

**Extended consolidated quarterly report
of the ENEA Group
for the third quarter of 2014**

Poznań, 28 October 2014

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Selected consolidated financial data of ENEA Group

	in PLN '000		in EUR '000	
	9 months ended 30.09.2014	9 months ended 30.09.2013 (restated)*	9 months ended 30.09.2014	9 months ended 30.09.2013 (restated)*
Net sales revenue	7 227 172	6 787 243	1 728 864	1 607 171
Operating profit	991 550	819 677	237 196	194 094
Profit before tax	1 019 322	856 363	243 839	202 781
Net profit for the reporting period	836 315	661 657	200 061	156 676
Net cash flows from operating activities	653 612	1 264 436	156 355	299 409
Net cash flows from investing activities	(2 021 443)	(1 380 023)	(483 564)	(326 780)
Net cash flows from financing activities	929 560	604 255	222 367	143 083
Total net cash flows	(438 271)	488 668	(104 842)	115 713
Weighted average number of shares	441 442 578	441 442 578	441 442 578	441 442 578
Net earnings per share (in PLN / EUR)	1.89	1.50	0.45	0.35
Diluted earnings per share (in PLN / EUR)	1.89	1.50	0.45	0.35
	Balance as at 30.09.2014	Balance as at 31.12.2013	Balance as at 30.09.2014	Balance as at 31.12.2013
Total assets	17 759 971	16 322 024	4 253 376	3 935 673
Total liabilities	5 680 619	4 834 076	1 360 464	1 165 624
Non-current liabilities	3 857 150	2 556 816	923 758	616 516
Current liabilities	1 823 469	2 277 260	436 707	549 108
Equity	12 079 352	11 487 948	2 892 912	2 770 049
Share capital	588 018	588 018	140 826	141 787
Book value per share (in PLN / EUR)	27.36	26.02	6.55	6.27
Diluted book value per share (in PLN/EUR)	27.36	26.02	6.55	6.27

The above financial data for Q3 2014 and 2013 were translated into EUR in line with the following principles:

- individual assets and liabilities – at the average exchange rate as of 30 September 2014 – PLN/EUR – 4.1755 (as at 31 December 2013 – PLN/EUR 4.1472),
- individual items from the statement of comprehensive income and the statement of cash flows – as per the arithmetic mean of the average exchange rates determined by the National Bank of Poland as at the last day of each month of the financial period from 1 January to 30 September 2014 – PLN/EUR – 4.1803 (for the period from 1 January to 30 September 2013 – 4.2231 PLN/EUR).

*- Restatements of comparative figures are presented in note 4 of these condensed interim consolidated financial statements of ENEA Group for the period from 1 January to 30 September 2014

**Condensed interim consolidated
financial statements
of ENEA Group
for the period from 1 January to 30 September 2014**

Poznań, 28 October 2014

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

Members of the Management Board

President of the Management Board **Krzysztof Zamasz**

Member of the Management Board **Dalida Gepfert**

Member of the Management Board **Grzegorz Kinelski**

Member of the Management Board **Paweł Orlof**

Poznań, 28 October 2014

Consolidated statement of financial position

		As at	
	Note	30.09.2014	31.12.2013
ASSETS			
Non-current assets			
Property, plant and equipment	8	13 207 309	11 811 566
Perpetual usufruct of land		67 721	68 431
Intangible assets	9	231 622	206 580
Investment property		29 714	30 641
Investments in associates		4 191	3 298
Deferred tax assets	19	156 855	181 403
Financial assets available for sale		54 070	61 761
Financial assets measured at fair value through profit or loss		2 113	1 860
Other receivables		167 045	3 933
		13 920 640	12 369 473
Current assets			
CO ₂ emission rights		98 674	190 566
Inventory	12	589 498	521 498
Trade and other receivables		1 489 095	1 345 966
Current income tax receivable		3 374	11 455
Financial assets held to maturity		191 878	45
Financial assets measured at fair value through profit or loss	15	317 911	296 339
Cash and cash equivalents	14	1 135 305	1 573 195
Non-current assets classified as held for sale		13 596	13 487
		3 839 331	3 952 551
TOTAL ASSETS		17 759 971	16 322 024

ENEA Group

Condensed interim consolidated financial statements for the period from 1 January to 30 September 2014.

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

	Note	As at	
		30.09.2014	31.12.2013
EQUITY 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 payments reserve	30	-	1 144 336
Revaluation reserve (financial instruments)		38 974	45 185
Other reserves		(45 883)	(20 664)
Retained earnings		7 800 268	6 079 288
		12 013 841	11 468 627
Non-controlling interest		65 511	19 321
Total equity		12 079 352	11 487 948
LIABILITIES			
Non-current liabilities			
Loans, borrowings and debt securities	16	2 023 760	819 909
Other liabilities		3 585	-
Finance lease liabilities		1 367	1 784
Deferred income from subsidies and connection fees	18	638 535	630 411
Deferred tax liability	19	283 005	220 376
Liabilities due to employee benefits		485 339	476 237
Financial liabilities measured at fair value through profit or loss	17	2 147	364
Provisions for other liabilities and charges	20	419 412	407 735
		3 857 150	2 556 816
Current liabilities			
Loans, borrowings and debt securities	16	22 602	22 648
Trade and other liabilities		1 147 882	1 407 703
Financial lease liabilities		2 146	2 940
Deferred income from subsidies and connection fees	18	71 640	71 398
Current income tax liabilities		49 920	57 940
Liabilities due to employee benefits		251 654	270 809
Liabilities due to an equivalent of the right to acquire shares free of charge		281	292
Financial liabilities measured at fair value through profit or loss		395	-
Provisions for other liabilities and charges	20	276 113	443 260
Liabilities related to non-current assets held for sale		836	270
		1 823 469	2 277 260
Total liabilities		5 680 619	4 834 076
Total equity and liabilities		17 759 971	16 322 024

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

Consolidated statement of profit or loss and other comprehensive income

	Note	9 months ended 30.09.2014	3 months ended 30.09.2014	9 months ended 30.09.2013 (restated)*	3 months ended 30.09.2013 (restated)*
Sales revenue		7 382 288	2 438 696	6 938 070	2 239 586
Excise tax		(155 116)	(51 719)	(150 827)	(47 968)
Net sales revenue		7 227 172	2 386 977	6 787 243	2 191 618
Other operating revenue		100 752	17 036	97 893	18 559
Depreciation/amortization		(524 197)	(179 617)	(574 422)	(188 502)
Costs of employee benefits		(675 142)	(194 438)	(730 615)	(216 386)
Consumption of materials and supplies and costs of goods sold		(1 299 698)	(448 047)	(1 375 543)	(446 870)
Energy purchase for sale		(2 797 762)	(1 019 891)	(2 400 785)	(783 203)
Transmission and distribution services		(530 911)	(178 716)	(449 301)	(150 104)
Other external services		(240 979)	(68 800)	(245 967)	(80 049)
Taxes and charges		(198 819)	(62 915)	(185 099)	(57 607)
Gain/(loss) on sale and liquidation of property, plant and equipment		(578)	(577)	(4 900)	(1 673)
Other operating expenses		(68 288)	(18 380)	(98 827)	(17 779)
Operating profit		991 550	232 632	819 677	268 004
Financial expenses		(46 849)	(10 741)	(22 546)	(2 939)
Financial revenue		70 376	29 402	54 347	17 882
Dividend revenue		3 355	-	4 552	-
Share in profit/(losses) of associates measured using the equity method		890	170	333	40
Profit before tax		1 019 322	251 463	856 363	282 987
Income tax	19	(183 007)	(40 083)	(194 706)	(76 139)
Net profit for the reporting period		836 315	211 380	661 657	206 848
Other comprehensive income:					
Items that are or may be reclassified to profit or loss					
- change in fair value of financial assets available for sale		(7 691)	(4 624)	(12 900)	4 137
- income tax	19	1 461	878	2 451	(786)
Items that are not or may not be reclassified to profit or loss					
- actuarial gains/losses due to defined benefit plans		(10 800)	-	(9 563)	-
- income tax	19	2 051	-	1 817	-
Net other comprehensive income		(14 979)	(3 746)	(18 195)	3 351
Total comprehensive income		821 336	207 634	643 462	210 199
Including net profit:					
attributable to shareholders of the Parent		836 008	211 718	661 640	207 213
attributable to non-controlling interests		307	(338)	17	(365)
Including comprehensive income:					
attributable to shareholders of the Parent		821 029	207 972	643 439	210 564
attributable to non-controlling interests		307	(338)	23	(365)
Net profit attributable to shareholders of the Parent		836 008	211 718	661 640	207 213
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)		1.89	0.48	1.50	0.47
Diluted earnings per share (in PLN per share)		1.89	0.48	1.50	0.47

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

The consolidated statement of profit or loss and other comprehensive income should be analyzed together with the notes, which constitute an integral part of the condensed interim consolidated financial statements.

ENEA Group

Condensed interim consolidated financial statements for the period from 1 January to 30 September 2014.

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

Consolidated statement of changes in equity

	Note	Share capital (face value)	Revaluation of share capital	Total share capital	Share premium	Share-based payments reserve	Revaluation reserve (financial instruments)	Other reserves	Retained earnings	Non-controlling interests	Total equity
Balance as at 01.01.2014		441 443	146 575	588 018	3 632 464	1 144 336	45 185	(20 664)	6 079 288	19 321	11 487 948
Net profit									836 008	307	836 315
Other comprehensive income							(6 230)		(8 749)		(14 979)
Total comprehensive income							(6 230)		827 259	307	821 336
Settlement of the share- based payments program						(1 144 336)			1 144 336		-
Dividend	28								(251 622)		(251 622)
Expiry of put option on minority interest in subsidiaries								(25 219)		45 883	20 664
Other							19		1 007		1 026
Balance as at 30.09.2014		441 443	146 575	588 018	3 632 464	-	38 974	(45 883)	7 800 268	65 511	12 079 352
		Share capital (face value)	Revaluation of share capital	Total share capital	Share premium	Share-based payments reserve	Revaluation reserve (financial instruments)	Other reserves	Retained earnings	Non-controlling interests	Total equity
Balance as at 01.01.2013*		441 443	146 575	588 018	3 632 464	1 144 336	50 233	(21 317)	5 497 592	22 721	10 914 047
Net profit**									661 640	17	661 657
Other comprehensive income							(10 449)		(7 746)		(18 195)
Total comprehensive income							(10 449)		653 894	17	643 462
Dividends	28								(158 919)		(158 919)
Expiry of put option on minority interest in subsidiaries									2 306	(2 611)	(305)
Balance as at 30.09.2013		441 443	146 575	588 018	3 632 464	1 144 336	39 784	(21 317)	5 994 873	20 127	11 398 285

* Restatements of comparative figures as at 1 January 2013 are presented in consolidated financial statements for the period ended 31 December 2013

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

The consolidated statement of change in equity should be analyzed together with the notes, which constitute and integral part of the condensed interim consolidated financial statements.

ENEA Group

Condensed interim consolidated financial statements for the period from 1 January to 30 September 2014.

*(all amounts in PLN'000, unless specified otherwise)***Consolidated statement of cash flows**

	9 months ended 30 September 2014	9 months ended 30 September 2013 (restated)*
Cash flows from operating activities		
Net profit for the reporting period	836 315	661 657
Adjustments:	686 805	765 415
Income tax disclosed in the statement of profit or loss and other comprehensive income	183 007	194 706
Depreciation	524 197	574 422
(Profit)/loss on sale and liquidation of property, plant and equipment	578	4 900
(Profit)/loss on sale of financial assets	(9 898)	665
Interest income	(10 697)	(15 548)
Dividend income	(3 355)	(4 552)
Interest expense	21 621	5 276
(Gain)/Loss on measurement of financial assets	(381)	(1 525)
Other financial costs	503	-
Share in (profit)/loss of associates	(890)	(333)
Exchange (gains)/losses on loans and borrowings	(13 746)	1 107
Other adjustments	(4 134)	6 297
	686 805	765 415
Income tax paid	(69 599)	(212 041)
Changes in working capital	(799 909)	49 405
CO ₂ emission rights	91 895	63 022
Inventory	(57 542)	74 345
Trade and other receivables	(378 019)	30 980
Trade and other liabilities	(250 118)	(68 268)
Liabilities due to employee benefits	(30 123)	3 468
Deferred income from subsidiaries and connection fees	(20 371)	(46 631)
Liabilities due to an equivalent of the right to acquire shares free of charge	(11)	(14)
Non-current assets held for sale and related liabilities	457	(83)
Provisions for other liabilities and charges	(156 077)	(7 414)
	(799 909)	49 405
Net cash flows from operating activities	653 612	1 264 436
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(1 579 483)	(1 510 254)
Proceeds from disposal of property, plant and equipment	3 394	2 651
Acquisition of financial assets	(213 807)	(140 000)
Receipts from disposal of financial assets	19 150	260 294
Acquisition of subsidiaries adjusted for acquired cash	(259 738)	(704)
Dividends received	531	2 089
Other receipts/(payments) for investing activities	8 510	5 901
Net cash flows from investing activities	(2 021 443)	(1 380 023)
Cash flows from financing activities		
Loans and borrowings received	302 221	781 128
Bond issue	920 000	-
Loans and borrowings repaid	(21 426)	(13 656)
Dividends paid to equity holders of the parent	(251 622)	(158 919)
Payment of finance lease liabilities	(1 911)	(4 032)
Other receipts/(payments) for financing activities	(17 702)	(266)
Net cash flows from financing activities	929 560	604 255
Net increase/(decrease) in cash	(438 271)	488 668
Balance at the beginning of the reporting period	1 573 195	1 095 495
Balance sheet change in cash and cash equivalents due to exchange rate differences	381	1 525
Balance at the end of the reporting period	1 135 305	1 585 688

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

The consolidated statement of cash flows should be analyzed together with the notes which constitute and integral part of the condensed interim consolidated financial statements.

Notes to the condensed interim consolidated financial statements

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

Name (business name):	ENEA Spółka Akcyjna
Legal form:	joint-stock company
Country:	Poland
Registered office:	Poznań
Address:	Górecka 1, 60-201 Poznań
National Court Register – District Court in Poznań	KRS 0000012483
Telephone:	(+48 61) 884 55 44
Fax:	(+48 61) 884 59 59
E-mail:	enea@enea.pl
Website:	www.enea.pl
Statistical number (REGON):	630139960
Tax identification number (NIP):	777-00-20-640

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

- production of electricity and heat (ENEA Wytwarzanie S.A., Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. w Obornikach, Miejska Energetyka Ciepła Piła Sp. z o.o.);
- trade in electricity (ENEA S.A., ENEA Trading Sp. z o.o.);
- distribution of electricity (ENEA Operator Sp. z o.o.).

On 12 September 2013 ENEA S.A. was granted a concession from URE for trade in gas fuel, valid from 1 January 2014 till 31 December 2030. The Company plans to commence the retail sales of natural gas in 2014.

As at 30 September 2014 the shareholding structure of the Parent, was the following: the State Treasury of the Republic of Poland – 51.50% of shares, other shareholders – 48.50%.

As at 30 September 2014 the statutory share capital of ENEA S.A. equaled PLN 441,443 thousand (PLN 588,018 thousand upon adoption of IFRS-EU and considering hyperinflation and other adjustments) and was divided into 441,442,578 shares.

As at 30 September 2014 the Group comprised the parent ENEA S.A. (the “Company”, the “Parent”), 12 subsidiaries, 4 indirect subsidiaries and 1 associate.

These condensed interim consolidated financial statements should be read together with the consolidated annual financial statements of the ENEA Group for the financial year ended 31 December 2013.

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

2. Statement of compliance

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

The Management Board of the Parent has used its best knowledge as to the application of standards and interpretations as well as measurement methods and principles applicable to individual items of the condensed interim consolidated financial statements of the ENEA Group in accordance with IFRS-EU as of 30 September 2014. The presented statements and explanations have been prepared using due diligence. These condensed interim consolidated financial statements have not been reviewed by a certified auditor.

3. Accounting principles

These condensed interim consolidated financial statements have been prepared in accordance with accounting policies consistent with those applied during the preparation of the most recent annual consolidated financial statements for the financial year ended 31 December 2013.

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

4. Changes in accounting policies and presentation of financial data

The comparative data presented in these condensed interim consolidated financial statements derived from the approved condensed interim financial statements for the period from 1 January to 30 June 2013 have been restated in order to maintain comparability.

(a) The Group performed analysis of electricity balancing market settlements and the imbalance of energy sales and purchase, presented in the consolidated financial statements in trade and other receivables. As the result of the analysis performed, the asset related to the imbalanced energy trade was assessed to be incorrect and respective balances as at 31 December 2013, as well as at the end of preceding reporting periods, i.e. 31 December 2012 and 31 December 2011 were adjusted.

