

2013

Report of the Management Board

on the operations of the ENEA
Capital Group in the first half
of 2013

Date of approval: 13 August 2013

Poznań, 27 August 2013



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1. Introduction

Financial results of the ENEA Capital Group (Group, Capital Group, ENEA Group) in H1 2013 reflect the current situation on the energy market. Despite a difficult macroeconomic environment in H1 2013 EBITDA amounted to PLN 934 mln, i.e. by 8.2% more than in H1 2012. The generated financial results were positively affected by the segment of trade (growth by 79.0% yoy) and distribution (growth by 14.5% yoy). In H1 2013 the Group generated a high level of cash flows from operating activities, which enabled the realisation of investment intentions in order to further develop the ENEA Group.

Net electricity production increased in H1 2013 by 9.5% and amounted to 6.0 TWh, of which the energy produced and sold from conventional sources is 5.5 TWh.

The results of the ENEA Group in H1 2013 in comparison with the same period of the previous year were affected by:

- Decrease in energy market prices,
- Decrease in market prices of certificates of origin,
- Higher sales of distribution services,
- Lower costs of purchase of transmission services,
- Lower allocation of allowances for emissions of CO₂.

The Group in H1 2013 continued the construction of the supercritical bituminous coal fired unit No. 11 with the electrical capacity of 1,075 MW. Realisation of this key investment, taking into account Poland's energy security, is progressing on schedule.

Stable results of last quarters were reflected in the rating of the Company. The long-term ratings on the level of "BBB" (on an international scale) and "A" (on a national scale) with a stable outlook issued by Fitch in April 2011 was maintained on 4 April 2013.

1.1. Principles of preparation of the Management Board's Report

This Management Board's Report on the operations of the ENEA Capital Group in H1 2013 was prepared in accordance with the Regulation of the Minister of Finance of 19 February 2009 regarding current and periodic information published by issuers of securities and conditions of considering as equivalent information required by laws of a state not being a member state (Dz.U. of 2009, No. 33, item 259, as amended), and in the part relating to the financial statement in accordance with the International Financial Reporting Standards (IFRSs), in particular compliant with the International Accounting Standard No. 34 and IFRSs as approved by the EU.

At the same time, pursuant to § 83 item 3 of the above mentioned Regulation, ENEA S.A. (Company, Parent Company) does not publish any separate semi-annual non-consolidated report which is published within the extended consolidated semi-annual report.

This Report was approved by the Management Board of ENEA S.A. on 13 August 2013 and contains data as at the end of the reporting period, i.e. 30 June 2013, including comparative data for the same reporting period of the previous year. Within the scope mentioned in § 87 item 7(5) and (6) of the Regulation of the Minister of Finance of 19 February 2009 regarding current and periodic information [...] the document also presents current information as at the publication date of the extended consolidated report of ENEA S.A. for H1 2013, i.e. 27 August 2013.

Financial data, if not stated otherwise, were presented in thousands of PLN.

1.2. Basic information on the ENEA Capital Group

ENEA S.A. derives from power companies established in the middle of the 20th century, which after restructuring processes in 1993 were commercialised and transformed into companies wholly owned by the State Treasury: Energetyka Poznańska S.A., Energetyka Szczecińska S.A., Zakład Energetyczny Gorzów S.A., Zielonogórskie Zakłady Energetyczne S.A. and Zakład Energetyczny Bydgoszcz S.A.

ENEA S.A. was established on 2 January 2003 as the result of the merger of five companies:

- Energetyka Poznańska S.A.,
- Energetyka Szczecińska S.A.,
- Zakład Energetyczny Gorzów S.A.,
- Zielonogórskie Zakłady Energetyczne S.A. and
- Zakład Energetyczny Bydgoszcz S.A.

The merger of the companies was made under the procedure of Article 492 item 1(1) of the CCC, i.e. by transferring all the assets of the four companies: Energetyka Szczecińska S.A., Zakład Energetyczny Gorzów S.A., Zielonogórskie Zakłady Energetyczne S.A. and Zakład Energetyczny Bydgoszcz S.A. into Energetyka Poznańska S.A. in consideration for the shares of Energetyka Poznańska S.A.

The subject of operations of the ENEA Capital Group is trade in electricity, its generation and distribution. The Capital Group sells almost 16% of electricity used in Poland, and its distribution network covers 20% of the territory of Poland. Companies consolidated under the Group supply energy to citizens of the western and North-western Poland, and almost 8% of energy generated in Poland comes from power plants owned by the ENEA Capital Group.

1.3. Selected financial data

1.3.1. Selected consolidated financial data of the ENEA Capital Group

Data in PLN '000	H12012 (restated data*)	H1 2013	Change
Net sales revenues	5 021 798	4 595 625	-8.5%
Profit / (loss) from operations	487 752	548 318	12.4%
Profit / (loss) before tax	525 026	570 021	8.6%
Net profit / (loss) for the reporting period	421 985	452 092	7.1%
EBITDA	863 679	934 238	8.2%
Net cash flows from operating activities	631 072	880 225	39.5%
Net cash flows from investing activities	-434 722	-771 707	-77.5%
Net cash flows from financing activities	-8 497	-12 247	-44.1%
Total net cash flows	187 853	96 271	-48.8%
Weighted average number of shares [pcs.]	441 442 578	441 442 578	0.0%
Net profit per share [PLN]	0.96	1.02	6.3%
Diluted profit per share [PLN]	0.96	1.02	6.3%
Data in PLN '000	Q2 2012 (restated data*)	Q2 2013	Change
Net sales revenues	2 376 018	2 215 291	-6.8%
Profit / (loss) from operations	259 546	178 528	-31.2%
Profit / (loss) before tax	262 055	184 522	-29.6%

Net profit / (loss) for the reporting period	218 685	143 453	-34.4%
EBITDA	443 371	369 781	-16.6%
Weighted average number of shares [pcs.]	441 442 578	441 442 578	0.0%
Net profit per share [PLN]	0.50	0.33	-34.0%
Diluted profit per share [PLN]	0.50	0.33	-34.0%

* pursuant to the accounting policy applied in the financial statement of the ENEA Group.

1.3.2. Results from particular segments of activity

Results on particular segments of activity in H1 2013 as compared to H1 2012 and in Q2 2013 as compared to Q2 2012

Segments in PLN '000	H1 2012 (restated data)	H1 2013	Change	Q2 2012 (restated data)	Q2 2013	Change
Trade						
Sales revenues	2 186 307	1 823 911	-16.6%	1 000 653	868 296	-13.2%
EBIT	118 876	212 940	79.1%	76 679	75 866	-1.1%
EBITDA	119 050	213 148	79.0%	76 769	75 975	-1.0%
Investment outlays for tangible and intangible fixed assets	6	1 178	19 533.3%	0	295	100.0%
Distribution						
Sales revenues	1 407 172	1 424 043	1.2%	685 051	687 551	0.4%
EBIT	260 687	326 163	25.1%	115 035	139 003	20.8%
EBITDA	447 421	512 348	14.5%	207 156	232 347	12.2%
Investment outlays for tangible and intangible fixed assets	305 528	284 152	-7.0%	203 368	162 277	-20.2%
Generation						
Sales revenues	1 580 431	1 540 606	-2.5%	761 604	743 215	-2.4%
EBIT	161 522	57 623	-64.3%	84 331	-11 205	-113.3%
EBITDA	337 783	243 979	-27.8%	170 811	80 530	-52.9%
Investment outlays for tangible and intangible fixed assets	156 644	511 520	226.5%	88 247	283 111	220.8%
Other activity						
Sales revenues	331 210	317 638	-4.1%	182 722	175 136	-4.2%
EBIT	23 855	27 347	14.6%	14 903	18 220	22.3%
EBITDA	36 202	39 436	8.9%	21 198	23 886	12.7%
Investment outlays for tangible and intangible fixed assets	13 199	19 285	46.1%	6 977	9 460	35.6%
Undistributed items and exclusions						
Sales revenues	-483 322	-510 573	-5.6%	-254 012	-258 907	-1.9%
EBIT	-77 188	-75 755	1.9%	-31 402	-43 356	-38.1%
EBITDA	-76 777	-74 673	2.7%	-32 563	-42 957	-31.9%
Investment outlays for tangible and intangible fixed assets	-13 607	-21 188	-55.7%	20 597	-10 995	-153.4%

TOTAL						
Sales revenues	5 021 798	4 595 625	-8.5%	2 376 018	2 215 291	-6.8%
EBIT	487 752	548 318	12.4%	259 546	178 528	-31.2%
EBITDA	863 679	934 238	8.2%	443 371	369 781	-16.6%
Investment outlays for tangible and intangible fixed assets	461 770	794 947	72.2%	319 189	444 148	39.1%

Segment of Trade

Increase of EBITDA in H1 2013 as compared to H1 2012 by PLN 94,098 thou. i.e. by 79.0% results from higher first contribution margin on the trading operations by PLN 92,598 thou. In 2013 a higher unit margin was generated on the unit of energy sold to end users by 17.98 PLN/MWh, which stems mainly from a drop in the average purchase price by 8.4% with maintaining the average selling price on a similar level.

Segment of distribution

Higher EBITDA in H1 2013 as compared to H1 2012 by PLN 64,927 thou., and in Q2 2013 in comparison with Q2 2012 by PLN 25,191 thou. stems mainly from lower costs of transmission services (lower transitory charge) and purchases of electricity for coverage of the book-tax difference. Additionally, there were higher revenues from sales of the distribution service (higher average price in H1 2013 by 2.9% and in Q2 2013 by 1.9%) with lower revenues from connection fees.

Segment of Generation

Lower EBITDA in H1 2013 in comparison with H1 2012 by PLN 93,804 thou., and in Q2 2013 as compared to Q2 2012 by PLN 90,281 thou., which mainly stems from lower EBITDA in ENEA Wytwarzanie in H1 2013 by PLN 125,387 thou., and in Q2 2013 by PLN 114,425 thou., which mainly results from:

- Lower market prices of electricity by ca. 10% - despite higher volumes of sales and production of energy lower prices resulted in generation of a lower global margin on energy generation,
- Lower margin on generation, which was partially reduced with a growth of the margin on energy sold in trade and on the Balancing Market,
- Lower market prices of certificates of origin by ca. 50% and lower recognition of certificates of origin,
- Higher costs of CO₂ emissions as a result of a lower volume of free allowances applied to the redemption reserve, lower value of sold allowances for emissions of CO₂.

Additionally, there was a growth in EBITDA in:

- Białystok Heat and Power Plant, which stems from the recognition in 2012 in costs of materials of costs of CO₂ emissions relating to the amortisation and depreciation write-off relating to right to CO₂ emissions which in 2013 do not occur,
- Windfarm Polska - the Company was consolidated under the operations of the ENEA Capital Group in April 2012.

Segment of Other activity

Higher EBITDA in H1 2013 as compared to H1 2012 by PLN 3,234 thou., and in Q2 2013 in comparison with Q2 2012 by PLN 2,688 thou. stems mainly from higher result on non-licensed activity connected with distribution.

1.4. Key operating data

Item	H1 2012	H1 2013	Change	Q2 2012	Q2 2013	Change
Total generation of electricity (net) [GWh], including e.g.	5 461.5	5 977.7	9.5%	2 719.5	2 938.5	8.1%
Net production from conventional sources [GWh]	5 005.1	5 537.1	10.6%	2 474.2	2 734.7	10.5%
Production from renewable energy sources [GWh], including:	456.4	440.6	-3.5%	245.3	203.8	16.9%
Co-combustion of biomass	252.2	180.3	-28.5%	134.1	90.1	-32.8%
Combustion of biomass	72.2	105.6	46.3%	29.9	43.9	46.8%
Hydroelectric power plants	80.3	86.1	7.2%	34.8	39.2	12.6%
Wind farms	51.1	63.6	24.5%	46.1	27.9	-39.5%
Biogas plants	0.6	5.0	733.3%	0.4	2.7	575.0%
Gross generation of heat [GJ]	2 790.681	2 893.088	3.7%	722 355	797 804	10.4%
Distribution [GWh]	8 687	8 675	-0.1%	4 141	4 178	0.9%
Sales of electricity to end users [GWh]	7 725	6 621	-14.3%	3 618	3 205	-11.4%

1.5. Key events in H1 2013

In H1 2013 key events occurred both within the ENEA Capital Group, and the Parent Company, i.e. ENEA S.A., including key corporate events, such as e.g. election of a new Management Board of ENEA S.A., changes within the Supervisory Board of ENEA S.A., or the Ordinary General Meeting of Shareholders of ENEA S.A. which decided to distribute a dividend. Additionally, during the said reporting period ENEA S.A. obtained financial funding from the European Investment Bank in the form of a 15-year loan agreement totalling to PLN 475,000,000.

The table below presents key events which chronologically occurred in H1 2013, both in respect of ENEA S.A. and the ENEA Capital Group.

Month	Event
January	<ul style="list-style-type: none"> Exceeding by a total value of intra-group transactions between ENEA S.A. and ENEA Trading Sp. z o.o. of a threshold of 10% of ENEA S.A.'s equity Resignation of Mr. Krzysztof Zborowski from the function of the Member of the Board for Generation in ENEA S.A. Execution of an Annex to the agreement on electricity distribution services between the Issuer and Enea Operator Sp. z o.o. based on which payments were determined which were planned by title of distribution services during a period of 1 January 2013 to 31 December 2013 totalling to PLN 1,398,990,500 net
February	<ul style="list-style-type: none"> Execution of an Annex to the frame agreement regarding joint exploration and extraction of shale carbohydrates between ENEA S.A., Polskie Górnictwo Naftowe i Gazownictwo S.A., KGHM Polska Miedź S.A., PGE Polska Grupa Energetyczna S.A. and TAURON Polska Energia S.A. The Annex extends the deadline for the determination of detailed conditions of the cooperation till 4 May 2013 Opening of the liquidation proceedings of a subsidiary ENTUR Sp. z o.o.
March	<ul style="list-style-type: none"> Recommendation of the Company's Management Board regarding distribution of a dividend for shareholders in the amount of PLN 156,804,000 Dismissal by the Supervisory Board of ENEA S.A. of all the hitherto Members of the Board and appointment of Mr. Krzysztof Zamasz, Mr. Grzegorz Kinelski and Mr. Paweł Orlof into the composition of the Management Board of ENEA S.A. Publication of the periodic report for 2012 Resignation of Mr. Graham Wood from the function of a Member of the Supervisory Board of ENEA S.A.
April	<ul style="list-style-type: none"> Keeping by Fitch Ratings of the ratings for ENEA S.A. - long-term ratings in national and foreign

	<p>currency at the level of "BBB" and a long-term national rating at the level of "A(pol)". The outlook of the ratings is stable.</p> <ul style="list-style-type: none"> • Nomination into the composition of the Management Board of ENEA S.A. of Mrs. Dalida Gepfert • Holding of the Ordinary General Meeting of Shareholders of ENEA S.A. • Nomination into the composition of the Supervisory Board of ENEA S.A. of Mrs. Małgorzata Niezgodą and Mr. Torbjörn Wahlborg
May	<ul style="list-style-type: none"> • Periodic report for Q1 2013
June	<ul style="list-style-type: none"> • Approval by the President of ERO of the tariff for electricity for the G tariff group set for ENEA S.A. for the period from 1 July to 31 December 2013, taking into account the reduction in energy selling prices for the G tariff group set by 4.29% on average • Conclusion of a 15-year loan agreement with the European Investment Bank totalling to PLN 475,000,000. • Conclusion of a frame agreement and agreement on guaranteeing subscription for the bonds issued by ENEA Operator Sp. z o.o. between ENEA S.A., ENEA Operator Sp. z o.o. and Nordea Bank Polska S.A. • Resignation of Mr. Michał Jarczyński from the function of a Member of the Supervisory Board of ENEA S.A. • Agreement regarding continuation of works connected with the development of a draft purchase agreement of shares in a special purpose vehicle for construction and operation of an atomic power plant between ENEA S.A., KGHM Polska Miedź S.A., PGE Polska Grupa Energetyczna S.A. and TAURON Polska Energia S.A.

2. Organisation of the ENEA Capital Group

As at 30 June 2013 the Capital Group consisted of the parent company ENEA S.A. ("Company", "Parent Company") 15 direct subsidiaries, 7 indirect subsidiaries and 1 affiliate. Direct and indirect subsidiaries were fully consolidated and the affiliate was consolidated with the equity method. Within the ENEA Capital Group (the "Group"), there are three leading companies, i.e. ENEA S.A. (trade in electricity), ENEA Operator Sp. z o.o. (distribution of electricity) and ENEA Wytwarzanie S.A. (generation of electricity). The other entities render supplementary services towards the aforementioned companies.

General information regarding ENEA S.A.:

General information regarding ENEA S.A.	
Name (business name):	ENEA Spółka Akcyjna
Legal form:	Spółka Akcyjna (Joint-stock company)
Country of registration:	Republic of Poland
Registered office:	Poznań
Address:	ul. Górecka 1, 60-201 Poznań
National Court Register - District Court in Poznań - Nowe Miasto and Wilda in Poznań	KRS 0000012483
Telephone number:	(+48 61) 884 53 00
Fax:	(+48 61) 884 59 55
E-mail:	enea@enea.pl
Website:	www.enea.pl
Statistical classification number (REGON):	630139960
Tax identification number (NIP):	777-00-20-640

As at 30 June 2013 the companies of the ENEA Capital Group operated within the areas indicated below:

Parent company	Scope of operations
ENEA S.A. with its registered office in Poznań	Trade in electricity
Subsidiaries of ENEA S.A.	Scope of operations
1. ENEA Wytwarzanie S.A. with its registered office in Świerże Górne	Generation of electricity and heat co-generated with electricity.
2. ENEA Operator Sp. z o.o. with its registered office in Poznań	Distribution of electricity conducted from 1 July 2007 based on a licence issued by the President of the Energy Regulatory Office on 28 June 2007 for the period from 1 July 2007 to 1 July 2017. Simultaneously, on 30 June 2007 the President of ERO designated ENEA Operator Sp. z o.o. as the operator of a power distribution system for the life of the licence.
3. Energomiar Sp. z o.o. with its registered office in Poznań	Production of astronomical clocks, conservation, assembly, legalisation and calibration of electricity meters, readings of electricity consumption and services of radio management of power.
4. BHU S.A. with its registered office in Poznań	Trade in power equipment, accessories and materials.

