of the company by PLN 11,900 thousand, from PLN 20,189 thousand to PLN 32,089.5 thousand in exchange for a contribution in kind in the form of an organized part of an enterprise – as understood by Article 551 of the Civil Code – under the name "Oświetlenie uliczne Miasta Poznania". On 13 September 2011 ENEA S.A. took up shares in the increased share capital of ENEOS Sp. z o. o. and an organized part of an enterprise – as understood by Article 551 of the Civil Code – was transferred from ENEA S. A. to ENEOS Sp. z o. o. The increased share capital of ENEOS Sp. z o.o. was registered in the National Court Register on 13 October 2011.

On 20 September 2011 the Extraordinary Shareholders' Meeting of BHU SA adopted Resolution No. 1 to increase the share capital of the Company by PLN 165,6 thousand by issuing 1,656 L series shares with the face value of PLN 100.00 each, from PLN 16,375.1 thousand to PLN 16,540.7 thousand, in exchange for a contribution in kind of PLN 165.6 thousand, with no right to acquire shares granted to the existing shareholders.

On 20 September 2011, BHU S.A. placed an offer to acquire L series shares with ENEA S.A.

ENEA Capital Group

Condensed interim consolidated financial statements for the period from 1 January to 30 September 2011.

(all figures in PLN '000 unless stated otherwise)

On 4 October 2011, ENEA S.A. accepted the offer to acquire L series shares of BHU S.A.

The agreement on the take-up of L series shares and the agreement on the transfer of the perpetual usufruct right to the land will be concluded by 30 November 2011.

The change in the scope of business of Energetyka Poznańska Biuro Usług Technicznych S.A. and the launch of customer service offer for the customers of ENEA SA resulted in a change in the name of the company to ENEA Centrum S.A.

ENEA Capital Group

Condensed interim consolidated financial statements for the period from 1 January to 30 September 2011.

*(all figures in PLN '000 unless stated otherwise)***7. Segment reporting**

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

| | Turnover | 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 Group costs (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 associated entities | | | | | | 3 381 |
| Income tax | | | | | | (173 188) |
| Net profit | | | | | | 720 755 |
| Share in minority interest profit | | | | | | (586) |

ENEA Capital Group

Condensed interim consolidated financial statements for the period from 1 January to 30 September 2011.

(all figures in PLN '000 unless stated otherwise)

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

| | Turnover | 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 Group costs (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 associated entities | | | | | | (5 078) |
| Income tax | | | | | | (64 967) |
| Net profit | | | | | | 306 642 |
| Share in minority interest profit | | | | | | (750) |

ENEA Capital Group

Condensed interim consolidated financial statements for the period from 1 January to 30 September 2011.

(all figures in PLN '000 unless stated otherwise)

Segment reporting for the period from 1 January to 30 September 2010:

| | Turnover | Distribution | Production | All other segments | Eliminations | Total |
|--|------------------|---------------------|-------------------|---------------------------|---------------------|------------------|
| Net sales revenue | 2 999 836 | 1 880 051 | 748 953 | 198 912 | - | 5 827 752 |
| Inter-segment sales | 233 134 | - | 1 107 084 | 303 870 | (1 644 088) | - |
| Total net sales revenue | 3 232 970 | 1 880 051 | 1 856 037 | 502 782 | (1 644 088) | 5 827 752 |
| Total expenses | (3 044 422) | (1 609 594) | (1 636 936) | (477 384) | 1 619 821 | (5 148 515) |
| Segment profit/loss | 188 548 | 270 457 | 219 101 | 25 398 | (24 267) | 679 237 |
| Unassigned Group costs (general and administrative expenses) | | | | | | (68 534) |
| Operating profit | | | | | | 610 703 |
| Financial expenses | | | | | | (24 129) |
| Financial revenue | | | | | | 113 261 |
| Revenue from dividends | | | | | | 640 |
| Net profit sharing/loss coverage in associated entities | | | | | | (7 097) |
| Income tax | | | | | | (146 369) |
| Net profit | | | | | | 547 009 |
| Share in minority interest profit | | | | | | (379) |

ENEA Capital Group

Condensed interim consolidated financial statements for the period from 1 January to 30 September 2011.

(all figures in PLN '000 unless stated otherwise)

Segment reporting for the period from 1 July to 30 September 2010:

| | Turnover | Distribution | Production | All other segments | Eliminations | Total |
|--|------------------|---------------------|-------------------|---------------------------|---------------------|------------------|
| Net sales revenue | 931 779 | 615 791 | 284 339 | 78 016 | - | 1 909 925 |
| Inter-segment sales | 79 190 | - | 371 488 | 105 401 | (556 079) | - |
| Total net sales revenue | 1 010 969 | 615 791 | 655 827 | 183 417 | (556 079) | 1 909 925 |
| Total expenses | (961 349) | (525 990) | (563 000) | (169 244) | 548 752 | (1 670 831) |
| Segment profit/loss | 49 620 | 89 801 | 92 827 | 14 173 | (7 327) | 239 094 |
| Unassigned Group costs (general and administrative expenses) | | | | | | (21 904) |
| Operating profit | | | | | | 217 190 |
| Financial expenses | | | | | | (4 772) |
| Financial revenue | | | | | | 35 030 |
| Revenue from dividends | | | | | | (56) |
| Net profit sharing/loss coverage in associated entities | | | | | | (11 597) |
| Income tax | | | | | | (53 478) |
| Net profit | | | | | | 182 317 |
| Share in minority interest profit | | | | | | (1 075) |

ENEA Capital Group

Condensed interim consolidated financial statements for the period from 1 January to 30 September 2011.

*(all figures in PLN '000 unless stated otherwise)***Segment reporting (cont'd)**

Other segment reporting information as at 30 September 2011:

| | Turnover | Distribution | Production | All other segments | Eliminations | Total |
|---|-----------------|---------------------|-------------------|---------------------------|---------------------|-------------------|
| Property, plant and equipment | 17 673 | 4 985 765 | 3 252 520 | 296 454 | (76 196) | 8 476 216 |
| Trade and other receivables | 487 291 | 324 164 | 137 764 | 158 934 | (129 646) | 978 507 |
| Total | 504 964 | 5 309 929 | 3 390 284 | 455 388 | (205 842) | 9 454 723 |
| ASSETS excluded from segmentation | | | | | | 3 868 273 |
| - including property, plant and equipment | | | | | | 365 121 |
| - including trade and other receivables | | | | | | 2 946 |
| TOTAL ASSETS | | | | | | 13 322 996 |
| Trade and other liabilities | 262 908 | 303 848 | 327 088 | 117 556 | (129 646) | 881 754 |
| Equity and liabilities excluded from segmentation | | | | | | 12 441 242 |
| - including trade and other liabilities | | | | | | 48 110 |
| TOTAL EQUITY AND LIABILITIES | | | | | | 13 322 996 |
| Capital expenditure for fixed assets and intangible assets | - | 322 449 | 277 906 | 37 804 | (2 072) | 636 087 |
| Capital expenditure for fixed assets and intangible assets excluded from segmentation | | | | | | 98 595 |
| Amortization | 628 | 262 454 | 213 097 | 21 895 | (3 186) | 494 888 |
| Amortization excluded from segmentation | | | | | | 24 694 |
| Impairment losses on receivables as at 30 September 2011 | 80 035 | 16 788 | 71 375 | 6 815 | - | 175 013 |

ENEA Capital Group

Condensed interim consolidated financial statements for the period from 1 January to 30 September 2011.

*(all figures in PLN '000 unless stated otherwise)***Segment reporting (cont'd)**

Other segment reporting information as at 31 December 2010:

| | Turnover | Distribution | Production | All other segments | Eliminations | Total |
|---|-----------------|---------------------|-------------------|---------------------------|---------------------|-------------------|
| Property, plant and equipment | 18 746 | 4 862 914 | 2 874 885 | 350 681 | (93 663) | 8 013 563 |
| Trade and other receivables | 463 869 | 332 995 | 241 263 | 201 648 | (327 554) | 912 221 |
| Total: | 482 615 | 5 195 909 | 3 116 148 | 552 329 | (421 217) | 8 925 784 |
| ASSETS excluded from segmentation | | | | | | 3 910 921 |
| - including property, plant and equipment | | | | | | 295 087 |
| - including trade and other receivables | | | | | | 10 407 |
| TOTAL ASSETS | | | | | | 12 836 705 |
| Trade and other liabilities | 359 389 | 434 131 | 314 518 | 154 808 | (327 554) | 935 292 |
| Equity and liabilities excluded from segmentation | | | | | | 11 901 413 |
| - including trade and other liabilities | | | | | | 82 515 |
| TOTAL EQUITY AND LIABILITIES | | | | | | 12 836 705 |
| Capital expenditure for fixed assets and intangible assets | - | 506 275 | 420 513 | 76 984 | (27 734) | 976 038 |
| Capital expenditure for fixed assets and intangible assets excluded from segmentation | | | | | | 66 206 |
| Amortization | 610 | 360 890 | 252 311 | 34 010 | (3 132) | 644 689 |
| Amortization excluded from segmentation | | | | | | 7 983 |
| Impairment losses on receivables as at 31 December 2010 | 81 578 | 12 271 | 55 840 | 5 908 | - | 155 597 |

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 Group's revenue that may be reasonably attributed to a given 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 a given segment with a relevant portion of the Group's costs that may be reasonably allocated to a given segment.

Market prices are used in inter-segment transactions, which allow individual entities to earn a margin sufficient to carry out independent operations the market. Prices specified in the Energy Law of 10 April 1997 and the related secondary legislation apply to trade in electricity and provision of transmission services.

Supplementary Reporting – Geographical Segments

The Group operates in one geographical region, in Poland, and therefore it does not distinguish geographical segments.

8. Property, Plant and Equipment

During the 9 months ended 30 September 2011 the Group acquired property, plant and equipment for the total amount of PLN 545,203 thousand (PLN 928,953 thousand during the 12 months ended 31 December 2010).

During the 9 months ended 30 September 2011 the Group sold and liquidated property, plant and equipment for the total net amount of PLN 7,113 thousand (PLN 54,500 thousand during the 12 months ended 31 December 2010).

During the 9 months ended 30 September 2011, impairment loss on the carrying amount of property, plant and equipment increased by PLN 13,646 thousand (during the 9 months ended 30 September 2010 impairment loss on the carrying amount of property, plant and equipment dropped by PLN 15,158 thousand).

During the 3 months ended 30 September 2011, impairment loss on the carrying amount of property, plant and equipment increased by PLN 5,641 thousand (during the 3 months ended 30 September 2010 impairment loss on the carrying amount of property, plant and equipment increased by PLN 36 thousand).

As at 30 September 2011 the impairment loss on the carrying amount of property, plant and equipment totalled PLN 20,419 thousand (PLN 6.773 thousand as at 31 December 2010).

Impairment Test (Property, Plant and Equipment)

Property, plant and equipment related to distribution was last tested for impairment on 31 December 2008. The test did not reveal any impairment of property, plant and equipment related to distribution as at

31 December 2008.

As at 31 December 2009, 31 December 2010 and 30 September 2011 there were no reasons to carry out another impairment test of property, plant and equipment related to distribution.

9. Intangible Assets

During 9 months ended 30 September 2011 the Group acquired intangible assets for the total amount of PLN 189,479 thousand (PLN 113,291 thousand during the 12 months ended 31 December 2010). The majority of the amount refers to emission allowances.

During the 9 months ended 30 September 2011 the Group did not sell or liquidate any considerable intangible assets – apart from the surrender of the emission allowances of PLN 102,048 thousand (during the 12 months ended 31 December 2010 the Group did not sell or liquidate any considerable intangible assets).

10. Investment Property

During the 9 months ended 30 September 2011 the Group did not acquire any investment property (during the 12 months ended 31 December 2010 the Group acquired investment property for PLN 81 thousand).

11. Investments in Associates and Jointly-Controlled Entities

During the 9 months ended 30 September 2011 the Group acquired shares in associates for PLN 1,499 thousand (during the 12 months ended 31 December 2010 the Group acquired shares in associates and jointly-controlled entities for the total amount of PLN 3,000 thousand). Acquisition of an associate of Elektrownia Kozienice S.A.-Energoinvest-Broker S. A. (details in note 6).

On 1 June 2011 ENEA S. A. acquired 1,283,214 shares in Elektrociepłownia Białystok S. A. with the face value of PLN 10 per share for the total amount of PLN 347,751 thousand. The company, earlier an associate, became a subsidiary of ENEA S.A. This resulted in a decrease in “investments in associates measured using the equity method” to PLN 165,396 thousand.

As at 31 December 2010, following verification of bases and an impairment test of the shares in the combined heat and power plants which are associates (Przedsiębiorstwo Energetyki Ciepłej w Śremie S.A. and Elektrociepłownia Białystok S.A.), the Group impaired the shares in Przedsiębiorstwo Energetyki Ciepłej w Śremie S.A. by PLN 7.959 thousand, which brought the book value of the shares in the company to PLN 0.

On 13 July 2011 the Group sold all its shares in Przedsiębiorstwo Energetyki Ciepłej w Śremie S. A.

12. Impairment Loss on Trade and Other Receivables

| | 30.09.2011 | 31.12.2010 |
|--|-------------------|-------------------|
| Opening balance of impairment loss on receivables | 155 597 | 150 632 |
| Acquisition of subsidiaries | 533 | - |
| Recognized | 37 567 | 27 869 |
| Derecognized | (10 517) | (22 427) |
| Assigned | (8 167) | (477) |
| Closing balance of impairment loss on receivables | 175 013 | 155 597 |

During the 9 months ended 30 September 2011 the impairment loss on the carrying amount of trade and other receivables increased by PLN 19,416 thousand (during the 12 months ended 31 December 2010 the impairment loss increased by PLN 4,965 thousand).

During the 3 months ended 30 September 2011 the impairment loss on the carrying amount of trade and other receivables increased by PLN 9,144 thousand (during the 3 months ended 31 December 2010 the impairment loss decreased by PLN 818 thousand).

13. Inventories

As at 30 September 2011 the total impairment loss on the carrying amount of inventories was PLN 8,627 thousand (PLN 6, 748 thousand as of 31 December 2010).

During the 9 months ended 30 September 2011 the impairment loss on the carrying amount increased by PLN 1,879 thousand (during the 12 months ended 31 December 2010 the impairment loss increased by PLN 471 thousand).

During the 3 months ended 30 September 2011 the impairment loss on the carrying amount fell by PLN 13 thousand (during the 3 months ended 30 September 2010 the impairment loss fell by PLN 19 thousand).

14. Restricted Cash

As at 30 September 2011 the restricted cash amounted to PLN 5,292 thousand and comprised:

- cash at bank (blocked on the account in relation to a deposit for receivables and a transaction deposit).

As at 31 December 2010 the restricted cash amounted to PLN 10,341 thousand.

15. Investment Portfolio

ENEA S.A. fulfilled the conditions necessary to release funds due to the issue of shares at the WSE from the ESCROW account. Therefore, on 6 February 2009 the funds were transferred to a specialized financial institution dealing with professional cash management. In accordance with the Agreement, the funds are invested only in safe securities, in line with the table below:

ENEA Capital Group

Condensed interim consolidated financial statements for the period from 1 January to 30 September 2011.

(all figures in PLN '000 unless stated otherwise)

| 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% | 30% |

As at 30 September 2011 the funds amounted to PLN 1,121,549 thousand (treasury bills and bonds of PLN 823,671 thousand) and deposits (in banks selected by the Company – PLN 297,878 thousand).

The investment portfolio is treated as financial assets measured at fair value through profit or loss. The selected strategy is to maximize profit at minimum risk.

16. Settlement of Acquisition of New Subsidiaries

On 30 March 2011 the Group acquired 100% of rights and obligations in ZU-AN Sp. z o. o. sp. k. for the total amount of PLN 28,383 thousand. As at the date of preparation of these condensed interim consolidated financial statements, the Group had not completed the process of allocating the acquisition price to identifiable net assets acquired. Therefore, the Group decided to carry out the initially assumed settlement. The Capital Group assumed that the difference between the cost of a company and net book value of assets related to the acquired shares results from the difference between the fair value of property, plant and equipment and their book value as at the date of acquiring the company. Any adjustments of the estimated values resulting from the end of the initial settlement will be made within 12 months of the date of acquisition of the entity.

Settlement of acquisition of ZU-AN Sp. z o.o. sp.k.

| | |
|---|--------|
| Share in rights and obligations | 100% |
| Net book value of assets | 8 573 |
| Adjustment to fair value of property, plant and equipment | 19 810 |
| Cost | 28 383 |

On 11 May 2011 ENEA S. A. bought 100% of shares in DOBITT Energia Sp. z o. o. for PLN 3,350 thousand. As at the date of preparation of these condensed interim consolidated financial statements, the Group had not completed the process of allocating the acquisition price to identifiable net assets acquired. Therefore, the Group decided to carry out the initially assumed settlement. The Capital Group assumed that the difference between the cost of a company and net book value of assets related to the acquired shares results from the difference between the fair value of property, plant and equipment and their book value as at the date of acquiring the company. Any adjustments of the estimated values resulting from the end of the initial settlement will be made within 12 months of the date of acquisition of the entity.