The Group changed the presentation of commissions paid to partner for concluding energy sales/complex contracts. Commission are recognized as prepayments. Costs of commissions on a straight-line basis are recognized during the term of electricity sales/complex contracts in proportion to the number of months of a contract. Prepaid commissions are presented in the financial statements as long-term and short-term trade and other receivables.

The Group changed the presentation of cash flows in the financial statements. Payments concerning interest on loans and bonds are presented in financial activities as other payments for financial activities while receipts of interest

concerning cash deposits for more than 3 months are presented in investing activities as other proceeds from investing activities.

There have been changes in the presentation of changes in liabilities related to VAT on sales of fixed assets and it was presented as proceeds from the sale of tangible and intangible fixed assets.

(b) As from 1 January 2014 the Group changed its accounting policy in relation to recognition of the estimated CO₂ emission cost during interim periods. The estimated annual costs associated with the redemption of CO₂ emission allowances are recognized in the accounts in interim periods in a proportion to the CO₂ emission. The estimated annual cost of CO₂ emission take into account the emission allowance granted for the year free of charge. In previous reporting periods the Group estimated the amount of provision based on realized till the reporting date CO₂ emission and held as at the reporting date CO₂ emission rights, including free of charge emission allowance. The change in estimation of provision for CO₂ emission cost was implemented to reduce fluctuations of the amount of provision during interim periods resulted from granted free of charge CO₂ emission allowances. The change does not impact the amount of provision determined as at the end of financial year and annual cost of CO₂ emission.

(c) The Group changed the presentation of transportation costs related to purchase of coal. In prior years these costs were recognized in the costs of external services. From 2014 onwards, the Group recognizes these costs as a component of the cost of coal consumption and presents in the profits and losses in the line consumption of materials and supplies and costs of goods sold.

Consolidated statement of profit or loss and other comprehensive income

	9 months ended 30.09.2013 Approved	(a)	(b)	(c)	9 months ended 30.09.2013 Restated
Sales revenue	6 938 070				6 938 070
Excise tax	(150 827)				(150 827)
Net sales revenue	6 787 243				6 787 243
Other operating revenue	97 893				97 893
Depreciation	(574 422)				(574 422)
Costs of employee benefits	(730 615)				(730 615)
Consumption of materials and supplies and costs of goods sold	(1 346 314)		23 777	(53 006)	(1 375 543)
Energy purchase for sale	(2 365 319)	(35 466)			(2 400 785)
Transmission services	(449 301)				(449 301)
Other external services	(304 263)	5 290		53 006	(245 967)
Taxes and charges	(185 099)				(185 099)
Gain/(loss) on sale and liquidation of property, plant and equipment	(4 900)				(4 900)
Other operating expenses	(98 827)				(98 827)
Operating profit	826 076	(30 176)	23 777	-	819 677
Financial expenses	(22 546)				(22 546)
Financial revenue	54 347				54 347
Dividend revenue	4 552				4 552
Share in profits of associates measured using the equity method	333				333
Profit before tax	862 762	(30 176)	23 777	-	856 363
Income tax	(195 922)	5 734	(4 518)		(194 706)
Net profit for the reporting period	666 840	(24 442)	19 259	-	661 657
Other comprehensive income					
Items that are or may be reclassified to profit or loss					
- change in fair value of financial assets available for sale reclassified to profit or loss	(12 900)				(12 900)
- income tax	2 451				2 451
Items that will not be reclassified to profit or loss					
- net actuarial gains/(losses) on defined benefit plans	(9 563)				(9 563)
income tax	1 817	-	-	-	1 817
Net other comprehensive income	(18 195)	-	-	-	(18 195)
Total comprehensive income for the reporting period	648 645	(24 442)	19 259	-	643 462
Including net profit:					
attributable to shareholders of the Parent	666 823	(24 442)	19 259	-	661 640
attributable to non-controlling interests	17	-	-	-	17
Including comprehensive income:					
attributable to shareholders of the Parent	648 622	(24 442)	19 259	-	643 439
attributable to non-controlling interests	23	-	-	-	23

The notes presented on pages 12 to 44 constitute an integral part of the condensed interim consolidated financial statements.

ENEA Group

Condensed interim consolidated financial statements for the period from 1 January to 30 September 2014.

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

	3 months ended 30.09.2013 Approved	(a)	(b)	(c)	3months ended 30.09.2013 Restated
Sales revenue	2 239 586				2 239 586
Excise tax	(47 968)				(47 968)
Net sales revenue	2 191 618				2 191 618
Other operating revenue	18 559				18 559
Depreciation	(188 502)				(188 502)
Costs of employee benefits	(216 386)				(216 386)
Consumption of materials and supplies and costs of goods sold	(417 427)		(11 692)	(17 751)	(446 870)
Energy purchase for sale	(779 851)	(3 352)			(783 203)
Transmission services	(150 104)				(150 104)
Other external services	(103 090)	5 290		17 751	(80 049)
Taxes and charges	(57 607)				(57 607)
Gain/(loss) on sale and liquidation of property, plant and equipment	(1 673)				(1 673)
Other operating expenses	(17 779)				(17 779)
Operating profit	277 758	1 938	(11 692)	-	268 004
Financial expenses	(2 939)				(2 939)
Financial revenue	17 882				17 882
Dividend revenue	-				-
Share in profits of associates measured using the equity method	(40)				(40)
Profit before tax	292 741	1 938	(11 692)	-	282 987
Income tax	(77 993)	(368)	2 222	-	(76 139)
Net profit for the reporting period	214 748	1 570	(9 470)	-	206 848

Other comprehensive income

Items that are or may be reclassified to profit or loss

- change in fair value of financial assets available for sale reclassified to profit or loss	(4 137)				(4 137)
- income tax	(786)				786

Items that will not be reclassified to profit or loss

- net actuarial gains/(losses) on defined benefit plans	-				-
- income tax	-				-
	3 351	-	-	-	3 351
Net other comprehensive income	218 099	1 570	(9 470)	-	210 199

Including net profit:

attributable to shareholders of the Parent	215 113	1 570	(9 470)	-	207 213
attributable to non-controlling interests	(365)	-	-	-	(365)

Including comprehensive income:

attributable to shareholders of the Parent	218 464	1 570	(9 470)	-	210 564
attributable to non-controlling interests	(365)	-	-	-	(365)

The notes presented on pages 12 to 44 constitute an integral part of the condensed interim consolidated financial statements.

Consolidated Statement of Cash Flows

	9 months ended 30.09.2013		9 months ended 30.09.2013	
	Approved	(a)	(b)	Restated
Cash flows from operating activities				
Net profit for the reporting period	666 840	(24 442)	19 259	661 657
Adjustments:				
Income tax	195 922	(5 734)	4 518	194 706
Depreciation	574 422			574 422
Profit on sale and liquidation of property, plant and equipment	4 900			4 900
Profit on sale of financial assets	665			665
Interest income	(54 882)	39 334		(15 548)
Dividend revenue	(4 552)			(4 552)
Interest expense	7 596	(2 320)		5 276
(Gain)/loss on measurement of financial assets	(1 525)			(1 525)
Share in the profit of associates	(333)			(333)
Exchange losses on loans and borrowings	1 107			1 107
Other adjustments	(6 297)			6 297
	729 617	31 280	4 518	765 415
Changes in working capital				
CO ₂ emission rights	63 022			63 022
Inventory	74 345			74 345
Trade and other receivables	48 659	(17 679)		30 980
Trade and other liabilities	(72 566)	4 298		(68 268)
Liabilities due to employee benefits	3 468			3 468
Deferred income due to subsidies and connection fees	(46 631)			(46 631)
Liabilities due to an equivalent of the right to acquire shares free of charge	(14)			(14)
Non-current assets held for sale and associated liabilities	(83)			(83)
Provisions for other liabilities and changes	16 363		(23 777)	(7 414)
	86 563	(13 381)	(23 777)	49 405
Paid income tax	(212 041)			(212 041)
Interest received	45 330	(45 330)		-
Interest paid	(2 320)	2 320		-
Net cash flows from operating activities	1 313 989	(49 553)	-	1 264 436
Cash flows from investing activities				
Acquisition of property, plant and equipment and intangible assets	(1 553 811)	43 557		(1 510 254)
Receipts from disposal of property, plant and equipment	2 651			2 651
Acquisition of financial assets	(140 000)			(140 000)
Receipts from disposal of financial assets	260 294			260 294
Acquisition of subsidiaries adjusted for acquired cash	(704)			(704)
Dividends received	2 089			2 089
Other payments for investing activities	(95)	5 996		5 901
Net cash flows from investing activities	(1 429 576)	49 553	-	(1 380 023)
Cash flows from financing activities				
Loans and borrowings received	781 128			781 128
Loans and borrowings repaid	(13 656)			(13 656)
Dividends paid to equity holders of the parent	(158 919)			(158 919)
Payment of finance lease liabilities	(4 032)			(4 032)
Other payments for financing activities	(266)			(266)
Net cash flows from financing activities	(604 255)	-	-	604 255
Net increase/(decrease) in cash	488 668	-	-	488 668
Balance at the beginning of the reporting period	1 095 495			1 095 495
Balance sheet change in cash and cash equivalents due to exchange rate differences	1 525			1 525
Balance at the end of the reporting period	1 585 688	-	-	1 585 688

5. Material estimates and assumptions

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

6. Composition of the Group – list of subsidiaries and associates

	Name and address of the company	Share of ENEA S.A. in the total number of votes in % 30.09.2014	Share of ENEA S.A. in the total number of votes in % 31.12.2013
1.	ENERGOMIAR Sp. z o.o. <i>Poznań, Strzeszyńska 58</i>	100	100
2.	BHU S.A. <i>Poznań, Strzeszyńska 58</i>	100	100
3.	ENEA Centrum S.A. <i>Poznań, Górecka 1</i>	100	100
4.	Hotel „EDISON” Sp. z o.o. <i>Baranowo near Poznań</i>	100	100
5.	Energetyka Poznańska Zakład Transportu Sp. z o.o. <i>Poznań, Strzeszyńska 58</i>	_*****	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, Marcinkowskiego 27</i>	99,92	99,92
8.	ENEOS Sp. z o.o. <i>Poznań, Strzeszyńska 58</i>	100	100
9.	ENTUR Sp. z o.o. <i>Szczecin, Malczewskiego 5/7</i>	_***	100***
10.	Szpital Uzdrawiskowy ENERGETYK Sp. z o.o. <i>Inowrocław, Wilkońskiego 2</i>	99,94	99,94
11.	Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. <i>Oborniki, Wybudowanie 56</i>	99,91*	99,89*
12.	„IT SERWIS” Sp. z o.o. <i>Zielona Góra, Zacisze 28</i>	_*****	100
13.	ENEA Operator Sp. z o.o. <i>Poznań, Strzeszyńska 58</i>	100	100
14.	ENEA Wytwarzanie S.A. <i>Świerże Górne, commune Kozienice, Kozienice 1</i>	100	100
15.	Miejska Energetyka Ciepła Piła Sp. z o.o. <i>64-920 Piła, Kaczorska 20</i>	71,11*	65,03*
16.	Annacond Enterprises Sp. z o.o. <i>Warszawa, Jana III Sobieskiego ¼</i>	61	61
17.	Windfarm Polska Sp. z o.o. <i>Koszalin, Wojska Polskiego 24-26</i>	_*****	100*

18.	ENEA Trading Sp. z o.o. <i>Świerże Górne, commune Kozienice, Kozienice 1</i>	100	100
19.	„Ecebe” Sp. z o.o. <i>Augustów, Wojciech 8</i>	100*	100*
20.	Miejskie Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. <i>Białystok, Warszawska 27</i>	85*	-
21.	Energo-Inwest-Broker S.A. <i>Toruń, Jęczmienna 21</i>	38,46**	38,46**

* - an indirect subsidiary held by interests in ENEA Wytwarzanie S.A.

** - an associate of ENEA Wytwarzanie S.A.

*** - on 27 February 2013 the Extraordinary Shareholders' Meeting of Entur Sp. z o.o. with registered office in Szczecin adopted the Resolution No. 3 about the dissolution of the company after liquidation proceedings. On 16 April 2014 the Extraordinary Shareholders' Meeting of Entur Sp. z o.o. in liquidation with registered office in Szczecin adopted the Resolution No. 1 about the revocation of dissolution of the company and its going concern. On 29 August ENEA Centrum Sp. z o.o. merged with ENTUR Sp. z o.o. ENEA Centrum Sp. z o.o. assumed all the rights and obligations of the acquired company.

**** - on 30 June 2014 ENEA Wytwarzanie S.A. merged with Windfarm Poland Sp. z o.o. ENEA Wytwarzanie S.A. assumed all the rights and obligations of the acquired company.

*****- on 29 August 2014 ENEA Centrum Sp. z o.o. merged with ITSERWIS Sp. z o.o. ENEA Centrum Sp. z o.o. assumed all the rights and obligations of the acquired company.

*****- on 1 September 2014 EP PUE Energobud Leszno Sp. z o.o. merged with the EP Zakład Transportu Sp. z o.o. At the same time EP PUE Energobud Leszno Sp. z o.o. assumed all the rights and obligations of the acquired company.

On 19 December 2013, there has been an increase in the share capital of Miejska Energetyka Ciepła Piła Sp. z o.o., the shares taken up by ENEA Wytwarzanie S.A, increase was registered in the National Court Register on 25 April 2014.

On 27 June 2014 the change of the name was registered in National Court Register (KRS) of Niepubliczny Zakład Opieki Zdrowotnej Centrum Uzdrawiskowe ENERGETYK Sp. z o.o. to Szpital Uzdrawiskowy ENERGETYK Sp. z o.o.

On 9 June 2014, based on the agreements of purchase of employee shares in the Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. in Oborniki, ENEA Wytwarzanie S.A. bought 2 shares for a total amount of PLN 3 thousand.

On 26 May 2014 the agreement between the City of Białystok and ENEA Wytwarzanie S.A concerning the purchase of 85% shares of the Miejskie Przedsiębiorstwa Energetyki Ciepłej in Białystok for the amount of PLN 260,000 thousand was signed. The agreement is conditional. The ownership of shares will transfer to the buyer subject to obtaining the consent for concentration, which shall be issued by the President of the Office of Competition and Consumer Protection. On September 16 2014 claims have been paid and on the same day ENEA Capital Group took over control of Miejskie Przedsiębiorstwa Energetyki Ciepłej in Białystok.

ENEA Group

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*(all amounts in PLN'000, unless specified otherwise)***7. Segment reporting**

Segment reporting for the period from 1 January to 30 September 2014:

	Trade	Distribution	Production	All other segments	Eliminations	Total
Net sales revenue	2 709 320	2 151 916	2 249 564	116 372	-	7 227 172
Inter-segment sales	302 167	63 968	336 911	60 956	(764 002)	-
Total net sales revenue	3 011 487	2 215 884	2 586 475	177 328	(764 002)	7 227 172
Total expenses	(2 924 565)	(1 632 226)	(2 236 987)	(166 158)	767 413	(6 192 523)
Segment profit/(loss)	86 922	583 658	349 488	11 170	3 411	1 034 649
Depreciation	(1 451)	(311 543)	(203 012)	(9 398)		
EBITDA	88 373	895 201	552 500	20 568		
% of net sales revenue	2.9%	40.4%	21.4%	11.6%		
Unallocated costs of the Group (general and administrative expenses)						(43 099)
Operating profit						991 550
Financial expenses						(46 849)
Financial revenue						70 376
Revenue from dividends						3 355
Share in profit of associates measured using the equity method						890
Income tax						(183 007)
Net profit						836 315
Share of non-controlling interests						307

The notes presented on pages 12 to 44 constitute an integral part of the condensed interim consolidated financial statements.

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

Segment reporting for the period from 1 July to 30 September 2014:

	Trade	Distribution	Production	All other segments	Eliminations	Total
Net sales revenue	979 305	701 309	663 031	43 332	-	2 386 977
Inter-segment sales	42 761	13 426	123 412	19 882	(199 481)	-
Total net sales revenue	1 022 066	714 735	786 443	63 214	(199 481)	2 386 977
Total expenses	(1 016 972)	(534 083)	(742 150)	(57 676)	208 196	(2 142 685)
Segment profit/(loss)	5 094	180 652	44 293	5 538	8 715	244 292
Depreciation	(1 008)	(108 882)	(67 880)	(2 398)		
EBITDA	6 102	289 534	112 173	7 936		
% of net sales revenue	0.6%	40.5%	14.3%	12.6%		
Unallocated costs of the Group (general and administrative expenses)						(11 660)
Operating profit						232 632
Financial expenses						(10 741)
Financial revenue						29 402
Share in profit of associates measured using the equity method						170
Income tax						(40 083)
Net profit						211 380
Share of non-controlling interests						(338)

The notes presented on pages 12 to 44 constitute an integral part of the condensed interim consolidated financial statements.

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Condensed interim consolidated financial statements for the period from 1 January to 30 June 2014.