5. Hotel EDISON Sp. z o.o. with its registered office in Baranów	Hotel, gastronomic, training, holiday, recreation and sport activity.
6. Energetyka Poznańska Zakład Transportu Sp. z o.o. with its registered office in Poznań	Motor transport and workshop activity.
7. Energetyka Poznańska Przedsiębiorstwo Usług Energetycznych ENERGOBUD Leszno Sp. z o.o. with its registered office in Gronówko	Designing, construction, modernisation and operation of power networks and related equipment.
8. Energo-Tour Sp. z o.o. with its registered office in Poznań	Hotel and gastronomic activities, organisation of holidays, camps, summer camps, tourism services and activity connected with health care.
9. Niepubliczny Zakład Opieki Zdrowotnej Centrum Uzdrowiskowe ENERGETYK Sp. z o.o. (presently Centrum Uzdrowiskowe ENERGETYK Sp. z o.o.)* with its registered office in Inowrocław	Spa activity within health care and rehabilitation.
10. ENEOS Sp. z o.o. with its registered office in Poznań	Operation and maintenance of street lighting.
11. ENTUR Sp. z o.o. in liquidation ** with its registered office in Szczecin	Holiday, tourism, recreation, training, gastronomic activity and providing health care services.
12. ITSERWIS Sp. z o.o. with its registered office in Zielona Góra	Operations in landline and wireless telecommunications and IT and computer services, as well as wholesale and retail sales of electronic and telecommunication equipment, computers and software.
13. ENEA Centrum S.A. with its registered office in Poznań	Customer service on behalf of ENEA S.A.
14. Annacond Enterprises Sp. z o.o. with its registered office in Warsaw	The company is presently preparing to commence the operating activity within electricity distribution.
15. ENEA Trading Sp. z o.o. with its registered office in Świerże Górne	Management of the portfolio and trading in electricity for the Area of Generation and Area of Sales

* Change of the company name on 16 July 2013 to Centrum Uzdrowiskowe ENERGETYK Sp. z o.o.

** Entity in liquidation. On opening of the liquidation proceedings of a subsidiary, ENTUR Sp. z o.o. the Company informed in the current report No. 7/2013 dated 27 February 2013.

Subsidiaries of ENEA Wytwarzanie S.A.	Scope of operations
1. Elektrociepłownia Białystok S.A. with its registered office in Białystok	Production of heat energy and electricity.
2. Elektrownie Wodne Sp. z o.o. with its registered office in Samociążek	Generation of electrical energy, services with respect to the operation of hydroelectric plants, development of operations involving power generation from renewable energy sources by implementing wind farm and biogas power plant projects.
3. Miejska energetyka Ciepła Piła Sp. z o.o. with its registered office in Piła	Generation, transmission and distribution of heat energy and generation of electricity and heat energy in cogeneration using heat and power units.
4. Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. with its registered office in Oborniki	Generation, transmission and distribution of heat energy.
5. Windfarm Polska Sp. z o.o. with its registered office in Koszalin	Generation of electricity.

6. Dobitt Energia Sp. z o.o. with its registered office in Gorzesław	The owner of the construction design of a biogas power plant (agricultural) with the capacity of 1.6 MW.
An affiliate of ENEA Wytwarzanie S.A.	Scope of operations
1. Energo-Inwest-Broker S.A. with its registered office in Toruń	Operations within comprehensive brokerage services.
An affiliate of Elektrociepłownia Białystok S.A.	Scope of operations
1. Ecebe Sp. z o.o. with its registered office in Augustów	Hotel and restaurant services, services connected with tourism, culture, recreation and sports.

Direct subsidiaries

As at 30 June 2013 ENEA S.A. held shares in 15 direct subsidiaries of the total nominal value of PLN 6,961,633.4 thou., which as at 30 June 2013 constituted 99.88% of the total nominal value of share capitals of these companies, amounting to PLN 6,969,668.9 thou.

Holdings of ENEA S.A. in the share capital of subsidiaries:

No.	Company name and address	Share capital - nominal value [PLN '000]	Shareholding of ENE A S.A. [PLN '000]	Percentage share of ENE A S.A. in the capital and voting rights
1.	BHU S.A. ul. Strzeszyńska 58, 60-479 Poznań	16 540.70	15 320.70	92.62
2.	Hotel EDISON Sp. z o.o. Baranowo near Poznań, 62-081 Przeźmierowo	21 271.50	21 271.50	100.00
3.	Energetyka Poznańska Zakład Transportu Sp. z o.o. ul. Strzeszyńska 58, 60-479 Poznań	4 975.50	4 975.50	100.00
4.	Energomi ar Sp. z o.o. ul. Strzeszyńska 58, 60-479 Poznań	2 749.00	2 749.00	100.00
5.	Energetyka Poznańska Przedsiębiorstwo Usług Energetycznych ENERGOBUD Leszno Sp. z o.o. Gronówko 30, 64-111 Lipno near Leszno	11 050.00	11 050.00	100.00
6.	Energo-Tour Sp. z o.o. ul. Marcinkowskiego 27, 61-745 Poznań	9 543.00	9 535.00	99.92
7.	ENE A Operator Sp. z o.o. ul. Strzeszyńska 58, 60-479 Poznań	4 678 050.00*	4 678 050.00	100.00
8.	ENE A Wytwarzanie S.A. Świerże Górne, gmina Kozienice, 26-900 Kozienice 1	2 046 049.50	2 046 049.50	100.00
9.	ITSERWIS Sp. z o. o. ul. Zacisze 28, 65-775 Zielona Góra	6 364.00	6 364.00	100.00
10.	ENEOS Sp. z o.o. ul. Strzeszyńska 58, 60-479 Poznań	32 089.50	32 089.50	100.00
11.	ENTUR Sp. z o .o. in liquidation** ul. Malczewskiego 5/7, 71-616 Szczecin	4 134.50	4 134.50	100.00

12.	Niepubliczny Zakład Opieki Zdrowotnej Centrum Uzdrowiskowe ENERGETYK Sp. z o.o. (presently Centrum Uzdrowiskowe ENERGETYK Sp. z o.o.)*** ul. Wilkońskiego 2, 88-100 Inowrocław	17 448.00	17 438.00	99.94
13.	ENEA Centrum S.A. ul. Górecka 1, 60-201 Poznań	1 973.70	1 973.70	100.00
14.	Annacond Enterprises Sp. z o.o. ul. Jana III Sobieskiego 1 / 4 02-957 Warszawa	17 430.00	10 632.50	61.00
15.	ENEA Trading Sp. z o.o. Świerże Górne, gmina Kozienice, 26-900 Kozienice 1	100 000.00	100 000.00	100.00
	TOTAL	6 969 668.9	6 961 633.4	99.88

* Share capital in accordance with the Statute and the National Court Register. In the financial statements drawn up in accordance with the EU IFRSs, the share capital is stated after adjustments for in-kind contributions.

** Entity in liquidation. On opening of the liquidation proceedings of a subsidiary, ENTUR Sp. z o.o. the Company informed in the current report No. 7/2013 dated 27 February 2013.

*** Change of the company name on 16 July 2013 to Centrum Uzdrowiskowe ENERGETYK Sp. z o.o.

Indirect subsidiaries and affiliates

No.	Company name and address	% share of ENEA Wytwarzanie S.A. in the capital and voting rights
1.	Elektrociepłownia Białystok S.A. ul. Gen. Andersa 3, 15-124 Białystok	99.996
2.	Elektrownie Wodne Sp. z o.o. Samociążek 92, 86-010 Koronowo	100.00
3.	Miejska Energetyka Ciepła Piła Sp. z o.o. ul. Kaczorska 20, 64-920 Piła	65.03
4.	Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. ul. Wybudowanie 56, 64-600 Oborniki	96.85
5.	Windfarm Polska Sp. z o.o. ul. Wojska Polskiego 24-26, 75-712 Koszalin	100.00
6.	Dobitt Energia Sp. z o.o. Gorzestaw 8, 56-420 Bierutów	100.00
7.	Energoinwest-Broker S.A. ul. Jęczmienna 21, Toruń	38.46*
8.	Lubelski Węgiel "BOGDANKA" S.A. with its registered office in Puchaczów	1.43 **
9.	Zakłady Pomiarowo – Badawcze Energetyki "Energopomiar" Sp. z o. o. with its registered office in Gliwice	7.36 **

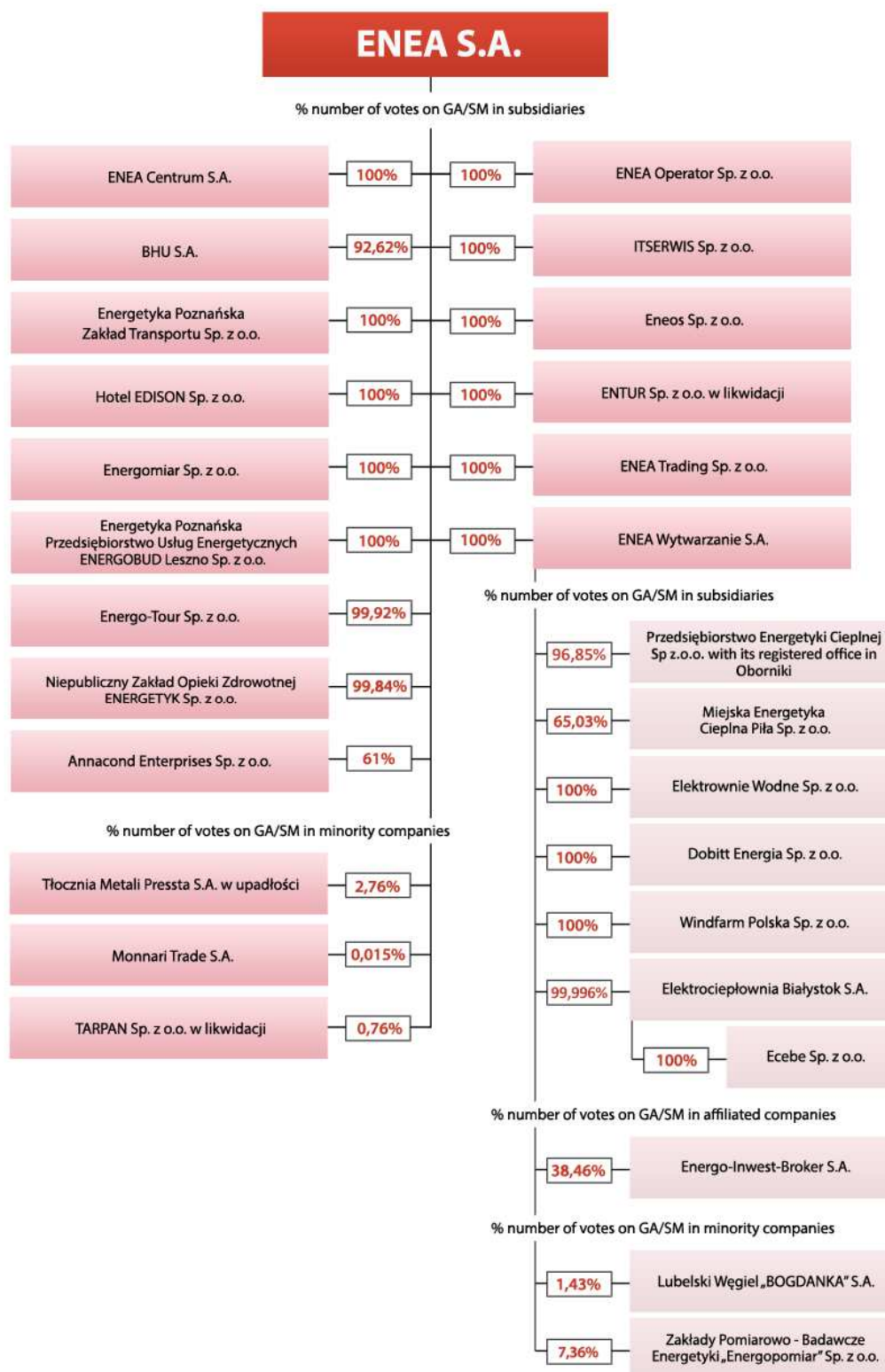
No.	Company name and address	% share of Elektrociepłownia Białystok S.A. in the capital and voting rights
1.	Ecebe Sp. z o.o. ul. Wojciecha 8, Augustów	100***

* An affiliate of ENEA Wytwarzanie S.A.

** Company with a minority interest of ENEA Wytwarzanie S.A.

*** An indirect subsidiary of ENEA Wytwarzanie S.A. through the shares in Elektrociepłownia Białystok S.A.

The organisational diagram showing the structure of the ENEA Capital Group as at 30 June 2013



2.1. Description of changes made within the organisation of the Group

On 27 February 2013 the Extraordinary General Meeting of Shareholders of the Issuer's subsidiary, ENTUR Sp. z o.o. with its registered office in Szczecin, adopted a resolution concerning the dissolution of the company after the liquidation proceedings and appointed Ms. Luiza Jelewska as the liquidator. The resolutions mentioned above entered into force on 1 March 2013.

The liquidation of ENTUR Sp. z o.o. is the result of the restructuring realised by ENEA S.A. of the ENEA Capital Group directed e.g. at the development of the core business which does not match with the leisure and holiday, tourism, recreation, training and gastronomic activity and health care services performed by ENTUR.

On the above decision the Company informed in the current report No. 7/2013 dated 27 February 2013.

On 27 June 2013 the Extraordinary General Meeting of Shareholders of ENEA Centrum S.A. adopted a resolution on restructuring of ENEA Centrum S.A. into ENEA Centrum Sp. z o.o. The share capital of the transformed company will amount to PLN 1,973,700 and will be divided into 19,737 shares of the nominal value of PLN 100 each. ENEA S.A. will receive one share in the share capital of the transformed company (ENEA Centrum Sp. z o.o.) in consideration for one share in the share capital of the company under transformation (ENEA Centrum S.A.).

Grounds for the transformation of the legal status of ENEA Centrum is e.g. a character of legal relations connecting ENEA S.A. and ENEA Centrum S.A. and the scope of activity performed by ENEA Centrum connected with the customer service on behalf of ENEA S.A., which results in the necessity of creating greater possibilities of supervision and control over the subsidiary.

Presently, the transformation of a legal form of ENEA Centrum is pending registration in KRS (National Court Register).

On 16 July 2013 an entry was made into the National Court Register regarding amendment of the Articles of Association of Niepubliczny Zakład Opieki Zdrowotnej Centrum Uzdrowiskowe ENERGETYK Sp. z o.o. On that day the name of the company was changed into Centrum Uzdrowiskowe ENERGETYK Sp. z o.o.

Apart from the changes indicated above during H1 2013 there were no other changes in the structure of the ENEA Capital Group, however it is worth mentioning two events which occurred during the period from the end of the reporting period to the date of approval of this Report which mentioned below.

On 9 August 2013 ENEA S.A. and ENERGA S.A. signed a contract of sale of shares of BHU S.A. based on which ENEA S.A. purchased 12,200 (say: twelve thousand two hundred) shares. After the transfer of the above shares ENEA S.A. will hold 100% share in the share capital of BHU S.A. The purchase of the aforementioned shares is to order the structure of ENEA CG.

On 13 August 2013 ENEA S.A. concluded an agreement for sale of shares of Hotel EDISON Sp. z o.o. with INVESTA Sp. z o.o. with its registered office in Koszalin. The purchase of 100% share in the share capital of Hotel EDISON Sp. z o.o. by the aforementioned investor will take place under the condition of obtaining by INVESTA Sp. z o.o. of a bank guarantee regarding granting of a bank loan enabling the aforementioned investor to purchase shares and issuing by the Municipality Office of Tarnowo Podgórne of development conditions of the land on which Hotel EDISON is situated. The deadline for the realisation of the above conditions was determined by the parties for 31 December 2013.

The sale of Hotel EDISON Sp. z o.o. is a result of the restructuring of the ENEA Capital Group realised by the Issuer directed e.g. on the development of core operations which does not match with the hotel operations performed by Hotel EDISON Sp. z o.o.

Within the area of improving the efficiency of functioning of the Group strategic goals will be realised which are directed at the growth of revenues, cost reduction and operating integrity, which are to be gained e.g. through the implementation of a new business model of the ENEA Capital Group which finally assumes the functioning of the following business models: corporate centre, centre of generation based on fossil fuels and renewable sources, wholesale, sales, distribution centre and the shared services centre.

2.2. Description of capital investments within the Group

During H1 2013 no capital investments were made of a share nature within the ENEA Capital Group.

2.3. Description of planned changes within the Group

On another stage of the Integration of the Generation Area there will be an incorporation to ENEA Wytwarzanie S.A. of Elektrociepłownia Białystok S.A., Elektrownie Wodne Sp. z o.o. and Dobitt Energia Sp. z o.o. As of the merger date ENEA Wytwarzanie S.A. will assume all the rights and obligations of Elektrociepłownia Białystok S.A., Elektrownie Wodne Sp. z o.o. and Dobitt Energia Sp. z o.o. Presently, legal acts are being prepared which are indispensable for the incorporation of the companies mentioned above and realisation of activities within particular operating projects anticipated in the Integration Plan.

3. Description of particular segments of operations of the ENEA Capital Group

The ENEA Capital Group is involved in generating, distributing and trading in electricity. The Group's companies conduct these operations based on licences granted by the President of the Energy Regulatory Office (ERO) - the body established to regulate the management of fuels and energy and to promote the competition in the energy sector. Below a short description of the segments of operations is presented, and the financial results for each segment are presented in item 1.3.2 above.

Conventional generation

The largest producer of electricity in the holding of ENEA Wytwarzanie is ENEA Wytwarzanie S.A. (further on: ENEA Wytwarzanie), which joined the ENEA Capital Group in October 2007. It is Poland's largest professional hard coal-fired power plant. It comprises 10 high-performance, updated power blocks with a total generating capacity of 2,905 MW.

Renewable energy sources

Within the holding structure managed by ENEA Wytwarzanie the electricity from renewable sources is generated by ENEA Wytwarzanie with co-combustion of biomass with conventional fuel (bituminous coal), Elektrociepłownia Białystok S.A. by the production of electricity in cogeneration with the use of biomass, Elektrownie Wodne Sp. z o.o. (21 hydro-electric power plants, Darżyno Wind Farm), Dobitt Energia Sp. z o.o. (Liszkowo Biogas Plant of the capacity of 2126 MWe), Biogas Plant in Gorzesław of the capacity of 1.6 MWe and Windfarm Polska Sp. z o.o. (Bardy Wind Farm).

Distribution

Within our Group, the distribution of electricity is the responsibility of ENEA Operator Sp. z o.o. (further on: ENEA Operator), which acts as the operator of the power distribution system.

ENEA Operator acts as a monopolist playing a role of a public utility company, in the conditions strictly regulated by the law.