Settlement of aquisition of Dobitt Energia Sp. z o.o.

| | |
|---|---------|
| Number of shares (%) | 100,00% |
| Net book value of assets | 214 |
| Adjustment to fair value of property, plant and equipment | 3 136 |
| Cost | 3 350 |

ENEA Capital Group

Condensed interim consolidated financial statements for the period from 1 January to 30 September 2011.

(all figures in PLN '000 unless stated otherwise)

On 1 June 2011 ENEA S. A. acquired 1,283,214 shares in Elektrociepłownia Białystok S. A. with the value of PLN 10 per share for the total amount of PLN 347,751 thousand (related cash and cash equivalents totalled PLN 76,801 thousand). The company, earlier an associate, became a subsidiary of ENEA S.A. The initial settlement in the condensed interim consolidated financial statements for the period from 1 January to 30 June 2011 was carried out as agreed. The Capital Group assumed that the difference between the cost of a company and net book value of assets related to the acquired shares results from the difference between the fair value of property, plant and equipment and intangible assets and their book value as at the date of acquiring the company. As at the date of preparation of these condensed interim consolidated financial statements the transaction was finally settled.

Settlement of acquisition of Elektrociepłownia Białystok S.A.

| | |
|---|---------|
| Number of shares (%) | 99.94% |
| Net book value of assets | 435 723 |
| Adjustment to fair value of intangible assets and property, plant and equipment | 148 369 |
| Cost | 347 751 |
| Fair value of the existing shares | 154 000 |
| Non-controlling interest | 353 |
| Profit due to bargain purchase | 81 988 |

Detailed analysis of the acquired net assets at fair value:

Net fair value of acquired assets**Non-current assets:**

| | |
|-------------------------------|---------|
| Intangible assets | 100 869 |
| Property, plant and equipment | 434 229 |
| Deferred tax asset | 16 364 |

Current assets:

| | |
|--------------------------------------|--------|
| Inventories | 41 526 |
| Short-term receivables | 21 393 |
| Cash and short-term financial assets | 76 801 |

Non-current liabilities:

| | |
|----------------------------|----------|
| Deferred tax liability | (65 407) |
| Other long-term provisions | (9 601) |

Non-current liabilities:

| | |
|-----------------------------|----------------|
| Trade and other liabilities | (32 073) |
| | 584 092 |

Following fair-value measurement of the 30.36% of shares in Elektrociepłownia Białystok S.A., their value totalled PLN 154,000 thousand. The value of 30.36% of shares in Elektrociepłownia Białystok S.A. presented so far in the consolidated financial statements of the Group was PLN 162,059 thousand. A decrease in the value of the 30.36% of shares by PLN 8,059 thousand was recorded in the consolidated financial statements which led to a decrease in profit/loss.

ENEA Capital Group

Condensed interim consolidated financial statements for the period from 1 January to 30 September 2011.

(all figures in PLN '000 unless stated otherwise)

The estimated fair value of net assets in Elektrociepłownia Białystok S.A. is PLN 584,092 thousand; their cost is PLN 502,104 thousand. This bargain purchase led to a profit of PLN 81,988 thousand, which will contribute to an increase in profit in the consolidated financial statements.

The entire payment was made in cash. Other costs of the combination have been recognized in the consolidated statement of comprehensive income under “external services” (PLN 1,083 thousand is for advisory, legal and translation services) and “taxes and charges” (PLN 3,478 thousand is for tax on civil law transactions).

Non-controlling interest is measured proportionally to the share in the fair value of acquired net assets.

As a result of acquisition of Elektrociepłownia Białystok S.A. the net profit of the Group for the period from 1 January to 30 September 2011 is higher by PLN 822 thousand. Had the combination taken place on 1 January 2011, the Group’s net profit would have been higher by PLN 2,520 thousand.

On 22 August 2011 ENEA S. A. bought 61% of shares in Annacond Enterprises Sp. z o. o. for PLN 15,250 thousand. As at the date of preparation of these condensed interim consolidated financial statements, the Group had not completed the process of allocating the cost to identifiable net assets acquired. Therefore, the Group decided to carry out the initially assumed settlement. The Capital Group assumed that the difference between the cost of a company and net book value of assets related to the acquired shares results from the difference between the fair value of property, plant and equipment and their book value as at the date of acquiring the company. Any adjustments of the estimated values resulting from the end of the initial settlement will be made within 12 months of the date of acquisition of the entity.

Settlement of acquisition of Annacond Sp. z o.o.

| | |
|---|--------|
| Number of shares (%) | 61,00% |
| Net book value of assets | 11 883 |
| Adjustment to fair value of property, plant and equipment | 8 001 |
| Cost | 15 250 |
| Non-controlling interest | 4 634 |

17. Equity related to share-based payments and liabilities due to the equivalent of the right to acquire shares free of charge

On the basis of the Act on commercialization and privatization of 30 August 1996 (Act on commercialization and privatization) employees of the ENEA Capital Group are entitled to acquire 15% of the shares in ENEA S.A. free of charge (“plan”).

Employees eligible to acquire shares free of charge are individuals who were employed by the ENEA S.A. Capital Group at the time of commercialization (i.e. in 1993 and 1996) and filed a written declaration to acquire shares within 6 months of the commercialization date.

As the first share was sold on general terms to investors by the State Treasury on 10 February 2010, after the lapse of three months the eligible individuals acquired the right to receive shares free of charge.

ENEA Capital Group

Condensed interim consolidated financial statements for the period from 1 January to 30 September 2011.

(all figures in PLN '000 unless stated otherwise)

Pursuant to Resolution No. 441/2010 of 29 June 2010 the Management Board of ENEA S.A. determined the number of ENEA shares disposed of free of charge for the benefit of eligible individuals, attributable to each group specified based on the length of service as per Article 11 of the Ordinance of the Minister of the Treasury of 29 January 2003 laying down detailed principles for classification of eligible employees into groups, determining the number of shares attributable to each group and the conditions for acquisition of shares by eligible employees. In compliance with the aforementioned Ordinance, the Management Board of the Company provided the Minister of the Treasury with a list of eligible individuals and the number of shares assigned. The Minister of the Treasury made an announcement regarding the disposal of employee shares in a national and local newspaper and it is now entering into agreements for the disposal of shares free of charge with eligible individuals (most of the agreements have been already concluded). The right to acquire the shares in ENEA S.A. free of charge may be executed until 16 May 2012. After the deadline the title shall expire.

The Management Board of ENEA S.A. assigned 33,239,235 shares to eligible individuals. The lockup period for the shares acquired by eligible individuals free of charge is two years starting from the date of disposal of the first shares on general terms by the State Treasury.

Pursuant to IFRS 2, the costs of the plan should be recognized in the period when eligible employees perform work and the cost of work should be determined as of the Grant Date, i.e. as of the date when all significant conditions for granting shares to employees are determined.

The value of the employee stock ownership plan was determined by the Company based on the measurement of shares in ENEA S.A. as at the date of drawing up the consolidated financial statements for the financial years ended 31 December 2007, 31 December 2006 and 31 December 2005, included in the prospectus of ENEA S.A. The value of the plan was estimated at PLN 901 million. The ENEA SA Capital Group recognized the total costs of the plan as a previous years' adjustment in equity of the earliest period presented in the consolidated financial statements, i.e. as at 1 January 2005, and it did not revalue the costs as of any of the dates ending the subsequent financial periods.

According to the Management Board, IFRS do not lay down detailed principles for accounting for a plan displaying the features specified in the Act on Commercialization and Privatization. In particular, they do not allow for unambiguous interpretation of a situation where the total number of shares due to staff employed at the moment of commercialization, i.e. before the Grant Date, was determined but the number of shares to be granted to particular employees was not specified. In such a case an employee working in subsequent periods, by the Grant Date, will be granted a higher number of shares. This, however, will not take place by way of an issue of additional shares but as a result of a reduction of the number of shares for other staff members.

Moreover, according to the Management Board, the key purpose of the plan was to grant employees compensation for work before the date of commercialization of the enterprise (i.e. in the past). Consequently, the total fixed number of shares for employees was determined and could not be changed with relation to work in subsequent periods.

Considering the above, the Management Board of ENEA S.A. decided that the value of the plan would not be changed. As a result, the value of the plan as at 30 September 2011 remained at the level of PLN 921 million.

Pursuant to the Act of 7 September 2007 on the acquisition of shares from the State Treasury as a result of the energy sector consolidation process, the Eligible Employees of Elektrownia “Kozienice” S.A. were supposed to submit a declaration of the intention to exchange the equivalent for the right to acquire shares in ENEA S.A. free of charge by 18 January 2008. Following the examination of the declarations submitted as well as the result of the complaint procedure, the value of shares to be accounted for as an equivalent was PLN 291,127 thousand (PLN 514,920 thousand as at 31 December 2007). Exchange of the value of the equivalent for subscription rights worth PLN 224,042 thousand was disclosed in the Company’s equity under “Share-based capital”.

As at 30 September 2011, the majority of the equivalent was paid to the Eligible Employees of Elektrownia “Kozienice” S.A. As at 30 September 2011 the remaining liability due to the equivalent amounted to PLN 509 thousand (PLN 557 thousand as at 31 December 2010).

18. Credit Facilities and Loans

| | 30.09.2011 | 31.12.2010 |
|------------------------|----------------------------|----------------------------|
| | Carrying amount | Carrying amount |
| Long-term | | |
| Bank credit facilities | 49 959 | 66 006 |
| Loans | 37 110 | 6 356 |
| | 87 069 | 72 362 |
| Short-term | | |
| Bank credit facilities | 43 253 | 41 285 |
| Loans | 4 194 | 1 113 |
| | 47 447 | 42 398 |
| Total | 134 516 | 114 760 |

During the 9 months ended 30 September 2011 the net increase in the carrying amount of credit facilities and loans was PLN 19,756 thousand (during the 12 months ended 31 December 2010 the carrying amount of credit facilities and loans decreased by PLN 42,247 thousand).

19. Settlement of Income due to Subsidies and Connection Fees

| | 30.09.2011 | 31.12.2010 |
|--|------------------------|------------------------|
| | Carrying amount | Carrying amount |
| Long-term | | |
| Deferred income due to subsidies | 153 340 | 210 797 |
| Deferred income due to connection fees | 550 419 | 502 418 |
| | 703 759 | 713 215 |
| Short-term | | |
| Deferred income due to subsidies | 14 320 | 14 767 |
| Deferred income due to connection fees | 101 063 | 107 603 |
| | 115 383 | 122 370 |
| Deferred income schedule | | |
| | 30.09.2011 | 31.12.2010 |
| Up to 1 year | 115 383 | 122 370 |
| 1 to 5 years | 99 531 | 93 686 |
| Over 5 years | 604 228 | 619 529 |
| | 819 142 | 835 585 |

During the 9 months ended 30 September 2011 the carrying amount of the settlement of income due to subsidies and connection fees decreased by PLN 16,443 net (in the 12 months ended 31 December 2010 the carrying amount decreased by PLN 13,745 thousand).

20. Deferred Income Tax

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

| | 30.09.2011 | 31.12.2010 |
|--|-------------------|-------------------|
| Opening balance | 80 453 | 112 366 |
| Acquisition of subsidiaries | 13 905 | - |
| Amount debited/(credited) to profit | 24 002 | (36 309) |
| Amount debited/(credited) to other items of comprehensive income | (648) | 4 396 |
| Closing balance | 117 712 | 80 453 |

During the 9 months ended 30 September 2011 the Group's profit before tax was debited with PLN 24,002 thousand as a result of an increase in the deferred tax liability (during the 12 months ended 31 December 2010 the Group's profit before tax was credited with PLN 36,309 thousand due to a decrease in the liability).

During the 3 months ended 30 September 2011 the Group's profit before tax was debited with PLN 15,910 thousand as a result of an increase in the deferred tax liability (during the 3 months ended 30 September 2010 the Group's profit before tax was credited with PLN 6,313 thousand due to a decrease in the liability).

21. Certificates of origin

| | 30.09.2011 | 31.12.2010 |
|---|-------------------|-------------------|
| Certificates of origin | (117 429) | (119 538) |
| Advance payments for certificates of origin | (1 792) | (2 610) |
| Provision for the costs of redemption of certificates of origin | 224 270 | 214 794 |
| Provision for certificates of origin | 105 049 | 92 646 |

22. Provisions for liabilities and other charges

| | 30.09.2011 | 31.12.2010 |
|-----------------------------|-------------------|-------------------|
| Opening balance | 135 472 | 87 738 |
| Increase in provisions | 32 302 | 66 124 |
| Applied provisions | (50) | - |
| Release of unused provision | (28 086) | (18 390) |
| Closing balance | 139 638 | 135 472 |

Provisions for liabilities are determined in reasonable, reliably estimated amounts. Individual provisions are recognized for projected losses related to court action brought against the Group. The amount recognized as a provision is the best estimate of the expenditure required to settle a claim. The cost of provisions is recognized under other operating expenses.

A description of material claims and the related contingent liabilities has been presented in notes 28.2, 28.4, 28.5 and 28.6.

During the 9 months ended 30 September 2011 the provision for projected losses due to compensation proceedings increased by PLN 4,166 thousand (during the period of 12 months ended 31 December 2010 it increased by PLN 47,734 thousand).

During the 3 months ended 30 September 2011 the provision for projected losses due to compensation proceedings increased by PLN 4,963 thousand (during the period of 3 months ended 30 September 2010 it decreased by PLN 1,664 thousand).

| | 30.09.2011 | 31.12.2010 |
|-----------------------------|-------------------|-------------------|
| Opening balance | 31 921 | 23 979 |
| Increase in provisions | 8 081 | 93 582 |
| Applied provisions | (21 215) | (83 454) |
| Release of unused provision | (3 597) | (2 186) |
| Closing balance | 15 190 | 31 921 |

During the 9 months ended 30 September 2011, other provisions decreased by PLN 16,731 thousand (during the 12 months ended 31 December 2010 they increased by PLN 7,942 thousand).

During the 3 months ended 30 September 2011, other provisions decreased by PLN 1,886 thousand (during the 3 months ended 30 September 2010 they increased by PLN 3,998 thousand).

Provision for Land Reclamation

After closing or filling a slag and ash dump, the Group is obliged to carry out appropriate land reclamation. As the Group has large unfilled dumps, land reclamation is planned for 2060. Future estimated costs of land reclamation were discounted to their present value using a 6.06% discount rate. The value of the provision for land reclamation is reviewed as of 31 December and 30 June, unless significant changes in estimation assumptions occur.

As at 30 September 2011 the provision amounted to PLN 9,270 thousand (as at 31 December 2010 it was PLN 9,890 thousand).

Provision for the Cost of Disposal or Storage of Ash and Slag Mixture

The Group produces two types of waste in the process of burning coal: ash and ash and slag mixture. As the Group incurs costs related to mixture disposal, it recognizes a relevant provision. Future estimated costs of disposal or storage of ash and slag mixture were discounted to their present value using a 6.06% discount rate. The provision for costs of disposal or storage of ash and slag mixture is reviewed as of 31 December and 30 June, unless significant changes in estimation assumptions occur.

As at 30 September 2011 the provision amounted to PLN 754 thousand (as at 31 December 2010 it was PLN 2,334 thousand).

Provision for Purchasing CO₂ Emission Allowances

As at 30 September 2011 the provision determined based on the market price of CO₂ emission allowances totalled PLN 0 thousand (as at 31 December 2010 it was PLN 906 thousand). As at 30 September 2011 the Group recognized CO₂ emission allowances under intangible assets which totalled PLN 235,811 thousand.

23. Dividend

On 29 June 2011 the General Shareholders' Meeting of ENEA S.A. adopted Resolution 7 concerning net profit distribution for the financial period from 1 January 2010 to 31 December 2010 whereby the dividend for the shareholders amounted to PLN 194,235 thousand (PLN 0.44 per share). The dividend was paid by 30 September 2011.

24. Related-Party Transactions

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

- the Capital 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 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.;
 - those resulting from civil-law agreements;
- transactions with entities whose shares are held by the State Treasury of the Republic of Poland.