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

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

	Trade	Distribution	Production	All other segments	Eliminations	Total
Net sales revenue	2 490 603	2 144 252	2 040 281	112 107	-	6 787 243
Inter-segment sales	178 218	70 322	254 568	85 858	(588 966)	-
Total net sales revenue	2 668 821	2 214 574	2 294 849	197 965	(588 966)	6 787 243
Total expenses	(2 469 646)	(1 693 846)	(2 151 790)	(182 631)	552 700	(5 945 213)
Segment profit/(loss)	199 175	520 728	143 059	15 334	(36 266)	842 030
Depreciation	(388)	(285 948)	(275 424)	(12 143)		
EBITDA	199 563	806 676	418 483	27 477		
% of net sales revenue	7.5%	36.4%	18.2%	13.9%		
Unallocated costs of the Group (general and administrative expenses)						(22 353)
Operating profit						819 677
Financial expenses						(22 546)
Financial revenue						54 347
Dividend revenue						4 552
Share in profit of associates measured using the equity method						333
Income tax						(194 706)
Net profit						661 657
Share of non-controlling interests						17

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

Segment reporting for the period from 1 July to 30 September 2013:

	Trade	Distribution	Production	All other segments	Eliminations	Total
Net sales revenue	785 704	695 650	678 066	32 198	-	2 191 618
Inter-segment sales	59 206	23 658	76 177	30 216	(189 257)	-
Total net sales revenue	844 910	719 308	754 243	62 414	(189 257)	2 191 618
Total expenses	(802 870)	(541 840)	(704 276)	(55 599)	176 597	(1 927 988)
Segment profit/(loss)	42 040	177 468	49 967	6 815	(12 660)	263 630
Depreciation	(133)	(96 347)	(89 068)	(3 470)		
EBITDA	42 173	273 815	139 035	10 285		
% of net sales revenue	5.0%	38.1%	18.4%	16.5%		
Unallocated costs of the Group (general and administrative expenses)						4 374
Operating profit						268 004
Financial expenses						(2 939)
Financial revenue						17 882
Share in profit/(losses) of associates measured using the equity method						40
Income tax						(76 139)
Net profit						206 848
Share of non-controlling interests						(365)

The notes presented on pages 12 to 44 constitute an integral part of the condensed interim consolidated financial statements.

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Condensed interim consolidated financial statements for the period from 1 January to 30 June 2014.

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

Other segment reporting information as at 30 September 2014:

	Trade	Distribution	Production	All other segments	Eliminations	Total
Property, plant and equipment	24 399	6 824 487	6 219 248	231 772	(111 362)	13 188 544
Trade and other receivables	822 303	530 755	729 781	51 340	(637 789)	1 496 390
Total:	846 702	7 355 242	6 949 029	283 112	(749 151)	14 684 934
ASSETS excluded from segmentation						3 075 037
- including property, plant and equipment						18 765
- including trade and other receivables						159 750
TOTAL ASSETS						17 759 971
Trade and other liabilities	158 720	326 550	664 291	62 475	(637 789)	574 247
Equity and liabilities excluded from segmentation						17 185 724
- including trade and other liabilities						577 220
TOTAL EQUITY AND LIABILITIES						17 759 971

for the 9-month period ended 30 September 2014

Capital expenditure for fixed assets and intangible assets	4 237	432 290	1 134 677	5 941	(24 067)	1 553 078
Capital expenditure for fixed assets and intangible assets excluded from segmentation						27 417
Depreciation/amortization	1 451	311 543	203 012	9 398	(6 440)	518 964
Depreciation/amortization excluded from segmentation						5 233
Recognition/(reversal/utilization) of receivables allowance	(703)	15	(330)	(2 076)	-	(3 094)

The notes presented on pages 12 to 44 constitute an integral part of the condensed interim consolidated financial statements.

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Condensed interim consolidated financial statements for the period from 1 January to 30 June 2014.

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

Other segment reporting information as at 31 December 2013:

	Trade	Distribution	Production	All other segments	Eliminations	Total
Property, plant and equipment	18 442	6 699 959	5 069 013	239 510	(234 181)	11 792 743
Trade and other receivables	633 756	477 143	240 225	61 828	(164 678)	1 248 274
Total:	652 198	7 177 102	5 309 238	301 338	(398 859)	13 041 017
ASSETS excluded from segmentation						3 281 007
- including property, plant and equipment						18 823
- including trade and other receivables						101 625
TOTAL ASSETS						16 322 024
Trade and other liabilities	281 480	512 507	631 748	53 627	(164 121)	1 315 241
Equity and liabilities excluded from segmentation						15 006 783
- including trade and other liabilities						92 462
TOTAL EQUITY AND LIABILITIES						16 322 024

for the 9-month period ended 30 September 2013

Capital expenditure for fixed assets and intangible assets	1 539	479 562	858 767	12 004	(35 474)	1 316 398
Capital expenditure for fixed assets and intangible assets excluded from segmentation						6 240
Depreciation/amortization	388	285 948	275 424	12 143	(5 683)	568 220
Depreciation/amortization excluded from segmentation						6 202
Recognition/(reversal/utilization) of receivables allowance	(27 878)	2 747	(25 943)	(911)	-	(51 985)

The notes presented on pages 12 to 44 constitute an integral part of the condensed interim consolidated financial statements.

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

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

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

8. Property, plant and equipment

During the 9-month period ended 30 September 2014 the Group acquired property, plant and equipment for the total amount of PLN 1,555,283 thousand (during the period of 9 months ended 30 September 2013 it was PLN 1,322,295 thousand). The mentioned above amount consists mainly fixed assets under construction in manufacturing segments (PLN 1,113,978 thousand) and in distribution segment (PLN 387,894 thousand). Expenditures in the generation segment relate primarily to the construction of a new power unit.

During the 9-month period ended 30 September 2014 the Group completed the sale and liquidation of fixed assets in the total net book value of PLN 7,789 thousand (during the 9 months ended 30 September 2013, respectively: PLN 8,469 thousand).

During the 9-month period ended 30 September 2014, impairment loss on the book amount of property, plant and equipment decreased by net amount of PLN 2,782 thousand (during the 9 months ended 30 September 2013 impairment loss on the book amount of property, plant and equipment decreased by net amount of PLN 615 thousand).

As at 30 September 2014 the value of the impairment on the book amount of property, plant and equipment amounted to PLN 26,357 thousand (as at 31 December 2013, respectively: PLN 29,139 thousand).

9. Intangible assets

During the 9-month period ended 30 September 2014 the Group acquired intangible assets for the total amount of PLN 25,212 thousand (during the period of 9 months ended 30 September 2013 it was PLN 343 thousand).

During the 9-month period ended 30 September 2014 the Group did not completed the sale and liquidation of intangible assets (during the period of 9 months ended 30 September 2013 the Group did not completed also the sale and liquidation of intangible assets).

The most significant item of intangible assets is goodwill.

The following table presents goodwill by individual cash generating unit:

Goodwill	Net carrying amount
Windfarm Polska Sp. z o.o. (currently part of ENEA Wytwarzanie S.A.)	102 435
Elektrownie Wodne Sp. z o.o. (Wind farms – currently part of ENEA Wytwarzanie S.A.)	18 686
Dobitt Energia Sp. z o.o. (currently part of ENEA Wytwarzanie S.A.)	3 131
Miejska Energetyka Ciepła Piła Sp. z o.o.	1 806
Elektrownie Wodne Sp. z o.o. (currently part of ENEA Wytwarzanie S.A.)	667
	126 725

10. Acquisition of subsidiary

On 26 May 2014 agreement between the City of Białystok and ENEA Wytwarzanie S.A. concerning the sale of 85% shares of the Miejskie Przedsiębiorstwo Energetyki Ciepłej in Białystok ("MPEC Białystok") for an amount of PLN 260,000 thousand was signed. The President of the Office of Competition and Consumer Protection has consented for the concentration on 8 September 2014. On 16 September 2014 the purchase price have been paid and on the same day ENEA Capital Group took over control of Miejskie Przedsiębiorstwa Energetyki Ciepłej in Białystok.

Acquisition of shares in the company allows to take control of the heating system of Białystok and optimizing production.

In the period from 16 September to 30 September 2014 MPEC Białystok earned revenues of PLN 5,295 thousand and incurred net loss of PLN 831 thousand. If the merger had taken place by 1 January 2014 according to Management Board estimates consolidated net sales revenues for the nine month period ended 30 September 2014 would have amounted to PLN 7,300,244 thousand and consolidated net income would have amounted to PLN 839,527 thousand.

The following table presents the fair values determined by main items of the identifiable assets acquired and liabilities assumed at the acquisition date:

	16.09.2014
Acquisition price	260 002
Option to acquire non-controlling interests	45 883
The book value of net assets	157 175
Adjustment to fair value of net assets	148 710
The fair value of the net assets	305 885

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

Settlement of the acquisition is not completed, because the value of the individual assets and liabilities is still subject to verification. The Company expects that the final settlement of the acquisition will be made by the end of the current fiscal year.

11. Allowance on trade and other receivables

	30.09.2014	31.12.2013
Opening balance of receivables allowance	120 588	174 174
Acquisition of subsidiaries	1 191	-
Addition	23 424	28 031
Reversed	(17 521)	(41 143)
Utilized	(10 188)	(40 474)
Closing balance of receivables allowance	117 494	120 588

During the 9-month period ended 30 September 2014 the allowance on the carrying amount of trade and other receivables decreased by PLN 3,094 thousand (during the period of 9 months ended 30 September 2013 the impairment allowance decreased by PLN 51,985 thousand).

12. Inventory

	30.09.2014	31.12.2013
Materials	326 427	290 418
Semi-finished products and work in progress	1 405	591
Finished products	628	420
Certificates of origin	260 105	223 916
Goods for resale	11 386	11 032
Total gross value of inventory	599 951	526 377
Inventory allowance	(10 453)	(4 879)
Total net value of inventory	589 498	521 498

During the 9-month period ended 30 September 2014 the inventory allowance increased by PLN 5,574 thousand (during the period of 9 months ended 30 September 2013 the inventory allowance decreased by PLN 8,771 thousand).

13. Certificates of origin

	30.09.2014	31.12.2013
Opening balance – net carrying amount	240 521	180 521
Self-production	132 483	182 328
Acquisition	262 603	199 585
Redemption	(372 883)	(324 128)
Change in allowance	(945)	1 596
Other changes	-	619
Closing balance – net carrying amount	261 779	240 521

14. Restricted cash

As at 30 September 2014 the restricted cash amounted to PLN 48,562 thousand. This consists of cash deposits related to trade of electricity and CO₂ emission rights and blocking of funds as collateral.

As at 31 December 2013 the restricted cash amounted to PLN 124,311 thousand.

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

As at 30 September 2014 the book value of investment portfolio amounted to PLN 492,789 thousand, including financial assets measured at fair value through profit or loss - treasury bills and bonds of PLN 300,763 thousand and bank deposits of PLN 192,026 thousand presented as cash and cash equivalents (as at 31 December 2013 the book value of investment portfolio amounted to PLN 328,603 thousand, including financial assets measured at fair value through profit or loss - treasury bills and bonds of PLN 296,339 thousand and bank deposits of PLN 32,264 thousand). In addition, financial assets at fair value through profit or loss the Group presents as forward contracts on CO₂ emission rights in total amount of PLN 17,148 thousand (as at 31 December 2013 – PLN 0).

The Group also holds shares of Pioneer Investment Fund, total amount presented as non-current assets (PLN 2,113 thousand). On 31 December 2013 the Group held shares of Pioneer Investment Fund, presented as non-current assets (PLN 1,860 thousand).

16. Loans and borrowings

	30.09.2014	31.12.2013
Bank loans	1 080 213	794 773
Bonds	912 467	-
Borrowings	31 080	25 136
Long-term	2 023 760	819 909
Bank loans	19 498	19 363
Borrowings	3 104	3 285
Short-term	22 602	22 648
Total	2 046 362	842 557

During the 9-month period ended 30 September 2014 the carrying amount of credit facilities and loans increased by net amount of PLN 1,203,805 thousand (during the period of 9 months ended 30 September 2013 the carrying amount of credit facilities and loans increased by PLN 765,943 thousand).

The information on new credit agreements has been presented in note 30.

17. Financial instruments

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

	30.09.2014		31.12.2013	
	Carrying amount	Fair value	Carrying amount	Fair value
Long-term financial assets available for sale (shares in unrelated parties)	54 070	54 070	61 761	61 761
Non-current financial assets measured at fair value through profit or loss	2 113	2 113	1 860	1 860
Current financial assets held to maturity	191 878	191 878	45	45
Current financial assets measured at fair value through profit or loss	317 911	317 911	296 339	296 339
Trade and other receivables	1 656 140	(*)	1 349 899	(*)
Cash and cash equivalents	1 135 305	1 135 305	1 573 195	1 573 195
Loans, borrowings and debt securities	2 046 362	2 046 362	842 557	842 557
Finance lease liabilities	3 513	3 513	4 724	4 724
Trade and other liabilities	1 151 467	(*)	1 407 703	(*)
Long-term financial liabilities at fair value through profit or loss	2 147	2 147	364	364
Current financial liabilities at fair value through profit or loss	395	395	-	-

(*) The carrying amounts of trade and other receivables and trade and other liabilities approximates their fair value.

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

Long-term financial assets measured at fair value through profit or loss include units in the "Pioneer" Investment Fund which can be traded on an active market, as a result of which their fair value may be determined. The fair value of the above units was measured at the market price of participation units, whereas its changes in the financial period recognized in profit or loss. In addition, the Group entered forward contracts on CO₂ emission rights (PLN 17,148 thousand)

Short-term financial assets measured at fair value through profit or loss include an investment portfolio managed by a company specialized in professional fund management. The fair value of the investment portfolio is estimated based on market quotations.

Current financial assets held to maturity include bank deposits with the original maturity from 3 months to 1 year.

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

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

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

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

	30.09.2014			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Forward contracts	-	17 148	-	17 148
Non-derivative financial assets held for trading	302 876	-	-	302 876
Financial assets available for sale				
Listed equity instruments	53 545	-	-	53 545
Non-listed equity instruments	-	-	525	525
Total	356 421	17 148	525	374 094
Financial liabilities measured at fair value through profit or loss				
Forward contracts	-	(2 542)	-	(2 542)
Total	-	(2 542)	-	(2 542)

	31.12.2013			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Non-derivative financial assets held for trading	298 199	-	-	298 199
Financial assets available for sale				
Listed equity instruments	61 236	-	-	61 236
Non-listed equity instruments	-	-	525	525
Total	359 435	-	525	359 960
Financial liabilities measured at fair value through profit or loss				
Forward contracts	-	(364)	-	(364)
Total	-	(364)	-	(364)

18. Deferred income from subsidies and connection fees

	<u>30.09.2014</u>	<u>31.12.2013</u>
Long-term		
Deferred income due to subsidies	184 726	164 345
Deferred income due to connection fees	453 809	466 066
	638 535	630 411
Short-term		
Deferred income due to subsidies	12 214	14 536
Deferred income due to connection fees	59 426	56 862
	71 640	71 398
Deferred income schedule		
	<u>30.09.2014</u>	<u>31.12.2013</u>
Up to 1 year	71 640	71 398
1 to 5 years	127 171	131 862
Over 5 years	511 364	498 549
	710 175	701 809

During the 9-month period ended 30 September 2014 the carrying amount of deferred income from subsidies and connection fees increased by net amount of PLN 8,366 thousand (during period of 9 months ended 30 September 2013 the carrying amount decreased by PLN 35,719 thousand).

19. Deferred income tax

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

	30.09.2014	31.12.2013
Opening balance (reserve)	38 973	62 830
Acquisition of subsidiaries	(3 883)	-
Amount debited/(credited) to profit or loss	94 572	(28 107)
Amount debited/(credited) to other comprehensive income	(3 512)	4 250
Closing balance (reserve)	126 150	38 973

During the 9-month period ended 30 September 2014, the Company's profit before tax was debited with PLN 94,572 thousand as a result of a decrease in net deferred tax asset (during the period of 9 months ended 30 September 2013 the Company's profit before tax was credited with PLN 9,495 thousand as a result of the decrease in deferred tax liability).

20. Provisions for other liabilities and charges

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

	30.09.2014	31.12.2013
Long-term	419 412	407 735
Short-term	276 113	443 260
Total	695 525	850 995

During the 9-month period ended 30 September 2014 provisions for other liabilities and charges decreased by net amount of PLN 155,470 thousand, mainly due to obligation related to sale to end users of electricity generated in a renewable source or in cogeneration and settlement of CO₂ emission rights (during the period of 9 months ended 30 September 2013 provisions for other liabilities and charges increased by PLN 16,377 thousand).