The basic legal act specifying the duties and obligations of the Company is the Act of 10 April 1997 Energy Law which also contains provisions constituting the implementation to the Polish law of the regulations of the EU law, in particular provisions of the Directive of the European Parliament and the Council No. 2009/72 of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC.

Trade

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

Other activity

Group Companies render supplementary services towards the core business mentioned above. The other activity is mostly the construction, extension, modernisation and renovation of the power network and equipment, designing, constructing, production and sales of electrical and energetic devices and apparatus. Besides, the companies render services connected with the maintenance of street lighting and low-voltage networks, transport services, social activity and customer service.

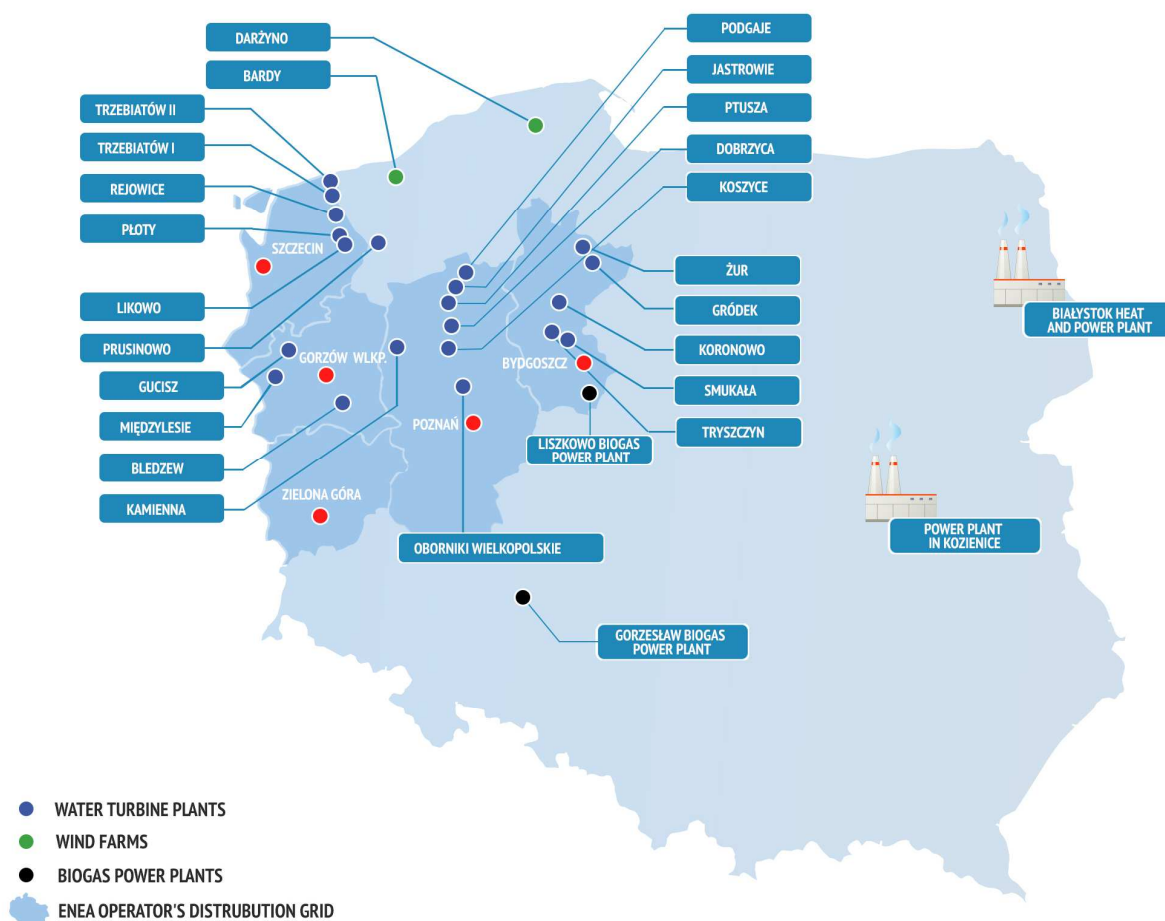
Total generating capacity

Item	Installed capacity [MW]	Generating capacity [MW]
ENEA Wytwarzanie*	2 845.000	2 905.000
Białystok Heat and Power Plant	203.503	156.600
Bardy Wind Farm	50.000	50.000
Dobitt Energia including: Liszkowo – 2,126 MW, Gorzesław during start-up	2.126	2.126
MEC Piła	0.372	0.372***
Elektrownie Wodne**	66.322	63.600
TOTAL	3 167.300	3 177.698

* In ENEA Wytwarzanie a small amount of heat is also generated - the heating capacity of the power plant amounts to 266 MWt.

** Including Darżyno Wind Farm - capacity of 6.00 MW.

***Cogeneration aggregates are under repair - since 6 May 2013 no energy has been generated.



3.1. Generation

3.1.1. Conventional generation

3.1.1.1. ENEA Wytwarzanie

Conventional generation is concentrated in the power plant belonging to ENEA Wytwarzanie. It must be noticed that the operation of this power plant characterises with low levels of carbon dioxide emissions (in H1 2013 850 kg/MWh) and one of the lowest levels of coal consumption per MWh of generated electricity, reported at 0.408 Mg/MWh for H1 2013. The power plant in H1 2013 reached a general gross generating efficiency of 39.1%.

The volume of electricity generated by ENEA Wytwarzanie in Q1 and Q2 of 2012 and 2013 in MWh, gross and net (produced and sold), is presented in the table below:

Total gross electricity generated by ENEA Wytwarzanie [MWh]*		
Period	2012	2013
Q1	2 645 597.780	2 961 852.629
Q2	2 676 147.056	2 949 740.815
TOTAL	5 321 744.836	5 911 593.444
Total net electricity produced and sold by ENEA Wytwarzanie [MWh]*		
Period	2012	2013
Q1	2 425 114.574	2 727 960.464
Q2	2 460 706.136	2 716 687.258
TOTAL	4 885 820.710	5 444 647.722

* excluding biomass co-combustion

ENEA Wytwarzanie in H1 2013 produced and sold 5,444,647.722 MWh.

3.1.1.2. Elektrociepłownia Białystok

The basic units for heat generation in Elektrociepłownia Białystok S.A.(further on: Białystok Heat and Power Plant) are three heating units and peak sources of heat of the total generating capacity of 446.5 MWt. The above mentioned heat units and a condensation module are responsible for the production of electricity whose total generating capacity totals to 156.6 MWe. Generating capacity of the power plant in 75% cover the annual demand for heat of the Białystok agglomeration. The remaining 25% of energy is produced in Ciepłownia Zachód owned by Miejskie Przedsiębiorstwo Energetyki Ciepłej w Białymstoku (MPEC) (Municipal Heat Supply Company in Białystok).

Heat generation and sales

The owner of the municipal heating system and the key customer of the Heat and Power Plant within receipts of heat is MPEC Białystok Spółka z o.o.

The Białystok Heat and Power Plant generates electricity and heat energy in the form of hot water for central heating and hot tap water and process steam for the needs of hospitals and industrial plants. The share of the production of process steam in the general production of heat is around 9.5% on an annual average. Beyond the heating season the heat and power plant produces heat just for the needs of hot tap water and process steam with the total heating power of around 50 MWt.

Generation of heat [GJ]						
Period	Q1 2012	Q2 2012	TOTAL	Q1 2013	Q2 2013	TOTAL
Water	1 366 054.672	457 240.550	1 823 295.222	1 360 379.704	520 900.128	1 881 279.832
Steam	109 963.951	79 500.384	189,464.335	102 293.701	68 508.432	170 802.133

Net generation of heat [GJ]						
Period	Q1 2012	Q2 2012	TOTAL	Q1 2013	Q2 2013	TOTAL
Water	1 344 611.25	451 728.01	1 796 339.26	1 338 319.17	515 634.96	1 853 954.13
Steam	101 802.22	68 568.36	170 370.58	93 515.63	58 025.36	151 540.99

Production and sale of electricity

The process of energy production in Białystok Heat and Power Plant is performed in a combined system (cogeneration). Combined production of electric and heat energy is a technological process which simultaneously uses the chemical energy of a fuel for generation of electric electricity and heat. The application of such a technology brings energetic, economic and ecological benefits. It constitutes the most efficient method of generation of heat and electric energy. Additionally there is a possibility of generating electricity using pass-out and condensing turbine set.

Electric energy is sold on the wholesale market based on bilateral contracts and on Towarowa Gielda Energii S.A. (Polish Power Exchange) (further on: PPE). The Białystok Heat and Power Plant also sells energy at the voltage level of 15 and 0.4 kV to industrial plants located in the very vicinity.

The Białystok Heat and Power Plant in 2012 converted one of its coal boilers to biomass. Starting from March 2012 the boiler was switched off, which during subsequent periods caused the limitation of electricity generation to the level resulting exclusively from the production combined with heat. After a successful completion of the investment process in December 2012 the boiler is again available for operation.

Gross generation of electricity [MWh]*		
Period	2012	2013
Q1	122 649.806	87 783.384
Q2	13 694.680	21 736.289
TOTAL	136 344.486	109 519.673

Net electricity generated and sold [MWh]*		
Period	2012	2013
Q1	105 451.596	74 093.533
Q2	11 074.868	17 804.29
TOTAL	116 526.464	91 897.562

* excluding biomass combustion

Apart from trading in electricity on the wholesale market the Białystok Heat and Power Plant sells electricity to end users (direct sales). Deliveries of electricity are performed on direct cable lines belonging to recipients. Recipients in this segment of sales are companies and industrial plants located in the direct vicinity of the Białystok Heat and Power Plant. Direct sales are performed on the level of 0.4 and 15 kV voltage. In case of 0.4 kV recipients electricity is collected from the auxiliary distribution board of the heat and power plant and for 15 kV recipients the energy is collected from the 15 kV distribution board which is specially dedicated for this types of sales and powered from two 110/15/6 three-winding transformers.

3.1.1.3. MEC Piła

Within the works connected with obtaining energy from renewable sources and cogeneration in MEC Piła Sp. z o.o. the following project was prepared - "Construction of the Biomass Cogeneration Unit in ORC technology on the Regional Boiler House KR-Koszyce in Piła" which obtained co-financing from the European Union from the funds of the Cohesion Fund within 9.1 action - Highly efficient energy production, priority IX - Environment-friendly energy infrastructure and energy efficiency, of the Infrastructure and Environment 2007-2013 Operational Programme up to the amount of PLN 12,548,000.00. The detailed analysis of the project and of updated external and internal conditions indicated the justifiability of its modification through replacing the ORC installation based on biomass with a cogeneration sources fired with natural gas. The Company applied to the institution implementing and financing financial aids for an approval for project modification. A cogeneration installation fuelled with natural gas with the electric power amounting to around 10 MWe and heat power of around 10 MWt shall produce electricity and heat in cogeneration satisfying the requirements of the highly efficient cogeneration.

On 20 May 2013 the Company concluded a contract for the realisation of the investment titled "Development of the heating system in Piła through the installation of gas cogeneration aggregates in the regional boiler house KR-Koszyce in Piła". The value of the agreement is ca. PLN 29 mln. The planned date of completion of the investment realisation: 30 November 2014.

Generation of heat [GJ]						
Period	Q1 2012	Q2 2012	TOTAL	Q1 2013	Q2 2012	TOTAL
Water	351 564.8	90 040.8	441 605.6	357 889.5	97 781.1	455 670.6
Net generation of heat [GJ]						
Period	Q1 2012	Q2 2012	TOTAL	Q1 2013	Q2 2013	TOTAL
Water	344 962.4	88 179.3	433 141.7	350 443.4	95 759.3	446 202.7
Gross generation of electricity [MWh]						
Period	2012		2013			
Q1	466.5		449.1			
Q2	261.9		144.4			
TOTAL	728.4		593.5			
Net electricity generated and sold [MWh]						
Period	2012		2013			
Q1	466.5		423.6			
Q2	261.9		136.6			
TOTAL	728.4		560.2			

3.1.2. Renewable energy sources

In relation to the increase in the obligations to sell electricity generated in renewable energy sources and in cogeneration, we undertake activities aiming at a growth in the production of "green" electricity through the extension of own generating capacities. To this end we are planning to gradually gain projects within RES at various levels of advancement - through taking over operating installations and investing in developments in cooperation with external entities. The subject of investments will also be cogeneration installations and heat sources in which it will be possible and economically justified to install cogeneration aggregates.

3.1.2.1. ENEA Wytwarzanie

In January 2008 ENEA Wytwarzanie also began generating power from renewable sources by co-firing biomass with conventional fuels (bituminous coal) thanks to the installation for co-firing of solid biomass with coal for 200 MW units. In H1 2013 ENEA Wytwarzanie recognized certificates of origin for energy from renewable sources in the amount of 180,293.656 MWh.

A further co-firing of biomass with coal will depend on the profitability of production of "green" energy, dependant in a considerable part from prices of proprietary interests from the certificates of origin for energy from renewable energy sources (PMOZE) and new legal regulations (new Act on RES) within co-firing.

In H1 2013 ENEA Wytwarzanie purchased 105,208.94 Mg biomass for generation of renewable energy.

In H1 2012-2013 the following volumes of biomass were fired:

Volume of biomass combusted by ENEA Wytwarzanie [Mg]		
Period	2012	2013
Q1	66 005.35	54 228.99
Q2	74 963.16	51 803.4
TOTAL	140 968.51	106 032.39

The volume of energy generated from renewable sources and cogeneration with division into certificates in ENEA Wytwarzanie in H1 of 2012-2013 was as follows*:

Energy from RES Green certificates [MWh]		
Period	2012	2013
Q1	118 047.820	90 171.171
Q2	134 145.644	90 122.485
TOTAL	252 193.464	180 293.656
Energy from cogeneration Red certificates [MWh]		
Period	2012**	2013***
Q1	26 349.339	0.000
Q2	11 374.384	0.000
TOTAL	37 723.723	0.000

* The records comply with the volume of energy generated in a given period. Any adjustments are attributed to the period which they relate to.

** Pursuant to the Regulation of the Minister of Economy dated 26 July 2011 and Regulation dated 18 October 2012 regarding a detailed scope of duties within obtaining and redemption of certificates of origin, making compensatory payments, purchase of electricity and heat generated in renewable energy sources and the obligation to confirm the data regarding the volume of electricity generated in a renewable source of energy, within indicating electricity from co-firing and energy from cogeneration only one volume of energy is presented - gross, which is concurrently net energy.

*** Pursuant to the Regulation of the Minister of Economy dated 26 July 2011 regarding the method of calculation of data given in the application for issuing certificates of origin from cogeneration and a detailed scope of duties within obtaining and redemption of certificates of origin, making compensatory payments, and the obligation of presenting data relating to the volume of electricity generated in a highly-efficient cogeneration, the provisions of §9.1. the scope of the obligation to obtain proprietary interests from cogeneration is valid through 31 December 2012. Till the implementation of new legal provisions no applications are made for issuing of a decision for certificates of origin, which are of no value.

3.1.2.2. Elektrownie Wodne

Elektrownie Wodne Sp. z o.o. (further on: Elektrownie Wodne) deals with the generation of electricity from renewable sources. Within the operations of the Company 21 hydroelectric power plants and Darżyno Wind Farm are functioning.

The volume of electricity generated by 21 hydroelectric plants for which the Company received green certificates and the volume of energy introduced into the network in Q1 and Q2 2012-2013 was as follows:

Gross electricity generated from RES for which Elektrownie Wodne receives green certificates of origin for energy [MWh]		
Period	2012	2013
Q1	46 354.072	47 724.791
Q2	35 322.749	39 869.794
TOTAL	81 676.821	87 594.585
Net electricity generated and sold [MWh]		
Period	2012	2013
Q1	45 561.791	46 881.756
Q2	34 776.596	39 234.649
TOTAL	80 338.387	86 116.405

Elektrownie Wodne deal also with the realisation of projects within energy renewable sources, conducted based on development of own investments and market acquisitions.

The portfolio of own projects includes wind farms with the total capacity of 42.5 MW from which the most advanced is 15 MW Baczyna project for which a building permit was achieved. The farm is on the stage of finalisation of works over the specification of essential terms of a contract.

Start-up of the installation - depending on the course of tender procedures in the mode of an act - Public Procurement Law - is anticipated for Q1 2015.

Among the projects conducted based on the market acquisition and being the subject of interests of the Company there is a 12 MW Wind Farm. The decision on the project realisation depends on the final determination of the terms of the transaction. As a result of the acquisition activities in 2012 an agreement was concluded concerning the acquisition of rights to the project of a wind power plant of the capacity of 1.8 MW and the process of their take-over was completed in Q1 2013. Presently, works are being in progress over increasing generating capacities of the designed power plant.

The supplementation of own investments is a pilot project of a photovoltaic wind farm of the capacity of 1 MW. A pilot project of the set of photovoltaic cells of the total capacity of up to 1 MW located on the territory of Jastrów. Lands were protected and conditions of grid connection were obtained. The project is suspended till new legal regulations are introduced within support for RES taking into account photovoltaics, i.e. generation of an electric current from solar radiation using a photovoltaic phenomenon.

Volume of production from Darżyno Wind Farm with the capacity of 6 MW:

Gross electricity generated by the Darżyno Wind Farm for which Elektrownie Wodne receives green certificates of origin for energy [MWh]		
Period	2012	2013
Q1	5 032.521	3 196.259
Q2	3 603.306	3 014.539
TOTAL	8 635.827	6 210.798

Net electricity generated and sold [MWh]		
Period	2012	2013
Q1	4 998.293	3 171.945
Q2	3 579.893	2 996.272
TOTAL	8 578.186	6 168.217

3.1.2.3. Elektrociepłownia Białystok

In 2008 the Białystok Heat and Power Plant launched a new installation for production of electricity and heat in cogeneration using energy renewable sources (biomass). The specially designed furnace, the so-called fluidised bed (BFB) constitutes the key element of the biomass boiler created in result of conversion of the existing OP 140 coal boiler. At present, the conversion of another twin OP 140 boiler into a biomass boiler with a fluidised bed is completed.

In order to maximise energy production from RES in the Białystok Heat and Power Plant the TZ4 condensing turbine set is used which is powered with the extraction steam of the TZ1 heating turbine set with the pressure of 1.0 MPa.