Transactions with members of the Group's governing bodies:

| No. | Item | Management Board | | Supervisory Board | |
|--------------|---|----------------------------|----------------------------|----------------------------|----------------------------|
| | | 01.01.2011 - 30.09.2011 | 01.01.2010 - 30.09.2010 | 01.01.2011 - 30.09.2011 | 01.01.2010 - 30.09.2010 |
| 1. | Remuneration under employment contracts | 769 | 831 | - | - |
| 2. | Remuneration under managerial contracts and consultancy agreements | 566 | - | - | - |
| 3. | Remuneration relating to appointment of members of supervisory bodies | - | - | 317 | 312 |
| 4. | Remuneration due to the position held in supervisory boards of subsidiaries | 92 | 211 | - | - |
| 5. | Remuneration due to other employee benefits (electricity allowance) | 113 | 233 | - | - |
| TOTAL | | 1 540 | 1 275 | 317 | 312 |

Members of the Management Board (until August 2011) and Supervisory Board were subject to the provisions of the Act of 2011 March 3 on remuneration of persons managing certain legal entities (companies with the majority interest of the State Treasury). Pursuant to the Act, the maximum monthly remuneration cannot exceed six average monthly remunerations in the enterprise sector, excluding profit bonuses in Q4 of the preceding year, announced by the President of the Central Statistical Office. The amount of the annual bonus cannot exceed three average monthly remunerations in the year preceding the bonus granting. Since August 2011 Members of the Management Board are hired based on managerial contracts and consultancy agreements.

ENEA Capital Group

Condensed interim consolidated financial statements for the period from 1 January to 30 September 2011.

(all figures in PLN '000 unless stated otherwise)

Transactions related to loans from the Company's Social Benefits Fund:

| No. | Company body | Balance as at 01.01.2011 | Granted on 01.01.2011 | Maturing on 30.09.2011 | Balance as at 30.09.2011 |
|-----|-------------------|-----------------------------|--------------------------|---------------------------|-----------------------------|
| 1. | Management Board | - | - | - | - |
| 2. | Supervisory Board | 29 | 5 | (11) | 23 |
| | TOTAL | 29 | 5 | (11) | 23 |

| No. | Company body | Balance as at 01.01.2010 | Granted on 01.01.2010 | Maturing on 31.12.2010 | Balance as at 31.12.2010 |
|-----|-------------------|-----------------------------|--------------------------|---------------------------|-----------------------------|
| 1. | Management Board | 21 | - | (21) | - |
| 2. | Supervisory Board | 29 | 11 | (11) | 29 |
| | TOTAL | 50 | 11 | (32) | 29 |

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

The Group also concludes business transactions with entities of the central and local administration and entities controlled 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 produced in the CHP system, transmission and distribution services provided by the Group to companies whose shares are held by the State Treasury;
- sale of electricity, distribution services, connection to the grid and other related fees, provided 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 a register which would allow it to aggregate the values of all transactions with state institutions and entities whose shares are held by the State Treasury.

25. Long-Term Contracts for the Sale of Electricity (LTC)

As the European Commission recognized long-term contracts for the sale of power and electricity (LTC) concluded with a state entity – PSE S.A. as disallowed public aid, the Polish Parliament passed an act in order to eliminate such contracts. Pursuant to the provisions of the Act on principles of financing the costs incurred by producers following early termination of long-term contracts for the sale of power and electricity of 29 June 2007 ("LTC Termination Act"), since 1 April 2008 the Group (Elektrownia "Kozienice" S. A.) has been entitled to compensation for stranded costs resulting from early termination of long-term contracts. Based on the aforementioned Act, the Group will be entitled to compensation until 2014.

LTC are settled as follows:

- by 31 August each year, companies file applications for advance payments relating to the settlements;

- by 31 July of the following year, the President of the Energy Regulatory Office determines the value of the annual stranded cost adjustment (adjustment of advance payments);
- by 31 August of the year following the end of the adjustment period the President of the Energy Regulatory Office determines the value of the final adjustment (31 August 2015 in the case of the Group).

The Group has developed a calculation model based on which it applies to the President of the Energy Regulatory Office for advance payments and annual settlements. Determination of the amounts due is not straightforward, as it depends on a number of factors, including interpretation of statutory provisions.

The Group decided to recognize as revenue only the amounts resulting from the decision on the annual stranded cost adjustment.

a/ 2008 settlements

In 2008 Elektrownia "Kozienice" S. A. received advance payments for stranded costs of PLN 93,132 thousand from Zarządca Rozliczeń S. A. The amount of PLN 80,976 thousand was recognized in the 2008 financial statements as revenue due to compensation. On 5 August 2009 Elektrownia "Kozienice" S.A received a Decision of the President of the Energy Regulatory Office dated 31 July 2009 determining the amount of the annual stranded cost adjustment (i.e. advance payments received earlier from Zarządca Rozliczeń S. A.) for Elektrownia "Kozienice" S. A. for 2008. Pursuant to the Decision, the amount of the annual stranded cost adjustment (i.e. the amount of advance payments to be returned to Zarządca Rozliczeń S.A.) was PLN 89,537 thousand, which implies that revenue due to compensation for 2008 is lower than the amount of PLN 77,381 thousand recognized by Elektrownia "Kozienice" S.A. in its financial statements for the year 2008 (and thus, in the consolidated financial statements of the ENEA Capital Group).

According to the Management Board of Elektrownia "Kozienice" S.A. and ENEA S.A., the majority of assumptions made by the President of the Energy Regulatory Office in the Decision and the interpretation of the Act on principles of financing the costs incurred by producers following early termination of long-term contracts for the sale of power and electricity of 29 June 2007 are incorrect or inappropriately applied. Consequently, on 19 August 2009 Elektrownia "Kozienice" S.A. filed an appeal to the Regional Court in Warsaw - Court of Competition and Consumer Protection. The appeal also contained an application for suspension of decision enforcement until the case is decided. On 23 September 2009, the Regional Court in Warsaw - Court of Competition and Consumer Protection issued a decision whereby it suspended enforcement of the decision appealed against in excess of the amount of PLN 44,768 thousand and dismissed the motion for the further amount. Therefore, on 30 September 2009, the Management Board of Elektrownia „Kozienice” S. A. decided to return the advance payment in the amount resulting from the Decision of the President of the Energy Regulatory Office which had not been suspended by the Court.

On 2 October 2009 Elektrownia "Kozienice" S. A. lodged a complaint against the above decision to the Court of Appeals in Warsaw, VI Civil Division. On 19 May 2010 the Court of Appeals changed the decision of the Court of Competition and Consumer Protection of 23 September 2009 and suspended enforcement of the decision of the President of the Energy Regulatory Office of 31 July 2009 on the annual stranded cost adjustment in whole. The Court of Appeals emphasised that the Court of Competition and Consumer Protection did not have legal grounds to refuse partial suspension of the enforcement of the decision. Therefore, if it had found grounds for

suspending enforcement of the decision, it should have suspended the enforcement of the decision in whole. Consequently, on 27 May 2010 Elektrownia "Kozienice" S. A. requested Zarządca Rozliczeń S. A. to return PLN 40,577 thousand with interest due. However, Zarządca Rozliczeń refused to do so claiming that the only legal basis for the return might be a change of the decision of the President of the Energy Regulatory Office of 31 July 2009. On 5 July 2010 Elektrownia "Kozienice" S. A. filed the final pre-trial demand for payment of PLN 40,577 thousand with interest due to Zarządca Rozliczeń S. A. In a letter dated 12 July 2010 Zarządca Rozliczeń S. A. upheld its original decision and refused to return the amount in question.

The Management Board of Elektrownia "Kozienice" S.A. decided not to recognize further revenue from compensation and to adjust the revenue from compensation recognized in 2008 by PLN 77,380 thousand. The above adjustment was recognized in the statement of comprehensive income for the period from 1 January to 31 December 2009 as sales revenue (amount reducing the sales revenue). If in the future the Court issues a decision on the appeal against the decision of the President of the Energy Regulatory Office obliging Elektrownia "Kozienice" S.A. to return an amount lower than that specified in the decision of the President of the Energy Regulatory Office, it will increase the financial profit of the Group.

b/ 2009 settlements

On 29 July 2010 the President of the Energy Regulatory Office issued a decision whereby the amount of the annual stranded cost adjustment for 2009 to be received by Elektrownia "Kozienice" S. A. from Zarządca Rozliczeń S. A. is PLN 15,580 thousand. This decision is also unfavourable for the Group and on 17 August 2010 the Group appealed against it to the Court of Competition and Consumer Protection, Regional Court in Warsaw. On 30 September 2010 Elektrownia „Kozienice” S. A. received the amount of annual adjustment for 2009 of PLN 15,580 thousand from Zarządca Rozliczeń S. A. The above amount has been recognized in the consolidated financial statements for 2010 as sales revenue.

c/ 2010 and 2011 settlements

In 2010 the Company requested an advance payment to cover stranded costs of PLN 0. In 2010 revenue due to compensation for 2010 were not recognized (the financial statements recognize only the annual adjustment for 2009). On 29 July 2011 the President of the Energy Regulatory Office determined the annual adjustment of stranded costs for 2010 at PLN 2,472 thousand. This decision is also unfavourable for the Company and on 18 August 2010 the Company appealed against it to the Regional Court of Competition and Consumer Protection in Warsaw. On 30 September 2011 Elektrownia "Kozienice" S. A. received the amount of annual adjustment for 2010 of PLN 2,472 thousand from Zarządca Rozliczeń S. A. Formal issues and procedures are still being carried out.

The Company requested for an advance payment to cover stranded costs of PLN 3,500 thousand for 2011. By 5 October 2011 Zarządca Rozliczeń S. A. made advance payments for the three quarters of 2011 for the total amount of PLN 2,625 thousand. Between January and September 2011 the Company recognized revenue due to compensation only up to the annual adjustment of stranded costs for 2010, i.e. PLN 2,472 thousand.

The Company requested for an advance payment to cover stranded costs of PLN 0 for 2012.

Assuming that the appeal against the decision of the President of the Energy Regulatory Office concerning annual adjustments for 2008 and 2009 are favourable for Elektrownia "Kozienice" S.A.:

- the annual adjustment for 2009 is estimated at PLN 111,100 thousand (+);

On 1 December 2010 the Court of Competition and Consumer protection heard the case concerning the 2008 LCT. The Court decided to adjourn the case until the Court of Appeals issues a valid decision whether Zarządca Rozliczeń may receive the status of a concerned party in the proceedings. On 22 June 2011 the Court of Appeals dismissed the complaint of Zarządca Rozliczeń S.A. against the decision of the Court of Competition and Consumer Protection of 21 October 2010 and the refusal to admit Zarządca Rozliczeń to case concerning the 2008 LCT as a party concerned. This way it was not granted the status of a party to the proceedings in the 2008 LCT case.

On 19 January 2011 the court heard case XVII Amz 53/10 concerning the complaint of Elektrownia Kozienice against the decision of the President of the Energy Regulatory Office of 26 July 2010 refusing access to some documents included in the files of the 2009 LCT. The court dismissed the complaint of Elektrownia Kozienice against the decision of the President of the Energy Regulatory Office of 26 July 2010. Formal issues and procedures are still being carried out.

As no judicial decisions have been issued with respect to the appeals filed by the Company, the possibility to determine the probability of obtaining the aforementioned amounts (estimated based on the current knowledge and available data) in relation to the annual stranded cost adjustments is limited.

As at the date of preparation of these condensed interim consolidated financial statements it was not possible to clearly specify the final annual adjustments for 2008, 2009 and 2010 (the result of the appeal against the decision of the President of the Energy Regulatory Office concerning annual adjustment for 2008, 2009 and 2010 are not known). The full amount of the admissible public aid due to compensation of stranded costs will be defined in the decision of the President of the Energy Regulatory Office concerning the amount of final adjustment, which will be issued in 2015. In view of the above, it should be reserved that the LTC revenue recognized so far, which have been based on the annual adjustments determined by the President of the Energy Regulatory Office, may change as a result of the above decision of the President of the Office concerning the final adjustment.

26. Future liabilities under contracts concluded as of the balance sheet date

Contractual obligations assumed as of the balance sheet date, not yet recognized in the balance sheet:

| | 30.09.2011 | 31.12.2010 |
|--|-------------------|-------------------|
| Acquisition of property, plant and equipment | 400 164 | 321 744 |
| Acquisition of intangible assets | 3 452 | 8 459 |
| | 403 616 | 330 203 |

27. Explanations of the Seasonal and Cyclical Nature of the Capital Group'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 the day. The extent of fluctuations depends on low temperature and shorter days in winter as well as higher temperature and longer days in summer. Seasonal sales of electricity apply to a more considerable degree to small clients (45.84% of the sales value), rather than to the industrial sector.

28. Contingent Liabilities and Proceedings before Courts, Arbitration or Public Administration Bodies**28.1. Guarantees for Credit Facilities and Loans as well as other Sureties Granted by ENEA S.A. and its Subsidiaries**

The Company and its subsidiaries did not grant any guarantees for credit facilities or loans, or sureties during the reporting period.

28.2. Pending proceedings before courts of general jurisdictionActions brought by the Group

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

Actions brought to courts of general jurisdiction by Elektrownia „Kozienice” S.A. are connected mainly with claims for receivables due to breaches of forwarding agreements and liquidated damages from biomass suppliers.

As at 30 September 2011, the total of 6,995 cases brought by the Group were pending before courts for the total amount of PLN 80,288 thousand (6,910 cases for the total amount of PLN 44,571 thousand as at 31 December 2010).

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

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 (note 28.5).

Court proceedings against Elektrownia „Kozienice” S.A. are related to claims of former employees for salaries and compensations for PLN 653 thousand, Gospodarstwo Ogrodnicze w Ryczywole Kamila Lewek Wiśniewska Jacek Pospieszyl spółka cywilna. The claim concerns remedying damages resulting from the operation of

the plant owned by Elektrownia "Kozienice" located on the land neighbouring with the land of Gospodarstwo Ogrodnicze, by way of paying PLN 5,082 thousand. Other proceedings are related to the claim of Centrum Konsultingu Menedżerskiego Gordion Sp. z o.o. filed after petition for arbitration - the amount claimed is PLN 5,018 thousand (during a conciliatory session on 17 June 2010 the parties failed to reach an agreement and Centrum Konsultingu Menedżerskiego Gordion Sp. z o.o. filed a claim to the Regional Court in Lublin); and the claim of Polish Business Offers Sp. z o.o. to start arbitration - the amount claimed is PLN 2,370 thousand (violation of personality rights). The parties failed to reach an agreement.

As at 30 September 2011 there were 627 cases pending before courts which have been brought against the Group for the total amount of PLN 82,987 thousand (539 cases for the total amount of PLN 68,941 thousand as of 31 December 2010). Provisions related to the court cases have been presented in note 22.

28.3. Arbitration Proceedings

As at 30 September 2011 there were no proceedings heard by competent arbitration bodies.

28.4. Proceedings before Public Administration Bodies

Pursuant to a decision of the President of the Office of Competition and Consumer Protection of 12 September 2008 which closed the proceedings for charging customers with a double subscription fee for January 2008, ENEA S.A. was obliged to pay a fine of PLN 160 thousand. The Company appealed against the decision on 30 September 2008. On 31 August 2009 the Regional Court in Warsaw – Court of Competition and Consumer Protection reduced the fine to PLN 10 thousand. On 25 September 2009, ENEA appealed against the judgment issued by the Court of Competition and Consumer Protection to the Court of Appeals in Warsaw applying for reversal of the decision in whole. On 27 April 2010 the Court reversed the judgment and remanded the case for reconsideration. On 27 January 2011 the Court of Competition and Consumer Protection dismissed the appeal of ENEA S. A. against the decision of the President of the Office of Competition and Consumer Protection of 12 September 2008 and upheld the PLN 10 thousand fine imposed on the Company. On 20 April 2011 the Company appealed against the ruling of the Court of Competition and Consumer Protection of 27 January 2011.

Pursuant to a decision of the President of the Office of Competition and Consumer Protection of 30 September 2008 which closed the proceedings for abuse of market position by not keeping deadlines related to connection decisions and determining the impact of the designed wind power station on the electricity system, ENEA Operator Sp. z o.o. was obliged to pay a fine of PLN 11,626 thousand. ENEA Operator Sp. z o.o. lodged an appeal against the decision. On 23 March 2010 the Court of Competition and Consumer Protection dismissed the appeal lodged by the Company. On 5 July 2010 the Company's representative appealed against the decision. On 17 March 2011 the Court of Appeals overruled the decision of the President of the Office of Competition and Consumer Protection. The ruling is final and the President of the Office of Competition and Consumer Protection did not file a last resort appeal.