Change in provisions for other liabilities and charges

**for the period ended
30 September 2014**

	Provision for non-contractual use of land	Provision for other claims	Provision for land reclamation	Provision for the environmental fee	Provision for certificates of origin	Provision for CO₂ emissions rights	Other	Total
Opening balance	186 916	22 071	30 464	394	274 643	105 149	231 358	850 995
Acquisition of subsidiaries	461	-	-	-	-	-	-	461
Reversal of discount and discount rate change	-	-	2 527	-	-	-	-	2 527
Increase in provisions	2 720	-	2 161	-	297 152	78 711	8 618	389 362
Provisions applied	(7 972)	-	(136)	-	(408 849)	(105 148)	(5 614)	(527 719)
Unused provision reversed	(17 368)	(1 034)	-	-	(319)	(878)	(502)	(20 101)
Closing balance	164 757	21 037	35 016	394	162 627	77 834	233 860	695 525

**for the period ended
31 December 2013**

	Provision for non-contractual use of land	Provision for other claims	Provision for land reclamation	Provision for the environmental fee	Provision for certificates of origin	Provision for CO₂ emissions rights	Other	Total
Opening balance	159 861	23 695	24 648	2 098	236 083	90 361	86 842	623 588
Reversal of discount and discount rate change	-	-	(2 968)	-	-	-	-	(2 968)
Increase in provisions	42 508	196	9 023	710	372 165	105 149	155 174	684 925
Provisions applied	(4 144)	(48)	(239)	(1 704)	(324 541)	(90 361)	(5 627)	(426 664)
Unused provision reversed	(11 309)	(1 772)	-	(710)	(9 064)	-	(5 031)	(27 886)
Closing balance	186 916	22 071	30 464	394	274 643	105 149	231 358	850 995

Significant claims and liabilities are described in note 25.

21. Related party transactions

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

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

Transactions with members of the Company's governing bodies:

Item	Management Board of the Company		Supervisory Board of the Company	
	01.01.2014 - 30.09.2014	01.01.2013 - 30.09.2013	01.01.2014 - 30.09.2014	01.01.2013 - 30.09.2013
Remuneration under managerial contracts and consultancy agreements	6 246*	4 839	-	-
Remuneration relating to appointment of members of supervisory bodies	-	23	251	300
Remuneration due to other employee benefits (particularly electricity allowance)	-	33	-	-
TOTAL	6 246	4 895	251	300

* Remuneration includes bonuses for 2013 paid to the Members of the Management Board during the first quarter of 2014.

During the 9-month period ended 30 September 2014 there were no loans granted from the Company's Social Benefits Fund to the members of the Supervisory Board (during the 9-month period ended 30 September 2013 PLN 11 thousand). During this period repayments of these loans amounted to PLN 4 thousand (PLN 3 thousand during the 9-month period ended 30 September 2013).

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

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

The transactions concern mainly:

- purchase of coal, electricity and property rights resulting from certificates of origin as regards renewable energy and energy cogenerated with heat from companies whose shares are held by the State Treasury;

- sale of electricity, distribution services and other related fees, provided by the Group both to central and local administration bodies (sale to end users) and entities whose shares are held by the State Treasury (wholesale and retail sale to end users).

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

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

ENEA Wytwarzanie S.A. applied for the advance in the amount of PLN 17,000 thousand to cover stranded costs in 2014. As at 8 October 2014 Zarządca Rozliczeń S.A. made an advance payment for the first, second and third quarter of 2014, amounting to PLN 12,750 thousand. Group recognized during the 9 months period ended 30 September 2014 revenues from compensation of stranded costs in the total amount of PLN 257,508 thousand. The amount includes estimated annual adjustment for the year 2013 and full amount of the estimated final adjustment of stranded costs.

In January 2014 the President of Energy Regulatory Office (URE) lodged an appeal to the judgment of the Court of Appeal in Warsaw of 10 July 2014 concerning stranded costs for 2008 (decision of the President of Energy Regulatory Office for 2008 was set at (-) PLN 4,192 thousand instead of the initial (-) PLN 89,537 thousand).

On 17 March 2014 ENEA Wytwarzanie S.A. filed its response to the cassation appeal brought to the Court of Appeal in Warsaw. On 13 January 2014 the Court of Competition and Consumer Protection (SOKiK) issued a judgment, according to which the annual adjustment of stranded costs for 2010 is set at (+) PLN 78,640 thousand, i.e. higher by PLN 76,168 thousand than the amount set out in the decision of the President of Energy Regulatory Office. The court took into account appeal entirely in its original version. The judgment is not legally binding has been appealed to the Court of Appeal in Warsaw by ENEA Wytwarzanie S.A. on 18 February 2014 and by the President of Energy Regulatory Office.

On 19 March 2014 hearing concerning determination of stranded costs compensation for ENEA Wytwarzanie S.A. for 2011 was held at the Court of Appeal in Warsaw and was adjourned until 13 June 2014. On 13 June 2014 the hearing concerning adjustment for 2011 was held and adjourned again until 22 August 2014. On 22 August the hearing concerning the annual adjustment for 2011 was held and was postponed to 10 October 2014. On 10 October 2014 hearing was adjourned to 9 January 2015.

On 11 September 2014 ENEA Wytwarzanie S.A. received a notice from the President of Energy Regulatory Office (URE) on commencing on 5 September 2014 the administrative procedure regarding determination of the interest for 2011. On 18 September 2014 the company submitted a formal request to the President of Energy Regulatory Office (URE), for cancellation and suspension of administrative proceeding pending the Court is decision on company's appeal against the decision of the President of Energy Regulatory Office (URE). The date of the court's hearing on the annual adjustment for 2012 has been set for 24 November 2014. On 5 August 2014, the company received the decision of the President of Energy Regulatory Office (URE) dated 31 July 2014, which shows that the annual adjustment of stranded costs for 2013 which ENEA Wytwarzanie S.A. should return to ZR S.A. on 30 September 2014 is PLN (-) 22 570 thousand. On 18 August 2014 the company appealed the decision to the Court of Competition and Consumer Protection, the District Court in Warsaw (the appeal includes an application for

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suspension of execution of the decision pending the outcome of the court case). In addition, on 25 August, the company submitted to the Court of Competition and Consumer Protection and District Court in Warsaw separate application for suspended execution of the decision of the President of Energy Regulatory Office (URE). On 2 September 2014 the Court of Competition and Consumer Protection, the District Court in Warsaw issued a decision to suspend execution of the decision of the President of the Energy Regulatory Office (URE). On 11 September 2014, ENEA Wytwarzanie S.A. received a notice on commencement by the President of Energy Regulatory Office (URE) on 5 September 2014 the administrative proceeding to determine the amount of interest for 2013.

On 18 September 2014 the company submitted a formal request to the President of Energy Regulatory Office (URE), for the cancellation and suspension of administrative proceeding pending the decision of the Court on appealed decision of the President of Energy Regulatory Office. On 12 August 2014 Supreme Court accepted a cassation appeal of the company concerning annual adjustment for 2009.

23. Commitments under contract binding as at the reporting date

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

	30.09.2014	31.12.2013
Acquisition of property, plant and equipment	4 161 408	5 026 671
Acquisition of intangible assets	17 178	9 300
	4 178 586	5 035 971

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

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

25. Contingent liabilities and proceedings before courts, arbitration or public administration bodies**25.1. Guarantees for credit facilities and loans as well as other sureties granted by the Company**

On 14 April 2014 Bank PEKAO S.A. issued, based on ENEA S.A's request a bank guarantee to the IRGIT S.A. (Warsaw Commodity Clearing House) up to the amount of PLN 50 million for the liabilities of ENEA Trading Sp. z o.o. The guarantee expires on 31 December 2014.

25.2. 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 ENEA Wytwarzanie S.A. are connected mainly with claims for receivables due to breaches of forwarding agreements, outstanding invoice payments and liquidated damages from customers of the company.

As at 30 September 2014, the total of 9,039 cases brought by the Group were pending before common courts for the total amount of PLN 96,654 thousand (8,780 cases for the total amount of PLN 108,164 thousand as at 31 December 2013).

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

Actions brought against the Group

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

As at 30 September 2014 there were 1,894 cases pending before common courts which have been brought against the Group for the total amount of PLN 271,813 thousand (1,589 cases for the total amount of PLN 251,977 thousand as at 31 December 2013). Provisions related to the court cases have been presented in note 20.

25.3. Arbitration proceedingsActions brought against the Company

As at 30 September 2014, arbitration proceedings were pending, brought by Gestamp Eolica S.A. against ENEA S.A. for payment of damages under the "Joint Development Agreement between ENEA and Gestamp Eolica" dated 25 November 2008. In a judgement of Arbitration Court dated 19 January 2012, payment of the amount of EUR 3 321 926 was adjudicated against ENEA S.A. in favour of Gestamp Eolica S.A., together with the costs of the arbitration proceedings and the costs of representation, amounting to PLN 230 thousand. ENEA S.A. appealed against the above mentioned judgment to the Court of Appeal in Poznań which ruled to dismiss the Company's appeal against the Arbitration Court's judgment on 18 September 2013. On 22 November 2013, the Appeals Court in Poznań dismissed ENEA S.A.'s complaint against assignment of immediate enforcement clause to an arbitration court ruling.

A cassation appeal against the judgment of the Court of Appeal in Poznań of 18 September 2013 was brought to the Supreme Court on 18 January 2014, where it was registered under the signature II CSK 102/14. The case remains unresolved.

On 30 September 2014 the Company's attorney expects to set a deadline for a closed session of the Supreme Court concerning the adoption of cassation complaint. The Company has not created any provisions regarding those proceedings.

Actions brought by the Company

As at 30 September 2014 arbitration proceedings brought by ENEA SA against Equiventus Capital S.A.R.L. concerning payment of EUR 8,556,735.25 EUR and contractual penalty in the amount of EUR 171,912.57, pursuant to Annex No. 1 dated 17 April 2012 to the preliminary contract of sale of all shares in Windfarm Polska Sp. z o.o. executed by the above mentioned parties on 25 November 2011 finished. Pursuant to the agreement Equiventus Capital S.A.R.L. was obliged to repay all the amounts payable by Windfarm Polska Sp. z o. o. to Vestas Poland Sp. z o. o., which has not been accomplished. The claims have been referred to the Court of Arbitration acting on the basis of the ICC Rules. On 25 September 2014 sentence requiring the Equiventus Capital S.A.R.L. to pay Windfarm Poland Sp. z o.o. the amount of EUR 8,556,735.25 including interest of 13% per annum from 21 April 2012 until the date of payment and requiring Equiventus Capital S.A.R.L. to pay ENEA S.A. contractual penalty of EUR 171,912.57 with interest at 13% per annum from 17 April 2012 to the date of payment, legal costs in the amount of PLN 207,847.18 and costs of the proceedings in the amount of 420,000 USD has been issued.

25.4. Proceedings before public administration bodies

There are proceedings at customs administration and administrative courts on excess payments of excise tax from previous years. In 2013 the Supreme Administrative Court in Warsaw with the decisions of January dismissed 38 cassation appeals for the years 2006, 2007, 2008, 2009, concerning the refusal statements and reimbursement of overpaid excise. Decisions of 28 March 2014 Head of the Customs Office in Radom discontinued as unnecessary tax proceedings on the determination of the tax liability of excise tax for the months of August 2006, April, May, June, October 2007. In connection with the submitted by ENEA Wytwarzanie request in 2011 for resumption of a deadline to make a statement in the proceedings concerning the excise tax for December 2010, the Head of the Customs Office in Radom refused on 3 February 2011 to resume the deadline. As a result of a complaint filed, the Director of the Customs Chamber in Warsaw repealed this decision and submitted the case for reconsideration. On 20 February 2013 the Head of the Customs Office in Radom discontinued the proceeding on resumption of a deadline. ENEA Wytwarzanie filed an appeal from this decision. By decision of 31 January 2014, the Director of the Customs Chamber in Warsaw upheld the decision of the authority of first instance (the Head of the Customs Office in Radom). On 19 March 2014, ENEA Wytwarzanie appealed to the Administrative Court in Warsaw, VIII Department in Radom. Ordinance of 20 April 2014 WSA Division VII Branch in Radom called on the company to pay court fees in the amount of PLN 500 complaints against decisions of the Director of the Customs Chamber in Warsaw. The fee was paid on 14 May 2014. Currently ENEA Wytwarzanie S.A. pending further action of the Court in this case.

26. Bond issue program

On 21 June 2012 ENEA S.A. (Issuer) executed a Programme Agreement with five banks acting as issue guarantors. The Agreement relates to Bond Issue Programme to the amount of PLN 4 billion ("Programme A"). The Programme A was concluded for the term of 10 years and it finishes on 15 June 2022.

The Programme will finance current operations and investment needs of the ENEA S.A. and ENEA Group's companies.

As at 31 January 2014, the Issuer signed an annex to the Programme A Agreement, which changed the Programme terms adjusting them to the current market situation.

As at 30 September 2014 under above mentioned programme agreement ENEA S.A. issued three series of bonds in total amount of PLN 660,000 thousand. The issue has been acquired by the guarantors in the above mentioned Programme A ie., Bank PKO BP S.A., Pekao S.A., BZ WBK S.A., Bank Handlowy in Warsaw S.A. and Nordea Bank Poland S.A.

On 15 May 2014 ENEA S.A. and Bank Gospodarstwa Krajowego have signed an agreement concerning the programme of the issue of long-term bonds in the total amount of PLN 1 billion (the " Programme Agreement"). Bank Gospodarstwa Krajowego is acting functions of Guarantor, the Issue Agent, Paying Agent and the Depositary (the "Bank Guarantor"). The Programme Agreement established the conditions of bond programme between the Issuer and the Bank Guarantor (the "Programme B").

The purpose of the bond issue will be financing of current operations and investments of the Issuer and its subsidiaries. The Programme B has been concluded for a period of 12 years and 7 months and ends on 15 December 2026, while the period of availability of the Programme B, in which the bond issue will be carried out ends on 15 December 2016. Programme Agreement provides possibility of bond issue in many series, the nominal value of each series will not be less than PLN 100,000 thousand (one hundred million złotych) and the nominal value of one bond will be PLN 1,000 thousand (one million złotych). Bonds will be registered and dematerialized. Under the Programme B Issuer shall be entitled to issue bonds with a total amount not exceeding the amount of the Programme B, ie. PLN 1,000,000 thousand (one billion złotych). The interest rate on the bonds will be variable and determined annually based on WIBOR 6M rate plus a fixed margin. The bonds shall bear interest from the date of issue (inclusive) until redemption (excluding that date).

As at 30 September 2014 under the Programme B ENEA S.A. issued a series of bonds in total amount of PLN 260,000 thousand.

Moreover, on 30 June 2014 the agreement between the Company and ING Bank Śląski S.A., Bank Pekao S.A., Poland, the Powszechna Kasa Oszczędności Bank Polski S.A. and mBank S.A. (collectively, the "Banks") concerning the bond issue programme of ENEA S.A. ("Programme C"), the maximum amount of PLN 5,000,000 thousand (the "Agreement") has been signed, and these banks became dealers of bonds. The function of the calculation agent, paying agent and depositary will be performed by ING Bank Śląski S.A. Other banks beyond the role of dealers will act as sub-agents for payments and sub-depositaries. In addition, Powszechna Kasa Oszczędności Bank Polski S.A. will act the role of technical agent for the Programme C.

Bonds issued under the Programme C will be dematerialized, discount or coupon and unsecured. The nominal amount of one bond and the amount of the series will be determined in terms of each tranche. The interest rate or discount rate will be determined individually for each tranche in the process of offering bonds to investors. The maturity of bonds can range from 1 month to 10 years. Pursuant to the Agreement, the bonds will be able to be dematerialized in Krajowy Depozyt Papierów Wartościowych S.A. (KDPW), and then they can be marketed in the alternative trading system in the context of the markets operated by BondSpot or the Warsaw Stock Exchange S.A. As at 30 September 2014 ENEA S.A. did not issue bonds under the Programme C.

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

On 22 January 2014 Mr Torbjörn Wahlborg resigned from the position of the Member of Supervisory Board. The resignation was submitted together with the notice of sale of the Company's shares by Vattenfall AB.

28. Dividend

On 24 April 2014 the General Shareholders' Meeting of ENEA S.A. adopted Resolution no. 7 concerning net profit distribution for the financial period from 1 January 2013 to 31 December 2013 under which the dividend for shareholders amounts to PLN 251,622 thousand, PLN 0.57 per share (the dividend paid in 2013 for the financial period from 1 January 2012 to 31 December 2012 amounted to PLN 158,919 thousand, PLN 0.36 per share). Until the reporting date as at 30 September 2014 the dividend was fully paid to the shareholders. The dividend was paid net of withholding tax on capital gains.