Gross electricity generated in RES unit [MWh]		
Period	2012	2013
Q1	49 119.546	73 102.801
Q2	40 163.865	54 740.155
TOTAL	89 283.411	127 842.956

Gross electricity generated in CHP cogeneration unit [MWh]		
Period	2012	2013
Q1	171 769.352	160 886.185
Q2	53 858.545	76 476.444
TOTAL	225 627.897	237 362.629

Net electricity generated in RES unit [MWh]		
Period	2012	2013
Q1	42 254.226	61 678.194
Q2	32 038.212	43 944.815
TOTAL	74 292.438	105 623.009

Net electricity generated in CHP cogeneration unit [MWh]		
Period	2012	2013
Q1	147 705.822	135 771.727
Q2	43 113.080	61 748.844
TOTAL	190 818.902	197 520.571

3.1.2.4. Dobitt Energia

Biogas Plant in Gorzesław

On 11 May 2011 ENEA S.A. purchased Dobitt Energia Sp. z o.o. (further on: Dobitt Energia) located in the Dolnośląskie Province. The company holds the construction project for a biogas power plant (agricultural) with the electric power of 1.6 MW, and a final building permit. The construction of the

biogas plant was commenced in June 2011. In 2012 the operations of Dobitt Energia concentrated on the construction of the installation for the electricity production from biogas. On 2 December 2012 construction works were completed by the biogas installation in Gorzesław, and on 28 December 2012 a motion was filed for an occupancy permit to the Poviát Construction Supervision Inspectorate in Oleśnica. On 14 January 2013 the Poviát Construction Supervision Inspector in Oleśnica granted the Occupancy Permit.

In relation to signalling by the contractor of financial and organisational difficulties the date of commissioning of the biogas plant will be prolonged by ca. 3 months.

Biogas Plant in Liszkowo

On 18 September 2012 Dobitt Energia concluded an agreement with Elektrownie Wodne and leased the biogas installation with the capacity of 2.1 MWe in Liszkowo.

From the entry into force of the lease agreement the installation operates continuously, and the generation of energy is being gradually increased.

Below the volumes of production and number of energy certificates of origin from Liszkowo Biogas Plant are presented for Q1 and Q2 of 2012 and 2013:

Gross electricity generated by Liszkowo Biogas Plant [MWh]		
Period	2012	2013
Q1	182.944	2 640.000
Q2	503.840	2 997.784
TOTAL	686.784	5 637.784
Net electricity generated and sold [MWh]		
Period	2012	2013
Q1	148.059	2 305.755
Q2	423.870	2 705.550
TOTAL	571.929	5 011.305

3.1.2.5. PEC Oborniki

The basic heat energy generating units in Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. with its registered office in Oborniki are 3 fine coal and 4 gas boiler houses with the total installed power of 35.78 MWt.

Generation of heat [GJ]						
Period	Q1 2012	Q2 2012	TOTAL	Q1 2013	Q2 2013	TOTAL
Water	60 721.64	15 385.41	76 107.05	66 606.58	19 150.74	85 757.32
Net generation of heat [GJ]						
Period	Q1 2012	Q2 2012	TOTAL	Q1 2013	Q2 2013	TOTAL
Water	58 206.35	14 233.94	72 440.29	63 729.54	17 354.53	81 084.07

3.1.2.6. Windfarm Polska

The basic electricity generation unit in Windfarm Polska Sp. z o.o. (further on: Windfarm Polska) are 25 wind turbines of the total capacity of 50 MW. The company commenced generation of electricity on 26 January 2012 (during the first month within the technological start-up), from the date of gaining the licence, i.e. 29 February 2012 it commenced generation from the licensed

source. The company intends to extend the generating capacity of the farm with further 9 MW (3 turbines x 3 MW). Signing of lease agreements was commenced, the environmental report is being prepared, windiness tests were performed. The anticipated date of activating is 2015.

In 2012 the key and the only recipient of the electricity generated by Windfarm Polska was ENEA S.A. - purchases of electricity are performed based on the Electricity Sales Agreement concluded on 1 February 2012 between the above mentioned companies which is in force till 31 December 2021.

Gross generation of electricity [MWh]		
Period	2012 (from 26 January 2012)	2013
Q1	23 937.441	35 149.883
Q2	27 350.037	27 673.494
TOTAL	51 287.478	62 823.377
Net electricity generated and sold [MWh]		
Period	2012 (from 26 January 2012)	2013
Q1	23 933.184	32 533.710
Q2	29 387.640	24 897.378
TOTAL	53 320.824	57 431.088

3.2. Distribution

The Energy Law in Article 3 item 25 indicates that ENEA Operator, as the Operator of the Distribution System is responsible for the grid traffic in the power distribution system, current and long-term safety of this system functioning, operation, maintenance, renovations and necessary extensions of the distribution network, including connections to other power systems.

The liability was in detail specified in the content of the law through the determination of particular duties and obligations of distribution companies. It in particular relates to Article 4 and Article 9c item 3 of the Energy Law.

Article 4 of the Energy Law imposes an obligation on Operators of the Distribution System to maintain the efficiency of the equipment, installations and networks for the realisation of supplies of energy in a continuous and uninterrupted way, maintaining the valid quality requirements, and the obligation to ensure all the recipients, subject to the rules of equal treatment, the provision of energy distribution services, based on the terms and requirements specified in the law. At the same time, Article 9c item 3 of the Energy Law lays down numerous detailed tasks that the operator is obliged to realise.

It must be emphasised that the application of relatively objective and clear rules ensuring an equal treatment of users of distribution systems and taking into account environmental protection requirements was deemed by the legislator significant for operators' activity.

ENEA Operator supplies electricity to over 2.42 mln users in the western and north-western Poland. To this end it uses the distribution network covering an area of over 20% of the country, including over 112 thou. km of power lines (over 130 thou. including connections) and over 35 thou. power stations. The Company operates on the area of 58,213 km² in 6 provinces: Wielkopolskie, Zachodniopomorskie, Lubuskie, Kujawsko-Pomorskie and in small part Dolnośląskie and Pomorskie. The area of Poznań covers 20,510 km², Bydgoszcz - 10,349 km², Gorzów - 8,484 km², Szczecin - 9,981 km², Zielona Góra - 8,868 km².

Because of the size, the Company performs operations within the extended field structure - the basic organisational unit in the field is the Distribution Department. The seats of the five Departments are located in Poznań, Bydgoszcz, Gorzów Wielkopolski, Szczecin and Zielona Góra. The units deal

mostly with the realisation of tasks connected with the core business pursued by ENEA Operator, in particular they:

- extend and modernise the distribution network, in particular they connect to the network (including the renewable energy sources),
- operate, maintain and repair the distribution network ensuring its uninterrupted work,
- conduct the traffic of the distribution network.

Within each of the Distribution Departments subordinate Distribution Regions operate which deal with the realisation of the aforementioned tasks on smaller territories.



Investments presently realised in the area of distribution

The Investment plan of ENEA Operator for 2013 anticipates the investment of over PLN 900 mln. The Company realises investments on all the voltage levels. The undertakings which are deemed the most important are those connected with the construction, extension or modernisation of 110 kV lines and construction and modernisation of the Switching Stations.

Among the most important investments which will affect the enhancement of the safety of deliveries to the largest extent there are:

- over 10 investments consisting in the construction of 110 kV lines,
- over 20 investments consisting in the modernisation of 110 kV lines,
- over 10 investments consisting in the construction of switching stations,
- over 10 investments consisting in the extension or modernisation of the existing switching stations.

3.3. Trade

In H1 2013 the total sales within the trade in energy amounted to 6,792,770 MWh, but the sales to the recipients connected to the grid of operators of the distribution systems other than those of ENEA Operator totalled to 1,036 GWh.

The portfolio of recipients to whom we sell electricity is highly diversified. Presently we sell electricity to 2.4 mln recipients, including 2.1 of individual recipients and 0.3 mln business entities.

3.4. Other activity

The companies of our Group also conduct operations supplementary to the basic operations listed above, including, e.g.:

- construction, expansion, modernisation and repair of electric power equipment and networks,
- design, construction, production and sale of electrical and power equipment and apparatus,
- services related to the maintenance of street lighting and low-voltage networks,
- servicing customers of comprehensive agreements and sales agreements,
- transport services (including the sale, servicing, repair and leasing of vehicles),
- social activity (tourism objects, restaurants and recreation services, health protection).

3.5. Sales and supply markets

3.5.1. Sales to end users

ENEA S.A. sells electrical energy to its recipients and offers comprehensive services (energy sales and distribution services) within the following tariff group sets:

Set of tariff groups	Description
Tariff group set A	Energy sold and delivered to customers connected to a high-voltage grid
Tariff group set B	Energy sold and delivered to customers connected to a medium-voltage grid
Tariff group set C	Energy sold and delivered to customers connected to a low-voltage grid, with the exception of end users using electricity for household purposes
Tariff group set G	Energy sold and delivered to end users using electricity for household purposes, regardless of voltage of the grid to which they are connected

The offer of ENEA S.A. is directed to customers on the domestic market.

In practice, in tariff group sets A and B, mainly large companies are settled which operate e.g. in such sectors as chemicals, cement, steel, automotive, paper, wood and metals processing, communal services and port services. In tariff group set C, settlements are made with facilities connected to a low-voltage grid which are not households, such as shops, service outlets, hotels, cities and municipalities – for street lighting, whereas in tariff group set G, settlements are made with end users using electricity to power households and related utility rooms.

Typically, ENEA S.A. concludes comprehensive agreements for an indefinite term, but agreements for the sale of energy (without energy distribution services), including agreements with customers connected to networks of distribution system operators other than ENEA Operator, are most often concluded for a fixed term usually amounting to 12 months. Notice periods are most frequently set for 1 month (around 2.3 mln agreements), less frequently for two, three or six months (around 0.1 mln agreements).

3.5.2. Other sales

Participating in the domestic trade in electricity we are realising sales on the wholesale market to other traders (starting from 1 August 2011 the realisation by ENEA Trading Sp. z o.o.), that as a result balance their own contract positions. Sales volume results mainly from our actions to balance the demand for electricity with previously concluded contracts in each hour, which optimises exposure on the balancing market.

3.5.3. Sales by value and type

Revenues on sales of electricity in particular sets of tariff groups on a qualitative basis (not including non-invoiced statistical sales) were as follows:

Item	Revenues on sales of electricity to end users [PLN '000]		
	H1 2012	H1 2013	Change
Tariff group set A	375 426.9	167 957.3	44.7%
Tariff group set B	657 698.0	582 124.0	88.5%
Tariff group set C	444 931.0	412 226.7	92.6%
Tariff group set G	643 754.5	650 684.1	101.1%
TOTAL	2 121 810.4	1 812 992.1	85.4%

Electricity sales in particular tariff group sets on a quantitative basis (excluding non-invoiced statistical sales) were as follows:

Item	Sales of electricity [MWh]		
	H1 2012	H1 2013	Change
Tariff group set A	1 586 783	752 852	47.4%
Tariff group set B	2 439 223	2 275 067	93.3%
Tariff group set C	1 389 992	1 281 744	92.2%
Tariff group set G	2 309 366	2 311 188	100.1%
TOTAL	7 725 364	6 620 851	85.7%

In H1 2013 in relation to H1 2012 there was a drop in sales volumes in all the tariff group sets except G tariff group set. However, the largest drop was reported in A tariff group set. In H1 2013 total sales of electricity were lower by 1,104,513 MWh, i.e. by 14.3% in relation to H1 2012.

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

In connection with organisational changes and separation as of 1 August 2011 the scope of the operations connected with the wholesale market to the special purpose vehicle ENEA Trading Sp. z o.o. all the contracts connected with the wholesale market (also those concluded by ENEA S.A.) are serviced and administered by the subsidiary.

Having such a model of action energy for securing sales realised by ENEA S.A. came mainly from ENEA Trading Sp. z o.o. (over 77%). In a small part the party to the transaction was Towarowa Gielda Energii S.A. (Polish Power Exchange) (almost 3%), which was a result of an earlier conclusion of contracts (before separation of a wholesale Company) directly by ENEA S.A. The other part of energy was purchased from generators based on contracts being in force. A small part came also from settlements resulting from a difference between a planned trading position and actual position of the position on the balancing market of the Operator of the Transmission System.

In order to provide sales of comprehensive services (sale of electricity and electricity distribution services) to end users connected to the network of ENEA Operator, the Company purchases electricity distribution services from ENEA Operator based on the concluded contract on provision of electricity distribution services.

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

In relation to the entry into force of amendments in the Energy Law from 9 August 2010 ENEA Wytwarzanie is obliged to sell at least 15% of the generated energy through the power exchange. Such a direction of sales is a consequence of the increase of turnover on the stock exchange market as a result of changes imposed on the energy companies dealing with generation pursuant to the regulations resulting from Article 49a of the Energy Law (an energy company dealing with generation of electricity is obliged to sell not less than 15% of electricity generated in a given year on commodity exchanges or on a regulated market - Article 49a item 1 of the Energy Law, subject to the fact that an energy company dealing with generation of electricity possessing the right to receive funds for coverage of stranded costs is obliged to sell the generated electricity in full (100% of sold own production) in the way ensuring public and equal access to the electricity through an open tender on the Internet trading platform on the regulated market or on commodity exchanges - Article 49a item 2 of the Energy Law).

Within the realisation of this obligation sales of generated electricity on PPE during H1 2013 constituted around 90.9% of sold and generated electricity.

Additionally, ENEA Wytwarzanie realised, during H1 2013 sales to the distribution company - ENEA Operator (5.82% of the total volumes), within the Agreement for transactions concluded in order to purchase conventional electricity by ENEA Operator for the coverage of the book-tax difference, for the entity functioning as the operator of the distribution system in the area specified in the licence. Pursuant to the provisions of Article 49a of the Energy Law item 5(5) the sales are exempt from the obligation specified in item 1 and 2 of this Article.

The remaining volume of electricity is sold on the balancing market (3.26%), or designated for covering power reserves under regulatory systems services, with insignificant amounts sold to local end users (0.02%) conducting business on the area of the Company.

Competences within wholesale trade belong to ENEA Trading Sp. z o.o. The Company is responsible for the account of ENEA Wytwarzanie for analytical support of trading processes within electricity and conducts settlements in the full scope and functions as a Scheduling Co-ordinator for the Power Plant.

Attainable generating capacity of electricity of ENEA Wytwarzanie amounts to 2,905 MW. The technical generation potential of ENEA Wytwarzanie is 14.1 TWh net (15.0 TWh gross) annually.

In H1 2008-2013 ENEA Wytwarzanie generated a net total of, respectively, 5.7, 5.4, 5.5, 5.4, 5.1 and 5.6 TWh of electricity (corresponding to gross electricity volumes of 6.2, 5.8, 5.9, 5.8, 5.6 and 6.1 TWh).

ENEA Wytwarzanie produced 6.1 TWh gross energy in H1 2013.

When considering the current volume and generating capacities of ENEA Wytwarzanie and the level of the originally planned allocation of allowances for emissions of CO₂ for the years of 2013-2020 ENEA Wytwarzanie must buy additional allowances for emissions of CO₂ on the market in the amount of around 50% during first years of KPRU III (Allocation of Free Allowances) up to 100% in 2020. Presently, there are no final decisions on free allowances for 2013-2020 and there are no legal provisions within this scope which will be basis for issuing free allowances for emissions of CO₂.

In H1 2013 ENEA Wytwarzanie within the wholesale market purchased electricity based on bilateral agreements and on trading platforms in the amount of 889.5 GWh - the total within the ENEA CG.

3.5.6. Purchase of transmission and distribution services

The objective of realisation of sales of comprehensive services (sale of electricity and electricity distribution services) to end users connected to the network of ENEA Operator, ENEA S.A. purchases electricity distribution services from ENEA Operator based on the concluded contract on provision of electricity distribution services.

ENEA Operator purchases transmission services from PSE Operator.

3.5.7. Supply and deliveries of coal

The basic fuel used to produce electricity with the Issuer's production assets, i.e. ENEA Wytwarzanie, is bituminous coal (it is also the case of other leading power companies in Poland). In H1 2013, the cost of coal in ENEA Wytwarzanie comprised about 45% of operating costs.

Within supplies of coal the companies of the Issuer's Capital Group are presently dependant on Lubelski Węgiel "Bogdanka" S.A. and Katowicki Holding Węglowy S.A. The Polish market of coal supplies is a market highly monopolised by companies belonging to the State Treasury which control a substantial part of domestic supplies of coal on the quantitative basis, excluding Lubelski Węgiel "Bogdanka" S.A., which in 2010 became public, listed on the Warsaw Stock Exchange.

The key supplier of bituminous coal for ENEA Wytwarzanie is Lubelski Węgiel "Bogdanka" S.A., which during H1 2013 supplied around 1.8 mln tonnes, which constitutes around 72% of the material supplied on the quantitative basis. The main reason for choosing Lubelski Węgiel "Bogdanka" S.A. as the main supplier is its a relative proximity to ENEA Wytwarzanie - about 130 km - when most Polish mines are located in Upper Silesia more than 300 km away. The coal from the Bogdanka mine has high sulphur content, due to the current level of efficiency of the desulphurisation systems in ENEA Wytwarzanie, use of Bogdanka coal as the sole fuel for the Plant would mean exceeding permitted sulphur emission levels. For this reason, and in order to diversify the supplies, ENEA Wytwarzanie concluded agreements for supplies of bituminous coal with suppliers from the Upper Silesia, i.e. with Katowicki Holding Węglowy S.A. and Jastrzębska Spółka Węglowa S.A.

ENEA Wytwarzanie holds frame multiannual agreements with Lubelski Węgiel "Bogdanka" S.A. and Katowicki Holding Węglowy S.A. within which the price and volumes of supplied coal are determined each year. With other suppliers short-term agreements with due dates within one year are concluded.

3.6. Information on concluded agreements.

3.6.1. Agreements of significance to the Capital Group's operations

During H1 2013 - within purchases of production fuels - the following significant Agreements were concluded:

Annual Agreement of 15 January 2013 for the provision of fuel coal for 2013 constituting Attachment No. 4 to Multiannual Agreement No. UW/LW/01/2010 between ENEA Wytwarzanie S.A. and Lubelski Węgiel "Bogdanka" S.A.

The subject of the a/m Annual Agreement is provision of fuel coal that meets specified quality parameters, carried out during the life of the agreement, i.e. 1 January 2013 - 31 December 2013 from the mine belonging to Lubelski Węgiel "Bogdanka" S.A. The annual agreement sets out the price of coal, the basic quantities to be delivered, parametric limits of the coal (beyond which the power plant may impose contractual penalties in its monthly settlement), method of transport, method of financial settlement as well as particular provisions under which the amounts and quality of the coal are to be accounted. Either Party may impose contractual penalties for failure to deliver or failure

to accept the amounts of coal according to the provisions specified in the Agreement. The Agreement is valid through 31 December 2013.