On 27 November 2008 the President of the Energy Regulatory Office concluded that ENEA failed to comply with the obligation to purchase electricity produced in the CHP system in 2006, imposing a fine of PLN 7,594 thousand. On 17 December 2008, ENEA filed an appeal to the Regional Court in Warsaw - the Court of Competition and Consumer Protection. On 15 December 2009 the Court of Competition and Consumer Protection issued a judgment favourable for the Company, changing the decision of the President of the Energy Regulatory Office of 27 November 2008 and discontinuing the administrative proceedings. The President of the Energy Regulatory Office appealed against the decision to the Court of Appeals in Warsaw. On 24 November 2010 (VI ACa 327/10) the Court of Appeal reversed the decision of the Regional Court in Warsaw – Court of Competition and Consumer Protection of 15 December 2009 appealed against the President of the Energy Regulatory Office and remanded the case for reconsideration and settling the costs of the appeal proceedings. On 27 September 2011 the Regional Court of Competition and Consumer Protection in Warsaw dismissed the appeal of ENEA against the decision of the President of the Office of Competition and Consumer Protection on imposing a fine on ENEA. The Company is drafting an appeal against the ruling of 27 September.

On 28 December 2009 the President of the Energy Regulatory Office issued a decision on ENEA's failure to comply with the obligation to purchase electricity produced in the CHP system in the first half of 2007, imposing a fine of PLN 2,150 thousand on the Company. On 19 January 2010, ENEA filed an appeal against the decision of the President of the Energy Regulatory Office to the Regional Court in Warsaw - the Court of Competition and Consumer Protection.

On 11 February 2009 Elektrownia Kozienice applied to the Customs Office in Radom for ascertainment and refund of overpaid excise on electricity for the months from January 2006 to December 2008 in the amount of PLN 694.6 million with return correction.

On 24 November 2009 the Company applied to the Customs Office in Radom for ascertainment and refund of overpaid excise on electricity for subsequent months, i.e. January 2009 and February 2009 in the amount of PLN 34.6 million, including PLN 247 thousand of excise on renewable energy.

Excise adjustments, excluding excise on renewable energy, stem from the differences in the Polish and EU regulations concerning tax on electricity in the period from 1 January 2006 to 28 February 2009.

Proceedings related to overpaid tax for 2006: Elektrownia Kozienice appealed to the Provincial Administrative Court in Warsaw against the decisions of the Director of the Customs Chamber in Warsaw who sustained the decisions of the Head of the Radom Customs Office whereby the Company was not entitled to a return of overpaid excise for the individual months of 2006 and the amounts specified in the original tax return were correct.

Proceedings related to overpaid tax for 2007: Elektrownia Kozienice appealed to the Provincial Administrative Court in Warsaw against the decisions of the Director of the Customs Chamber in Warsaw who sustained the decisions of the Head of the Radom Customs Office whereby the Company was not entitled to a return of overpaid excise for individual months of 2007 and the amounts specified in the original tax return were correct.

On 12 January 2011 the Administrative Court in Warsaw, VIII Division in Radom, gave rulings which accepted the complaints of Elektrownia "Kozienice" S. A. and overruled the decisions of the Director of the Customs

Chamber in Warsaw and earlier decisions of the Head of the Radom Customs Office on the amounts of excise duty for April 2007, May 2007, June 2007, October 2007 and August 2006.

Proceedings related to overpaid tax for 2008 – the Head of the Customs Office in Radom issued decisions determining the overpaid amount of excise only with respect to renewable electricity for individual months of 2008 in the total amount of PLN 2.6 million. As for the period when Polish regulations were inconsistent with those of the EC, he refused returning overpaid tax and specified tax liabilities in amounts reduced by the excise on energy from renewable resources for the period in question. The Company appealed against the decisions to the Director of the Customs Chamber in Warsaw who sustained the decisions of the Head of the Radom Customs Office whereby the Company was not entitled to a return of overpaid excise for individual months in 2008 and specifying the tax liability for the months at amounts resulting from the initial returns of the Company, less excise on green energy.

Elektrownia Kozienice appealed to the Provincial Administrative Court in Warsaw against the decisions of the Director of the Customs Chamber in Warsaw who sustained the decisions of the Head of the Radom Customs Office whereby the Company was not entitled to a return of overpaid excise for individual months of 2008 and which set the tax liability for a certain period.

Proceedings related to overpaid tax for January 2008 and February 2009 – the Head of the Customs Office in Radom issued decisions determining the overpaid amount of excise only with respect to renewable electricity for January 2009 and February 2009 at PLN 247 thousand. As for the period when Polish regulations were inconsistent with those of the EC, he refused returning overpaid tax and specified tax liabilities in amounts reduced by the excise on energy from renewable resources for the period in question. The Company appealed against the decisions to the Director of the Customs Chamber in Warsaw who sustained the decisions of the Head of the Radom Customs Office whereby the Company was not entitled to a return of overpaid excise for individual months in 2009 and specifying the tax liability for the months at amounts resulting from the initial returns of the Company, less excise on green energy.

The Company appealed to the Provincial Administrative Court in Warsaw against the decisions of the Director of the Customs Chamber in Warsaw who sustained the decisions of the Head of the Radom Customs Office whereby the Company was not entitled to a return of overpaid excise for January and February 2009 and which set the tax liability for a certain period.

On 15 and 30 June 2011 the Administrative Court in Warsaw, VIII Division in Radom, gave rulings which accepted the complaints of Elektrownia “Kozienice” S. A. and overruled the decisions of the Director of the Customs Chamber in Warsaw and earlier decisions of the Head of the Radom Customs Office on the amounts of excise duty for March 2008, May 2008, June 2008, August 2008, September 2008 and February 2009.

On 6 and 19 July 2011 the Administrative Court in Warsaw, VIII Division in Radom, gave rulings which accepted the complaints of Elektrownia “Kozienice” S. A. and overruled the decisions of the Director of the Customs Chamber in Warsaw and earlier decisions of the Head of the Radom Customs Office on the amounts of excise duty for June 2008, October 2008, November 2008, December 2008 and January 2009.

Elektrownia „Kozienice” S.A. received decisions of the Marshal of the Mazowieckie Province concerning the use of the environment - emission of gas and fumes for the I and II half of 2008. The decision 132 imposed

ENEA Capital Group

Condensed interim consolidated financial statements for the period from 1 January to 30 September 2011.

(all figures in PLN '000 unless stated otherwise)

a fine of PLN 2,888 thousand; decision 133, of PLN 2,178 thousand. Elektrownia "Kozienice" S.A. appealed against the above decisions to the Self-government Appeal Court in Warsaw. The Self-government Appeal Court sustained the decisions of the Marshal of the Mazowieckie Region. The representative of Elektrownia "Kozienice" appealed against both decisions (of 23 December 2010, ref. No. KOA/2563/Os/10 and KOA/2562/Os/10) to the Provincial Administrative Court in Warsaw.

On 1 April 2011 the Provincial Administrative Court in Warsaw heard both cases, ref. No. IV SA/Wa 296/11 and IV SA/Wa 297/11. The court dismissed both appeals of Elektrownia „Kozienice”. On 16 June 2011 the representative of Elektrownia „Kozienice” filed last resort appeals to the Supreme Administrative Court against both rulings of the Provincial Administrative Court on cases No. IV SA/Wa 296/11 and IV SA/Wa 297/11. The Supreme Administrative Court has not yet set dates of the hearing of appeals.

The Provincial Administrative Court in Białystok examined the complaint of Elektrociepłownia Białystok S.A. against the decision of the Director of the Tax Chamber in Białystok concerning the overpayment of the excise duty. The value of the complaint was PLN 26,384 thousand. On 18 October 2010 the case was remanded for reconsideration.

Due to the nature of the Group's business, there were numerous other proceedings heard by public administration bodies as at 30 September 2011.

A vast majority of the proceedings have been instigated at the request of the Group, which has applied to relevant administration bodies for:

- instigation of administrative enforcement in order to recover receivables for illegal consumption of electricity;
- building permits with respect to new facilities and modernization of the existing ones;
- permit for occupation of a road lane by electricity equipment;
- determination of fees for perpetual usufruct of land;
- designation of land for electrical devices.

Some of the proceedings are complaints submitted to government and local government administration bodies or administrative courts with respect to decisions issued in the above cases.

The result of these proceedings is unlikely to have a significant impact on the Group's net profit.

Due to the nature of operations of ENEA Operator Sp. z o.o. (operations in the regulated monopoly market) there have been numerous court actions brought against the Company by the President of the Energy Regulatory Office and the President of the Office for Competition and Consumer Protection at the request of buyers of electricity supplied by the Group.

The President of the Energy Regulatory Office, as a key central administration body appointed to regulate operations of companies in the energy sector, settles disputes related to a refusal to conclude agreements for connection to the grid or provision of transmission services, or to the provisions thereof.

As at 30 September 2011 the President of the Energy Regulatory Office conducted a number of explanatory and administrative proceedings against the Group.

The result of these proceedings is unlikely to have a significant impact on the Group's net profit.

28.5. Risk Related to the Legal Status of Property used by the Capital Group

The risk related to the legal status of the property used by the Group results from the fact that the Group does not have all legal titles to use the land where transmission networks and the related devices are located. The Group may have to incur costs related to non-contractual use of property in the future.

Considering the legal status, there is a risk of additional costs related to compensation claims for non-contractual use of land, rental fee or, rarely, claims related to the change of facility location (restoring land to its previous condition).

Decisions related to these issues are important as they considerably affect the Group's strategy towards persons who lodged pre-trial claims related to devices located on their land in the past and the approach to the legal status of devices in case of new investments.

The Group recognized a provision for all claims lodged by owners of property located near transmission networks and devices based on best estimates of expenditures necessary to settle the claims adopted by the Management Board. The Group does not recognize provisions for possible claims which have not been yet filed by owners of land used non-contractually. Possible claim amounts may be significant for the Group, considering the area of non-contractually used land where the Group's transmission networks or the related devices are located. The Group does not keep any record and it has no knowledge of the legal status of land, therefore is it unable to reliably estimate the maximum amount of possible claims arising from non-contractual use of land.

28.6. Risk Related to Participation in Costs Incurred due to the Use of Woodland Managed by the National Forests for the Needs of Electricity Lines

On 29 November 2006 a meeting initiated by the Minister of Environment was attended by representatives of the National Forests, the Ministry of State Treasury, PSE-Operator Sp. z o.o. and Polskie Towarzystwo Przesyłu i Rozdziału Energii Elektrycznej representing distribution companies. The National Forests' proposal to conclude agreements for the lease of land where the lines are located was not accepted. Consequently, a more general solution based on legislative changes is required. In 2010 the Ministry of Economy prepared a draft act regulating the use of land managed by the National Forests by energy companies if transmission and distribution electricity lines are located on this land. The draft assumes that the use of such land would be based on transmission easement against payment. As at the date of the condensed interim consolidated financial statements, the Act amending the act on forests and act on environmental protection had been passed by both chambers of the Parliament and was approved by the President. According to the Act, the consideration for transmission easement would be equal to the amount of local taxes and charges paid by the State Forests for the land included in the easement.

In preparation for implementation of the statutory provisions, the Group carried out a physical count of land managed by the State Forests with elements of the energy distribution system owned by the Group and created a relevant provision for the potential payments to the National Forests.

Regardless of the aforementioned actions aimed at general regulation of the legal status of land owned by the National Forests, individual forest district offices lodged claims against the Group due to its non-contractual use of land. The claims have been accounted for in the provision referred to in Note 22.

29. Changes in excise

On 1 March 2009, an amendment to the Act on Excise Duty of 23 January 2004 came into force. Polish excise regulations required an amendment in order to comply with the EU laws. Based on the amendment, the excise obligation arises when electricity is supplied to end customers (not at the time of electricity production). Consequently, since 1 March 2009 ENEA S.A. has been obliged to pay excise (before it was paid by Elektrownia "Kozienice" S.A.).

On 12 February 2009 the European Court of Justice issued a ruling stating that the previous Polish regulations determining the time of chargeability of excise on electricity did not comply with the regulations of the EU Energy Directive.

On 11 February 2009 Elektrownia Kozienice applied to the Customs Office in Radom for ascertainment and refund of overpaid excise in the amount of PLN 694,6 million for the period from January 2006 to December 2008. Additionally, on 24 November 2009 the Company applied to the Customs Office in Radom for ascertainment and refund of overpaid excise on electricity in the amount of PLN 34.6 million for January and February 2009. The related administrative proceedings have been presented in detail in Note 28.4.

As the outcome is not certain, the excise refund applied for has not been recognized in these condensed interim consolidated financial statements.

30. Negotiations concerning Acquisition of Shares

On 28 June 2010 the Minister of Treasury in Warsaw, acting on behalf of the State Treasury based on the Act on commercialization and privatization (Journal of Laws of 2002, No. 171, item 1397, as amended) and Ordinance of the Council of Ministers on a detailed procedure for disposal of shares held by the State Treasury (Journal of Laws of 2009, No. 34, item 264), invited investors to negotiations concerning the acquisition of 225,135,940 shares of ENEA S.A. accounting for 51% of the share capital of the company. The State Treasury intended to sell the 225,135,940 shares with the face value of PLN 1 each.

Written replies to the public invitation to negotiations concerning the acquisition of shares by potential investors that received the Investment Memorandum were to be submitted by 28 July 2010. On 23 July the Minister of Treasury announced that the deadline had been extended until 13 August 2010.

In response to the invitation to negotiations concerning the acquisition of shares of ENEA S.A. 6 entities filed preliminary offers. Potential Investors had been informed of the related decision of the Minister of the Treasury

ENEA Capital Group

Condensed interim consolidated financial statements for the period from 1 January to 30 September 2011.

(all figures in PLN '000 unless stated otherwise)

by 24 August. The Minister of the Treasury approved five potential Investors to take part in the next stage of the privatisation.

On 30 September 2010, potential Investors were granted access to electronic Data Room (information, data and documents prepared for the due diligence analysis of the ENEA Capital Group).

5 October was the deadline for filing final offers for the acquisition of shares in ENEA S.A.

Final offers were filed by four potential investors. On 12 October 2010, the Ministry of the Treasury issued an announcement regarding parallel negotiations on the sale of 51% of shares in ENEA S.A. with three entities, and then on 19 October 2010, on continuing the parallel negotiations with two entities. On 28 October 2010 the Ministry of the Treasury decided to set a deadline for exclusive negotiations with Kulczyk Holding (the guarantor) and Elektron Sp. z o. o. (the buyer) at 3 November 2010. Since the exclusive negotiation period granted to Kulczyk Holding passed ineffective, on 16 November 2010 the Ministry of the Treasury announced a decision to resume parallel negotiations with potential investors, and on 15 December 2010 decided to grant Electricite de France S.A. the right to exclusive negotiations. On 1 April 2011, the Minister of the Treasury decided to close the process of sales of 51% of shares in ENEA S.A. (inconclusive).

31. Post-Balance Sheet Events

On 20 October 2011 the Company published an initiation to negotiations concerning acquisition of a block of 269,000 registered preference shares of the face value of PLN 10 each - owned by ENEA S. A. and accounting for 49% of the share capital of Przedsiębiorstwo Produkcji Strunobetonowych Żerdzi Wirowanych „WIRBET” S. A. with its registered office in Ostrów Wielkopolski. The deadline for the written responses is 7 November 2011, 11 a.m. Warsaw time.

Selected separate financial data

| | in PLN '000 | | in EUR '000 | |
|---|--|---|--|---|
| | 9 months ended 30 September 2011 | 9 months ended 30 September 2010 | 9 months ended 30 September 2011 | 9 months ended 30 September 2010 |
| Net sales revenue | 4 186 319 | 4 713 546 | 1 035 884 | 1 177 595 |
| Operating profit/loss | 53 138 | 126 874 | 13 149 | 31 697 |
| Profit/loss before tax | 383 270 | 405 345 | 94 838 | 101 268 |
| Net profit/loss for the reporting period | 351 503 | 359 661 | 86 978 | 89 855 |
| Net cash flows from operating activities | (51 468) | 40 312 | (12 735) | 10 071 |
| Net cash flows from investing activities | 425 745 | 124 827 | 105 348 | 31 186 |
| Net cash flows from financing activities | (189 887) | (170 522) | (46 987) | (42 602) |
| Total net cash flows | 184 390 | (5 383) | 45 626 | (1 345) |
| Weighted average number of shares | 441 442 578 | 441 442 578 | 441 442 578 | 441 442 578 |
| Net earnings per share (in PLN per share) | 0.80 | 0.81 | 0.20 | 0.20 |
| Diluted earnings per share (in PLN / EUR) | 0.80 | 0.81 | 0.20 | 0.20 |
| | Balance as at 30 September 2011 | Balance as at 31 December 2010 | Balance as at 30 September 2011 | Balance as at 31 December 2010 |
| Total assets | 11 109 935 | 11 075 352 | 2 518 574 | 2 796 594 |
| Total liabilities | 908 793 | 1 031 478 | 206 019 | 260 455 |
| Non-current liabilities | 113 540 | 120 115 | 25 739 | 30 330 |
| Current liabilities | 795 253 | 911 363 | 180 280 | 230 125 |
| Equity | 10 201 142 | 10 043 874 | 2 312 555 | 2 536 140 |
| Share capital | 588 018 | 588 018 | 133 301 | 148 478 |
| Book value per share (in PLN / EUR) | 23.11 | 22.75 | 5.24 | 5.75 |
| Diluted book value per share (in PLN / EUR) | 23.11 | 22.75 | 5.24 | 5.75 |

The above financial data for Q3 2011 and 2010 were translated into EUR in line with the following principles:

- individual assets and liabilities - as per the average exchange rate as at 30 September 2011– PLN/EUR 4.4112 (as at 31 December 2010 - PLN/EUR 3.9603);
- individual items from the income statement and the cash flow statement - as per the arithmetic mean of the average exchange rates determined by the National Bank of Poland as of the last day of each month of the financial period from 1 January to 30 September 2011 - PLN/EUR 4.0413 (for the period from 1 January to 30 September 2010 – PLN/EUR 4.0027).