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

On 5 September 2012 ENEA S.A. (ENEA), PGE Polska Grupa Energetyczna S.A. (PGE), TAURON Polska Energia S.A.(TAURON) and KGHM Polska Miedź S.A., have signed a letter of intent concerning the purchase of shares in the first special purpose vehicle, established for the construction and operation of the first nuclear power plant in Poland. In accordance with the letter the companies will undertake the development of a draft agreement for the purchase of shares of PGE EJ 1 Sp. z o.o., a special purpose vehicle, which is responsible for the direct preparation of the investment process of the construction and operation of the first nuclear power plant in Poland. The agreement is to regulate the rights and obligations of each party by the realization of the project, assuming that PGE Polska Grupa Energetyczna S.A. will act, directly or through a subsidiary, as a leader in the process of the project preparation and realization. On 28 December 2012 the Parties to the letter of intent agreed to extend its validity period till 31 March 2013.

On 25 June 2013 ENEA, KGHM, PGE and TAURON concluded an Agreement on continuation of development of a draft agreement for the purchase of PGE EJ 1 Sp. z o.o. (Agreement), which was announced in the Current Report No. 28/2013 dated 26 June 2013.

On 23 September 2013 ENEA, PGE, KGHM and Tauron, as a result of working out the draft agreement for the purchase of shares in the special purpose vehicle for the construction and operation of the nuclear power plant, initialed the Agreement of Shareholders. The Agreement of Shareholders will commit the Parties to conclude a purchase agreement of shares in PGE EJ1 ("Share Purchase Agreement"). In accordance with the Agreement, PGE

will sell a block of 438,000 shares representing 30% of PGE EJ1 share capital to other Parties of the Agreement, and as a result PGE will own 70% of shares of PGE EJ1. The shares will be purchased in the following way:

- ENEA S.A. will purchase 146,000 shares which represents 10% of share capital of PGE EJ1,
- KGHM Polska Miedź S.A. will purchase 146,000 shares which represents 10% of share capital of PGE EJ1,
- TAURON Polska Energia S.A. will purchase 146,000 shares which represents 10% of share capital of PGE EJ1.

The Agreement of Shareholders also determines the rules of the participation of all Parties in the preparation of the project and construction of nuclear power plant in Poland. PGE and other Parties will be obliged to conclude the Share Purchase Agreement after realization of two precedent conditions:

- obtaining the unconditional approval of the President of the Office for Competition and Consumer Protection for the concentration,
- the adoption of Polish Nuclear Power Programme by the Council of Ministers in 2013.

Despite the failure of the conditions precedent provided in the draft shareholders agreement initialed on 23 September 2013, the parties agreed to continue work on the project preparation and construction of the nuclear power plant in Poland and develop the updated records in the draft shareholders agreement including appendices.

On 28 January 2014 The Council of Ministers accepted by resolution of Polish Nuclear Power Program, as indicated in the Shareholders Agreement initialed the project as one of the two conditions suspending the conclusion of the Share Purchase Agreement, PGE EJ1 sp. The only condition suspending the conclusion of the Share Purchase Agreement, PGE EJ1 sp. was to obtain a decision on the unconditional consent of the President of the OCCP for concentration

During the first three quarters of 2014 the Parties agreed the final draft of the shareholders agreement.

On 3 September 2014 Shareholders Agreement was concluded between ENEA S.A., the Polish Energy Group S.A. ("PGE"), TAURON Polska Energia S.A. and KGHM Polska Miedź S.A. under which ENEA S.A., TAURON Polska Energia S.A. and KGHM Polska Miedź S.A. as Business Partners will acquire together from PGE, under a separate agreement. 30% of shares (each Business Partner will acquire 10% of shares) in the special purpose vehicle - PGE EJ 1 Sp. z o.o., which is responsible for the preparation and implementation of investment involving the construction and operation of the first Polish nuclear power plant with a capacity of approx. 3.000 MWe (the "Project"). According to the assumptions, the PGE Group will act as the project leader, and PGE EJ 1 Sp. z o.o. will act as plant operator. The condition of the acquisition of shares in PGE EJ 1 Sp. z o.o. by Business Partners is to obtain the consent for the concentration from the President of the Office for Competition and Consumer Protection. The application on this matter has been submitted by the parties to the Shareholders Agreement on 1 August 2014. On 8 October 2014 the Company obtained information about the decision of the President of the Office for Competition and Consumer Protection ("OCCP President") on the application for a concentration. Having conducted antitrust proceedings initiated upon request of ENEA S.A., PGE Polish Energy Group, KGHM Polska Miedź S.A., and TAURON Polska Energia S.A. ("Applicant". "Parties"). President of the OCCP issued an unconditional consent for the concentration, involving the establishment of a joint venture by the Applicants under the company PGE EJ 1

Sp. z o.o. Obtaining consent for concentration is a condition for the conclusion by the Parties the shares, purchase agreement in PGE EJ 1 Sp. z o.o. specified in the Shareholders Agreement.

In accordance with the Shareholder Agreement, the parties jointly oblige, in proportion to their shareholding, to finance the activities attributable to the years 2014-2016 as part of the initial phase of the Project ("Initial Phase"). The Initial Phase aims to identify elements such as potential partners, including strategic partner, technology providers, contractors EPC (Engineering. Procurement. Construction) supplier of nuclear fuel and obtaining financing for the Project, as well as organizational and competence preparation of PGE EJ 1 Sp. z o.o. to the future role of nuclear power plant operator, responsible for its safe and efficient exploitation ("Integrated Disposal"). In accordance with the Shareholder Agreement, the financial commitment of ENEA S.A. during the Initial Phase will not exceed the amount of approximately PLN 107 million in a front of contributions to the share capital of PGE EJ 1 Sp. z o.o.

The Shareholders Agreement parties predict that subsequent decisions regarding the Project, including the decision on the declaration of further participation of the Parties (including ENEA S.A.) in the next phase of the project will be taken after the completion of the Initial Phase immediately prior to the decision of the Integrated proceedings. The Company informed about signing of the Shareholders Agreement in the current report No. 30/2014 dated 3 September 2014.

30. The Share Based payment reserve

The Employees Shares Programme implemented based on the Act of 30 August 1996 *The Commercialization and Privatization Act*, resulting in granting 15% of ENEA S.A. shares to entitled employees was executed and completed in prior years. Pursuant to the completion of the Programme, the share-based payments reserve amounted to PLN 1,144 thousand as at 31 December 2013 has been finally settled and reclassified to retained earnings as at 30 June 2014.

31. Signing of the Loan Agreement with European Investment Bank

As described more in detail in the financial statements for the year ended 31 December 2013, on 18 October 2012 ENEA S.A. executed a Bank Loan Agreement with European Investment Bank for the amount of PLN 950,000 thousand or its equivalent in Euro currency. On 19 June 2013 ENEA S.A. executed a Financial Agreement B with European Investment Bank for the amount of PLN 475,000 thousand or its equivalent in Euro currency. Therefore the total amount of financing granted by the Bank over the last twelve months amounted to PLN 1,425,000 thousand.

As at 30 September 2014 and till the date of these interim financial statements, under the agreement with European Investment Bank ENEA S.A. received funds in the total amount of PLN 1,425,000 thousand, ENEA S.A. made withdraw funds from the loan granted in the amount of PLN 1,050,000 thousand.

32. Subsequent events

On 9 October 2014 under the Programme Agreement the Bond Issue Programme (the "Programme A") ENEA S.A. issued bonds in the amount of PLN 200,000 thousand.

On 8 October 2014 the Company obtained information about the decision of the President of the Office for Competition and Consumer Protection ("OCCP President") on the application for a concentration. Having conducted antitrust proceedings initiated upon request of ENEA S.A., PGE Polish Energy Group, KGHM Polska Miedź S.A., and TAURON Polska Energia S.A. ("Applicant". "Parties"). President of the OCCP issued an unconditional consent for the concentration, involving the establishment of a joint venture by the Applicants under the company PGE EJ 1 Sp. z o.o. Obtaining consent for concentration is a condition for the conclusion by the Parties the shares, purchase agreement in PGE EJ 1 Sp. z o.o. specified in the Shareholders Agreement.

On 20 September 2013 ENEA S.A. withdrew from the contract with Infovide-Matrix S.A. seated in Warsaw for the construction and implementation of the Customer Service Information System (ISOK) for a total amount of PLN 59,781 thousand. Between companies ENEA S.A. and Infovide-Matrix S.A. there was a dispute about the proper implementation of the Agreement by the Parties and the effectiveness of the withdrawal from the Contract.

On 8 October 2014 an agreement was reached between ENEA S.A. and Infovide-Martix S.A. on resolution of the conflict on the implementation of the ISOK system.

The signed agreement provides for the withdrawal of lawsuits submitted by both companies.

In accordance with the Agreement. ENEA S.A. will return amount of PLN 3,078 thousand, which is part of the amount received from Infovide-Matrix as a guarantee while Infovide-Matrix S.A. will pay PLN 2,700 thousand to ENEA S.A., partially by realization of a guarantee in the amount of PLN 1,500 thousand. Infovide-Matrix S.A. the remaining amount of PLN 1,200 thousand, will pay to ENEA S.A. until 30 September 2016.

Selected separate financial data

	in PLN '000		in EUR '000	
	9 months ended 30.09.2014	9 months ended 30.09.2013 (restated)*	9 months ended 30.09.2014	9 months ended 30.09.2013 (restated)*
Net sales revenue	3 709 014	3 699 986	887 260	876 130
Operating profit	47 242	190 130	11 301	45 021
Profit before tax	691 460	849 295	165 409	201 107
Net profit for the reporting period	661 252	798 864	158 183	189 165
Net cash flows from operating activities	167 538	71 103	40 078	16 837
Net cash flows from investing activities	(919 151)	(510 618)	(219 877)	(120 911)
Net cash flows from financing activities	915 711	618 883	219 054	146 547
Total net cash flows	164 098	179 368	39 255	42 473
Weighted average number of shares	441 442 578	441 442 578	441 442 578	441 442 578
Net earnings per share (in PLN)	1.50	1.81	0.36	0.43
Diluted earnings per share (in PLN / EUR)	1.50	1.81	0.36	0.43
	Balance as at 30.09.2014	Balance as at 31.12.2013	Balance as at 30.09.2014	Balance as at 31.12.2013
Total assets	14 752 814	12 981 983	3 533 185	3 130 301
Total liabilities	3 184 165	1 826 565	762 583	440 433
Non-current liabilities	2 030 582	852 248	486 309	205 500
Current liabilities	1 153 583	974 317	276 274	234 934
Equity	11 568 649	11 155 418	2 770 602	2 689 867
Share capital	588 018	588 018	140 826	141 787
Book value per share (in PLN / EUR)	26.21	25.27	6.28	6.09
Diluted book value per share (in PLN/EUR)	26.21	25.27	6.28	6.09

The above financial data for Q3 2014 and 2013 were translated into EUR in line with the following principles:

- individual assets and liabilities – at the average exchange rate as of 30 September 2014 – PLN/EUR – 4.1755 (as at 31 December 2013 – PLN/EUR 4.1472),
- individual items from the statement of profit or loss and other comprehensive income and the statement of cash flows – as per the arithmetic mean of the average exchange rates determined by the National Bank of Poland as at the last day of each month of the financial period from 1 January to 30 September 2014 – PLN/EUR – 4.1803 (for the period from 1 January to 30 September 2013 – 4.2231 PLN/EUR).

*- Restatements of comparative figures are presented in note 4 of these condensed interim separate financial statements of ENEA S.A. for the period from 1 January to 30 September 2014

**Condensed interim separate
financial statements
of ENEA S.A.
for the period from 1 January to 30 September 2014**

Poznań, 28 October 2014

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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

President of the Management Board **Krzysztof Zamasz**

Member of the Management Board **Dalida Gepfert**

Member of the Management Board **Grzegorz Kinelski**

Member of the Management Board **Paweł Orlof**

Poznań, 28 October 2014

Separate statement of financial position

	Note	Balance as at	
		30.09.2014	31.12.2013
ASSETS			
Non-current assets			
Property, plant and equipment	7	34 553	36 533
Perpetual usufruct of land		1 546	1 562
Intangible assets	8	2 761	2 459
Investment property		16 504	16 910
Investments in subsidiaries and associates	9	8 951 216	8 951 213
Deferred tax asset	16	14 775	45 544
Financial assets held to maturity	25	2 090 245	1 674 223
Financial assets measured at fair value through profit or loss		2 113	1 860
Trade and other receivables		8 916	-
		11 122 629	10 730 304
Current assets			
Inventory		125 941	117 449
Trade and other receivables		1 058 961	978 529
Current income tax receivable		-	1 341
Financial assets held to maturity	25	1 160 510	38 109
Financial assets measured at fair value through profit or loss	14	300 763	296 339
Cash and cash equivalents	13	971 134	807 036
Non-current assets classified as held for sale	10	12 876	12 876
		3 630 185	2 251 679
TOTAL ASSETS		14 752 814	12 981 983

ENEA S.A.

Condensed interim separate financial statements for the period from 1 January to 30 September 2014.

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

	Note	Balance as at	
		30.09.2014	31.12.2013
EQUITY AND LIABILITIES			
EQUITY			
Share capital		588 018	588 018
Share premium		4 627 673	4 627 673
Share-based payments reserve	29	-	1 144 336
Reserve capital		2 151 228	1 569 385
Retained earnings		4 201 730	3 226 006
Total equity		11 568 649	11 155 418
LIABILITIES			
Non-current liabilities			
Loans, borrowings and debt securities	16	1 964 907	777 130
Finance lease liabilities		-	103
Liabilities due to employee benefits		53 784	61 682
Provisions for other liabilities and charges	19	11 891	13 333
		2 030 582	852 248
Current liabilities			
Trade and other liabilities		484 479	645 479
Finance lease liabilities		607	1 052
Current income tax liabilities		48 289	-
Liabilities due to employee benefits		18 228	24 118
Liabilities due to cash settled share-based payments		281	292
Other financial liabilities	17	423 731	-
Provisions for other liabilities and charges	19	177 968	303 376
		1 153 583	974 317
Total liabilities		3 184 165	1 826 565
TOTAL EQUITY AND LIABILITIES		14 752 814	12 981 983

Separate statement of profit or loss and other comprehensive income

	For the period			
	9 months ended	3 months ended	9 months ended	3 months ended
	30 September 2014	30 September 2014	30 September 2013 (restated)*	30 September 2013 (restated)*
Sales revenue	3 863 788	1 326 094	3 850 583	1 210 982
Excise tax	(154 774)	(51 629)	(150 597)	(47 873)
Net sales revenue	3 709 014	1 274 465	3 699 986	1 163 109
Other operating revenue	19 699	4 629	36 143	4 891
Depreciation/amortization	(6 067)	(1 934)	(13 468)	(4 754)
Costs of employee benefits	(32 927)	(11 109)	(28 289)	1 206
Consumption of materials and supplies and costs of goods sold	(2 253)	(820)	(2 926)	(1 051)
Energy purchase for sale	(2 444 737)	(901 540)	(2 194 911)	(711 592)
Transmission and distribution services	(1 055 919)	(335 012)	(1 141 350)	(356 990)
Other external services	(112 522)	(24 944)	(121 501)	(35 385)
Taxes and charges	(2 815)	(392)	(7 496)	(2 172)
Profit/(loss) on sale and liquidation of property, plant and equipment	(4)	-	(36)	(1)
Other operating expenses	(24 227)	(5 024)	(36 022)	(5 210)
Operating profit	47 242	(1 681)	190 130	52 051
Financial expenses	(38 285)	(17 637)	(4 512)	(2 097)
Financial revenue	113 481	41 294	58 001	23 080
Dividend income	569 022	-	605 676	243 856
Profit before tax	691 460	21 976	849 295	316 890
Income tax	(30 208)	(29 847)	(50 431)	(17 223)
Net profit for the reporting period	661 252	(7 871)	798 864	299 667
Items that will not be reclassified to profit or loss				
- net actuarial gains/(losses) on defined benefit plans	4 446	-	1 038	-
- income tax	(845)	-	(197)	-
Net other comprehensive income	3 601	-	841	-
Total comprehensive income	664 853	-	799 705	-
Earnings attributable to the Company's shareholders	661 252	(7 871)	798 864	299 667
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)	1.50	0.02	1.80	0.60
Diluted earnings per share (in PLN per share)	1.50	0.02	1.80	0.60

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

ENEA S.A.

Condensed interim separate financial statements for the period from 1 January to 30 September 2014.