Annual Agreement of 4 January 2013 for the provision of fuel coal for 2013 constituting Attachment No. 4 to the Multiannual Agreement No. UW/KHW/01/09 between ENEA Wytwarzanie S.A. and Katowicki Holding Węglowy S.A.

The subject of the a/m Annual Agreement were deliveries of fuel coal of specific quality parameters carried out by the Seller during the life of the Agreement, i.e. from 1 January 2013 to 31 December 2013. The annual Agreement defined the basic quantities to be delivered together with an initial schedule of deliveries divided into quarters and mines designated for the realisation of supplies, the price of specific class of coal, parametric quality limits (beyond which the Power Plant may impose contractual penalties), method of transport, method of financial settlement as well as detailed provisions under which the amounts and quality of the coal are to be accounted for. In the case of a failure to perform or improper performance of the Agreement, either Party could impose contractual penalties as provided for in the Agreement.

3.6.2. Information on transactions with affiliated entities

Entities comprising the Group in H1 2013 did not conclude any substantial transactions with affiliates on non-market conditions.

A description of other transactions concluded by the Issuer or its subsidiary with affiliates was presented in note 20 to the consolidated financial statement.

3.6.3. Credit and loan agreements concluded and terminated

In the reporting period ENEA S.A. had access to working capital loans from BZ WBK S.A., Pekao S.A. and PKO BP S.A. The total limit on working capital facilities as at 30 June 2013 was PLN 150.000 thou., and as at 30 June 2013 the Company had no debts pertaining to them.

Additionally, during H1 2013 ENEA S.A. concluded another loan agreements with the European Investment Bank for the amount of PLN 475.000 thou. - a detailed description within this issue is to be found in item relating to the details of sources of financing of the investment programme.

On the conclusion of the above agreement the Company informed in the current report No. 24/2013 dated 19 June 2013.

The status of the loans as at 30 June 2013 is shown in the table below:

Creditor	Credit facility granted [PLN '000]	Interest rate	Costs of credit [PLN '000]	Debt on credit facilities as at 30.06.2013 [PLN '000]	Date of commencement	Date of completion	Repayment period
PKO BP S.A.	50 000.00	WIBOR 1M + margin	0.00	0.00	25.04.2006	x	5 years of the first usage of the credit
Bank Pekao S.A.	10 000.00	WIBOR 1M + margin	0.00	0.00	17.11.2011	17.11.2014	17.11.2014
Bank Zachodni WBK S.A.	90 000.00	WIBOR 1M + margin	2.8	0.00	17.11.2011	17.11.2014	17.11.2014
EIB	1 425 000.00	floating or fixed	1 178.8*	0.00	18.10.2012	17.10.2029	15 years of the last usage of the credit
TOTAL			1 181.6	0.00			

* Costs of the loan are included in the Profit and Loss Statement.

ENEA S.A. during the reporting period only from time to time made a use of working capital facilities in order to finance current operations. The Company did not draw any loans on pawn, mortgage secured-loans, or any loans secured with transfer of ownership to fixed assets or transfer of ownership to an organised part of an undertaking. Securities for bank loans and credits referred to hereinabove are authorization to use current accounts with the banks where ENEA S.A. holds current accounts as well as declarations on voluntary submission to enforcement. In H1 2013 ENEA S.A. did not draw any loans.

In H1 2013 the subsidiaries did not draw any loans.

3.6.4. Loans granted

Within the loans granted in the ENEA CG there are loans granted by ENEA S.A. in 2011 to Hotel EDISON Sp. z o.o. totalling to PLN 300 thou. and the loan granted to Niepubliczny Zakład Opieki Zdrowotnej Centrum Uzdrowiskowe ENERGETYK Sp. z o.o. in the amount of PLN 250 thou. in 2011 and another loan amounting to PLN 500 thou. granted on 15 February 2013. The balance by title of unsettled loans as at 30 June 2013 amounts to PLN 936.60 thou.; including from Hotel EDISON Sp. z o.o. it is PLN 290.77 thou., and from Niepubliczny Zakład Opieki Zdrowotnej Centrum Uzdrowiskowe ENERGETYK Sp. z o.o. it is PLN 645.83 thou. Apart from the above, in the reporting period the ENEA CG did not grant any loans.

3.6.5. Granted and received sureties and guarantees

The status of granted guarantees and suretyships as at 30 June 2013 is shown in the table below:

No.	Date surety / guarantee was granted	Date of validity of surety / guarantee	Entity for which surety / guarantee was granted	Entity to which surety / guarantee was granted	Agreement number	Value of surety / guarantee	Designation of amounts covered with surety / guarantee	Actual indebtedness as at 30.06.2013
1.	26.08.2003	31.08.2017	EP Zakład Transportu Sp. z o.o.	Poznań Department of Communal Services and Housing	Guarantor's statement of 2.09.2003	PLN 212.1 thou.	for the purpose of meeting the statutory conditions for obtaining a licence to carry on for-profit transport operations	0.00
						EUR 49 thou.		
2.	12.07.2012	31.07.2014	ENEA Trading Sp. z o.o.	Izba Rozliczeniowa Giełd Towarowych S.A. (Warsaw Commodity Clearing House)	ZAM/DF/40/1072 /2011	PLN 50 000 thou.	for the purpose of securing the liabilities drawn by ENEA Trading in relation to the membership in GIR (Exchange Clearing House) and purchasing electricity and proprietary interests	0.00
TOTAL						PLN 50 212.1 thou.		0.00

The average exchange rate as at the end of H1 2013 amounted to 4.3292 table of NBP No. 124/A/NBP/2013 of 28 June 2013. The total value of off-balance items by title of granted guarantees and suretyships in ENEA S.A. as at 30 June 2013 amounted to PLN 50,212.1 thou.

There are no 'endangered guarantees or suretyships' among the suretyships and guarantees granted. The sureties and guarantees granted by ENEA S.A. fall within the limits specified in Article 33 item 1 of the Act on sureties and guarantees granted by the State Treasury and other legal persons of 8 May 1997 (Journal of Laws of 2003 No. 174, item 1689 as amended).

On 9 November 2012 ENEA S.A. signed with PKO BP S.A. a frame contract for 12 months for granting of bank guarantees up to the amount of PLN 250,000 thou. The guarantees issued within the guaranty facility are to constitute the securing of making deposits for IRGiT S.A. and KDPW S.A. by ENEA S.A. and ENEA Trading Sp. z o.o. and other obligations (max. PLN 3,000 thou.). Obligations towards the aforementioned entities to make deposits result among others from the concluded futures contracts for supply of electricity and transactions of purchase of proprietary interests to the certificates of origin for electricity.

The status of guarantees issued to the order of ENEA S.A. as at 30 June 2013 is shown in the table below:

Date security was granted	Date of security validity	Entity for which security was granted	Purpose of the agreement	Form of security	Granted security amount
12.11.2012	18.11.2013	Izba Rozliczeniowa Giełd Towarowych S.A. (Warsaw Commodity Clearing House)	the purpose of securing the transaction and securing deposit for the account of IRGIT S.A. in connection with settlements of transactions connected with trade in electricity and property rights on the commodity exchange	bank guarantee granted within the guarantee line in the amount of PLN 250 000 thou.	PLN 16 000 thou.
			Guarantee granted by the bank for the obligations of ENEA Trading		PLN 200 000 thou.

In H1 2013 the subsidiaries did not grant any loans.

3.6.6. Agreements between shareholders of the parent company

The Company is not aware of any agreements between shareholders of ENEA S.A.

3.6.7. Insurance agreements

The insurance agreements in the ENEA Group are concluded in accordance with the Corporate Insurance Policy of the ENEA CG adopted by the Company's Board in 2012. The policy strengthens the position of the ENEA CG in relation to the participants of the insurance market, unifies the standards of insurances concluded by Companies and standardises the rules, forms and procedures of concluding insurances in particular ENEA Group Companies.

The companies of the ENEA Capital Group transfer the risk of incurring losses as a result of property damage through conclusion of insurance agreements with largest insurance agencies such as PZU S.A., TUIR AXA S.A., TUIR WARTA S.A., STU Ergo Hestia S.A., TU Allianz Polska S.A. The insurance coverage does not diverge from the standards applied in the electrical power industry and is adapted to the specifics of operations of particular companies. The insurance programmes cover among others insurance of property against fire and other fortuitous events, loss of profit resulting from interruptions in operations caused by fire and other fortuitous events, electric insurance of machines against electric damage and failures, insurance against loss of profit as a result of machine failures and insurance of electronic equipment against all the risks. In order to ensure an optimum insurance protection within the ENEA Group the insurance programme additionally covers third party corporate liability insurances by title of the pursued activity and usage of the property. The ENEA Group is additionally covered with a Corporate Third Party Liability Insurance Agreement for members of the management.

3.6.8. Collaboration or cooperation agreements

Agreement on the exploration and extraction of carbohydrates from shale

On 4 July 2012 ENEA S.A. concluded a frame agreement on the exploration and extraction of carbohydrates from shale.

The parties to the agreement are ENEA S.A., Polskie Górnictwo Naftowe i Gazownictwo S.A. (PGNiG), KGHM Polska Miedź S.A., PGE Polska Grupa Energetyczna S.A. and TAURON Polska Energia S.A.

The subject of the cooperation of the parties based on the agreement shall be exploration, recognition and extraction of carbohydrates in geological deposits covered with the licence for exploration and recognition of deposits of crude oil and natural gas relating to the areas of Wejherowo, held by PGNiG (Wejherowo Licence). Within the Wejherowo Licence the close cooperation will relate to the area of ca. 160 km² (Cooperation Area). The Agreement additionally anticipates preferences for the parties within a possibility of cooperation on the remaining area of the Wejherowo Licence (apart from situations where PGNiG performs individual exploration, recognition or extraction of carbohydrates and except the area on which PGNiG has been already performing exploration works near Opalino and Lubocino). Estimated outlays for exploration, recognition and extraction in the three first locations (Kochanowo, Częstkowo and Tępcz pads) within the Cooperation Area are planned for the amount of PLN 1.72 bln. Presently, the parties continue works in order to determine the detailed conditions of a future potential cooperation.

A Letter of Intent and Agreement on the elaboration of the terms of cooperation on the construction of the first in Poland atomic power plant

On 5 September 2012 ENEA S.A. and PGE Polska Grupa Energetyczna S.A., KGHM Polska Miedź S.A. and TAURON Polska Energia S.A. signed a letter of intent, based on which, together with the aforementioned partners, it conducts activities aiming at the elaboration of a draft agreement for

the purchase of shares in the special purpose vehicle PGE EJ 1 Sp. z o.o. (PGE EJ1) which is responsible for the direct preparation of the investment process of the construction and operation of the first Polish atomic power plant (Atomic Project). Based on the letter of intent the parties agreed that the draft agreement for the purchase of shares in the special purpose vehicle PGE EJ1 will include the rights and obligations of each party by the realisation of the Atomic Project, assuming that PGE will, directly or through a subsidiary, act as a leader in the process of the project realisation. On 28 December 2012 the parties to the letter of intent prolonged its validity till 31 March 2013.

On 25 June 2013 ENEA S.A., KGHM Polska Miedź S.A., PGE Polska Grupa Energetyczna S.A. and TAURON Polska Energia S.A. (parties) concluded an Agreement regarding continuation of works connected with the development of a draft agreement of purchase of shares in the special purpose vehicle for the construction and operation of an atomic power plant ("Agreement"), of which the Company informed in the current report No. 28/2013 of 26 June 2013.

The Agreement expires on 30 September 2013 with a possibility of extension of its term by one quarter with the consent of all the parties to the Agreement.

3.6.9. Bond issue programme by subsidiaries

On 20 June 2013 ENEA S.A. (Company, Guarantor) concluded with ENEA Operator Sp. z o.o. (Subsidiary) and Nordea Bank Polska a Programme Agreement relating to the bond issue programme up to the amount of PLN 1,425,000,000 (say: one billion four hundred twenty five million zloty), (Programme Agreement). Together with the Programme Agreement on 20 June 2013 between the Company and the Subsidiary an Agreement was concluded for guaranteeing the subscription for bonds issued within the Bond Issue Programme up to the amount of PLN 1,425,000,000 (Guarantee Agreement).

The above agreements were concluded for the term till 18 October 2029. The availability period of the Programme, within which bond issues will be performed expires on 18 October 2014.

The Programme Agreement anticipates a possibility of issuing bonds of the total value not exceeding the Programme value in no more than 10 series, however the nominal value of each series will not be lower than PLN 100,000,000, excluding the 6th series and the last series of Bonds, whose value will be determined separately by the Issuer and Guarantor. The bonds will be dematerialised. The interest rate of the bonds may be fixed or floating. The Subsidiary may select a fixed or floating interest rate for a given bond series subject to the terms specified in the Programme Agreement.

The bonds will be issued in accordance with the Act of 29 June 1995 on bonds, the offering will be performed in the mode of Article 9 item 3 of the Act. The bonds will not be issued in a public offer in the meaning of the Act of 29 July 2005 on Public Offerings.

As at 30 June 2013 ENEA S.A. did not purchase bonds within the aforementioned Programme.

On the conclusion of the above agreement the Company informed in the current report No. 25/2013 dated 20 June 2013.

The table below presents the status of intra-group bonds held as at 30 June 2013 [PLN '000]:

Bond Issuer	Date of agreements	Deadline for buy-out	Currency	Granted amount	Used amount	Current debt (capital)
ENEA Operator Sp. z o.o.	09.08.2011	31.07.2021	PLN	500 000.00	500 000.00	469 000.00
Elektrownie Wodne Sp. z o.o.	10.03.2011	31.03.2023	PLN	26 000.00	26 000.00	26 000.00
Dobitt Energia Sp. z o.o.	29.09.2011	29.09.2019	PLN	14 500.00	14 500.00	14 500.00
Elektrociepłownia Białystok S.A.	23.07.2012	22.07.2019	PLN	128 500.00	128 500.00	125 772.73
ENEA Wytwarzanie S.A.	08.09.2012	depending on dates of issue of series of bonds, however not later than 15.06.2022	PLN	4 000 000.00	0.00	0.00
ENEA Operator Sp. z o.o.	20.06.2013	Depending on dates of issue of series of bonds, however not later than 18.10.2029	PLN, EUR	1 425 000.00	0.00	0.00

3.6.10. Key events occurring after the balance sheet date:

On 16 July 2013 the bond issue programme Agreement was concluded for the amount of PLN 746,000,000 (say: seven hundred forty six million zloty) between ENEA Wytwarzanie S.A. (Issuer), ENEA S.A. (Guarantor) and BRE Bank S.A. (Organiser, Issue Agent, Payment Agent and Depositary). The bonds are denominated in Polish zlotys and bear interest according to a floating rate. Maximum date for bond redemption is 15 July 2015. Within the programme a maximum of 4 bond series may be issued, with the minimum value of PLN 100,000,000 each.

The Bonds issued within the Bond Issue Programme are bonds in the meaning of the Act on bonds of 29 June 1995 (Journal of Laws of 2001, No. 120, item 1300, as amended). Within the above programme on 22 July there was an issue of 1st series of bonds valued PLN 227,000,000 (say: two hundred twenty seven million zloty) with the date of redemption on 15 July 2015.

On 11 July 2013 ENEA S.A. and ENEA Trading Sp. z o.o. concluded Annex No. 2 to the Agreement for guaranty facility dated 27 July 2011 regarding filing orders for granting guarantees securing the payment by ENEA Trading Sp. z o.o. of a margin deposit and transaction deposit for the account of Izba Rozliczeniowej Giełd Towarowych S.A. The security limit was set on the level of PLN 230.000.000 (say: two hundred thirty million zloty).

On 18 July 2013 ENEA S.A. and Izby Rozliczeniowej Giełd Towarowych S.A. concluded Annex No. 2 to the Guarantee Agreement dated 27 July 2011 extending the term of the Guarantee Agreement to 31 July 2014. Based on this Agreement ENEA S.A. irrevocably and unconditionally guarantees for the liabilities of ENEA Trading Sp. z o.o. against IRGIT.

4. Presentation of the financial position of ENEA Capital Group

4.1. Presentation of financial results of ENEA Capital Group in H1 2013 and Q2 2013

4.1.1. Consolidated profit and loss statement

Profit and Loss Statement PLN '000	H1 2012 (restated data*)	H1 2013	Change	Q2 2012 (restated data*)	Q2 2013	Change
Net sales revenues	5 021 798	4 595 625	-8.5%	2 376 018	2 215 291	-6.8%
Cost of sales	4 527 148	4 042 366	-10.7%	2 098 956	2 023 632	-3.6%
Other operating revenue	56 306	79 334	40.9%	26 202	22 136	-15.5%
Profit / (loss) on sales and liquidation of tangible fixed assets	622	-3 227	-618.8%	-2 005	-1 051	47.6%
Tangible and intangible impairment write-off	106	0	-100.0%	0	0	0.0%
Other operating expenses	63 720	81 048	27.2%	41 713	34 216	-18.0%
Operating profit (loss)	487 752	548 318	12.4%	259 546	178 528	-31.2%
Financial expenses	38 122	19 607	-48.6%	27 958	12 266	-56.1%
Financial revenue	72 933	36 465	-50.0%	27 476	14 220	-48.2%
Dividend revenue	2 724	4 552	67.1%	2 724	4 552	67.1%
Share in (losses)/profits of affiliated entities accounted for using the equity method	-261	293	212.3%	267	-512	-291.8%
Profit (loss) before tax	525 026	570 021	8.6%	262 055	184 522	-29.6%
Income tax	103 041	117 929	14.4%	43 370	41 069	-5.3%
Net profit (loss) for the reporting period	421 985	452 092	7.1%	218 685	143 453	-34.4%
EBITDA	863 679	934 238	8.2%	443 371	369 781	-16.6%

* pursuant to the accounting policy applied in the financial statement of the ENEA Group.

Revenues

Net sales revenues of the Group in H1 2013 amounted to PLN 4,595,625 thou., which in relation to H1 2012 constitutes a drop by PLN 426,173 thou., and in Q2 2013 they amounted to PLN 2,215,291 thou., which in relation to Q2 2012 constitutes a drop by PLN 160,727 thou.

The breakdown below shows the value of revenues on sales achieved in reporting periods.