**AUDITOR'S REPORT ON THE REVIEW OF THE CONDENSED
INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2011 TO 30 SEPTEMBER 2011**

To the Management Board and Supervisory Board of ENEA S.A.

We have reviewed the attached condensed interim separate financial statements of ENEA S.A. ("the Company") with registered office in Poznań, Nowowiejskiego 11 Street, including: separate balance sheet prepared as at 30 September 2011, and separate statement of comprehensive income, separate statement of changes in equity, separate statement of cash flows prepared for the period from 1 January 2011 to 30 September 2011 as well as notes to condensed interim separate financial statements.

Compliance of these condensed interim separate financial statements with the requirements laid down in IAS 34 "Interim Financial Reporting" as endorsed by the European Union and with other regulations in force is the responsibility of the Management Board and Supervisory Board of the Company. Our responsibility was to review these financial statements.

Our review has been conducted in accordance with the national auditing standards issued by the National Council of Statutory Auditors. These Standards require that we plan and conduct the review in such a way as to obtain reasonable assurance that the condensed interim separate financial statements are free from material misstatement. Our review has been conducted mainly based on an analysis of data included in the condensed interim separate financial statements, examination of the accounting records as well as information provided by the management and the financial and accounting personnel of the Company.

The scope and methodology of a review of condensed interim separate financial statements differ significantly from an audit, which serves as the basis for expressing an opinion on compliance of annual financial statements with the applicable accounting principles (policy) and an opinion on their fairness and clarity. Therefore, no such opinion on the attached financial statements may be issued.

Based on our review, we have not identified any issues which would prevent us from concluding that the condensed interim separate financial statements have been prepared, in all material respects, in compliance with the requirements laid down in IAS 34 “Interim Financial Reporting” as endorsed by the European Union.

.....
Marcin Samolik
Key certified auditor
conducting the review
No. 10066

.....
represented by

.....
entity authorized to audit
financial statements entered under
number 73 on the list kept by the
National Council of Statutory Auditors

Warsaw, 14 November 2011

The above auditor’s report on the review is a translation from the original Polish version. In case of any discrepancies between the Polish and English version, the Polish version shall prevail.

**Condensed interim separate
financial statements
of ENEA S.A.
for the period from 1 January to 30 September 2011**

Poznań, 14 November 2011

Index to the condensed interim separate financial statements

| | |
|--|----|
| Separate balance sheet..... | 4 |
| Separate statement of comprehensive income..... | 6 |
| Separate statement of changes in equity..... | 7 |
| Separate cash flow statement..... | 9 |
| 1. General information about ENEA S.A..... | 10 |
| 2. Statement of compliance..... | 11 |
| 3. Accounting principles..... | 11 |
| 4. New accounting standards and interpretations..... | 11 |
| 5. Material estimates and assumptions..... | 11 |
| 6. Composition of the Capital Group - list of subsidiaries, associates and jointly-controlled entities..... | 12 |
| 7. Segment reporting..... | 16 |
| 8. Property, plant and equipment..... | 19 |
| 9. Intangible assets..... | 20 |
| 10. Investments in subsidiaries, associates and jointly-controlled entities..... | 21 |
| 11. Impairment loss on trade and other receivables..... | 21 |
| 12. Cash and cash equivalents..... | 22 |
| 13. Investment portfolio..... | 22 |
| 14. Equity related to share-based payments and liabilities due to the equivalent of the right to acquire shares free of charge..... | 22 |
| 15. Deferred income tax..... | 24 |
| 16. Certificates of origin..... | 24 |
| 17. Provisions for liabilities and other charges..... | 25 |
| 18. Dividend..... | 25 |
| 19. Related party transactions..... | 26 |
| 20. Future liabilities under contracts concluded as at the balance sheet date..... | 28 |
| 21. Explanations of the seasonal and cyclical nature of the Company's business..... | 28 |
| 22. Contingent liabilities and proceedings before courts, arbitration or public administration bodies..... | 28 |
| 22.1. Guarantees for credit facilities and loans as well as other sureties granted by the Company..... | 29 |
| 22.2. Pending proceedings before courts of general jurisdiction..... | 30 |
| 22.3. Arbitration proceedings..... | 30 |
| 22.4. Proceedings before Public Administration Bodies..... | 30 |
| 22.5. Risk related to the legal status of property used by the Company..... | 31 |
| 22.6. Risk related to participation in costs incurred due to the use of woodland managed by the National Forests for the needs of electricity lines..... | 32 |
| 23. Post balance sheet events..... | 33 |

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

Chairman of the Management Board **Maciej Owczarek**

Member of the Management Board **Maksymilian Górniak**

Member of the Management Board **Hubert Rozpędek**

Member of the Management Board **Krzysztof Zborowski**

Poznań, 14 November 2011

Separate balance sheet

| | Balance as at | |
|--|----------------------|-------------------|
| | 30.09.2011 | 31.12.2010 |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 187 210 | 209 566 |
| Perpetual usufruct of land | 1 517 | 1 488 |
| Intangible assets | 10 250 | 3 353 |
| Investments in subsidiaries, associates and co-subsiidiaries | 8 267 185 | 7 874 545 |
| Deferred tax asset | 58 012 | 40 137 |
| Financial assets available for sale | 20 448 | 20 448 |
| Financial assets held to maturity | 141 338 | - |
| Financial assets measured at fair value through profit or loss | 1 352 | 1 411 |
| | 8 687 312 | 8 150 948 |
| Current assets | | |
| Trade and other receivables | 750 565 | 775 466 |
| Current income tax receivables | - | 880 |
| Financial assets measured at fair value through profit or loss | 1 121 549 | 1 781 939 |
| Cash and cash equivalents | 550 509 | 366 119 |
| | 2 422 623 | 2 924 404 |
| Non-current assets available for sale (AFS) | | |
| TOTAL ASSETS | 11 109 935 | 11 075 352 |

ENEA S.A.

Condensed interim separate financial statements for the period from 1 January to 30 September 2011

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

| EQUITY AND LIABILITIES | Balance as at | |
|--|----------------------|-------------------|
| | 30.09.2011 | 31.12.2010 |
| EQUITY | | |
| Share capital | 588 018 | 588 018 |
| Share premium | 4 627 673 | 4 627 673 |
| Share-based capital | 1 144 336 | 1 144 336 |
| Revaluation reserve (financial instruments) | 10 941 | 10 941 |
| Reserve capital | 1 062 349 | 892 198 |
| Retained earnings | 2 767 825 | 2 780 708 |
| Total equity | 10 201 142 | 10 043 874 |
| LIABILITIES | | |
| Non-current liabilities | | |
| Credit facilities and loans | - | - |
| Finance lease liabilities | 4 829 | 5 019 |
| Settlement of income due to subsidies and connection fees | 30 736 | 31 840 |
| Liabilities due to employee benefits | 77 975 | 83 256 |
| | 113 540 | 120 115 |
| Current liabilities | | |
| Credit facilities and loans | - | - |
| Trade and other liabilities | 579 789 | 713 729 |
| Finance lease liabilities | 3 105 | 3 422 |
| Settlement of income due to subsidies and connection fees | 2 378 | 2 325 |
| Current income tax liabilities | 24 | - |
| Liabilities due to employee benefits | 12 148 | 17 022 |
| Liabilities due to an equivalent of the right to acquire shares free of charge | 509 | 557 |
| Provision for certificates of origin | 151 365 | 130 779 |
| Provisions for other liabilities and charges | 45 935 | 43 529 |
| | 795 253 | 911 363 |
| Total liabilities | 908 793 | 1 031 478 |
| TOTAL EQUITY AND LIABILITIES | 11 109 935 | 11 075 352 |

Separate statement of comprehensive income

| | 9 months ended 30.09.2011 | 3 months ended 30.09.2011 | 9 months ended 30.09.2010 | 3 months ended 30.09.2010 |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Sales revenue | 4 355 462 | 1 367 897 | 4 905 842 | 1 520 415 |
| Excise tax | (169 143) | (53 218) | (192 296) | (54 740) |
| Net sales revenue | 4 186 319 | 1 314 679 | 4 713 546 | 1 465 675 |
| Other operating revenue | 12 527 | 2 013 | 6 504 | 2 566 |
| Amortization | (12 785) | (4 098) | (13 041) | (4 269) |
| Costs of employee benefits | (41 371) | (12 608) | (39 177) | (12 797) |
| Consumption of materials and supplies and costs of goods sold | (4 116) | (1 416) | (2 685) | (620) |
| Energy purchase for sale | (2 666 212) | (845 885) | (2 980 317) | (935 185) |
| Transmission and distribution services | (1 261 216) | (386 736) | (1 433 161) | (441 914) |
| Other external services | (123 192) | (51 845) | (96 699) | (35 179) |
| Taxes and charges | (7 613) | (2 036) | (7 306) | (2 020) |
| (Profit) / loss on sale and liquidation of property, plant and equipment | 123 | (92) | (473) | (124) |
| Impairment loss on property, plant and equipment | (5 634) | (5 634) | - | - |
| Other operating expenses | (23 692) | (7 407) | (20 317) | (4 909) |
| Operating profit | 53 138 | (1 065) | 126 874 | 31 224 |
| Financial expenses | (4 867) | (1 611) | (4 413) | (1 412) |
| Financial revenue | 98 660 | 41 752 | 88 996 | 27 398 |
| Revenue from dividends | 236 339 | 156 | 193 888 | - |
| Profit before tax | 383 270 | 39 232 | 405 345 | 57 210 |
| Income tax | (31 767) | (8 919) | (45 684) | (15 518) |
| Net profit for the reporting period | 351 503 | 30 313 | 359 661 | 41 692 |

Other items of comprehensive income:

| | | | | |
|---|----------------|---------------|----------------|---------------|
| Measurement of financial assets available for sale | - | - | 16 156 | 16 156 |
| Income tax related to other items of comprehensive income | - | - | (999) | (999) |
| Other items of net comprehensive income | - | - | 15 157 | 15 157 |
| Comprehensive income for the period | 351 503 | 30 313 | 374 818 | 56 849 |

| | | | | |
|---|-------------|-------------|-------------|-------------|
| Earnings attributable to the Company's shareholders | 351 503 | 30 313 | 359 661 | 41 692 |
| 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) | 0.80 | 0.07 | 0.81 | 0.09 |
| Diluted profit per share (in PLN per share) | 0.80 | 0.07 | 0.81 | 0.09 |

ENE S.A.

Condensed interim separate financial statements for the period from 1 January to 30 September 2011

*(All amounts in PLN '000, unless specified otherwise)***Separate statement of changes in equity**

| | Share capital (face value) | Revaluation of share capital | Total share capital | Share premium | Share-based capital | Revaluation reserve (financial instruments) | Reserve capital | Retained earnings | Total equity |
|--|----------------------------|------------------------------|---------------------|------------------|---------------------|---|------------------|-------------------|-------------------|
| Balance as at 1 January 2011 | 441 443 | 146 575 | 588 018 | 4 627 673 | 1 144 336 | 10 941 | 892 198 | 2 780 708 | 10 043 874 |
| Other items of comprehensive income | | | | | | | | - | - |
| Net profit | | | | | | | | 351 503 | 351 503 |
| Comprehensive income | | | | | | | | 351 503 | 351 503 |
| Distribution of the financial profit | | | | | | | 170 151 | (170 151) | - |
| Dividends | | | | | | | | (194 235) | (194 235) |
| Increase in share capital | | | | | | | | | - |
| Balance as at 30 September 2011 | 441 443 | 146 575 | 588 018 | 4 627 673 | 1 144 336 | 10 941 | 1 062 349 | 2 767 825 | 10 201 142 |

The separate statement of changes in equity should be analyzed jointly with notes constituting an integral part of the condensed interim separate financial statements

ENE S.A.

Condensed interim separate financial statements for the period from 1 January to 30 September 2011

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

| | Share capital (face value) | Revaluation of share capital | Total share capital | Share premium | Share-based capital | Revaluation reserve (financial instruments) | Reserve capital | Retained earnings | Total equity |
|--|----------------------------|------------------------------|---------------------|------------------|---------------------|---|-----------------|-------------------|-------------------|
| Balance as at 1 January 2010 | 441 443 | 146 575 | 588 018 | 4 627 673 | 1 144 336 | (3 847) | 754 841 | 2 721 427 | 9 832 448 |
| Other items of comprehensive income | | | | | | 15 157 | | | 15 157 |
| Net profit | | | | | | | | 359 661 | 359 661 |
| Comprehensive income | | | | | | 15 157 | | 359 661 | 374 818 |
| Distribution of the financial profit | | | | | | | 137 357 | (137 357) | - |
| Dividends | | | | | | | | (167 748) | (167 748) |
| Increase in share capital | | | | | | | | | - |
| Balance as at 30 September 2010 | 441 443 | 146 575 | 588 018 | 4 627 673 | 1 144 336 | 11 310 | 892 198 | 2 775 983 | 10 039 518 |

The separate statement of changes in equity should be analyzed jointly with notes constituting an integral part of the condensed interim separate financial statements

Separate cash flow statement

| | 9 months ended 30.09.2011 | 9 months ended 30.09.2010 |
|--|--|--|
| Cash flows from operating activities | | |
| Net profit for the reporting period | 351 503 | 359 661 |
| Adjustments: | | |
| Income tax disclosed in the income statement | 31 767 | 45 684 |
| Amortization | 12 785 | 13 041 |
| Costs of benefits due to share-based payments | - | - |
| Loss on disposal and liquidation of property, plant and equipment | (1 595) | 473 |
| Impairment loss on property, plant and equipment | 6 901 | - |
| (Gain)/loss on disposal of financial assets | (10 299) | 1 803 |
| Interest income | (92 277) | (88 996) |
| Revenue from dividends | (236 339) | (193 888) |
| Interest expense | 1 925 | 4 413 |
| Exchange (gains) / losses related to credit facilities and loans | - | - |
| | (287 132) | (217 470) |
| Income tax paid | (48 738) | (48 158) |
| Interest received | 27 351 | 16 167 |
| Interest paid | (1 642) | (1 310) |
| Changes in working capital | | |
| Inventory | - | - |
| Trade and other receivables | 28 763 | 96 623 |
| Trade and other liabilities | (132 645) | (150 960) |
| Liabilities due to employee benefits | (10 155) | 5 879 |
| Settlement of income due to subsidies and connection fees | (1 717) | (1 691) |
| Change in provisions for certificates of origin | 20 586 | (17 315) |
| Change in liabilities due to the equivalent of the right to acquire shares free of charge | (48) | (43) |
| Change in provisions | 2 406 | (1 071) |
| | (92 810) | (68 578) |
| Net cash flows from operating activities | (51 468) | 40 312 |
| Cash flows from investing activities | | |
| Acquisition of property, plant and equipment and intangible assets | (21 975) | (27 088) |
| Receipts from disposal of property, plant and equipment and intangible assets | 362 | 941 |
| Receipts from disposal of financial assets | 732 767 | 5 589 |
| Acquisition of financial assets | (140 500) | (42 300) |
| Acquisition of subsidiaries, associates and a jointly-controlled entity | (380 447) | (6 353) |
| Dividends received | 235 209 | 193 888 |
| Other payments for/receipts from investing activities | 329 | 150 |
| Net cash flows from investing activities | 425 745 | 124 827 |
| Cash flows from financing activities | | |
| Proceeds from sale of treasury shares | - | - |
| Dividends paid | (187 238) | (167 748) |
| Payment of finance lease liabilities | (2 649) | (2 774) |
| Net cash flows from financing activities | (189 887) | (170 522) |
| Net increase (decrease) in cash | 184 390 | (5 383) |
| Opening balance of cash | 366 116 | 301 422 |
| Closing balance of cash | 550 509 | 296 039 |

ENEA S.A.

Condensed interim separate financial statements for the period from 1 January to 30 September 2011

(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: | ul. Nowowiejskiego 11, 60-967 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.

As at 30 September 2011 the shareholding structure of ENEA S. A. was the following: the State Treasury of the Republic of Poland – 51.73% of shares, Vattenfall AB – 18.67%, other shareholders – 29.60%.