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

Separate statement of changes in equity

	Note	Share capital (face value)	Revaluation of share capital	Total share capital	Share premium	Share-based payments reserve	Reserve capital	Retained earnings	Total equity
Balance as at 1.01.2014		441 443	146 575	588 018	4 627 673	1 144 336	1 569 385	3 226 006	11 155 418
Net profit								661 252	661 252
Other comprehensive income								3 601	3 601
Total comprehensive income for the period								664 853	664 853
Distribution of the net profit							581 843	(581 843)	-
Dividends	20							(251 622)	(251 622)
Settlement of the share- based payments program						(1 144 336)		1 144 336	-
Balance as at 30.09.2014		441 443	146 575	588 018	4 627 673	-	2 151 228	4 201 730	11 568 649
	Note	Share capital (face value)	Revaluation of share capital	Total share capital	Share premium	Share-based payments reserve	Reserve capital	Retained earnings	Total equity
Balance as 01.01.2013*		441 443	146 575	588 018	4 627 673	1 144 336	1 205 625	2 932 240	10 497 892
Net profit**								798 864	798 864
Other comprehensive income								841	841
Total comprehensive income for the period								799 705	799 705
Distribution of the net profit							363 760	(363 760)	-
Dividends	20							(158 919)	(158 919)
Balance as at 30.09.2013		441 443	146 575	588 018	4 627 673	1 144 336	1 569 385	3 209 266	11 138 678

* Restatements of comparative figures as at 1 January 2013 are presented in separate financial statements for the year ended 31 December 2013

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

The separate statement of changes in equity should be analyzed together with the notes which constitute and integral part of the condensed interim separate financial statements.

Separate statement of cash flows

	Note	9 months ended 30.09.2014	9 months ended 30.09.2013 (restated)*
Cash flows from operating activities			
Net profit for the reporting period		661 252	798 864
Adjustments:			
Income tax disclosed in the statement of profit or loss and other comprehensive income		30 208	50 431
Depreciation		6 067	13 468
Loss on sale and liquidation of property, plant and equipment		4	36
Gain/ (loss) on disposal of financial assets		(9 898)	747
Interest income		(74 156)	(33 631)
Dividend income		(569 022)	(605 676)
Interest expense		35 596	1 237
		<u>(581 201)</u>	<u>(573 388)</u>
Changes in working capital			
Inventory		(8 492)	98 502
Trade and other receivables		(66 974)	(19 075)
Trade and other liabilities		266 560	(153 237)
Liabilities due to employee benefits		(9 342)	(18 237)
Deferred income due to subsidies and connection fees		-	(1 673)
Liabilities due to an equivalent of the right to acquire shares free of charge		(11)	(14)
Provisions for other liabilities and charges		(126 850)	(29 160)
		<u>54 891</u>	<u>(122 894)</u>
Paid income tax		(47 265)	(31 479)
Inflows due to settlements within Tax Capital Group		79 861	-
Net cash flows from operating activities		<u>167 538</u>	<u>71 103</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets		(7 017)	(17 564)
Receipts from disposal of property, plant and equipment and intangible assets		-	91
Receipts from disposal of financial assets		49 458	205 967
Acquisition of financial assets		(1 593 897)	(1 329 000)
Acquisition of shares in subsidiary	9	(3)	(305)
Dividends received		571 022	601 676
Other (payments for)/receipts from investing activities		61 286	28 517
Net cash flows from investing activities		<u>(919 151)</u>	<u>(510 618)</u>
Cash flows from financing activities			
Proceeds from credit and loans		270 000	780 000
Bond issue		920 000	-
Dividends paid		(251 622)	(158 919)
Payment of finance lease liabilities		(548)	(2 195)
Other (payments for)/receipts from financing activities		(22 119)	(3)
Net cash flows from financing activities		<u>915 711</u>	<u>618 883</u>
Net increase/ (decrease) in cash		<u>164 098</u>	<u>179 368</u>
Balance at the beginning of the reporting period		807 036	361 401
Balance at the end of the reporting period		<u>971 134</u>	<u>540 769</u>

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

The separate statement of cash flows should be analyzed together with the notes which constitute and integral part of the condensed interim separate financial statements.

1. General information about ENEA S.A.

Name (business name):	ENE A Spółka Akcyjna
Legal form:	joint-stock company
Country:	Poland
Registered office:	Poznań
Address:	Górecka 1, 60-201 Poznań
National Court Register – District Court in Poznań	KRS 0000012483
Telephone:	(+48 61) 884 55 44
Fax:	(+48 61) 884 59 59
E-mail:	enea@enea.pl
Website:	www.enea.pl
Statistical number (REGON):	630139960
Tax identification number (NIP):	777-00-20-640

ENE A 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 2014 the shareholding structure of ENE A S.A. was the following: the State Treasury of the Republic of Poland – 51.50% of shares, other shareholders – 48.50%.

As at 30 September 2014 the statutory share capital of ENE A S.A. equaled PLN 441,443 thousand (PLN 588,018 thousand upon adoption of IFRS-EU and considering hyperinflation and other adjustments) and was divided into 441,442,578 shares.

Trade in electricity is the core business of ENE A S.A. (“ENE A”, “Company”).

On 12 September 2013 ENE A S.A. was granted a concession for trade in gas fuel, valid from 1 January 2014 till 31 December 2030. The Company plans to commence the retail sales of natural gas in 2014.

ENE A S.A. is the parent company in the ENE A Group (the “Group”). As at 30 September 2014 the Group comprised of 12 subsidiaries, 4 indirect subsidiaries and 1 associate.

The condensed interim separate financial statements have been prepared on the going concern basis. There are no circumstances indicating that the ability of ENE A 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, and approved by the Management Board of ENE S.A.

The Management Board of the Company has used its best knowledge as to the application of standards and interpretations as well as measurement methods and principles applicable to individual items of the condensed interim separate financial statements of ENE S.A. in accordance with IFRS-EU as of 30 September 2014. The presented statements and explanations have been prepared using due diligence. These condensed interim separate financial statements have not 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 for the year ended 31 December 2013.

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

4. Changes in accounting policies and presentation of financial data

The comparative data presented in these condensed interim separate financial statements for the period from 1 January to 30 September 2013 have been restated in order to maintain comparability.

a) The Company performed analysis of electricity balancing market settlements and the imbalance of energy sales and purchase, presented in financial statements in trade and other receivables. As the result of the analysis performed, the asset related to the imbalanced energy trade was assessed to be incorrect and respective balances as at 31 December 2013, as well as at the end of preceding reporting periods, i.e. 31 December 2012 and 31 December 2011 were adjusted.

b) The Company changed the presentation of commissions paid to partner for concluding energy sales/complex contracts. Commission are recognized as prepayments. Costs of commissions on a straight-line basis are recognized during the term of electricity sales/complex contracts in proportion to the number of months of a contract. Prepaid commissions are presented in the financial statements as long-term and short-term trade and other receivables.

c) The Company changed the presentation of cash flows in the financial statements.

Payments concerning interest on loans and bonds are presented in financial activities as other payments for financial activities while receipts of interest concerning cash deposits for more than 3 months are presented in investing activities as other proceeds from investing activities.

There have been changes in the presentation of changes in liabilities related to VAT on sales of fixed assets and it was presented as proceeds from the sale of tangible and intangible fixed assets.

d) There have been changes in the presentation of changes in liabilities related to VAT on sales of fixed assets and it was presented as proceeds from the sale of tangible and intangible fixed assets.

Separate statement of profit or loss and other comprehensive income

	9 month period ended 30.09.2013 Approved	(a)	(b)	9 month period ended 30.09.2013 Restated
Sales revenue	3 850 583			3 850 583
Excise tax	(150 597)			(150 597)
Net sales revenue	3 699 986			3 699 986
Other operating revenue	36 143			36 143
Depreciation/amortization	(13 468)			(13 468)
Costs of employee benefits	(28 289)			(28 289)
Consumption of materials and supplies and costs of goods sold	(2 926)			(2 926)
Energy purchase for sale	(2 159 445)	(35 466)		(2 194 911)
Transmission and distribution services	(1 141 350)			(1 141 350)
Other external services	(126 791)		5 290	(121 501)
Taxes and charges	(7 496)			(7 496)
Profit/(loss) on sale and liquidation of property, plant and equipment	(36)			(36)
Other operating expenses	(36 022)			(36 022)
Operating profit	220 306	(35 466)	5 290	190 130
Financial expenses	(4 512)			(4 512)
Financial revenue	58 001			58 001
Dividend income	605 676			605 676
Profit before tax	879 471	(35 466)	5 290	849 295
Income tax	(56 165)	6 739	(1 005)	(50 431)
Net profit for the reporting period	823 306	(28 727)	4 285	798 864
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
-- net actuarial gains/(losses) of the defined benefit plans	1 038	-	-	1 038
-- income tax	(197)	-	-	(197)
Net other comprehensive income	841	-	-	841
Total comprehensive income	824 147	(28 727)	4 285	799 705

ENEA S.A.

Condensed interim separate financial statements for the period from 1 January to 30 September 2014.

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

	3 month period ended 30.09.2013 Approved	(a)	(b)	3 month period ended 30.09.2013 Restated
Sales revenue	1 210 982			1 210 982
Excise tax	(47 873)			(47 873)
Net sales revenue	1 163 109			1 163 109
Other operating revenue	4 891			4 891
Depreciation/amortization	(4 754)			(4 754)
Costs of employee benefits	1 206			1 206
Consumption of materials and supplies and costs of goods sold	(1 051)			(1 051)
Energy purchase for sale	(708 240)	(3 352)		(711 592)
Transmission and distribution services	(356 990)			(356 990)
Other external services	(40 675)		5 290	(35 385)
Taxes and charges	(2 172)			(2 172)
Profit/(loss) on sale and liquidation of property, plant and equipment	(1)			(1)
Other operating expenses	(5 210)			(5 210)
Operating profit	50 113	(3 352)	5 290	52 051
Financial expenses	(2 097)			(2 097)
Financial revenue	23 080			23 080
Dividend income	243 856			243 856
Profit before tax	314 952			316 890
Income tax	(16 855)	637	(1 005)	(17 223)
Net profit for the reporting period	298 097	(2 715)	4 285	299 667
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
-- net actuarial gains/(losses) of the defined benefit plans	1 038			1 038
-- income tax	(197)			(197)
Net other comprehensive income	841			841
Total comprehensive income	298 938	(2 715)	4 285	300 508

The notes presented on pages 54 to 78 constitute an integral part of the condensed interim separate financial statements.

Separate statement of cash flows

	9 months ended 30.09.2013 Approved	(a)	(b)	(c)	9 months ended 30.09.2013 Restated
Cash flows from operating activities					
Net profit for the reporting period	823 306	(28 727)	4 285	-	798 864
Adjustments:					
Income tax disclosed in the profit or loss	56 165	(6 739)	1 005	-	50 431
Depreciation	13 468				13 468
(Gain) / loss on sale and liquidation of property, plant and equipment	36				36
(Gain)/loss on disposal of financial assets	747				747
Interest income	(58 748)	-	-	25 117	(33 631)
Dividend income	(605 676)				(362 091)
Interest expense	4 512	-	-	(3 275)	1 237
	(589 496)	(6 739)	1 005	21 842	(573 388)
Changes in working capital					
Inventory	98 502				98 502
Trade and other receivables	(49 251)	35 466	(5 290)	-	(19 075)
Trade and other liabilities	(156 497)	-	-	3 260	(153 237)
Liabilities due to employee benefits	(18 237)				(18 237)
Deferred income due to subsidies and connection fees	(1 673)				(1 673)
Liabilities due to an equivalent of the right to acquire shares free of charge	(14)				(14)
Provisions for other liabilities and charges	(29 160)				(29 160)
	(156 330)	35 466	(5 290)	3 260	(122 894)
Paid income tax	(31 479)				(31 479)
Interest received	52 859	-	-	(52 859)	-
Interest paid	(2 124)	-	-	2 124	-
Net cash flows from operating activities	96 736	-	-	-	71 103

	9 months ended 30.09.2013 Approved	(a)	(b)	(c)	9 months ended 30.09.2013 Restated
Cash flows from investing activities					
Acquisition of property, plant and equipment and intangible assets	(14 304)	-	-	(3 260)	(17 564)
Receipts from disposal of property, plant and equipment and intangible assets	91				91
Receipts from disposal of financial assets	205 967				205 967
Acquisition of financial assets	(1 329 000)				(1 329 000)
Acquisition of subsidiaries, associates and jointly controlled entities	(305)				(305)
Dividends received	601 676				601 676
Other (payments for)/receipts from investing activities	(379)	-	-	28 896	28 517
Net cash flows from investing activities	(536 254)	-	-	25 636	(510 618)
Cash flows from financing activities					
Loans and borrowings received	780 000				780 000
Dividends paid	(158 919)				(158 919)
Payment of finance lease liabilities	(2 195)				(2 195)
Other (payments for)/receipts from financing activities	-	-	-	(3)	(3)
Net cash flows from financing activities	618 886	-	-	(3)	618 883
Net increase/ (decrease) in cash	179 368	-	-	-	179 368
Opening balance of cash	361 401	-	-	-	361 401
Closing balance of cash	540 769	-	-	-	540 769

5. Material estimates and assumptions

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

6. Composition of the Group – list of subsidiaries and associates

	Name and address of the company	Share of ENE S.A. in the total number of votes in % 30.09.2014	Share of ENE S.A. in the total number of votes in % 31.12.2013
1.	ENERGOMIAR Sp. z o.o. <i>Poznań, Strzeszyńska 58</i>	100	100
2.	BHU S.A. <i>Poznań, Strzeszyńska 58</i>	100	100
3.	ENE Centrum S.A. <i>Poznań, Górecka 1</i>	100	100
4.	Hotel „EDISON” Sp. z o.o. <i>Baranowo near Poznań</i>	100	100
5.	Energetyka Poznańska Zakład Transportu Sp. z o.o. <i>Poznań, Strzeszyńska 58</i>	*****	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, Marcinkowskiego 27</i>	99.92	99.92
8.	ENEOS Sp. z o.o. <i>Poznań, Strzeszyńska 58</i>	100	100
9.	ENTUR Sp. z o.o. <i>Szczecin, Malczewskiego 5/7</i>	***	100***
10.	Szpital Uzdrawiskowy ENERGETYK Sp. z o.o. <i>Inowrocław, Wilkońskiego 2</i>	99.94	99.94
11.	Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. <i>Oborniki, Wybudowanie 56</i>	99.91*	99.89*
12.	„IT SERWIS” Sp. z o.o. <i>Zielona Góra, Zacisze 28</i>	*****	100
13.	ENE Operator Sp. z o.o. <i>Poznań, Strzeszyńska 58</i>	100	100
14.	ENE Wytwarzanie S.A. <i>Świerże Górne, commune Kozienice, Kozienice 1</i>	100	100
15.	Miejska Energetyka Ciepła Piła Sp. z o.o. <i>64-920 Piła, Kaczorska 20</i>	71.11*	65.03*
16.	Annacond Enterprises Sp. z o.o. <i>Warszawa, Jana III Sobieskiego 1/4</i>	61	61
17.	Windfarm Polska Sp. z o.o. <i>Koszalin, Wojska Polskiego 24-26</i>	*****	100*
18.	ENE Trading Sp. z o.o. <i>Świerże Górne, commune Kozienice, Kozienice 1</i>	100	100
19.	„Ecebe” Sp. z o.o. <i>Augustów, Wojciech 8</i>	100*	100*
20.	Energ-Inwest-Broker S.A. <i>Toruń, Jęczmienna 21</i>	38.46**	38.46**
21.	Miejskie Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. <i>Białystok, Warszawska 27</i>	85*	-

* - an indirect subsidiary held by interests in ENE Wytwarzanie S.A.

** - an associate of ENE Wytwarzanie S.A.

*** - on 27 February 2013 the Extraordinary Shareholders' Meeting of Entur Sp. z o.o. with registered office in Szczecin adopted the Resolution No. 3 about the dissolution of the company after liquidation proceedings. On 16 April 2014 the Extraordinary Shareholders' Meeting of Entur Sp. z o.o. in liquidation with registered office in Szczecin adopted the Resolution No. 1 about the revocation of dissolution of the company and its going concern. On 29 August 2014 ENE Centrum Sp. z o.o. merged with ENTUR Sp. z o.o. ENE Centrum Sp. z o.o. assumed all the rights and obligations of the acquired company.

**** - on 30 June 2014 ENE Wytwarzanie S.A. merged with Windfarm Polska Sp. z o.o. ENE Wytwarzanie S.A. assumed all the rights and obligations of the acquired company.

*****- on 29 August 2014 ENEA Centrum Sp. z o.o. merged with ITSERWIS Sp. z o.o. ENEA Centrum Sp. z o.o. assumed all the rights and obligations of the acquired company.

*****- on 1 September 2014 EP PUE Energobud Leszno Sp. z o.o. merged with the EP Zakład Transportu Sp. z o.o. At the same time EP PUE Energobud Leszno Sp. z o.o. assumed all the rights and obligations of the acquired company.

On 27 June 2014 the change of the name was registered in National Court Register (KRS) of Niepubliczny Zakład Opieki Zdrowotnej Centrum Uzdrawiskowe ENERGETYK Sp. z o.o. to Szpital Uzdrawiskowy ENERGETYK Sp. z o.o.