Item	H1 2012	H1 2013	Change	Q2 2012	Q2 2013	Change
Revenues from the sale of electricity	3 372 256	2 929 253	-13.1%	1 578 182	1 416 161	-10.3%
Revenues from the sale of distribution services	1 407 797	1 424 663	1.2%	685 444	687 930	0.4%
Revenues from the sale of goods and materials	56 274	37 537	-33.3%	34 679	22 448	-35.3%
Revenues from the sale of other services	60 721	74 863	23.3%	32 592	42 157	29.3%
Revenues from certificates of origin	14 609	18 636	27.6%	3 351	8 465	152.6%
Revenues from sales of CO ₂ emission allowances	14 896	4 586	-69.2%	13 137	3 578	-72.8%
Recovery of stranded costs	0	964	100.0%	0	964	100.0%

Revenues from the sale of heat energy	95 245	105 123	10.4%	28 633	33 588	17.3%
Total net revenues	5 021 798	4 595 625	-8.5%	2 376 018	2 215 291	-6.8%

The Group's revenues mainly consist of revenues from sales of electricity and from sales of distribution services, which in reporting periods of 2013 amount to ca. 64.0% and 31.0% of total net sales revenues, respectively. Differences in the net sales revenues are mainly a result of:

- Revenues on sales of electricity which in H1 2013 dropped by PLN 444,003 thou., and in Q2 2013 decreased by PLN 162,021 thou.

In H1 2013 there was a drop of revenues on sales of electricity to end users by PLN 308,805 thou. (lower volumes of sold energy by 1,104 GWh with a decrease of the average sale price by 0.3%). Additionally, there was a drop in revenues on sales of electricity to wholesale users, in relation to a drop in market prices of electricity and lower non-invoiced sales were generated as regards electricity.

In Q2 2013 there was a drop of revenues on sales of electricity to end users by PLN 129,995 thou. (lower volumes of sold energy by 412 GWh with a decrease of the average sale price by 1.9%). Additionally, there was a drop in revenues on sales of electricity to wholesale users, in relation to a drop market prices of electricity.

- Revenues on sales of distribution services which in relation to the same periods of 2012 grew by PLN 16,866 thou. in H1 2013 and by PLN 2,486 thou. in Q2 2013.

In H1 2013 there were higher revenues from sales of distribution services to end users by PLN 36,415 thou. which results from a higher average selling price of distribution services to end users by 2.9% and lower volumes by 12 GWh. At the same time, there were lower revenues from fees from realised RES connections and estimated revenues from non-invoiced sales.

In Q2 2013 there were higher revenues from sales of distribution services to end users by PLN 18,059 thou. which results from a higher average selling price of distribution services to end users by 1.9% and higher volumes by 37 GWh. Moreover, there were lower revenues from fees from realised RES connections and accounting for the balancing market, with a concurrent growth in estimated revenues from non-invoiced sales.

- Revenues from sales of heat energy in H1 2013 increased by PLN 9,878 thou., which stemmed mainly from higher average price by 6.3% and higher volumes of heat energy sold by 97 TJ. And in Q2 2013 revenues from sales of heat energy increased by PLN 4,955 thou. It results from a growth in the average selling price by 5.6% and higher heat sales volumes by 73 TJ.

In H1 2013 total costs of sales amounted to PLN 4,042,366 thou. and dropped by PLN 484,782 thou. in relation to the comparative period, and in Q2 2013 they amounted to PLN 2,023,632 thou., which in relation to Q2 2012 constitutes a drop by PLN 75,324 thou.

The breakdown below shows the value of costs on sales incurred in the reporting periods.

Item	H1 2012	H1 2013	Change	Q2 2012	Q2 2013	Change
Amortisation/depreciation	375 927	385 920	2.7%	183 825	191 253	4.0%
Employee benefit costs	489 089	514 229	5.1%	240 169	262 442	9.3%
Consumption of materials and raw materials and value of goods sold	898 348	928 887	3.4%	416 821	486 371	16.7%
Costs of purchases for resale	2 099 148	1 585 468	-24.5%	924 695	773 706	-16.3%
Transmission services	356 685	299 197	-16.1%	176 590	146 179	-17.2%
Other external services	194 353	201 173	3.5%	105 014	105 232	0.2%
Taxes and charges	113 598	127 492	12.2%	51 842	58 449	12.7%
Total cost of revenues from sales	4 527 148	4 042 366	-10.7%	2 098 956	2 023 632	-3.6%

The difference in costs of the Capital Group are mainly affected by:

- Purchases of energy for sale, which in H1 2013 decreased by PLN 513,680 thou. and in Q2 2013 dropped by PLN 150,989 thou., which results from lower average purchase price of electricity bought by the Capital Group and lower demand for electricity by end users.
- Costs of transmission services which in H1 2013 dropped by PLN 57,488 thou., and in Q2 2013 decreased by PLN 30,411 thou., which mainly results from incurring a lower transitory charge, which contributed to a drop in the average purchase price of these services.
- Costs of materials and value of goods sold which in H1 2013 increased by PLN 30,539 thou., and in Q2 2013 grew by PLN 69,550 thou.

In H1 2013 higher costs result mainly from:

- higher costs of coal (volumes of consumed coal higher by 257 thou. tonnes with a concurrent lower price by 2.0%),
- lower costs of biomass (volumes of consumed biomass higher by 30.9 thou. tonnes with a concurrent lower price by 17.0%),
- lower value of sold allowances for emissions of CO₂ - in 2013 these costs did not occur since the sales related to only free allowances.

In Q2 2013 higher costs result mainly from:

- higher costs of CO₂ emissions, which mainly results from a higher volume of free allowances applied to the redemption reserve. Moreover, in 2012 this item included an depreciation write-off relating to CO₂ (valuation of the assets of Białystok Heat and Power Plant in 2011),
- higher costs of coal (volumes of consumed coal higher by 134 thou. tonnes with a lower price by 6.5%),
- lower costs of biomass (volumes of consumed biomass lower by 1.6 thou. tonnes with a concurrent lower price by 22.6%),
- Costs of employee benefits in H1 2013 grew by PLN 25,140 thou., and in Q2 2013 increased by PLN 22,273 thou.

Higher costs of employee benefits in H1 2013 and in Q2 2013 results mainly from higher costs in the segment of distribution, in relation to higher actuarial reserves as a result of the valuation as at 30 June 2013 and recognition in costs of 2013 of provisions for incentive fund. Additionally, higher costs are affected by higher costs of employee benefits in the segment of generation, mainly higher remuneration budget (in H1 2013 a growth by 4.2%, in Q2 2013 a growth by 3.0%), higher other benefits for employees (retail certificates).

- Costs of taxes and charges in H1 2013 grew by PLN 13,894 thou. and in Q2 2013 these costs grew by PLN 6,607 thou., which mainly results from higher costs of property taxes and higher fees for use of the environment. Moreover, in H1 2013 higher costs are additionally affected by fees for the access to electrical devices and costs of use of a road line.
- Amortisation and depreciation in H1 2013 was higher than in H1 2012 by PLN 9,993 thou. and in Q2 2013 it grew by PLN 7,428 thou., which stems mainly from higher original value (modernisation) of fixed assets, and also verification of the periods of use of fixed assets in the segment of generation. Moreover, higher amortisation and depreciation in H1 2013 is affected by the recognition of costs of amortisation and depreciation of Windfarm Polska (from 16 April 2012 Windfarm Polska is included in the statements of the Capital Group as a subsidiary). In Q2 2013 higher amortisation and depreciation is additionally affected by a higher value of fixed assets as a result of investments realised during 2012-2013 in the segment of distribution.

Data in PLN '000	H1 2012	H1 2013	Change	Q2 2012	Q2 2013	Change
Other operating revenue	56 306	79 334	40.9%	26 202	22 136	-15.5%
Other operating expenses	63 720	81 048	27.2%	41 713	34 216	-18.0%

In H1 2013 the result on other operating activity amounted to PLN -1,714 thou. and was higher than in the preceding year by PLN 5,700 thou. In the reporting period there were higher revenues mainly by tile of lower impairment of receivables from electricity and impairment of receivables in relation to RES and cogeneration certificates of origin. At the same time, there were higher costs of written-off debts.

Data in PLN '000	H1 2012	H1 2013	Change	Q2 2012	Q2 2013	Change
Financial revenue	72 933	36 465	-50.0%	27 476	14 220	-48.2%
Financial expenses	38 122	19 607	-48.6%	27 958	12 266	-56.1%

In H1 2013 the result on the financial activity amounted to PLN 16,858 thou. and was lower than in H1 2012 by PLN 17,953 thou. in relation to the sale in 2012 of shares of WIRBET and lower revenues from interests.

4.1.2. Cash

Consolidated cash flow statement:

Cash flow statement in PLN '000	30 June 2012	30 June 2013	Change
Net cash flows from operating activities	631 072	880 225	39.5%
Net cash flows from investing activities	-434 722	-771 707	-77.5%
Net cash flows from financing activities	-8 497	-12 247	-44.1%
Net increase / decrease in cash and cash equivalents	187 853	96 271	-48.8%
Cash and cash equivalents at the end of the reporting period	1 404 973	1 193 280	-15.1%

As at 30 June 2013 the ENEA Capital Group's balance of cash and cash equivalents was lower by PLN 211,693 thou. than at the end of June 2012.

Operating cash flows in H1 2013 were higher by PLN 249,153 thou. than in H1 2012. The increase stemmed mainly from a change in the state of the working capital, mainly a change in stocks, receivables and allowances to CO₂ emissions. At the same time, higher operating cash flows are affected by higher net financial result.

Cash flows from investing activities H1 2013 were lower relative to H1 2012 by PLN 336,985 thou. The change results mainly from a lower value of purchased financial assets and a higher value of purchase of tangible fixed assets, which is a result of investments in the construction of a new power unit No. 11.

Cash flows from financing activities amounted to PLN -12,247 thou. in H1 2013 and in H1 2012 they amounted to PLN -8,497 thou. The change in the amount of PLN -3,750 thou. stemmed mainly from a lower level of external funding with a concurrent lower repayments of loans.

4.1.3. Ratio analysis

In H1 2013 the ENEA Capital Group generated higher financial results relative to H1 2012, which resulted in gaining higher profitability ratios. And the drop of profitability ratios in Q2 2013 in relation to Q2 2012 is affected mainly by lower financial results generated in the reporting period. The breakdown below shows the value of ratios achieved in reporting periods.

Indicator	Item	H1 2012	H1 2013	Q2 2012	Q2 2013
PROFITABILITY RATIOS					
ROE - return on equity	gross profit (loss) / equity	9.8%	10.2%	9.8%	6.6%
ROA - return on assets	operating profit (loss) / total assets	6.9%	7.3%	7.3%	4.8%
Net profitability	net profit (loss) / net sales revenues	8.4%	9.8%	9.2%	6.5%
Operating profitability	net operating profit (loss) / net sales revenues	9.7%	11.9%	10.9%	8.1%
EBITDA profitability	net operating profit (loss) + amortisation and depreciation / net sales revenues	17.2%	20.3%	18.7%	16.7%
LIQUIDITY AND FINANCIAL STRUCTURE RATIOS					
Current liquidity ratio	current assets / current liabilities	2.2	1.8	2.2	1.8
Equity-to-fixed assets ratio	equity / non-current assets	106.0%	98.4%	106.0%	98.4%
Total debt ratio	total liabilities / total assets	24.9%	25.1%	24.9%	25.1%
Net debt / EBITDA	(interest bearing liabilities - cash)/EBITDA (for the period of 12 months ending on 30 June)	-1.3	-0.9	-1.3	-0.9
ECONOMIC ACTIVITY RATIOS					
Current receivables turnover in days	avg. net trade and other receivables x number of days / net sales revenues	41	57	45	61
Turnover of trade and other payables in days	average trade and other liabilities x number of days / cost of products, materials sold	57	74	54	70
Inventory turnover in days	avg. inventories x number of days / cost of products, materials sold	24	24	26	20

4.1.4. Assets - structure of assets and liabilities

Consolidated balance sheet:

Total assets in PLN '000	As at:		Change
	31 December 2012	31 December 2013	
Fixed assets	11 011 502	11 390 730	3.4%
Tangible fixed assets	10 459 377	10 868 682	3.9%
Perpetual usufruct right	70 369	66 343	-5.7%
Intangible assets	201 357	199 955	-0.7%
Investment properties	30 752	31 741	3.2%

Investments in associated entities, accounted for using the equity method	5 951	6 260	5.2%
Deferred income tax assets	175 081	164 483	-6.1%
Financial assets held for sale	66 735	49 709	-25.5%
Financial assets valued at fair value by the profit and loss account	1 504	1 808	20.2%
Trade and other receivables	376	1 749	365.2%
Current assets	3 698 960	3 584 954	-3.1%
CO ₂ emission allowances	194 622	131 349	-32.5%
Inventories	502 654	370 903	-26.2%
Trade and other receivables	1 449 314	1 438 383	-0.8%
Current income tax assets	16 026	13 832	-13.7%
Financial assets held-to-maturity investments	5 135	5 278	2.8%
Financial assets valued at fair value by the profit and loss account	422 173	418 280	-0.9%
Cash and cash equivalents	1 095 495	1 193 280	8.9%
Fixed assets for sale	13 541	13 649	0.8%
Total assets	14 710 462	14 975 684	1.8%
Total liabilities in PLN '000	As at:		Change
	31 December 2012	31 December 2013	
Total equity	10 938 288	11 209 915	2.5%
Share capital	588 018	588 018	0.0%
Share premium	3 632 464	3 632 464	0.0%
Share based payments reserve	1 144 336	1 144 336	0.0%
Financial instruments revaluation reserve	50 233	36 433	-27.5%
Other reserves	-21 317	-21 317	0.0%
Retained earnings	5 521 833	5 806 878	5.2%
Non-controlling interests	22 721	23 103	1.7%
Total liabilities	3 772 174	3 765 769	-0.2%
Non-current liabilities	1 748 504	1 742 106	-0.4%
Current liabilities	2 023 670	2 023 663	0.0%
Total equity and liabilities	14 710 462	14 975 684	1.8%

As at 30 June 2013, the balance sheet total of the ENEA Capital Group amounted to PLN 14,975,684 thou., an increase of PLN 265,222 thou., i.e. 1.8%, relative to that as at 31 December 2012.

Fixed assets as at 30 June 2013 grew in relation to the state as at the end of the previous year by PLN 379,228 thou., which mainly stems from a higher item of tangible fixed assets in relation to higher outlays for fixed assets.

As at 30 June 2013 the current assets decreased in relation to the state as at the end of 2012 by PLN 114,006 thou. In current assets the reserves were lower because of lower reserve of certificates of origin and lower stocks of coal. Additionally, allowances to CO₂ emissions decreased in relation to the fact that they were redeemed. At the same time, cash and cash equivalents were lower because of the payment of receivables by title of sales of certificates of origin.

The dominant source of financing the assets of the Group is equity, which was higher than at the end of December 2012 by PLN 271,627 thou. The change is impacted by the profit generated in H1 2013.

4.1.5. Financial resources management

During the turnover year ENEA S.A. had financial resources at its disposal that guarantee that all current and planned expenses associated with the Company's operations will be serviced. The balance of available cash makes it possible to flexibly settle its ongoing liabilities. The Company's liquidity management is concentrated on a detailed analysis of the flow of receivables, ongoing monitoring of bank accounts as well as the ongoing concentration of cash resources in consolidated accounts.

In H1 2013 ENEA S.A. had open working capital facilities from BZ WBK S.A., Pekao S.A. and PKO BP S.A. banks. The total limit of the working capital facilities available to the ENEA Capital Group as at 30 June 2013 was PLN 150,000 thou.

ENEA S.A. during the financial year only from time to time made a use of working capital facilities in order to finance current operations.

The Company did not draw any loans on pawn, mortgage secured-loans, or any loans secured with transfer of ownership to fixed assets or transfer of ownership to an organised part of an undertaking.

The security for open credit lines comprises the following: powers of attorney in respect of current accounts with the banks as well as a declaration of voluntary submission to enforcement.

4.1.6. Financial risk management

An efficient financial management must cover both the results generated on current operations and the financial risk inherently connected with its pursuing.

In ENEA S.A. the following material risks may be identified within finances:

Credit risk - is understood as the risk of financial loss by the Company resulting from the client's or the counterparty's to a financial instrument failure to perform their contractual obligations. The credit risk is mainly connected to recoverability of receivables. The main factors affecting the occurrence of a credit risk in the case of ENEA S.A. are:

- a large number of small recipients (ca. 2.4 mln) impacting the high costs of supervising the inflow of receivables, which is made based on specialist billing systems,
- a necessity to deliver electricity to budget units being in a difficult financial situation - this requirement results from the Energy Law, which provides that the provisions relating to a suspension of supplies of energy as a result of delays in the payment of obligations do not apply to objects which serve the defence of the state (a list of such objects was provided for in separate regulations),
- legal regulations regulating the rules of suspending supplies of electricity as a result of no payment, or limiting in some cases a possibility of not concluding agreements with clients because of their condition (a role of a nominated vendor/reserve vendor).

The Policy adopted by the Board within the management of credit risk orders an ongoing monitoring of exposures to the credit risk and of risk levels, and also conduction of the creditworthiness estimate and determination of limits for risk and bonuses by title of the risk in relation to all the customers (buyers) exceeding, in commercial relations with the Company, a volume-specified Materiality Threshold.

The Company carries out an ongoing monitoring of the amount of outstanding receivables, and in justified cases raises legal claims and makes write-offs.

Risk of loss of financial liquidity - is understood as a risk of a limitation or a lack of the Group's ability to repay its financial obligations when they become due on the basis of a regular activity with a typical profile of cash flows (structural liquidity risk) and occurrence of unpredicted, concerning the term and volume, expenses in consequence of extraordinary or untypical events. The Company manages the liquidity risk adapting the profile of availability of the liquidity reserve, i.e. the volume and terms of available cash, to the profile of demand for cash resulting from the characteristics of the cash flows, simultaneously ensuring an access to the funds in case unexpected expenses occur.

The Policy adopted by the Board of managing the risk of loss of financial liquidity anticipates ensuring availability of financial means at the level allowing for settling obligations in the course of normal operations and enabling simultaneously an undisturbed continuation of activity and in situations of liquidity crises for a period necessary to launch an emergency financing plan allowing for quick increase in liquidity.

ENEA S.A.'s liquidity management is concentrated on a detailed analysis of the flow of receivables, ongoing monitoring of bank accounts as well as the ongoing concentration of cash resources in consolidated accounts. The remaining financial surplus the Company locates in current assets as fixed-term deposits. The efficiency of this investment, in accordance with the rules of liquidity management, requires an ongoing monitoring. In order to limit the liquidity risk and ensure stability of financing sources the Company diversifies the sources of external financing and directions of investing cash surpluses analysing at the same time the standing of financial institutions with which it cooperates within this scope.