As of 30 September 2011 the Company's statutory share capital equaled PLN 441,443 thousand (PLN 588,018 thousand upon adoption of EU-IFRS 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. Capital Group. As at 30 September 2011 the Group comprised also 20 subsidiaries, 3 indirect subsidiaries and 2 associates.

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 used its best knowledge as to the application of standards and interpretations as well as measurement methods and principles applicable to the individual items of the condensed interim individual financial statements of ENEA S.A. in accordance with EU-IFRS as at 30 September 2011. 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 after 1 January 2011.

Accounting policies applied by the Company were presented in the separate financial statements of ENEA S.A. for the financial year ended 31 December 2010.

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

These condensed interim separate financial statements should be read together with the separate financial statements of ENEA S.A. for the financial year ended 31 December 2010.

4. New accounting standards and interpretations

The standards applicable to annual periods beginning after 1 January 2011 as endorsed by the EU have been revised. However, the changes have not had any effect on the preparation of these condensed interim separate financial statements.

5. 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

ENEA S.A.

Condensed interim separate financial statements for the period from 1 January to 30 September 2011

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

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.

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

| | Name and address of the Company | Share of ENEA S.A. in the total number of votes 30.09.2011 | Share of ENEA S.A. in the total number of votes 31.12.2010 |
|-----|---|---|---|
| 1. | ENERGOMIAR Sp. z o.o. <i>Poznań, ul. Strzeszyńska 58</i> | 100 | 100 |
| 2. | BHU S.A. <i>Poznań, ul. Strzeszyńska 58</i> | 92.55 | 91.47 |
| 3. | ENEA Centrum S.A. <i>Poznań, ul. Św. Wojciecha 7/9</i> | 100 | 100 |
| 4. | Hotel „EDISON” Sp. z o.o. <i>Baranowo k/Poznania</i> | 100 | 100 |
| 5. | Energetyka Poznańska Zakład Transportu Sp. z o.o. <i>Poznań, ul. Strzeszyńska 58</i> | 100 | 100 |
| 6. | Energetyka Poznańska Przedsiębiorstwo Usług Energetycznych Energobud Leszno Sp. z o.o. <i>Lipno, Gronówko 30</i> | 100 | 100 |
| 7. | ENERGO-TOUR Sp. z o.o. <i>Poznań, ul. Marcinkowskiego 27</i> | 99.92 | 99.92 |
| 8. | ENEOS Sp. z o.o. <i>Poznań, ul. Strzeszyńska 58</i> | 100 | 100 |
| 9. | ENTUR Sp. z o.o. <i>Szczecin, ul. Malczewskiego 5/7</i> | 100 | 100 |
| 10. | Niepubliczny Zakład Opieki Zdrowotnej Centrum Uzdrowiskowe ENERGETYK Sp. z o.o. <i>Inowrocław, ul. Wilkońskiego 2</i> | 99.94 | 99.94 |
| 11. | Elektrownie Wodne Sp. z o.o. <i>Samociążek, 86-010 Koronowo</i> | 100 | 100 |
| 12. | Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. <i>Oborniki, ul. Wybudowanie 56</i> | 90.92 | 87.99 |
| 13. | „IT SERWISs” Sp. z o.o. <i>Zielona Góra, ul. Zacisze 28</i> | 100 | 100 |
| 14. | „Auto – Styl” Sp. z o.o. <i>Zielona Góra, ul. Zacisze 15</i> | 100 | 100 |
| 15. | FINEA Sp. z o.o. in liquidation <i>Poznań, ul. Warszawska 43</i> | - | 100 |
| 16. | ENEA Operator Sp. z o.o. <i>Poznań, ul. Strzeszyńska 58</i> | 100 | 100 |
| 17. | Elektrownia „Kozienice” S.A. <i>Świerże Górne, gmina Kozienice, Kozienice 1</i> | 100 | 100 |
| 18. | Miejska Energetyka Ciepła Sp. z o.o. <i>64-920 Piła, ul. Kaczorska 20</i> | 65.03 | 64.064 |
| 19. | Kozienice II Sp. z o.o. <i>Świerże Górne, gmina Kozienice, Kozienice 1</i> | - | 80.56 |
| 20. | Przedsiębiorstwo Produkcji Strunobetonowych Żerdzi Wirowanych WIRBET S.A. <i>Ostrów Wlkp., ul. Chłapowskiego 51</i> | 49 | 49 |
| 21. | Przedsiębiorstwo Energetyki Ciepłej w Śremie S.A. <i>Śrem, ul. Staszica 6</i> | - | 41.65 |
| 22. | Elektrociepłownia Białystok S.A. <i>Białystok, ul. Gen. Andersa 3</i> | 99.94 | 30.36 |
| 23. | DOBITT Energia Sp. z o.o. | 100 | - |

ENEA S.A.

Condensed interim separate financial statements for the period from 1 January to 30 September 2011

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

| | | | |
|-----|--|-------|----|
| | Gorzela 8, 56-420 Bierutów | | |
| 24. | Annacond Enterprises Sp. z o.o. Warszawa, ul. Jana III Sobieskiego 1/4 | 61 | - |
| 25. | ELKO Trading Sp. z o.o. <i>Świerże Górne, gmina Kozienice, Kozienice 1</i> | _* | _* |
| 26. | Elektrownie Wiatrowe – ENEA Centrum Spółka Akcyjna Spółka Komandytowa <i>Samociążek, 86-010 Koronowo</i> | _** | - |
| 27. | „Ecebe” Sp. z o.o. Augustów, ul. Wojciech 8 | _*** | - |
| 28. | Energo-Invest-Broker S.A. Toruń, ul. Jęczmienna 21 | _**** | - |

*100% of shares in ELKO Trading Sp. z o.o. is held by Elektrownia „Kozienice” S.A.

** 99% of total rights and obligations in Elektrownie Wiatrowe – ENEA Centrum Spółka Akcyjna Spółka Komandytowa is vested in Elektrownie Wodne Sp. z o. o., and 1% in ENEA Centrum S.A.

***100% of shares in Ecebe is held by Elektrociepłownia Białystok S.A.

**** an associate of Elektrownia Kozienice S.A.

Changes in the structure of the ENEA S.A. Capital Group in the period covered by these interim financial statements

On 27 December 2010, the Extraordinary Shareholders’ Meeting of BHU S.A. adopted a Resolution to increase the share capital of the Company by PLN 2,072 thousand, up to PLN 16,375.1 thousand, by way of issuing 20,720 K series shares, by a private placement. 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 BHU S.A. was registered in the National Court Register on 21 January 2011.

On 30 December 2010 the Extraordinary Shareholders’ Meeting decided to increase the share capital of MEC Piła Sp. z o.o. by PLN 773 thousand up to PLN 28,689 thousand, by way of creating 773 new shares with the face value of PLN 1,000 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 MEC Piła Sp. z o.o. was registered in the National Court Register on 24 February 2011.

On 27 January 2011 an auction was announced for the sale of shares in Przedsiębiorstwo Energetyki Ciepłej w Śremie S.A. The auction included 6,860 ordinary registered shares of Przedsiębiorstwo Energetyki Ciepłej w Śremie S.A. with the face value of PLN 1,000 each and the total value of PLN 6,860 thousand, accounting for 41.65% of its share capital. The total market value of the shares – corresponding to the starting price – is PLN 9,611,820.40 and has been based on measurement carried out as at 30 June 2010. Since none of the potential investors paid the deposit within the deadline, no buyer was selected in the tender and ENEA S.A. remained the holder of the shares. On 21 February 2011 ENEA S.A. received a letter from Centrozap S.A. (a holder of 51% of shares in PEC Śrem S.A.) declaring the will to buy the holding in question, but due to corporate procedures only after 16 May 2011. At the same time, Centrozap S.A. accepted the starting price published in the tender announcement.

ENEA S.A.

Condensed interim separate financial statements for the period from 1 January to 30 September 2011

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

The preliminary agreement on the sale of shares was concluded on 26 May 2011 under which the Parties are obliged to conclude the Final Agreement by 14 July 2011. On 13 July 2011 was concluded the final agreement on the sale of shares.

The increase of the share capital of Elektrownie Wodne Sp. z o.o. by PLN 26,000 thousand, up to PLN 239,841 thousand was registered in the National Court Register on 7 February 2011. All new shares in the Company's share capital were assumed by the existing shareholder – ENEA S.A. and covered in full by a contribution in kind in the form of an organized part of the enterprise of ENEA S.A. operating under the business name: ENEA S. A. Oddział Elektrownia Biogazowa Liszkowo.

On 15 February 2011 the Extraordinary Shareholders' Meeting decided to increase the share capital of Hotel EDISON Sp. z o.o. by PLN 35 thousand up to PLN 21,271.5 thousand, by way of creating 70 new shares with the face value of PLN 500 each. All shares in the increased share capital of Hotel EDISON Sp. z o.o. will be acquired by the existing sole shareholder – ENEA S.A. and fully covered with a cash contribution. The increase in the share capital was registered in the National Court Register on 28 July 2011.

Business combination of Elektrownia "Kozienice" S. A. (the Acquirer) and Kozienice II Sp. z o. o. (the Acquiree) by transfer of all the assets of the Acquiree to the Acquirer and simultaneous increase in the share capital of the Acquirer (by way of the issue of shares targeted at ENEA S.A.) was registered on 30 March 2011. As a result of the business combination, the share capital of Elektrownia "Kozienice" S.A. was increased by PLN 12,482 thousand up to PLN 462,482 thousand by way of issuing 1,248,244 series B ordinary bearer shares with the face value of PLN 10 each.

The purpose of the business combination was to benefit from many years of experience and potential in managing and investing in production assets of Elektrownia "Kozienice".

On 30 March 2011 the Group acquired 100% of rights and obligations in ZU-AN Sp. z o. o. sp. k. for the total amount of PLN 28,383 thousand. (Elektrownie Wodne Sp. z o.o. paid PLN 28,117 thousand and Energetyka Poznańska Biuro Usług Technicznych S.A. paid PLN 266 thousand). The name of the Acquiree was Elektrownie Wiatrowe – Energetyka Poznańska Biuro Usług Technicznych Spółka Akcyjna Spółka Komandytowa and it has been changed to: Elektrownie Wiatrowe – ENEA Centrum Spółka Akcyjna Spółka Komandytowa. 99% of total rights and obligations is vested in Elektrownie Wodne Sp. z o. o. (limited partner), and 1% in ENEA Centrum S. A. (general partner).

On 11 May 2011 ENEA S. A. acquired 100% shares in DOBITT Energia Sp. z o. o. for PLN 3,350 thousand and at the same time the share capital was increased by PLN 9,075 thousand up to PLN 9,175 thousand. The increased share capital of the Company was registered in the National Court Register on 22 August 2011.

On 1 June 2011 ENEA S. A. acquired 1,283,214 shares in Elektrociepłownia Białystok S. A. with the value

ENEA S.A.

Condensed interim separate financial statements for the period from 1 January to 30 September 2011

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

of PLN 10 per share for the total amount of PLN 347,751 thousand.

On 8 June 2011 the Extraordinary Shareholders' Meeting of FINEA Sp. z o.o. in liquidation approved distribution of liquidation amounts. On 13 June 2011 a motion to remove the entity was filed to the National Court Register. On 20 July 2011 FINEA Sp. z o.o. in liquidation was liquidated and removed from the National Court Register.

On 27 May and on 6 and 8 June 2011 ENEA S. A. acquired 304 employee shares in Przedsiębiorstwo Energetyki Ciepłej Sp. z o. o. with the registered office in Oborniki for the total amount of PLN 387,6 thousand.

On 29 December 2010 the Extraordinary Shareholders' Meeting of Energo-Invest-Broker S. A. adopted the following resolutions: Resolution 1 approving the acquisition of 55.625% of shares in EIB S.A. held by PGE Górnictwo i Energetyka Konwencjonalna S.A. for redemption, Resolution 2 decreasing the share capital of the Company due to redemption of own shares acquired, Resolution 3 on redemption of own shares acquired for redemption.

On 28 April 2011 District Court for Toruń, VII Business Division of the National Court Register issued a decision to register the decrease in the share capital from PLN 500 thousand to PLN 221.9 thousand due to redemption of 1,780 shares previously held by PGE Górnictwo i Energetyka Konwencjonalna S. A. After redemption the number of shares in EIB S.A. fell to 1,420. As a result the share of Elektrownia "Kozienice" S.A. in the share capital of the Company changed from 12.5% to 28.17%.

On 26 July 2011, the Extraordinary Shareholders' Meeting of EP PUE ENERGOBUD Leszno Sp. z o.o. adopted a resolution to increase the share capital by PLN 1,151 thousand, i.e. from PLN 7,634 thousand to PLN 8,785 thousand, in exchange for a contribution in kind. The acquisition of shares in the increased share capital of EP PUE ENERGOBUD Leszno Sp. z o.o. by ENEA S.A. and the transfer of perpetual usufruct right to real property related to the contribution in kind took place on 3 August 2011.

On 22 August 2011 ENEA S. A. acquired 21,265 shares in "Annacond Enterprises" Sp. z o. o. with the registered office in Warsaw, with the par value of PLN 500 per share and constituting 61% of the share capital of the company.

On 12 September 2011, the Extraordinary Shareholders' Meeting of ENEOS Sp. z o. o. adopted a Resolution to increase the share capital of the company by PLN 11,900 thousand, from PLN 20,189 thousand to PLN 32,089.5 thousand in return for a contribution in kind of an organized part of an entity under Article 551 of the Civil Code ("Street lights in Poznań").

The acquisition of shares in the increased share capital of ENEOS Sp. z o. o. by ENEA S.A. and the transfer of an organized part of an enterprise from ENEA S. A. to ENEOS Sp. z o.o. under Article 551 of the Civil Code took place on 13 September 2011. The increased share capital of ENEOS Sp. z o.o. was registered in the National Court Register on 13 October 2011.

ENEA S.A.

Condensed interim separate financial statements for the period from 1 January to 30 September 2011

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

On 20 September 2011, the Extraordinary Meeting of BHU S.A. adopted Resolution 1 to increase the share capital of the Company from PLN 16,375.1 thousand to PLN 16,540.7 thousand, i.e. by PLN 165.6 thousand, by way of issuing 1 656 L series shares with a par value of PLN 100, in return for a non-cash contribution of PLN 165.6 thousand with no right to acquire shares granted to the existing shareholders.

On 20 September 2011, BHU S. A. placed an offer to acquire L series shares with ENEA S.A.

On 4 October 2011, ENEA S. A. accepted the offer to acquire L series shares of BHU S. A.,

The agreement on acquisition of L series shares and the agreement on the transfer of perpetual usufruct right to land will be concluded on 30 November 2011.

As Energetyka Poznańska Biuro Usług Technicznych S.A. has changed its business profile and has started providing services to the clients of ENEA S. A., it has changed its name to ENEA Centrum S. A.

7. Segment reporting

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

| | Turnover | Production | All other segments | Eliminations | Total |
|--|------------------|-------------------|---------------------------|---------------------|------------------|
| Net sales revenue* | 4 141 997 | - | 44 322 | - | 4 186 319 |
| Inter-segment sales | - | - | - | - | - |
| Total net sales revenue | 4 141 997 | - | 44 322 | - | 4 186 319 |
| Total expenses ** | (4 009 339) | - | (37 372) | - | (4 046 711) |
| Segment profit/loss | 132 658 | - | 6 950 | - | 139 608 |
| Unassigned general and administrative expenses | | | | | (86 470) |
| Operating profit | | | | | 58 772 |
| Financial expenses | | | | | (4 867) |
| Financial revenue | | | | | 98 660 |
| Revenue from dividends | | | | | 236 339 |
| Income tax | | | | | (31 767) |
| Net profit | | | | | 351 503 |

* - Net sales revenue in Turnover includes net revenue from sales of distribution services of PLN 1,261,115 thousand, which was presented separately in the condensed interim consolidated financial statements of the ENEA Group under Distribution

** - total expenses:

- include the costs of sales of distribution services of PLN 1,261,216 thousand, which were presented separately in the condensed interim consolidated financial statements of the ENEA S.A. Group under Distribution
- include also other operating revenue and expenses

ENEA S.A.