7. Property, plant and equipment

During the 9-month period ended 30 September 2014, the Company acquired property, plant and equipment for the total amount of PLN 2,785 thousand (during the period of 9 months ended 30 September 2013 it was PLN 11,245 thousand).

During the 9-month period ended 30 September 2014, the Company sold and liquidated property, plant and equipment for the total net amount of PLN 8 thousand (during the period of 9 months ended 30 September 2013 it was PLN 55 thousand).

As at 30 September 2014 the total impairment loss on the carrying amount of property, plant and equipment amounted to PLN 680 thousand (as at ended 30 September 2013: PLN 1,592 thousand).

8. Intangible assets

During the 9-month period ended 30 September 2014, the Company did not acquire intangible assets (during the period of 9 months ended 30 September 2013: PLN 0 thousand).

During the 9-month period ended 30 September 2014 intangible assets of PLN 1,379 thousand were transferred from fixed assets under construction (during the period of 9 months ended 30 September 2013: PLN 470 thousand).

9. Investments in subsidiaries and associates

	<u>30.09.2014</u>	<u>31.12.2013</u>
Opening balance	8 951 213	8 820 100
Acquisition of shares in subsidiary	3	134 343
Disposal of investment	-	(3 000)
Impairment loss	-	(230)
Closing balance	8 951 216	8 951 213
 Impairment loss		
Opening balance of impairment loss on investments	30 104	29 874
Recognized	-	230
Closing balance of impairment loss on investments	30 104	30 104

10. Non-current assets held for sale

	<u>30.09.2014</u>	<u>31.12.2013</u>
Opening balance	12 876	12 876
Closing balance	12 876	12 876

During the 9-month period ended 30 September 2014 there were no changes in non-current assets held for sale.

As at 30 September 2014 the shares in Hotel "EDISON" Sp. z o.o. are presented as non-current assets held for sale.

On 23 January 2014 the announcement of the sale of the hotel was published in Gazeta Wyborcza – an invitation to negotiation for purchase of the package of all shares in Hotel Edison Sp. z o.o. The Memorandum was requested by four entities. Three of them submitted preliminary offers within the prescribed period (3 February 2014). On 21 March 2014 binding offers were obtained from potential investors.

On the basis of a resolution of the Management Board of ENEA S.A. No. 308/2014 dated 23 September 2014 proceedings for the sale of shares of Hotel EDISON Sp. z o.o. has started public invitation to negotiations. According to the schedule of the sales process the Hotel Edison on 26 September 2014 will take place the publication of a formal notice of sale. The sale of shares is expected to be completed until 31 December 2014.

11. Allowance on trade and other receivables

	<u>30.09.2014</u>	<u>31.12.2013</u>
Opening balance of receivables allowance	55 753	85 666
Addition	13 590	9 514
Reversed	(6 615)	(775)
Utilized	(9 602)	(38 652)
Closing balance of receivables allowance	53 126	55 753

During the 9-month period ended 30 September 2014 the allowance on the carrying amount of trade and other receivables increased by PLN 2,627 thousand (during the period of 9 months ended 30 September 2013 the impairment allowance decreased by PLN 29,016 thousand).

12. Inventory

	<u>30.09.2014</u>	<u>31.12.2013</u>
Certificates of origin	125 941	117 449
Total inventory	125 941	117 449

Certificates of origin:

	30.09.2014	31.12.2013
Opening balance	117 449	120 160
Acquisition	380 706	321 157
Redemption	(372 214)	(323 868)
Closing balance	125 941	117 449

13. Cash and cash equivalents

	30.09.2014	31.12.2013
Cash in hand and at bank	971 134	807 036
- cash in hand	-	19
- cash at bank	971 134	807 017
Total cash and cash equivalents	971 134	807 036
Cash disclosed in the cash flows statement	971 134	807 036

As at 30 September 2014 the restricted cash amounted to PLN 53 thousand and comprised cash at bank (cash blocked due to a transaction deposit). As at 31 December 2013 the restricted cash amounted to PLN 50 thousand.

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

As at 30 September 2014 the book value of investments portfolio amounted to PLN 492,789 thousand, including financial assets measured at fair value through profit or loss - treasury bills and bonds of PLN 300,763 thousand and bank deposits of PLN 192,026 thousand presented as cash and cash equivalents (as at 31 December 2013 the book value of investments portfolio amounted to PLN 328,603 thousand, including financial assets measured at fair value through profit or loss - treasury bills and bonds of PLN 296,339 thousand and bank deposits of PLN 32,264 thousand presented as cash and cash equivalents). The Company also has units in the "Pioneer" Investment Fund, presented as long-term assets.

15. Financial instruments

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

	30.09.2014		31.12.2013	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current financial assets held to maturity	2 090 245	2 090 245	1 674 223	1 674 223
Non-current financial assets measured at fair value through profit or loss	2 113	2 113	1 860	1 860
Short-term financial assets held to maturity	1 160 510	1 160 510	38 109	38 109
Short-term financial assets measured at fair value through profit or loss	300 763	300 763	296 339	296 339
Trade and other receivables	1 050 201	(*)	977 734	(*)
Cash and cash equivalents	971 134	971 134	807 036	807 036
Bank loans, borrowings and debt securities	1 964 907	1 964 907	777 130	777 130
Finance lease liabilities	607	607	1 155	1 155
Other financial liabilities	423 731	423 731	-	-
Trade and other liabilities	444 662	(*)	552 243	(*)

(*) The carrying amount of trade and other receivables and trade and other liabilities approximates their fair values.

Non-current financial assets held to maturity include acquired debt instruments – bonds with the original maturity exceeding 1 year.

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

Short-term financial assets measured at fair value through profit or loss include an investment portfolio managed by a company specialized in professional fund management. The fair value of the investment portfolio is estimated based on market quotations.

Short-term financial assets held to maturity include acquired debt instruments – bonds with the original maturity not exceeding 1 year.

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

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

Level 2 – fair value determined based on market observations, however not as a direct quotation market (e.g. are determined by direct or indirect reference to similar instruments existing on the market),

Level 3 – fair value determined using various valuation technique, however is not based on any observable market data.

	30.09.2014			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Non-derivative financial assets held for trading	302 876	-	-	302 876
Total	302 876	-	-	302 876

	31.12.2013			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Non-derivative financial assets held for trading	298 199	-	-	298 199
Total	298 199	-	-	298 199

16. Bank loans, borrowings and debt securities

	30.09.2014	31.12.2013
Long-term		
Bank loans	1 052 440	777 130
Bonds	912 467	-
Total	1 964 907	777 130

17. Other financial liabilities

Cash management in ENEA Group is performed centrally, allowing efficient cash surplus management (economies of scale) and elimination of external financing costs. Cash management covers subsidiaries which constitute participants of Tax Capital Group (PGK ENEA) and is based on “cash management system among bank accounts” – cash pooling.

Under the service at the end of each day cash surplus from bank accounts of participants is transferred to bank account of Pool Leader – ENEA S.A. On the next day account balances are reversed and transferred back to bank account of participants.

18. Deferred income tax

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

	1.01.2014 – 30.09.2014	1.01.2013 – 31.12.2013
Opening balance	(45 544)	(47 795)
Change recognized in profit or loss	29 924	557
Change recognized in other comprehensive income	845	1 694
Closing balance	(14 775)	(45 544)

During the 9-month period ended 30 September 2014, the Company's profit before tax was debited with PLN 29,924 thousand as a result of a decrease in net deferred tax asset (during the period of 9 months ended 30 September 2013 the Company's profit before tax was debited with PLN 16,495 thousand as a result of a decrease in net deferred tax assets).

19. Provisions for other liabilities and charges

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

	30.09.2014	31.12.2013
Long-term	11 891	13 333
Short-term	177 968	303 376
Balance as at the reporting date	189 859	316 709

	Provision for non-contractual use of property	Provision for other claims	Provisions for certificates of origins	Other	Total
Balance as at 01.01.2013	39 406	4 439	235 754	9 744	289 343
Provisions made	4 239	196	370 997	-	375 432
Provisions used	-	(48)	(324 155)	(3 600)	(327 803)
Reversal of provisions	(5 447)	(1 772)	(9 050)	(3 994)	(20 263)
Balance as at 31.12.2013	38 198	2 815	273 546	2 150	316 709
Provisions made	2 720	-	296 482	-	299 202
Provisions used	(7 972)	-	(407 760)	-	(415 732)
Reversal of provisions	(9 046)	(1 034)	(240)	-	(10 320)
Balance as at 30.09.2014	23 900	1 781	162 028	2 150	189 859

A description of material claims and contingent liabilities has been presented in note 24.2 and 24.3.

During the 9-month period ended 30 September 2014 the provisions for other liabilities and charges decreased by net amount of PLN 126,850 thousand, mainly due to settlement of obligation related to sale to end users of electricity generated in a renewable source or in cogeneration (during the period of 9 months ended 30 September 2013 the provisions for other liabilities and charges decreased by PLN 29,160 thousand).

20. Dividend

On 24 April 2014 the General Shareholders' Meeting of ENE S.A. adopted Resolution no. 7 concerning net profit distribution for the financial period from 1 January 2013 to 31 December 2013 under which the dividend for shareholders amounts to PLN 251,622 thousand. Dividend per share amounted to PLN 0.57 (the dividend paid in 2013 for the financial period from 1 January 2012 to 31 December 2012 amounted to PLN 158,919 thousand, PLN 0.36 per share). Until 30 September 2014 dividend was fully paid to shareholders. The dividend paid to shareholders was reduced by the income tax on capital gains.

21. Related party transactions

The Company concludes transactions with the following related parties:

(i) Companies of the ENEA Group

	01.01.2014 - 30.09.2014	01.01.2013-30.09.2013
Purchases, including:	3 138 519	2 922 310
investment purchases	311	5 955
materials	404	473
services	1 118 991	1 232 969
other (including energy)	2 018 813	1 682 913
Sales, including:	41 562	34 966
energy	24 744	17 043
services	7 996	10 273
other	8 822	7 650
Interest income, including:	68 389	26 073
bond	68 389	26 073
Dividend income	569 022	605 676
	30.09.2014	31.12.2013
Receivables	57 950	18 878
Liabilities	631 997	398 289
Financial assets - bonds	6 172 385	1 712 332

Such transactions are concluded under arm's length terms and their conditions do not differ from those applied in transactions with other entities.

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

- those related to the appointment of Members of Supervisory Boards;
- resulting from other civil law agreements.

The value of transactions has been presented below:

Item	Management Board of the Company		Supervisory Board of the Company	
	01.01.2014 - 30.09.2014	01.01.2013 - 30.09.2013	01.01.2014 - 30.09.2014	01.01.2013 - 30.09.2013
Remuneration under managerial and consultancy agreements	6 246*	4 839	-	-
Remuneration relating to appointment of members of management or supervisory bodies	-	23	251	300
Other employee benefits (including electricity allowance)	-	33	-	-
TOTAL	6 246	4 895	251	300

* Remuneration includes bonuses for 2013 paid to the members of the Management Board during first quarter of 2014.

During the 9-month period ended 30 September 2014 there were no loans granted from the Company's Social Benefits Fund to the members of the Supervisory Board (during the 9-month period ended 30 September 2013 PLN 11 thousand). During this period repayments of these loans amounted to PLN 4 thousand (PLN 3 thousand during the 9-month period ended 30 September 2013).

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

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

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

The transactions concern mainly:

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

Such transactions are concluded under arm's length terms and their conditions do not differ from those applied in transactions with other entities. As the Company does not keep record of the aggregate value of all transactions concluded with all state institutions and entities controlled by the State Treasury, the turnover and balances of transactions with related parties disclosed in these condensed interim separate financial statements do not include data related to transactions with entities controlled by the State Treasury.

22. Commitments under contracts binding as at the reporting date

Contractual obligations related to acquisition of property, plant and equipment and intangible assets assumed as at the reporting date, not yet recognized in the statement of financial position:

	<u>30.09.2014</u>	<u>31.12.2013</u>
Acquisition of property, plant and equipment	-	1358
Acquisition of intangible assets	2 404	977
	<u>2 404</u>	<u>2 335</u>

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

Seasonality of electricity consumption by customers is connected with lower temperatures and shorter day in the winter months. These factors, however, have a diminishing impact on the volume of energy sales, due to very high dynamics of the energy supplier changes, especially among customers from A and B tariff groups and also in the segment of customers connected to the low voltage (C and G tariff group). In the near future the process of changing the supplier will have an increasing impact on the sales in different periods of the year and the electricity consumption by customers will be less important factor of seasonality of the Company's business.

24. Contingent liabilities and proceedings before courts, arbitration or public administration bodies**24.1. Guarantees for credit facilities and loans as well as other sureties granted by the Company**

On 25 February 2014 ENEA S.A. entered into contract of surety with Zespół Elektrowni Pątnów-Adamów-Konin S.A. Under this contract, ENEA S.A. guarantees the liabilities of its subsidiary ENEA Trading Sp. z o.o. regarding wholesale electricity trading, up to the maximum amount of PLN 12,000 thousand.

The contract was concluded based on the Framework Agreement of Sureties, providing rules of guaranting liabilities of ENEA Trading Sp. z o.o. to third parties by ENEA S.A.

On 14 April 2014 Bank PEKAO S.A. issued, based on ENEA S.A.'s request a bank guarantee to the Warsaw Commodity Clearing House up to the amount of PLN 50 million for the liabilities of ENEA Trading Sp. z o.o.

The guarantee expires on 31 December 2014.

On 1 July 2014 the corporate surety contract was signed between ENEA S.A. and the Municipality of Białystok amounted to PLN 50,000 thousand. Under the agreement, ENEA S.A. undertakes, in the event of default by ENEA Wytwarzanie S.A. obligation to pay to the Municipality of Białystok sales price of the shares for which the Municipality Białystok accepted a bid from ENEA Wytwarzanie S.A.

On 10 July 2014 an annex to the bank guarantee was issued by PKO BP S.A. commissioned by ENEA S.A. dated 19 November 2013 lowering the level of collateral from PLN 230,000 thousand to PLN 50,000 thousand for Izba Rozliczeniowa Giełd Towarowych S.A. ENEA Trading Sp. z o.o. hedging contribution maintenance margin and transactional by ENEA Trading Sp. z o.o.

On 21 July 2014 an annex No.3 to the surety contract dated 21 July 2011 was signed between ENEA S.A. and Izba Rozliczeniowa Giełd Towarowych S.A. amounted 50,000 thousand extending the duration of the surety up to 1 August 2017. As part of the agreement, ENEA S.A. guarantees for all liabilities incurred by ENEA Trading Sp. z o.o. to IRGIT in connection with membership.

On 9 September 2014 the surety contract was concluded between ENEA S.A. and the National Fund for Environmental Protection and Water Management up to the maximum amount of 11,806 thousand in which ENEA S.A. undertakes to repay the obligations of the Miejska Energetyka Ciepła Piła Sp. z o.o. associated with co-financed by The National Fund for Environmental Protection and Water Management project implemented by the Miejska Energetyka Ciepła Piła Sp. z o.o.

24.2. Pending proceedings before courts of general jurisdiction

Actions brought by the Company

Actions which ENEA S.A. brought to common courts of law refer to claims for receivables due to provision of electricity (the so-called electricity cases) and claims for other receivables – illegal consumption of electricity, connections to the power grid and other specialist services rendered by the Company (the so-called non-electricity cases).

As at 30 September 2014, the total of 6,400 cases brought by the Company were pending before common courts of law for the total amount of PLN 16,767 thousand (6,264 cases for the total amount of PLN 16,444 thousand as at 31 December 2013).

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

Actions brought against the Company

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

As at 30 September 2014, the total of 113 cases against the Company were pending before common courts of law for the total amount of PLN 13,790 thousand (98 cases for the total amount of PLN 18,681 thousand as at 31 December 2013). The provisions related to these cases are presented in note 19.

24.3. Arbitration proceedings

Actions brought against the Company

As at 30 September 2014, arbitration proceedings were pending, brought by Gestamp Eolica S.A. against ENEA S.A. for payment of damages under the "Joint Development Agreement between ENEA and Gestamp Eolica" dated 25 November 2008. In a judgement of Arbitration Court dated 19 January 2012, payment of the amount of EUR 3,321,926 was adjudicated against ENEA S.A. in favour of Gestamp Eolica S.A., together with the costs of the arbitration proceedings and the costs of representation, amounting to PLN 230,000. ENEA S.A. appealed against the above mentioned judgment to the Court of Appeal in Poznań which ruled to dismiss the Company's appeal against the Arbitration Court's judgment on 18 September 2013. On 22 November 2013, the Appeals Court in Poznań dismissed ENEA S.A.'s complaint against assignment of immediate enforcement clause to an arbitration court ruling.

A cassation appeal against the judgment of the Court of Appeal in Poznań of 18 September 2013 was brought to the Supreme Court on 18 January 2014, where it was registered under the signature II CSK 102/14. The case remains unresolved.