The currency risk - is connected with a possible occurring of changes generated by ENEA S.A. in cash flows as a result of changes in the foreign exchange rates in which the values are denominated. A requirement resulting from the adopted Policy of managing foreign exchange risk and interest rate risk is the identification of a future net exposure of the Company to the currency risk and - in the case of deeming this exposure significant - securing of the position using the derivative instruments allowed for use in ENEA S.A. by the provisions of the Policy.

Interest rate risk - is connected with the concluded loan and credit agreements, and with financial assets in the form of a portfolio of debentures and bank deposits. In relation to the above, the Company tries to operate based on a floating rate, calculated in correlation with the market rates (inter-banking). Within security operations the actions realised in the field of the interest rate risk, within the identification of the exposure or the allowed instruments, are analogical - including the specific differences - to those performed within the field of foreign exchange risk. Because of the characteristics of assets bearing interest (in particular their short-terms) the Company applies in its Policy the principle of securing only debt items.

Commodity risk - is connected with a possible occurring of changes in the revenues/cash flows generated by ENEA S.A., mainly as a result of changes in commodity prices, and fluctuations within the demand for the products/services offered by the Company. The objective of managing commodity risk is maintaining exposure to that risk within the acceptable frames with a simultaneous optimisation of return on risk. The presently prepared policy of commodity management anticipates the use in the managerial process of specific econometric models and imposing of specific limits to the price risk, calculated based on the statistic measures. Limits for the volumetric risk will be expressed in quantity units and based on the concept of efficacy of forecast methods realised in the Company. Determination of current limits and estimate of the level of their utilisation will be, within the process of commodity risk management, realised on an ongoing basis.

4.2. Presentation of the financial results of ENEA S.A. in H1 2013 and Q2 2013

4.2.1. Profit and loss statement of ENEA S.A.

Data in PLN '000	H1 2012	H1 2013	Change	Q2 2012	Q2 2013	Change
Sales revenues	3 071 588	2 639 601	-14.1%	1 404 183	1 250 254	-11.0%
Excise tax	105 776	102 724	-2.9%	53 782	47 581	-11.5%
Net sales revenues	2 965 812	2 536 877	-14.5%	1 350 401	1 202 673	-10.9%
Cost of sales	2 909 232	2 367 089	-18.6%	1 302 744	1 144 823	-12.1%
Other operating revenue	6 414	31 252	387.2%	713	3 760	427.3%
Other operating expenses	24 845	30 812	24.0%	10 768	6 373	-40.8%
Profit / loss on sales of fixed assets	2 193	-35	-101.0%	3	-25	-933.3%
Operating profit	40 342	170 193	321.9%	37 605	55 212	46.8%
Financial revenue	60 551	34 921	-42.3%	23 793	13 245	-44.3%
Dividend revenue	200 937	361 820	80.1%	200 937	361 820	80.1%
Financial expenses	20 328	2 415	-88.1%	16 375	1 398	-91.5%
Gross profit	281 502	564 519	100.5%	245 960	428 879	74.4%
Net profit	264 773	525 209	98.4%	241 848	415 471	71.8%
EBITDA	48 511	178 907	268.8%	41 636	59 617	43.2%

4.2.2. Sales revenues

Gross sales revenues of ENEA S.A. in H1 2013 amounted to PLN 2,639,601 thou., which in relation to H1 2012 constitutes a drop by PLN 431,987 thou., and in Q2 2013 they amounted to PLN 1,250,254 thou., which in relation to Q2 2012 constitutes a drop by PLN 153,929 thou.

The breakdown below shows the value of gross revenues on sales achieved in reporting periods:

Data in PLN '000	H1 2012	H1 2013	Change	Q2 2012	Q2 2013	Change
Sales revenues	3 071 588	2 639 601	-14.1%	1 404 183	1 250 254	-11.0%
Sales of electricity to end users	2 121 810	1 813 005	-14.6%	993 979	863 984	-13.1%
Sales of distribution services to users holding comprehensive agreements	822 483	787 214	-4.3%	388 652	374 158	-3.7%
Sales of electricity to other entities	89 513	18 115	-79.8%	36 827	16 585	-55.0%
Sales of services	31 252	31 631	1.2%	15 578	15 538	-0.3%
Other revenue	6 530	-10 364	-258.7%	-30 854	-20 012	35.1%

The decrease in ENEA S.A.'s sales revenues was caused mainly by:

- Revenues from sales of electricity to end users, which dropped:
 - in H1 2013 by PLN 308,805 thou. in relation to the same period of the previous year, which mainly stemmed from a lower volume of sold electricity by 1,104 GWh with a lower average selling price by 0.3%. The largest drop in the volumes of sold electricity was noted in the group of customers from A and B tariff group sets (by 998 GWh) and in C tariff group

set the volume of sold energy dropped by 108 GWh. In A and B tariff group sets there was a drop of the average price by 3.5%.

- in Q2 2013 by PLN 129,995 thou. in relation to the same period of the previous year, which mainly stemmed from a lower volume of sold electricity by 412 GWh with a lower average selling price by 1.9%. Lower volumes of sold energy relates to a group of customers from A and B tariff group sets (by 410 GWh), where a drop in the average price amounted to 4.4%.
- Revenues on sales of distribution services to customers with comprehensive agreements, which in relation to the same periods of 2012 dropped by PLN 35,269 thou. in H1 2013 and by PLN 14,494 thou. in Q2 2013,
- Revenues from sales of electricity to other entities dropped in relation to H1 2012 by PLN 71,398 thou. and in relation to Q2 2012 by PLN 20,242 thou., which stems mainly from the fact that sales on the wholesale market occurs only in order to balance the energy purchases for the needs of retail customers.

4.2.3. Cost of sales

In H1 2013 total costs of sales of ENEA S.A. amounted to PLN 2,367,089 thou. and dropped by PLN 542,143 thou., and in Q2 2013 they amounted to PLN 1,144,823 thou., which in relation to Q2 2012 constitutes a drop by PLN 157,921 thou.

The breakdown below shows the value of costs on sales generated in the reporting periods:

Data in PLN '000	H1 2012	H1 2013	Change	Q2 2012	Q2 2013	Change
Cost of sales	2 909 232	2 367 089	-18.6%	1 302 744	1 144 823	-12.1%
Costs of electricity for resale	1 930 972	1 451 205	-24.8%	850 621	712 666	-16.2%
including: purchase of certificates of origin	239 574	164 225	-31.5%	87 177	87 422	0.3%
value of unbalanced energy	-17 820	-45 307	-154.2%	-9 481	19 769	308.5%
Cost of providing distribution services for the performance of comprehensive agreements for the provision of electricity and distribution services	826 528	784 360	-5.1%	379 122	368 929	-2.7%
Depreciation and amortisation of fixed and intangible assets	8 169	8 714	6.7%	4 031	4 405	9.3%
Consumption of materials and energy and value of sold materials	2 093	1 875	-10.4%	877	975	11.2%
Other external services	107 006	86 116	-19.5%	52 199	41 047	-21.4%
Employee benefit costs	29 559	29 495	-0.2%	14 246	14 751	3.5%
Taxes and charges	4 905	5 324	8.5%	1 648	2 050	24.4%

Differences in the costs of sales incurred by ENEA S.A. are mainly a result of:

- Costs of electricity for resale, which diminished:
 - in H1 2013 in relation to H1 2012 by PLN 479,767 thou. as a result of lower volume of energy by 1,478 GWh and lower total average purchase price of electricity by 8.4%.
 - in Q2 2013 in relation to Q2 2012 by PLN 137,955 thou. as a result of lower volumes of energy by 457 GWh and lower total average purchase price of electricity by 4.6%.
- Costs of providing distribution services for the performance of comprehensive agreements, which were lower by PLN 42,168 thou. than in H1 2012, and in relation to Q2 2012 by PLN 10,193 thou. which stems from a lower performance of sales of distribution services to users with comprehensive agreements.

- Costs of other outsourced services diminished in relation to the performance of H1 2012 by PLN 20,890 thou. and in comparison with Q2 2012 by PLN 11,152 thou., which mainly stemmed from lower costs incurred for the account of ENEA Trading and lower costs related to marketing and representation.

4.2.4. Other operating activity

Data in PLN '000	H1 2012	H1 2013	Change	Q2 2012	Q2 2013	Change
Other operating revenue	6 414	31 252	387.2%	713	3 760	427.3%
Other operating expenses	24 845	30 812	24.0%	10 768	6 372	-40.8%

In H1 2013 the other operating result amounted to PLN 440 thou. and was higher than in the same period of the preceding year by PLN 18,871 thou. (in H1 2012 a loss was sustained on this activity in the amount of PLN 18,431 thou.). A growth in revenues stems mainly from higher revenues from decreased impairment of receivables regarding electricity and higher revenues from the release of provisions for claims for damages. At the same time, there were higher costs of written-off debts and lower costs of provisions for claims for damages.

4.2.5. Revenues and financial costs

Data in PLN '000	H1 2012	H1 2013	Change	Q2 2012	Q2 2013	Change
Financial revenue	60 551	34 921	-42.3%	23 793	13 245	-44.3%
Financial expenses	20 328	2 415	-88.1%	16 375	1 398	-91.5%

In H1 2013 the result on the financing activity amounted to PLN 32,506 thou. and was lower than in the same period of the previous year by PLN 7,717 thou., which mainly stems from a one-off event which occurred in 2012 and related to the sale of 269,000 shares of Przedsiębiorstwo Produkcji Strunobetonowych Żerdzi Wirowanych "WIRBET" S.A. totalling to PLN 10,217 thou.

4.3. Presentation of financial results of ENEA Operator Sp. z o.o. in H1 2013 and Q2 2013

4.3.1. Profit and loss statement of ENEA Operator

Data in PLN '000	H1 2012	H1 2013	Change	Q2 2012	Q2 2013	Change
Sales revenues	1 453 343	1 476 581	1.6%	706 967	714 835	1.1%
Cost of sales	1 172 832	1 113 375	-5.1%	569 953	552 323	-3.1%
Other operating revenue	20 001	23 137	15.7%	8 764	13 688	56.2%
Other operating expenses	30 533	42 856	40.4%	24 210	27 979	15.6%
Profit/loss on sales and liquidation of tangible fixed assets	1 316	-1 851	-240.7%	-1 019	-473	53.6%
Operating profit/loss	271 295	341 636	25.9%	120 549	147 748	22.6%
Financial revenue	3 482	2 866	-17.7%	2 391	1 238	-48.2%
Financial expenses	8 929	10 942	22.5%	4 465	5 367	20.2%
Gross profit/loss	265 848	333 560	25.5%	118 475	143 619	21.2%
Net profit/loss	215 753	268 237	24.3%	95 947	114 772	19.6%
EBITDA	459 224	528 905	15.2%	213 225	241 577	13.3%

4.3.2. Sales revenues

Sales revenues of ENEA Operator in the reporting period amounted to PLN 1,476,581 thou., which in relation to H1 2012 constitutes a growth by PLN 23,238 thou., and in Q2 2013 they amounted to PLN 714,835 thou., which in relation to Q2 2012 constitutes a growth by PLN 7,868 thou.

The breakdown below shows the value of revenues on sales achieved in reporting period.

Data in PLN '000	H1 2012	H1 2013	Change	Q2 2012	Q2 2013	Change
Sales revenues	1 453 343	1 476 581	1.6%	706 967	714 835	1.1%
Revenues from sales of distribution services to end users	1 302 315	1 338 730	2.8%	632 241	650 300	2.9%
Revenues from additional fees	1 673	1 817	8.6%	883	969	9.7%
Revenues from non-invoiced sales of distribution services	5 427	-2 665	-149.1%	-9 626	-6 595	31.5%
Clearing of the Balancing Market	13 339	20 005	50.0%	10 276	4 668	-54.6%
Fees for customer grid connection	63 402	50 043	-21.1%	41 479	29 719	-28.8%
Revenues from the illegal collection of electricity	3 845	4 171	8.5%	1 344	2 082	54.9%
Revenues from services	47 388	49 712	4.9%	21 895	25 562	16.7%
Sales of distribution services to other entities	13 633	12 831	-5.9%	6 806	6 962	2.3%
Sales of goods and services and other revenues	2 321	1 937	-16.5%	1 669	1 168	-30.0%

The change in revenues of ENEA Operator is mainly a result of:

- Higher revenues from sales of distribution services to end users:
 - in H1 2013 by PLN 36,415 thou. in relation to the comparative period, which stems from a growth in the average selling price by 2.9% with lower volumes of supplied electricity by 12 GWh; moreover, there was a decrease in estimated revenues from non-invoiced sales,
 - in Q2 2013 by PLN 18,059 thou. in relation to the comparative period, which stems from a growth in the average selling price by 1.9% with higher volumes of supplied electricity by 37 GWh; moreover, there was an increase in estimated revenues from non-invoiced sales,
- Higher values of revenues from settlements on the balancing market in H1 2013, and smaller values in Q2 2013;
- Lower revenues for grid connection fees by PLN 13,359 thou. in H1 2013 and by PLN 11,760 thou. in Q2 2013, which stems from lower fees for RES connections.

4.3.3. Cost of sales

In H1 2013 total costs of sales of ENEA Operator amounted to PLN 1,113,375 thou. and dropped by PLN 59,457 thou. in relation to the comparative period, and in Q2 2013 they amounted to PLN 552,323 thou., which in relation to Q2 2012 constitutes a drop by PLN 17,630 thou.

The breakdown below shows the value of costs on sales achieved in the reporting period.

Data in PLN '000	H1 2012	H1 2013	Change	Q2 2012	Q2 2013	Change
Cost of sales	1 172 832	1 113 375	-5.1%	569 953	552 323	-3.1%
Depreciation and amortisation of fixed and intangible assets	187 929	187 269	-0.4%	92 676	93 829	1.2%

Employee benefit costs	266 117	281 542	5.8%	129 745	147 402	13.6%
Consumption of materials and raw materials and value of goods sold	23 435	21 138	-9.8%	11 051	8 912	-19.4%
Purchase of energy for own needs and grid losses	185 818	160 925	-13.4%	83 404	72 824	-12.7%
Costs of transmission services	356 431	301 979	-15.3%	176 633	149 197	-15.5%
Other external services	89 101	88 181	-1.0%	48 518	47 582	-1.9%
Taxes and charges	64 001	72 341	13.0%	27 926	32 577	16.7%

The change in the costs of sales incurred by ENEA Operator is mainly a result of:

- Costs of transmission services, which in H1 2013 diminished in relation to the comparative period by PLN 54,452 thou., and in Q2 2013 in relation to the comparative period by PLN 27,436 thou., which stems from a lower transitory charge. A drop in this charge contributed to a decrease in the average purchase price of transmission services (in H1 2013 by 15.6%, and in Q2 2013 by 17.1%);
- Costs of purchases of energy for own needs and grid losses, which decreased in H1 2013 in comparison with H1 2012 by PLN 24,893 thou. and in Q2 2013 as compared to Q2 2012 by PLN 10,580 thou., which stems mainly from a lower average purchase price of energy (in H1 2013 by 5.8%, in Q2 2013 by 6.4%) and lower volumes (in H1 2013 by 9.8%, in Q2 2013 by 10.4%);
- Costs of employee benefits, which in H1 2013 increased in relation to the comparative period by PLN 15,425 thou., and in Q2 2013 as compared with the comparative period by PLN 17,657 thou., which stems mainly from higher provisions for employee benefits (mainly a growth in actuarial reserves as a result of valuation as at 30 June 2013) and recognition in expenses of 2013 of provisions for motivation fund developed in the Company;
- Costs of taxes and charges in H1 2013 increased in relation to 2012 by PLN 8,340 thou., and in Q2 2013 in relation to the comparative period by PLN 4,651 thou., which stems from higher cost of property taxes. Moreover, in H1 2013 additionally there were higher fees for the access to electrical devices and costs of use of a road line.

4.3.4. Other operating activity

Data in PLN '000	H1 2012	H1 2013	Change	Q2 2012	Q2 2013	Change
Other operating revenue	20 001	23 137	15.7%	8 764	13 688	56.2%
Other operating expenses	30 533	42 856	40.4%	24 210	27 979	15.6%

In H1 2013, as compared to the same period of the previous year, there was a higher loss on the other operating activity, which stems mainly from higher provisions for claims for damages and recognition of costs for non-contractual use of properties. In Q2 2013 the Company reduced a loss on this activity in relation to the performance of Q2 2012, mainly because of higher revenues relating to gifts of grid infrastructure and higher revenues from insurers.

4.3.5. Revenues and financial costs

Data in PLN '000	H1 2012	H1 2013	Change	Q2 2012	Q2 2013	Change
Financial revenue	3 482	2 866	-17.7%	2 391	1 238	-48.2%
Financial expenses	8 929	10 942	22.5%	4 465	5 367	20.2%

In H1 2013 and in Q1 2013 the Company sustained a higher loss on the financial activity in relation to the same period of the previous year, which stems mainly from incurring higher costs relating to funding from corporate bonds.

4.4. Presentation of financial results of ENEA Wytwarzanie S.A. in H1 2013 and Q2 2013

4.4.1. Profit and loss statement of ENEA Wytwarzanie

Data in PLN '000	H1 2012	H1 2013	Change	Q2 2012	Q2 2013	Change
Sales revenues	1 374 848	1 318 631	-4.1%	688 262	660 191	-4.1%
Excise tax	12	11	8.3%	4	4	0.0%
Net sales revenues	1 374 836	1 318 620	-4.1%	688 258	660 187	-4.1%
Cost of sales	1 238 839	1 304 508	5.3%	595 788	676 602	13.6%
Other operating revenue	27 952	22 087	-21.0%	15 642	4 055	-74.1%
Other operating expenses	3 527	5 989	69.8%	2 531	2 215	-12.5%
Profit/loss on sales and liquidation of tangible fixed assets	-1 021	-1 740	-70.4%	-1 025	-915	10.7%
Operating profit/loss	159 401	28 470	-82.1%	104 556	-15 490	-114.8%
Financial revenue	26 386	30 343	15.0%	12 684	17 624	38.9%
Financial expenses	6 781	4 195	-38.1%	5 711	3 657	-36.0%
Dividend revenue	6 280	61 684	882.2%	6 280	61 684	882.2%
Gross profit/loss	185 286	116 302	-37.2%	117 809	60 161	-48.9%
Net profit/loss	152 506	104 996	-31.2%	97 743	60 238	-38.4%
EBITDA	305 714	180 327	-41.0%	173 355	58 930	-66.0%

4.4.2. Sales revenues

Gross sales revenues of ENEA Wytwarzanie S.A. in H1 2013 amounted to PLN 1,318,631 thou., which in relation to H1 2012 constitutes a drop by PLN 56,217 thou., and in Q2 2013 they amounted to PLN 660,191 thou., which in relation to Q2 2012 constitutes a drop by PLN 28,071 thou.