Condensed interim separate financial statements for the period from 1 January to 30 September 2011

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

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

| | Turnover | Production | All other segments | Eliminations | Total |
|--|------------------|-------------------|---------------------------|---------------------|------------------|
| Net sales revenue* | 1 298 732 | - | 15 947 | - | 1 314 679 |
| Inter-segment sales | - | - | - | - | - |
| Total net sales revenue | 1 298 732 | - | 15 947 | - | 1 314 679 |
| Total expenses ** | (1 268 933) | - | (13 545) | - | (1 282 478) |
| Segment profit/loss | 29 799 | - | 2 402 | - | 32 201 |
| Unassigned general and administrative expenses | | | | | (33 266) |
| Operating profit | | | | | 4 569 |
| Financial expenses | | | | | (1 611) |
| Financial revenue | | | | | 41 752 |
| Revenue from dividends | | | | | 156 |
| Income tax | | | | | (8 919) |
| Net profit | | | | | 30 313 |

* - net sales revenue under Turnover also includes net revenue from sales of distribution services of PLN 386,697 thousand which was presented separately in the condensed interim consolidated financial statements of the ENEA S.A Group under Distribution

** - total expenses:

- include the costs of sales of distribution services of PLN 386,736 thousand, which were presented separately in the condensed interim consolidated financial statements of the ENEA S.A Group under Distribution
- include also other operating revenue and expenses

Segment reporting for the period from 1 January to 30 September 2010:

| | Turnover | Production | All other segments | Eliminations | Total |
|--|------------------|-------------------|---------------------------|---------------------|------------------|
| Net sales revenue* | 4 671 103 | - | 42 443 | - | 4 713 546 |
| Inter-segment sales | - | 1 561 | - | (1 561) | - |
| Total net sales revenue | 4 671 103 | 1 561 | 42 443 | (1 561) | 4 713 546 |
| Total expenses ** | (4 481 239) | (1 424) | (37 036) | 1 561 | (4 518 138) |
| Segment profit/loss | 189 864 | 137 | 5 407 | - | 195 408 |
| Unassigned general and administrative expenses | | | | | (68 534) |
| Operating profit | | | | | 126 874 |
| Financial expenses | | | | | (4 413) |
| Financial revenue | | | | | 88 996 |
| Revenue from dividends | | | | | 193 888 |
| Income tax | | | | | (45 684) |
| Net profit | | | | | 359 661 |

* - net sales revenue under Turnover also includes net revenue from sales of distribution services of PLN 1,433,176 thousand, which was presented separately in the condensed interim consolidated financial statements of the ENEA S.A Group under Distribution.

** - total expenses:

- include the costs of sales of distribution services of PLN 1 433 161 thousand, which were presented separately in the condensed interim consolidated financial statements of the ENEA S.A. Group under Distribution
- include also other operating revenue and expenses

ENEA S.A.

Condensed interim separate financial statements for the period from 1 January to 30 September 2011

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

Segment reporting for the period from 1 July to 30 September 2010:

| | Turnover | Production | All other segments | Eliminations | Total |
|--|------------------|-------------------|---------------------------|---------------------|------------------|
| Net sales revenue* | 1 451 185 | - | 14 490 | - | 1 465 675 |
| Inter-segment sales | - | 39 | - | (39) | - |
| Total net sales revenue | 1 451 185 | 39 | 14 490 | (39) | 1 465 675 |
| Total expenses ** | (1 401 066) | (39) | (11 481) | 39 | 1 412 547 |
| Segment profit/loss | 50 119 | - | 3 009 | - | 53 128 |
| Unassigned general and administrative expenses | | | | | (21 904) |
| Operating profit | | | | | 31 224 |
| Financial expenses | | | | | (1 412) |
| Financial revenue | | | | | 27 398 |
| Revenue from dividends | | | | | - |
| Income tax | | | | | (15 518) |
| Net profit | | | | | 41 692 |

* - net sales revenue under Turnover also includes net revenue from sales of distribution services of PLN 442,004 thousand which was individually presented in the condensed interim consolidated financial statements of the ENEA S.A Group under Distribution.

** - total expenses:

- include the costs of sales of distribution services of PLN 441 914 thousand, which were presented separately in the condensed interim consolidated financial statements of the ENEA S.A Group under Distribution
- include also other operating revenue and expenses

Other segment reporting information as at 30 September 2011:

| Balance as at 30 September 2011 | Turnover | Production | All other segments | Total |
|--|-----------------|-------------------|---------------------------|-------------------|
| Property, plant and equipment | 17 673 | - | 117 125 | 134 798 |
| Trade and other receivables | 735 613 | - | 7 883 | 743 496 |
| Total: | 753 286 | - | 125 008 | 878 294 |
| ASSETS excluded from segmentation | | | | 10 231 641 |
| - including property, plant and equipment | | | | 52 412 |
| - including trade and other receivables | | | | 7 069 |
| TOTAL ASSETS | | | | 11 109 935 |
| Trade and other liabilities | 523 255 | | 4 859 | 528 114 |
| Equity and liabilities excluded from segmentation | | | | 10 581 821 |
| - including trade and other liabilities | | | | 51 675 |
| TOTAL EQUITY AND LIABILITIES | | | | 11 109 935 |
| Capital expenditure for fixed assets and intangible assets | | | 8 054 | 8 054 |
| Capital expenditure for fixed assets and intangible assets excluded from segmentation | | | | 4 479 |
| Depreciation/amortization of fixed assets/intangible assets | 628 | - | 10 650 | 11 278 |
| Depreciation/amortization of fixed assets/intangible assets excluded from segmentation | | | | 1 507 |
| Impairment loss on receivables as at 30.09.2011 | 80 035 | | 857 | 80 892 |

ENEA S.A.

Condensed interim separate financial statements for the period from 1 January to 30 September 2011

*(All amounts in PLN '000, unless specified otherwise)***Segment reporting (cont'd)**

Other segment reporting information as at 31 December 2010:

| Balance as at 31 December 2010 | Turnover | Production | All other segments | Total |
|--|-----------------|-------------------|---------------------------|-------------------|
| Property, plant and equipment | 18 746 | | 131 179 | 149 925 |
| Trade and other receivables | 757 212 | | 6 964 | 764 176 |
| Total | 775 958 | | 138 143 | 914 101 |
| ASSETS excluded from segmentation | | | | 10 161 251 |
| - including property, plant and equipment | | | | 59 641 |
| - including trade and other receivables | | | | 11 290 |
| TOTAL ASSETS | | | | 11 075 352 |
| Trade and other liabilities | 652 732 | | 5 596 | 658 328 |
| Equity and liabilities excluded from segmentation | | | | 10 417 024 |
| - including trade and other liabilities | | | | 55 401 |
| TOTAL EQUITY AND LIABILITIES | | | | 11 075 352 |
| Capital expenditure for fixed assets and intangible assets | - | 24 814 | 21 816 | 46 630 |
| Capital expenditure for fixed assets and intangible assets excluded from segmentation | | | | 2 703 |
| Depreciation/amortization of fixed assets/intangible assets | 610 | 1 298 | 14 765 | 16 673 |
| Depreciation/amortization of fixed assets/intangible assets excluded from segmentation | | | | 772 |
| Impairment loss on receivables as at 31.12.2010 | 81 578 | | 765 | 82 343 |

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. Prices specified in the Energy Law of 10 April 1997 and the related secondary legislation apply to trade in electricity and provision of transmission services.

Supplementary reporting - geographical segments

The Company operates in one geographical region, in Poland, and therefore it does not distinguish geographical segments.

8. Property, plant and equipment

During the 9-month period ended 30 September 2011, the Company acquired property, plant and equipment for the total amount of PLN 12,533 thousand (during the period of 12 months ended 31 December 2010 it was PLN 49,333 thousand).

During the 9-month period ended 30 September 2011, the Company sold and liquidated property, plant and

ENEA S.A.

Condensed interim separate financial statements for the period from 1 January to 30 September 2011

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

equipment for the total net amount of PLN 240 thousand (during the period of 12 months ended 31 December 2010 it was PLN 35,984 thousand).

During the 9-month period ended 30 September 2011 the Company reduced its property, plant and equipment by a contribution of assets with the total net book value of PLN 17,827 thousand to ENERGOBUD Leszno Sp. o.o. and Eneos Sp. z o.o.

During the 9-month period ended 30 September 2011, impairment loss on the carrying amount of property, plant and equipment increased by PLN 2,542 thousand (during the 12 months ended 31 December 2010 impairment loss on the carrying amount of property, plant and equipment decreased by PLN 15,228 thousand).

During the 3-month period ended 30 September 2011, impairment loss on the carrying amount of property, plant and equipment did not change (during the period of 3 months ended 30 September 2010 impairment loss on the carrying amount of property, plant and equipment did not change).

As at 30 September 2011 the total impairment loss on the carrying value of property, plant and equipment was PLN 3,312 thousand (as at 31 December 2010: PLN 770 thousand).

Impairment test (property, plant and equipment)

As at 31 December 2010 ENEA S.A. compared the book value of its equity with its market value (stock market cap). ENEA S.A. has found no grounds to recognize losses (provisions) on analyzed assets as at 31 December 2010.

As at 30 September 2011 there were no reasons to carry out another impairment test of property, plant and equipment.

9. Intangible assets

During the 9-month period ended 30 September 2011 the Company acquired intangible assets – certificates of origin - for the amount of PLN 7,179 thousand (during the period of 12 months ended 31 December 2010 the value was PLN 0).

During the 9-month period ended 30 September 2011 intangible assets of PLN 407 thousand were reclassified from fixed assets under construction (PLN 2,632 thousand during the period of 12 months ended 31 December 2010).

During the 9-month period ended 30 September 2011, the Company did not sell or liquidate intangible assets (during the period of 12 months ended 31 December 2010: PLN 0).

10. Investments in subsidiaries, associates and jointly-controlled entities

| | 30.09.2011 | 31.12.2010 |
|----------------------------------|-------------------|-------------------|
| Opening balance | 7 874 545 | 7 844 884 |
| Acquisition of investments | 392 640 | 37 144 |
| Disposal of investments | (9 230) | - |
| Other changes | (4 523) | - |
| Impairment loss | 13 753 | (7 483) |
| Closing balance | 8 267 185 | 7 874 545 |
| Impairment loss | | |
| Opening balance | 39 855 | 32 372 |
| Recognized | - | 9 320 |
| Derecognized | (9 320) | (1 837) |
| Assigned | (4 523) | - |
| Closing balance | 26 102 | 39 855 |
| Net value opening balance | 7 874 545 | 7 844 884 |
| Net value closing balance | 8 267 185 | 7 874 545 |

In the 9-month period ended 30 September 2011 the Company acquired shares in its subsidiaries and associates: Hotel "EDISON" Sp. z o. o., Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o., Elektrociepłownia Białystok S.A., Energetyka Poznańska Przedsiębiorstwo Usług Energetycznych ENERGOBUD Leszno Sp. z o.o., ENEOS Sp. z o.o. for the total amount of PLN 370,599 thousand and acquired 100% shares in DOBITT Energia Sp. z o.o. for the amount of PLN 12,425 thousand i 61% of shares in Annacond Enterprises Sp. z o.o. for PLN 15,250 thousand (in the 12-month period ended 31 December 2010 the Company acquired shares in subsidiaries for the total amount of PLN 37,144 thousand).

During the 9-month period ended 30 September 2011 the Company sold shares in an associate - Przedsiębiorstwo Energetyki Ciepłej w Śremie S. A. for PLN 9,230 thousand and FINEA Sp. z o. o. in liquidation was finally liquidated (in the 12-month period ended 31 December 2010 the Company did not sell any investments in subsidiaries or associates).

11. Impairment loss on trade and other receivables

| | 30.09.2011 | 31.12.2010 |
|--|-------------------|-------------------|
| Opening balance of impairment loss on receivables | 82 343 | 82 623 |
| Recognized | 10 446 | 14 333 |
| Derecognized | (5 082) | (14 608) |
| Assigned | (6 815) | (5) |
| Closing balance of impairment loss on receivables | 80 892 | 82 343 |

During the 9-month period ended 30 September 2011, the impairment loss on the carrying amount of trade and other receivables decreased by PLN 1,451 thousand (during the period of 12 months ended 31 December 2010 the impairment loss decreased by PLN 280 thousand).

During the 3-month period ended 30 September 2011 the impairment loss on the carrying amount of trade and other receivables increased by PLN 867 thousand (during the period of 3 months ended 30 September 2010 the impairment loss decreased by PLN 523 thousand).

ENEA S.A.

Condensed interim separate financial statements for the period from 1 January to 30 September 2011

*(All amounts in PLN '000, unless specified otherwise)***12. Cash and cash equivalents**

| | 30.09.2011 | 31.12.2010 |
|---|-------------------|-------------------|
| Cash in hand and at bank | 549 948 | 365 762 |
| - cash in hand | 153 | 138 |
| - cash at bank | 549 795 | 365 624 |
| Other cash | 561 | 357 |
| -cash in transit | 561 | 357 |
| Total cash and cash equivalents | 550 509 | 366 119 |
| Cash disclosed in the cash flows statement | 550 509 | 366 119 |

As at 30 September 2011 the restricted cash amounted to PLN 5,292 thousand and comprised cash at bank (cash blocked due to a deposit for receivables and a transaction deposit).

As at 31 December 2010 the restricted cash amounted to PLN 10,341 thousand.

13. Investment portfolio

ENEA S.A. fulfilled the conditions necessary to release funds due to the issue of shares at the WSE from the ESCROW account. Therefore, on 6 February 2009 a specialized financial institution dealing with professional management of cash was transferred the amount of PLN 1,913,840 thousand. In accordance with the Agreement, the funds are invested only in safe securities, in line with the table 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% | 30% |

As at 30 September 2011 the funds amounted to PLN 1,121,549 thousand (treasury bills and bonds of PLN 823,671 thousand) and deposits (in banks specified by the Company – PLN 297,878 thousand).

The investment portfolio is treated as financial assets measured at fair value through profit or loss.

The strategy is to maximize profit at a minimum risk.

14. Equity related to share-based payments and liabilities due to the equivalent of the right to acquire shares free of charge

On the basis of the Act on commercialization and privatization of 30 August 1996 (Act on commercialization and privatization) employees of the ENEA Capital Group are entitled to acquire 15% of the shares in ENEA S.A. free of charge (“plan”).

Employees eligible to acquire shares free of charge are individuals who were employed by the ENEA S.A. Capital Group at the time of commercialization (i.e. in 1993 and 1996) and filed a written declaration to acquire shares within 6 months of the commercialization date.

ENEA S.A.

Condensed interim separate financial statements for the period from 1 January to 30 September 2011

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

As the first share was sold on general terms to investors by the State Treasury on 10 February 2010, after the lapse of three months the eligible individuals acquired the right to receive shares free of charge.

Pursuant to Resolution No. 441/2010 of 29 June 2010 the Management Board of ENEA S.A. determined the number of ENEA shares disposed of free of charge for the benefit of eligible individuals, attributable to each group specified based on the length of service as per Article 11 of the Ordinance of the Minister of the Treasury of 29 January 2003 laying down detailed principles for classification of eligible employees into groups, determining the number of shares attributable to each group and the conditions for acquisition of shares by eligible employees. In compliance with the aforementioned Ordinance, the Management Board of the Company provided the Minister of the Treasury with a list of eligible individuals and the number of shares assigned. The Minister of the Treasury has made an announcement regarding the disposal of employee shares in a national and local newspaper and the process of entering into agreements for the sale of shares free of charge with eligible individuals is in progress. The right to acquire the shares in ENEA S.A. free of charge may be executed until 16 May 2012. After the deadline the title will expire.

The Management Board of ENEA S.A. assigned 33,239,235 shares to eligible individuals. The lockup period for the shares acquired by eligible individuals free of charge is two years starting from the date of disposal of the first shares by the State Treasury on general terms.

Pursuant to IFRS 2, the costs of the plan should be recognized in the period when eligible employees perform work and the cost of work should be determined as at the Grant Date, i.e. as at the date when all significant conditions for granting shares to employees are determined.

The value of the employee stock ownership plan was determined by the Company based on the measurement of shares in ENEA S.A. as at the date of drawing up the consolidated financial statements for the financial years ended 31 December 2007, 31 December 2006 and 31 December 2005, included in the prospectus of ENEA S.A. The value of the plan was estimated at PLN 901 million. The ENEA Capital Group recognized the total costs of the plan as a previous years' adjustment in equity of the earliest period presented in the consolidated financial statements, i.e. as of 1 January 2005, and it did not revalue the costs as of any of the dates ending the subsequent financial periods.

According to the Management Board, IFRS do not lay down detailed principles for accounting for a plan displaying the features specified in the Act on Commercialization and Privatization. In particular, they do not allow for unambiguous interpretation of a situation where the total number of shares due to staff employed at the moment of commercialization, i.e. before the Grant Date, was determined but the number of shares to be granted to particular employees was not specified. In such a case an employee working in subsequent periods, by the Grant Date, will be granted a higher number of shares. This, however, will not take place by way of an issue of additional shares but as a result of a reduction of the number of shares for other staff members.

Moreover, according to the Management Board, the key purpose of the plan was to grant employees compensation for work before the date of commercialization of the enterprise (i.e. in the past). Consequently,

ENEA S.A.