As at 30 September 2014 proxy of the Company is expected to set a deadline for a closed session of the Supreme Court concerning the adoption of cassation complaint for consideration. The Company has not created any provisions regarding those proceedings.

Actions brought by the Company

As at 30 September 2014 arbitration proceedings brought by ENEA SA against Equiventus Capital S.A.R.L. concerning payment of EUR 8,556,735.25 EUR and contractual penalty in the amount of EUR 171,912.57, pursuant to Annex No. 1 dated 17 April 2012 to the preliminary contract of sale of all shares in Windfarm Polska Sp. z o.o. executed by the above mentioned parties on 25 November 2011 finished. Pursuant to the agreement Equiventus Capital S.A.R.L. was obliged to repay all the amounts payable by Windfarm Polska Sp. z o. o. to Vestas Poland Sp. z o. o., which has not been accomplished. The claims have been referred to the Court of Arbitration acting on the basis of the ICC Rules. On 25 September 2014 sentence requiring the Equiventus Capital S.A.R.L. to pay Windfarm Poland Sp. z o.o. the amount of EUR 8,556,735.25 including interest of 13% per annum from 21 April 2012 until the date of payment and requiring Equiventus Capital S.A.R.L. to pay ENEA S.A. contractual penalty of EUR 171,912.57 with interest at 13% per annum from 17 April 2012 to the date of payment, legal costs in the amount of PLN 207,847.18 and costs of the proceedings in the amount of 420,000 USD has been issued.

25. Bond issue programmes

25.1. Bond issue programmes of ENEA S.A.

On 21 June 2012 ENEA S.A. (Issuer) executed a Programme Agreement with five banks acting as issue guarantors. The Agreement relates to Bond Issue Programme to the amount of PLN 4 billion ("Programme A"). The Programme A was concluded for the term of 10 years and it finishes on 15 June 2022.

The Programme will finance current operations and investment needs of the ENEA S.A. and ENEA Group's companies.

As at 31 January 2014, the Issuer signed an annex to the Programme A Agreement, which changed the Programme terms adjusting them to the current market situation.

As at 30 September 2014 under above mentioned programme agreement ENEA S.A. issued three series of bonds in total amount of PLN 660,000 thousand. The issue has been acquired by the guarantors in the above mentioned Programme A ie., Bank PKO BP S.A., Pekao S.A., BZ WBK S.A., Bank Handlowy in Warsaw S.A. and Nordea Bank Poland S.A.

On 15 May 2014 ENEA S.A. and Bank Gospodarstwa Krajowego have signed an agreement concerning the programme of the issue of long-term bonds in the total amount of PLN 1 billion (the "Programme Agreement"). Bank Gospodarstwa Krajowego is acting functions of Guarantor, the Issue Agent, Paying Agent and the Depositary (the "Bank Guarantor"). The Programme Agreement established the conditions of bond programme between the Issuer and the Bank Guarantor (the "Programme B").

The purpose of the bond issue will be financing of current operations and investments of the Issuer and its subsidiaries. The Programme B has been concluded for a period of 12 years and 7 months and ends on 15 December 2026, while the period of availability of the Programme B, in which the bond issue will be carried out ends on 15 December 2016. Programme Agreement provides possibility of bond issue in many series, the nominal value of each series will not be less than PLN 100,000 thousand (one hundred million złotych) and the nominal value of one bond will be PLN 1,000 thousand (one million złotych). Bonds will be registered and dematerialized. Under the Programme B Issuer shall be entitled to issue bonds with a total amount not exceeding the amount of the Programme B, ie. PLN 1,000,000 thousand (one billion złotych). The interest rate on the bonds will be variable and determined annually based on WIBOR 6M rate plus a fixed margin. The bonds shall bear interest from the date of issue (inclusive) until redemption (excluding that date).

As at 30 September 2014 under the Programme B ENEA S.A. issued a series of bonds in total amount of PLN 260,000 thousand.

Moreover, on 30 June 2014 the agreement between the Company and ING Bank Śląski S.A., Bank Pekao S.A., Poland, the Powszechna Kasa Oszczędności Bank Polski S.A. and mBank S.A. (collectively, the "Banks") concerning the bond issue programme of ENEA S.A. ("Programme C"), the maximum amount of PLN 5,000,000 thousand (the "Agreement") has been signed, and these banks became dealers of bonds. The function of the calculation agent, paying agent and depositary will be performed by ING Bank Śląski S.A.

Other banks beyond the role of dealers will act as sub-agents for payments and sub-depositaries. In addition, Powszechna Kasa Oszczędności Bank Polski S.A. will act the role of technical agent for the Programme C.

Bonds issued under the Programme C will be dematerialized, discount or coupon and unsecured. The nominal amount of one bond and the amount of the series will be determined in terms of each tranche. The interest rate or discount rate will be determined individually for each tranche in the process of offering bonds to investors. The maturity of bonds can range from 1 month to 10 years. Pursuant to the Agreement, the bonds will be able to be dematerialized in Krajowy Depozyt Papierów Wartościowych S.A. (KDPW), and then they can be marketed in the alternative trading system in the context of the markets operated by BondSpot or the Warsaw Stock Exchange S.A.

As at 30 September 2014 ENEA S.A. did not issue bonds under the Programme C.

25.2. Bond issue programmes of ENEA Wytwarzanie S.A.

As described more in detail in the separate financial statements for the year ended 31 December 2013, on 16 July 2013 ENEA S.A. concluded with ENEA Wytwarzanie S.A. and BRE Bank S.A. an Agreement on the Bond Issue Programme for PLN 746,000 thousand.

On 17 January 2014 Annex No 1 to the Agreement on the Bond Issue Programme for PLN 746,000 thousand was concluded. The above mentioned Annex increased the amount of the Bond Issue Programme by PLN 190,000 thousand i.e. up to the amount of PLN 936,000 thousand.

As at 22 January 2014 ENEA S.A. has acquired the fifth series bonds issued under the Bond Issue Programme for the total amount of PLN 190,000 thousand.

As at 30 September 2014 and till the date of these condensed interim separate financial statements, ENEA S.A. has acquired under the above mentioned Programme five series of bonds amounting to PLN 936,000 thousand.

On 8 September 2012 ENEA S.A. executed a Programme Agreement with ENEA Wytwarzanie S.A. and BRE Bank S.A. (Bank). The Agreement relates to Bond Issue Programme up to the amount of PLN 4,000,000 thousand (the "Agreement").

As at 30 September 2014 ENEA S.A. has acquired three series bonds for the total amount of PLN 660,000 thousand issued under the Programme Agreement dated 8 September 2012 by ENEA Wytwarzanie S.A.

On 12 August 2014 Programme Agreement was concluded between ENEA Wytwarzanie S.A., as Issuer, ENEA SA as guarantor and PKO Polish Bank SA as Issue Agent, Paying Agent and Depository, concerning the Bond Issue Programme to the amount of PLN 260,000 thousand.

As at 30 September 2014 ENEA S.A. covered bonds in this Programme with a total nominal value of PLN 260,000 thousand issued by ENEA Wytwarzanie S.A.

25.3. Bond issue programme of ENEA Operator Sp. z o.o.

As described more in detail in the separate financial statements for the year ended 31 December 2013, on 20 June 2013 ENEA S.A. executed a Programme Agreement with ENEA Operator Sp. z o.o and Nordea Bank Polska S.A. The Programme Agreement relates to Bond Issue Programme up to the amount of PLN 1,425,000 thousand (Agreement).

On 22 January 2014 ENEA S.A. acquired second series bonds for a total amount of PLN 170,000 thousand issued under the Agreement.

As at 30 September 2014 and till the date of these condensed interim separate financial statements, ENEA S.A. has acquired under the above mentioned Agreement three series of bonds amounting to PLN 1,050,000 thousand.

26. Signing of the Loan Agreement with European Investment Bank

As described more in detail in the separate financial statements for the year ended 31 December 2013, on 18 October 2012 ENEA S.A. executed a Bank Loan Agreement with European Investment Bank for the amount of PLN 950,000 thousand or its equivalent in Euro currency. On 19 June 2013 ENEA S.A. executed a Financial Agreement with European Investment Bank for the amount of PLN 475,000 thousand or its equivalent in Euro currency. Therefore the total amount of financing granted by the Bank over the last twelve months amounted to PLN 1,425,000 thousand.

As at 30 September 2014 and till the date of these condensed interim separate financial statements, under the agreement with European Investment Bank ENEA S.A. received funds in the amount of PLN 1,425,000 thousand ENEA S.A. made withdraw funds from the loan granted in the amount of PLN 1,050,000 thousand

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

On 5 September 2012 ENEA S.A. (ENEA), PGE Polska Grupa Energetyczna S.A. (PGE), TAURON Polska Energia S.A.(TAURON) and KGHM Polska Miedź S.A., have signed a letter of intent concerning the purchase of shares in the first special purpose vehicle, established for the construction and operation of the first nuclear power plant in Poland. In accordance with the letter the companies will undertake the development of a draft agreement for the purchase of shares of PGE EJ 1 Sp. z o.o., a special purpose vehicle, which is responsible for the direct preparation of the investment process of the construction and operation of the first nuclear power plant in Poland. The agreement is to regulate the rights and obligations of each party by the realization of the project, assuming that PGE Polska Grupa Energetyczna S.A. will act, directly or through a subsidiary, as a leader in the process of the project preparation and realization. On 28 December 2012 the Parties to the letter of intent agreed to extend its validity period till 31 March 2013.

On 25 June 2013 ENEA, KGHM, PGE and TAURON concluded an Agreement on continuation of development of a draft agreement for the purchase of PGE EJ 1 Sp. z o.o. (Agreement), which was announced in the Current Report No. 28/2013 dated 26 June 2013.

On 23 September 2013 ENEA, PGE, KGHM and Tauron, as a result of working out the draft agreement for the purchase of shares in the special purpose vehicle for the construction and operation of the nuclear power plant, initialed the Agreement of Shareholders. The Agreement of Shareholders will commit the Parties to conclude a purchase agreement of shares in PGE EJ1 ("Share Purchase Agreement"). In accordance with the Agreement, PGE will sell a block of 438,000 shares representing 30% of PGE EJ1 share capital to other Parties of the Agreement, and as a result PGE will own 70% of shares of PGE EJ1. The shares will be purchased in the following way:

- ENEA S.A. will purchase 146,000 shares which represents 10% of share capital of PGE EJ1,
- KGHM Polska Miedź S.A will purchase 146,000 shares which represents 10% of share capital of PGE EJ1,
- TAURON Polska Energia S.A. will purchase 146,000 shares which represents 10% of share capital of PGE EJ1.

The Agreement of Shareholders also determines the rules of the participation of all Parties in the preparation of the project and construction of nuclear power plant in Poland. PGE and other Parties will be obliged to conclude the Share Purchase Agreement after realization of two precedent conditions:

- obtaining the unconditional approval of the President of the Office for Competition and Consumer Protection for the concentration,
- the adoption of Polish Nuclear Power Programme by the Council of Ministers in 2013.

Despite the failure of the conditions precedent provided in the draft shareholders agreement initialed on 23 September 2013, the parties agreed to continue work on the project preparation and construction of the nuclear power plant in Poland and develop the updated records in the draft shareholders agreement including appendices.

On 28 January 2014 The Council of Ministers accepted by resolution of Polish Nuclear Power Program, as indicated in the Shareholders Agreement initialed the project as one of the two conditions suspending the conclusion of the Share Purchase Agreement, PGE EJ1 sp. Currently, the only condition suspending the conclusion of the Share Purchase Agreement, PGE EJ1 sp. is to obtain a decision on the unconditional consent of the President of the OCCP for concentration.

During the first three quarters of 2014 the Parties agreed the final draft of the shareholders agreement.

On 3 September 2014 Shareholders Agreement was concluded between ENEA S.A., the Polish Energy Group S.A. ("PGE"), TAURON Polska Energia S.A. and KGHM Polska Miedź S.A. under which ENEA S.A., TAURON Polska Energia S.A. and KGHM Polska Miedź S.A. as Business Partners will acquire together from PGE, under a separate agreement. 30% of shares (each Business Partner will acquire 10% of shares) in the special purpose vehicle - PGE EJ 1 Sp. z o.o., which is responsible for the preparation and implementation of investment involving the construction and operation of the first Polish nuclear power plant with a capacity of approx. 3.000 MWe (the "Project"). According to the assumptions, the PGE Group will act as the project leader, and PGE EJ 1 Sp. z o.o. will act as plant operator. The condition of the acquisition of shares in PGE EJ 1 Sp. z o.o. by Business Partners is to obtain the consent for the concentration from the President of the Office for Competition and Consumer

Protection. The application on this matter has been submitted by the parties to the Shareholders Agreement on 1 August 2014.

In accordance with the Shareholder Agreement, the parties jointly oblige, in proportion to their shareholding, to finance the activities attributable to the years 2014-2016 as part of the initial phase of the Project ("Initial Phase"). The Initial Phase aims to identify elements such as potential partners, including strategic partner, technology providers, contractors EPC (Engineering. Procurement. Construction) supplier of nuclear fuel and obtaining financing for the Project, as well as organizational and competence preparation of PGE EJ 1 Sp. z o.o. to the future role of nuclear power plant operator, responsible for its safe and efficient exploitation ("Integrated Disposal"). In accordance with the Shareholder Agreement, the financial commitment of ENEA S.A. during the Initial Phase will not exceed the amount of approximately PLN 107 million in a form of contributions to the share capital of PGE EJ 1 Sp. z o.o.

The Shareholders Agreement parties predict that subsequent decisions regarding the Project, including the decision on the declaration of further participation of the Parties (including ENEA S.A.) in the next phase of the project will be taken after the completion of the Initial Phase immediately prior to the decision of the Integrated Proceeding. The Company informed about signing of the Shareholders Agreement in the current report No. 30/2014 dated 3 September 2014.

28. Changes in the composition of the Supervisory Board of ENEA S.A.

On 22 January 2014 Mr Torbjörn Wahlborg resigned from the position of the Member of Supervisory Board. The resignation was submitted together with the notice of sale of the Company's shares by Vattenfall AB.

29. Share-based payments reserve

The Employees Shares Programme implemented based on the Act of 30 August 1996 *The Commercialization and Privatization Act*, resulting in granting 15% of ENEA S.A. shares to entitled employees was executed and completed in prior years. Pursuant to the completion of the Programme, the share-based payments reserve amounted to PLN 1,144 thousand as at 31 December 2013 has been finally settled and reclassified to retained earnings as at 30 June 2014.

30. Subsequent events

On 9 October 2014 under the Programme Agreement the Bond Issue Programme (the "Programme A") ENEA S.A. issued bonds in the amount of PLN 200,000 thousand.

On 9 October 2014 under the Agreement concerning the Bond Issue Programme ENEA Wytwarzanie S.A. issued the fourth series of bonds in the total amount of PLN 200,000 thousand, which is entirely acquired by ENEA S.A. Under the programme ENEA Wytwarzanie S.A. issued bonds in the total amount of PLN 860,000 thousand.

ENEA S.A.

Condensed interim separate financial statements for the period from 1 January to 30 September 2014.

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

On 8 October 2014 the Company obtained information about the decision of the President of the Office for Competition and Consumer Protection ("OCCP President") on the application for a concentration. Having conducted antitrust proceedings initiated upon request of ENEA S.A., PGE Polish Energy Group, KGHM Polska Miedź S.A., and TAURON Polska Energia S.A. ("Applicant". "Parties"). President of the OCCP issued an unconditional consent for the concentration, involving the establishment of a joint venture by the Applicants under the company PGE EJ 1 Sp. z o.o. Obtaining consent for concentration is a condition for the conclusion by the Parties the shares, purchase agreement in PGE EJ 1 Sp. z o.o. specified in the Shareholders Agreement.

On 20 September 2013 ENEA S.A. withdrew from the contract with Infovide-Matrix S.A. seated in Warsaw for the construction and implementation of the Customer Service Information System (ISOK) for a total amount of PLN 59,781 thousand. Between companies ENEA S.A. and Infovide-Matrix S.A. there was a dispute about the proper implementation of the Agreement by the Parties and the effectiveness of the withdrawal from the Contract.

On 8 October 2014 an agreement was reached between ENEA S.A. and Infovide-Martix S.A. on resolution of the conflict on the implementation of the ISOK system.

The signed agreement provides for the withdrawal of lawsuits submitted by both companies.

In accordance with the Agreement. ENEA S.A. will return amount of PLN 3,078 thousand, which is part of the amount received from Infovide-Matrix as a guarantee while Infovide-Matrix S.A. will pay PLN 2,700 thousand to ENEA S.A., partially by realization of a guarantee in the amount of PLN 1,500 thousand. Infovide-Matrix S.A. the remaining amount of PLN 1,200 thousand, will pay to ENEA S.A. until 30 September 2016.