Condensed interim separate financial statements for the period from 1 January to 30 September 2011

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

the total fixed number of shares for employees was determined and could not be changed with relation to work in subsequent periods.

Considering the above, the Management Board of ENEA S.A. decided that the value of the plan would not be changed. As a result, the value of the plan as of 30 June 2011 remained at the level of PLN 921 million.

Pursuant to the Act of 7 September 2007 on the acquisition of shares from the State Treasury as a result of the energy sector consolidation process, the Eligible Employees of Elektrownia "Kozienice" S.A. were supposed to submit a declaration of the intention to exchange the equivalent for the right to acquire shares in ENEA S.A. free of charge by 18 January 2008. Following the examination of the declarations submitted as well as the result of the complaint procedure, the value of shares to be accounted for as an equivalent was PLN 291,127 thousand (PLN 514,920 thousand as at 31 December 2007). Exchange of the value of the equivalent for subscription rights worth PLN 224,042 thousand was disclosed in the Company's equity under "Share-based capital".

As at 30 September 2011, nearly the whole equivalent was paid to the Eligible Employees of Elektrownia "Kozienice" S.A. As at 30 September 2011 the remaining liability due to the equivalent amounted to PLN 509 thousand (PLN 557 thousand as at 31 December 2010).

15. Deferred income tax

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

| | 30.09.2011 | 31.12.2010 |
|--|-------------------|-------------------|
| Opening balance | (40 137) | (27 366) |
| Amount debited/(credited) to profit | (17 875) | (13 683) |
| Change recognized in other items of comprehensive income | - | 912 |
| Closing balance | (58 012) | (40 137) |

During the 9-month period ended 30 September 2011, the Company's profit before tax was credited with PLN 17,875 thousand as a result of an increase in the deferred tax asset (during the period of 12 months ended 31 December 2010 the Company's profit before tax was credited with PLN 13,683 thousand due to an increase in the asset). During the 3-month period ended 30 September 2011, the Company's profit before tax was credited with PLN 1,097 thousand as a result of an increase in the deferred tax asset (during the period of 3 months ended 30 September 2010 the Company's profit before tax was charged with PLN 10,746 thousand due to a decrease in the asset).

16. Certificates of origin

| | 30.09.2011 | 31.12.2010 |
|---|-------------------|-------------------|
| Certificates of origin | (73 215) | (85 950) |
| Advance payments for certificates of origin | (1 792) | (2 610) |
| Provision for the costs of redemption of certificates of origin | 226 372 | 219 339 |
| Provision for certificates of origin | 151 365 | 130 779 |

17. Provisions for liabilities and other charges

Provision for projected losses due to compensation proceedings and penalties

| | 30.09.2011 | 31.12.2010 |
|------------------------|-------------------|-------------------|
| Opening balance | 43 529 | 42 338 |
| Increase in provisions | 7 486 | 19 450 |
| Decrease in provisions | (5 080) | (18 259) |
| Closing balance | 45 935 | 43 529 |

Provisions for liabilities are determined in reasonable, reliably estimated amounts. Individual provisions are recognized for projected losses related to court action brought against the Company. The amount recognized as a provision is the best estimate of the expenditure required to settle a claim. The cost of provisions is recognized under other operating expenses. A description of material claims and the related contingent liabilities has been presented in note 22.2.

During the 9-month period ended 30 September 2011 the provision for projected losses due to compensation proceedings and penalties increased by PLN 2,406 thousand (during the period of 12 months ended 31 December 2010 the provision for projected losses due to compensation proceedings and penalties increased by PLN 1,191 thousand).

During the 3-month period ended 30 September 2011 the provision for projected losses due to compensation proceedings and penalties increased by PLN 22 thousand (during the period of 3 months ended 30 September 2010 the provision for projected losses due to compensation proceedings decreased by PLN 1,628 thousand).

18. Dividend

On 29 June 2011 the General Shareholders' Meeting of ENEA S.A. adopted Resolution 7 concerning net profit distribution for the financial period from 1 January 2010 to 31 December 2010 whereby the dividend for the shareholders amounted to PLN 194,235 thousand (PLN 0.44 per share). The dividend had been paid by 30 September 2011.

On 20 April 2010 the General Meeting of Shareholders of ENEA S.A. adopted Resolution 7 on distribution of the net profit for the reporting period from 1 January 2009 to 31 December 2009, whereby PLN 167,748 thousand was allocated to dividend payment for the shareholders (PLN 0.38 per share). The dividend had been paid by 30 June 2010.

ENEA S.A.

Condensed interim separate financial statements for the period from 1 January to 30 September 2011

*(All amounts in PLN '000, unless specified otherwise)***19. Related party transactions**

The Company concludes transactions with the following related parties:

(i) Companies from the ENEA S.A. Capital Group.

| | 01.01.2011 - 30.09.2011 | 01.01.2010.-31.12.2010 |
|------------------------------|--------------------------------|-------------------------------|
| Purchases, including: | 1 527 401 | 3 491 927 |
| investment purchases | 6 411 | 12 921 |
| materials | 645 | 836 |
| services | 1 332 280 | 1 803 098 |
| other (including energy) | 188 065 | 1 675 072 |
| | | |
| Sales, including: | 18 262 | 402 142 |
| energy | 9 768 | 332 399 |
| materials and goods | - | - |
| services | 2 039 | 2 162 |
| other | 6 455 | 10 193 |
| | | |
| | 30.09.2011 | 31.12.2010 |
| Receivables | 5 928 | 46 196 |
| Liabilities | 318 206 | 463 655 |

(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.

The value of transactions falling within the scope of the first category has been presented below:

| Item | Management Board of the Company | | Supervisory Board of the Company | |
|---|--|-----------------------------------|---|------------------------------------|
| | 01.01.2011 - 30.09.2011 | 01.01.2010- 30.09.2010 | 01.01.2011 - 30.09.2011 | 01.01.2010 - 30.09.2010 |
| Remuneration under employment contracts | 769 | 831 | - | - |
| Remuneration under managerial and consultancy agreements | 566 | - | - | - |
| Remuneration relating to appointment of members of supervisory bodies | - | - | 317 | 312 |
| Remuneration due to the position held in supervisory boards of subsidiaries | 92 | 211 | - | - |
| Remuneration due to other employee benefits, including: (electricity allowance) | 113 | 233 | - | - |
| TOTAL | 1 540 | 1 275 | 317 | 312 |

ENEA S.A.

Condensed interim separate financial statements for the period from 1 January to 30 September 2011

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

Remunerations of Members of the Management Board (until August 2011) and Supervisory Board are determined in line with the Act of 3 March 2000 on remuneration of persons managing certain legal entities. Pursuant to the Act, the maximum monthly remuneration cannot exceed six average monthly remunerations in the enterprise sector, excluding profit bonuses in Q4 of the preceding year, announced by the President of the Central Statistical Office. The amount of the annual bonus cannot exceed three average monthly remunerations in the year preceding the bonus granting. Since August 2011 Members of the Management Board have been hired based on managerial contracts and consultancy agreements.

Transactions related to loans from the Company's Social Benefits Fund:

| No. | Body | Balance as at 01.01.2011 | Granted on 01.01.2011 | Maturing on 30.09.2011 | Balance as at 30.09.2011 |
|-----|-------------------|-----------------------------|--------------------------|---------------------------|-----------------------------|
| 1. | Management Board | - | - | - | - |
| 2. | Supervisory Board | 29 | 5 | (11)* | 23 |
| | TOTAL | 29 | 5 | (11) | 23 |

| No. | Body | Balance as at 01.01.2010 | Granted on 01.01.2010 | Maturing on 31.12.2010 | Balance as at 31.12.2010 |
|-----|-------------------|-----------------------------|--------------------------|---------------------------|-----------------------------|
| 1. | Management Board | 21 | - | (21)** | - |
| 2. | Supervisory Board | 29 | 11 | (11) | 29 |
| | TOTAL | 50 | 11 | (32) | 29 |

* including PLN 6 thousand – loan amount not disclosed due to expiration of the term of office resulting from death of a Member of the Supervisory Board.

* - PLN 21 thousand concerns derecognition of a loan granted to Piotr Koczorowski, who was dismissed from the position of Member of the Management Board as of 16 April 2010.

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 produced the CHP system 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

ENEA S.A.

Condensed interim separate financial statements for the period from 1 January to 30 September 2011

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

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.

20. Future liabilities under contracts concluded as at the balance sheet date

Contractual obligations assumed as at the balance sheet date, not yet recognized in the balance sheet:

| | 30.09.2011 | 31.12.2010 |
|--|-------------------|-------------------|
| Acquisition of property, plant and equipment | 11 087 | 14 172 |
| Acquisition of intangible assets | 92 | 160 |
| | 11 179 | 14 332 |

21. Explanations of the seasonal and 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 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 (45.84% of the sales value), rather than to the industrial sector.

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

ENEA S.A.

Condensed interim separate financial statements for the period from 1 January to 30 September 2011

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

22.1. Guarantees for credit facilities and loans as well as other sureties granted by the Company**Guarantees and sureties as at 30 September 2011**

| No. | Name of the beneficiary of the guarantee or surety | Total liabilities subject to guarantee or surety | Valid until | Relation between the Company and the entity which incurred the liability |
|------------|---|---|--------------------|---|
| 1. | EP Zakład Transportu Sp. z o.o. | PLN 216 thousand (EUR 49 thousand) | 31-08-2017 | subsidiary |
| 2. | ELKO Trading Sp. z o.o. | PLN 50,000 thousand | 31-07-2012 | indirect subsidiary |

Guarantees and sureties as at 31 December 2010

| No. | Name of the beneficiary of the guarantee or surety | Total liabilities subject to guarantee or surety | Valid until | Relation between the Company and the entity which incurred the liability |
|------------|---|---|--------------------|---|
| 1. | EP Zakład Transportu Sp. z o.o. | PLN 194 thousand (EUR 49 thousand) | 31-08-2017 | subsidiary |

In the reporting period the Company did not give any guarantees or sureties for credit facilities or loans.

22.2. Pending proceedings before courts of general jurisdictionActions 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 2011 there were 5,551 cases pending before common courts of law which have been brought by the Company for the total amount of PLN 14,446 thousand (as at 31 December 2010 there were 5,767 cases for the total amount of PLN 15,748 thousand). 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 (note 22.5).

As at 30 September 2011 there were 146 cases pending before common courts of law which have been brought against the Company for the total amount of PLN 37,069 thousand (as at 31 December 2010 there were 157 cases for the total amount of PLN 37,691 thousand). Provisions related to the court cases have been presented in note 17.

22.3. Arbitration proceedings

As at 30 September 2011 there were no proceedings heard by competent arbitration bodies.

22.4. Proceedings before Public Administration Bodies

Pursuant to a decision of the President of the Office of Competition and Consumer Protection of 12 September 2008 which closed the proceedings for charging customers with a double subscription fee for January 2008, ENEA S.A. was obliged to pay a fine of PLN 160 thousand. The Company appealed against the decision on 30 September 2008. On 31 August 2009 the Regional Court in Warsaw – Court of Competition and Consumer Protection reduced the fine to PLN 10 thousand. On 25 September 2009, ENEA appealed against the judgment issued by the Court of Competition and Consumer Protection to the Court of Appeals in Warsaw applying for reversal of the decision in whole. On 27 April 2010 the Court reversed the judgment and remanded the case for reconsideration. On 27 January 2011 the Court of Competition and Consumer Protection dismissed the appeal

ENEA S.A.

Condensed interim separate financial statements for the period from 1 January to 30 September 2011

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

of ENEA S. A. against the decision of the President of the Office of Competition and Consumer Protection of 12 September 2008 and upheld the PLN 10 thousand fine imposed on the Company. On 20 April 2011 the Company appealed against the ruling of the Court of Competition and Consumer Protection of 27 January 2011.

On 27 November 2008 the President of the Energy Regulatory Office concluded that ENEA failed to comply with the obligation to purchase electricity produced in the CHP system in 2006, imposing a fine of PLN 7,594 thousand. On 17 December 2008, ENEA filed an appeal to the Regional Court in Warsaw - the Court of Competition and Consumer Protection. On 15 December 2009 the Court of Competition and Consumer Protection issued a judgment favorable for the Company, changing the decision of the President of the Energy Regulatory Office of 27 November 2008 and discontinuing the administrative proceedings. The President of the Energy Regulatory Office appealed against the decision to the Court of Appeals in Warsaw. On 24 November 2010 (VI ACa 327/10) the Court of Appeal reversed the decision of the Regional Court in Warsaw – Court of Competition and Consumer Protection of 15 December 2009 appealed against the President of the Energy Regulatory Office and remanded the case for reconsideration and settling the costs of the appeal proceedings. On 27 September 2011 the Regional Court of Competition and Consumer Protection in Warsaw dismissed the appeal of ENEA against the decision of the President of the Office of Competition and Consumer Protection on imposing a fine on ENEA. The Company is drafting an appeal against the ruling of 27 September. As of 30 September 2011, ENEA created a provision in the total amount of the aforementioned fine.

On 28 December 2009 the President of the Energy Regulatory Office issued a decision on ENEA's failure to comply with the obligation to purchase electricity produced in the CHP system in the first half of 2007, imposing a fine of PLN 2,150 thousand on the Company. On 19 January 2010, ENEA filed an appeal against the decision of the President of the Energy Regulatory Office to the Regional Court in Warsaw - the Court of Competition and Consumer Protection. As of 30 September 2011, ENEA created a provision in the total amount of the aforementioned fine.

22.5. Risk related to the legal status of property used by the Company

The risk related to the legal status of the property used by the Company (currently used by ENEA Operator Sp. z o.o.) results from the fact that the Company does not have all legal titles to use the land where transmission networks and the related devices are located. In the future the Company may have to incur costs related to non-contractual use of property, which was the case in the past until the spin-off of ENEA Operator Sp. z o.o.

Considering the legal status, there is a risk of additional costs related to compensation claims for non-contractual use of land, rental fee or, rarely, claims related to the change of facility location (restoring land to its previous condition).

Court decisions related to these issues are important as they considerably affect the Company's strategy towards persons who lodged out-of-court claims related to devices located on their land in the past and the approach to the legal status of devices in case of new investments.

The Company recognized a provision for all claims lodged by owners of property located near transmission networks and devices based on best estimates of expenditures necessary to settle the claims adopted by the Management Board. Since the date of unbundling of the distribution system operator such claims have also been filed to ENEA Operator Sp. z o.o., which is currently the owner of the transmission networks and the related devices.

The Company does not recognize a provision for claims which have not been filed yet by owners of land used non-contractually. The value of the potential claims may be significant, considering the area of land used non-contractually. The Company does not keep any record and it has no knowledge of the legal status of land, therefore is it unable to reliably estimate the maximum amount of possible claims arising from non-contractual use of land.

22.6. Risk related to participation in costs incurred due to the use of woodland managed by the National Forests for the needs of electricity lines

On 29 November 2006 a meeting initiated by the Minister of Environment was attended by representatives of the National Forests, the Ministry of State Treasury, PSE-Operator Sp. z o.o. and Polskie Towarzystwo Przesyłu i Rozdziału Energii Elektrycznej representing distribution companies. The National Forests' proposal to conclude agreements for the lease of land where the lines are located was not accepted. Consequently, a more general solution based on legislative changes is required. In 2010 the Ministry of Economy prepared a draft act regulating the use of land managed by the National Forests by energy companies if transmission and distribution electricity lines are located on this land. The draft assumes that the use of such land would be based on transmission easement against payment. As at the date of the condensed interim separate financial statements, the Act amending the Act on forests and Act on environmental protection has been passed by both Parliament chambers and approved by the President. According to the Act, the consideration for transmission easement would be equal to the amount of local taxes and charges to the National Forests regarding the land included in the easement.

The Company has not created a provision for pre-litigation claims regarding the use of woodland managed by the National Forests for the purpose of locating electricity lines owned by ENEA S.A. before 30 June 2007. (On 30 June 2007 all electricity lines were transferred to ENEA Operator Sp. z o.o.). According to the Company, in line with the applicable provisions of law, claims regarding the period exceeding three years become invalid.

Regardless of the aforementioned actions aimed at general regulation of the legal status of land owned by the National Forests, individual forest district offices lodged claims against the Company for compensation due

ENEA S.A.

Condensed interim separate financial statements for the period from 1 January to 30 September 2011

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

to its non-contractual use of land (pending). The claims have been accounted for in the provision referred to in note 17.

23. Post balance sheet events

On 20 October 2011 the Company published an invitation to negotiations concerning acquisition of a block of 269,000 registered preference shares of the face value of PLN 10 each - owned by ENEA S. A. and accounting for 49% of the share capital of Przedsiębiorstwo Produkcji Strunobetonowych Żerdzi Wirowanych "WIRBET" S. A. with its registered office in Ostrów Wielkopolski. The deadline for the written responses is 7 November 2011, 11 a.m. Warsaw time.