The breakdown below shows the value of gross revenues on sales achieved in reporting periods.

Data in PLN '000	H1 2012	H1 2013	Change	Q2 2012	Q2 2013	Change
Gross sales revenues	1 374 848	1 318 631	-4.1%	688 262	660 191	-4.1%
Revenues from the sale of electricity	1 274 845	1 285 335	0.8%	629 380	638 442	1.4%
licence for generation	1 135 737	1 121 612	-1.2%	555 708	554 984	-0.1%
licence for trade	139 108	163 723	17.7%	73 673	83 458	13.3%
Revenues from certificates of origin	73 696	16 737	-77.3%	38 988	10 886	-72.1%
Revenues from sales of CO ₂ emission allowances	14 896	4 411	-70.4%	13 137	3 578	-72.8%
Revenues from the sale of heat	3 292	4 299	30.6%	1 352	1 711	26.6%
Recovery of stranded costs	0	964	100.0%	0	964	100.0%
Revenues from services	3 341	3 360	0.6%	1 760	1 656	-5.9%
Sales of goods and services and other revenues	4 778	3 525	-26.2%	3 644	2 955	-18.9%

A drop in sales revenues of ENEA Wytwarzanie S.A. was mainly affected by revenues from sales of certificates of origin, which in H1 2013 were lower by PLN 56,959 thou. than in H1 2012, and in Q2 2013 were lower by PLN 28,102 thou. It resulted from a drop in market prices of certificates of origin, lower recognition and lower sales of RES certificates. Additionally, in the reporting period there was a write-down in relation to RES certificates of origin. At the same time, there was a drop in revenues from sales of allowances for emissions of CO₂ by PLN 10,485 thou. in H1 2013 and by PLN 9,559 thou. in Q2 2013, which was balanced with a growth in sales of electricity - more energy was sold by 11.4% in H1 2013 and by 11.6% in Q2 2013. It should be noted here that in the reporting period the average selling price of electricity dropped by ca. 10.0% in relation to the same period of the previous year.

4.4.3. Cost of sales

In H1 2013 total costs of sales of ENEA Wytwarzanie S.A. amounted to PLN 1,304,508 thou. and increased by PLN 65,669 thou. in relation to the comparative period of 2012, and in Q2 2013 they amounted to PLN 676,602 thou., which in relation to Q2 2012 constitutes a growth by PLN 80,814 thou.

The breakdown below shows the value of costs on sales generated in the reporting periods.

Data in PLN '000	H1 2012	H1 2013	Change	Q2 2012	Q2 2013	Change
Cost of sales	1 238 839	1 304 508	5.3%	595 788	676 602	13.6%
Depreciation and amortisation of fixed and intangible assets	146 313	151 857	3.8%	68 799	74 420	8.2%
Employee benefit costs	124 402	127 545	2.5%	62 738	62 950	0.3%
Consumption of materials and raw materials and value of goods sold	714 426	755 930	5.8%	340 213	406 778	19.6%
Costs of purchases for resale	147 245	163 535	11.1%	66 469	79 452	19.5%
Other external services	75 181	69 819	-7.1%	42 408	35 843	-15.5%
Taxes and charges	31 272	35 822	14.5%	15 161	17 159	13.2%

The change in the costs of sales incurred by ENEA Wytwarzanie S.A. is mainly a result of:

- Costs of materials and value of goods sold which in H1 2013 increased by PLN 41,504 thou., and in Q2 2013 grew by PLN 66,565 thou., which stems mainly from:
 - Higher costs of coal by PLN 56,445 thou. in H1 2013 and by PLN 11,763 thou. in Q2 2013 - higher volume consumption by 12.2% in H1 2013 and 11.7% in Q2 2013 with a lower price of consumed coal by 1.4%,
 - Higher costs of CO₂ by PLN 25,010 thou. in H1 2013 and by PLN 89,575 thou. in Q2 2013 - a lower volume of free allowances applied to the reserve for redemption in 2013 (by 1,036 thou. tonnes in H1 2013, and by 2,722 thou tonnes in Q2 2013),
 - Lower costs of biomass by PLN 22,856 thou. in H1 2013 and by PLN 17,185 thou. in Q2 2013 - lower fuel consumption by 24.8% in H1 2013 and 30.9% in Q2 2013 with a lower price by 3.6%,
 - Lower value of sold allowances for emissions of CO₂ by PLN 19,295 thou. in H1 2013 and by PLN 19,308 thou. in Q2 2013 - in 2013 these costs did not occur since the sales related only to free allowances.
- Costs of energy purchases for sale which in relation to the same period of 2012 grew by PLN 16,290 thou. in H1 2013 and by PLN 12,983 thou. in Q2 2013.

In H1 2013 there was a growth in costs of purchases of energy in trade by PLN 21,235 thou., which stemmed from higher volumes of energy purchased in trade by 29.8%, with a lower average purchase price by 4.7%. At the same time, costs of energy purchases declined on the balancing market by PLN 4,945 thou. (higher volumes of energy purchases by 3.5% with a lower average purchase price by 11.7%).

In Q2 2013 there was a growth in costs of purchases of energy in trade by PLN 8,045 thou., which stemmed from higher volumes of energy purchased in trade by 25.1%, with a lower average purchase price by 6.7%. At the same time, costs of energy purchases increased on the balancing market by PLN 4,938 thou. (higher volumes of energy purchases by 44.6% with a lower average purchase price by 12.2%).

4.4.4. Other operating revenues and costs

Data in PLN '000	H1 2012	H1 2013	Change	Q2 2012	Q2 2013	Change
Other operating revenue	27 952	22 087	-21.0%	15 642	4 055	-74.1%
Other operating expenses	3 527	5 989	69.8%	2 531	2 215	-12.5%

A drop in the other operating revenues in relation to the same periods of the previous year by PLN 5,865 thou. in H1 2013 and by PLN 11,587 thou. in Q2 2013 results in particular from:

- Lower revenues from damages, penalties by PLN 7,710 thou. in H1 2013 and by PLN 3,761 thou. in Q2 2013, which results from a lower value of calculated contractual penalties in 2013, mainly for breaching contractual terms (in 2012 there were damages for breaching contractual terms relating to mainly supplies of coal and biomass),
- Lower revenues from release of provisions by PLN 6,247 thou. in H1 2013 and by PLN 4,827 thou. in Q2 2013, in 2013 it is release of provisions for liabilities for potential penalties, and in 2012 reserves for liabilities were released - realisation of an out-of-court settlement,
- Higher revenues from reversal of revaluation write-downs by PLN 5,736 thou. in H1 2013, which relates to the value of RES and cogeneration certificates of origin,
- Lower refunds of costs from the insurer by PLN 1,588 thou. and a lower value of income settlements by title of grants by PLN 1,868 thou. in Q2 2013.

A growth in the other operating expenses in relation to the same periods of the previous year by PLN 2,462 thou. in H1 2013 results in particular from:

- Creation of higher by PLN 1,225 thou. impairment of receivables (mainly receivables from contractual penalties),
- Creation of higher by PLN 894 thou. impairment of inventories.

4.4.5. Revenues and financial costs

Data in PLN '000	H1 2012	H1 2013	Change	Q2 2012	Q2 2013	Change
Financial revenue	26 386	30 343	15.0%	12 684	17 624	38.9%
Financial expenses	6 781	4 195	-38.1%	5 711	3 657	-36.0%

Financial revenues in H1 2013 grew by PLN 3,957 thou. and in Q2 2013 by PLN 4,940 thou. in relation to the same periods of 2012, which stems from obtaining lower interests on cash deposited on fixed time deposits (lower level of cash and lower interest rate on fixed term deposits) and positive exchange differences resulting from the valuation of receivables towards Windfarm.

Financial expenses in H1 2013 dropped by PLN 2,586 thou. and in Q2 2013 by PLN 2,054 thou. in relation to the same periods of 2012, which stems from lower costs of employee benefits discount and lower costs of interests on loans.

Data in PLN '000	H1 2012	H1 2013	Change	Q2 2012	Q2 2013	Change
Dividend revenue	6 280	61 684	882.2%	6 280	61 684	882.2%

In the reporting period the Company generated higher dividend revenues by PLN 55,404 thou., which is connected with the performed integration of the Generation Area and incorporation of the following companies under ENEA Wytwarzanie: Białystok Heat and Power Plant, Elektrownie Wodne, Windfarm Polska, Dobitt Energia, PEC Oborniki and MEC Piła.

4.5. Position of the Management Board in relation to the possibility of achieving previously published forecasts of the results for a given year

The Management Board of ENEA S.A. did not publish any forecasts of its financial results for H1 2013 or for the whole 2013 financial year.

4.6. Description of the principles according to which the condensed half-year financial statement and the condensed consolidated financial statement were drawn up

Condensed semi-annual consolidated financial statement

The condensed semi-annual consolidated financial statement for the period 1 January 2013 to 30 June 2013 was drawn up in accordance with the International Financial Reporting Standards, which were approved by the European Union (the "EU IFRS").

The condensed semi-annual consolidated financial statement was drawn up according to the historical cost principle, except for financial assets valued at fair value through profit and loss account, financial assets available for sale and payment in the form of shares.

The key accounting principles which are applied when drawing up the condensed semi-annual consolidated financial statement of the ENEA Group are presented in note 3 on the financial statement of the ENEA Group for H1 2013.

Condensed semi-annual financial statement

Description of key accounting principles

The key accounting principles which are applied when drawing up the condensed semi-annual non-consolidated financial statement of ENEA S.A. are presented in note 3 on the financial statement of the ENEA S.A. for H1 2013.

Basis of drawing up the financial statement

The condensed semi-annual non-consolidated financial statement for the period between 1 January 2013 and 30 June 2013 was prepared in accordance with the requirements of the International Financial Reporting Standards as adopted by the European Union (the "EU IFRS").

The condensed semi-annual non-consolidated financial statement was drawn up according to the historical cost principle, except for financial assets valued at fair value through profit and loss, available-for-sale financial assets and payments in the form of shares.

5. Development prospects and major threats and risks related to the remaining months of the reporting year

5.1. Development perspectives

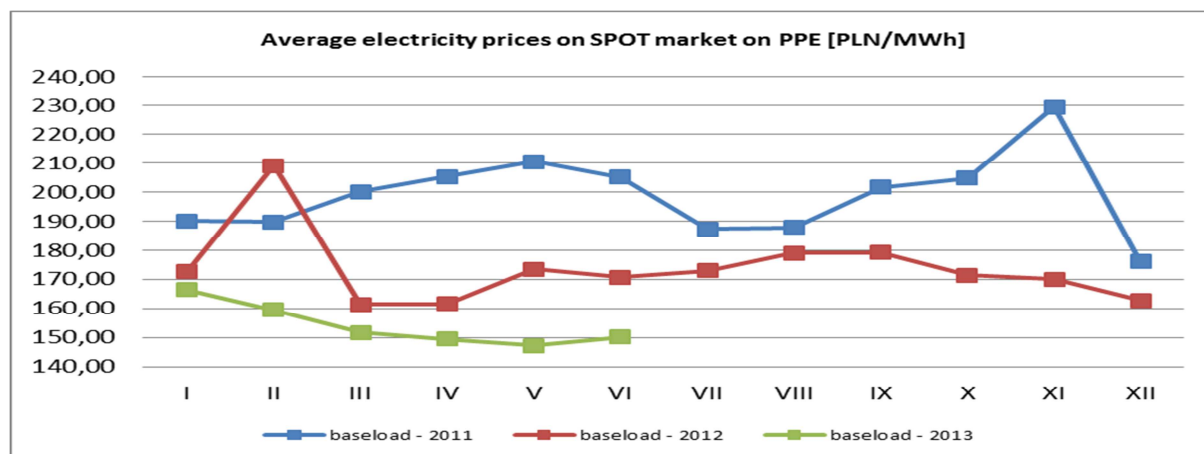
5.1.1. Energy efficiency programme

On 26 February 2013 the Board of ENEA S.A. adopted the "Energy Efficiency Programme of the ENEA Capital Group". The need of its development and implementation results from the necessity of guaranteeing integrity of the operations of all the ENEA Group's entities. Within the adopted Programme mechanisms are created which enable coordinated actions of the Group entities for the energy efficiency and their possibly active participation in tenders organised by the President of ERO in order to obtain energy efficiency certificates (white certificates). The Programme obliges the Group companies to undertake a range of individual activities for the account of improving energy efficiency.

5.1.2. Wholesale electricity prices

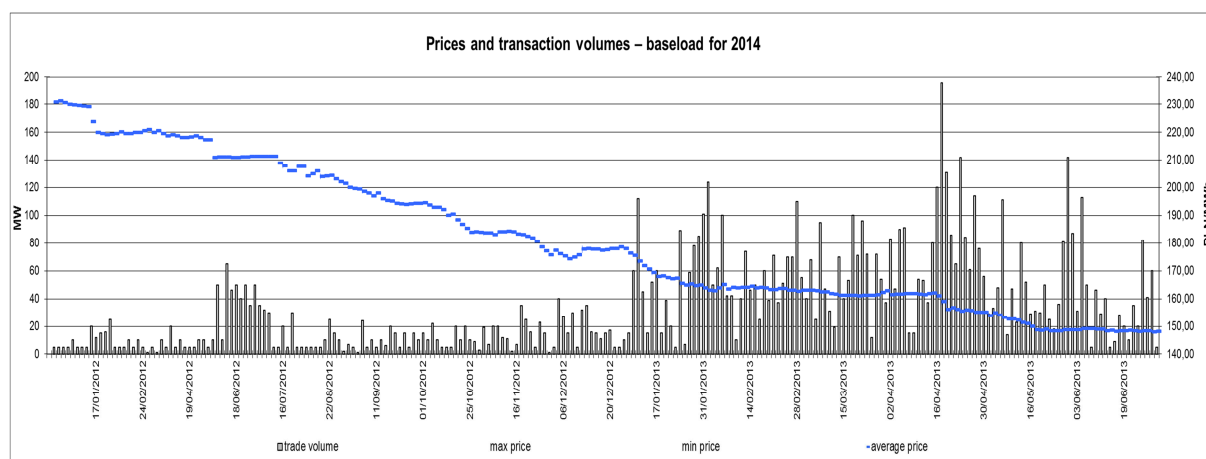
H1 2013 brought significant drops in prices of electricity on the Polish wholesale market. On the Day Ahead Market of Towarowa Giełda Energii S.A. (Polish Power Exchange) (further on: PPE) prices of energy from January to June was on average on the level of 154.10 PLN/MWh. In relation to the same period of 2012 it was lower by 20.51 PLN/MWh (11.75%) and in relation to H1 2011 it was lower by so much as 46.21 PLN/MWh (23.07%). The highest monthly average price was in January (166.47 PLN/MWh), then it dropped month over month to the amount of 147.35 PLN/MWh in May. The growth in prices in June was affected by higher demand for energy resulting from e.g. higher average temperatures.

Information on the average level of prices in the base load and in subsequent months of the year is presented in the diagram below:



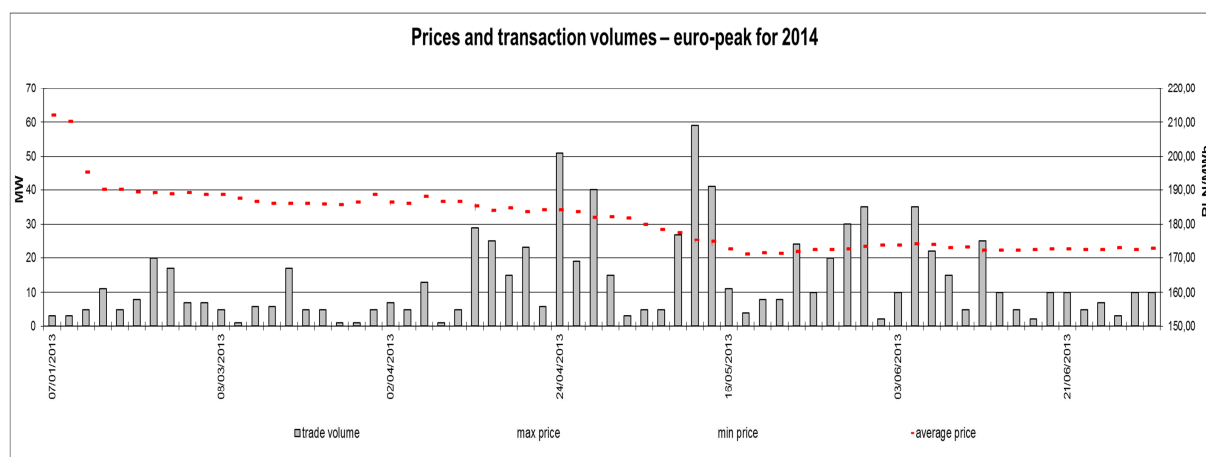
Source: Own paper based on data from PPE.

On forward market in the whole H1 the downward trend continued. The average volume-weighted price of the most liquid product, i.e. base load with delivery in 2014 (BASE Y-14) was on the level of 159.06 PLN/MWh. In the same period of the previous year, the average price for BASE Y-13 determined in the same way amounted to 208.28 PLN/MWh. During the first six months of the year BASE Y-14 got cheaper by 29.78 PLN/MWh. At the end of June 2013 it was priced on the level of 148.10 PLN/MWh. The volume of concluded transactions with delivery in the subsequent calendar year considerably grew. For BASE Y-14 it amounted to 6,388 MW, and a year before on BASE Y-13 it was 3,076 MW.



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

In 2013 the first purchase orders were noted on the euro-peak product with delivery in 2014 (PEAK5 Y-14). Cumulatively in H1 2013 transactions were concluded for the volume of 868 MW, which also constitutes a considerable growth in comparison with the level of the previous year of 405 MW on the same product - PEAK5 Y-13. The average trade volume-weighted price on PEAK5 Y-14 amounted to 179.14 PLN/MWh. Similarly as for BASE Y-14, also on PEAK5 Y-14 the downward trend is visible (the highest price amounted to 211.86 PLN/MWh, the lowest to 170.88 PLN/MWh). At the end of June 2013 the product was priced on the level of 172.63 PLN/MWh.

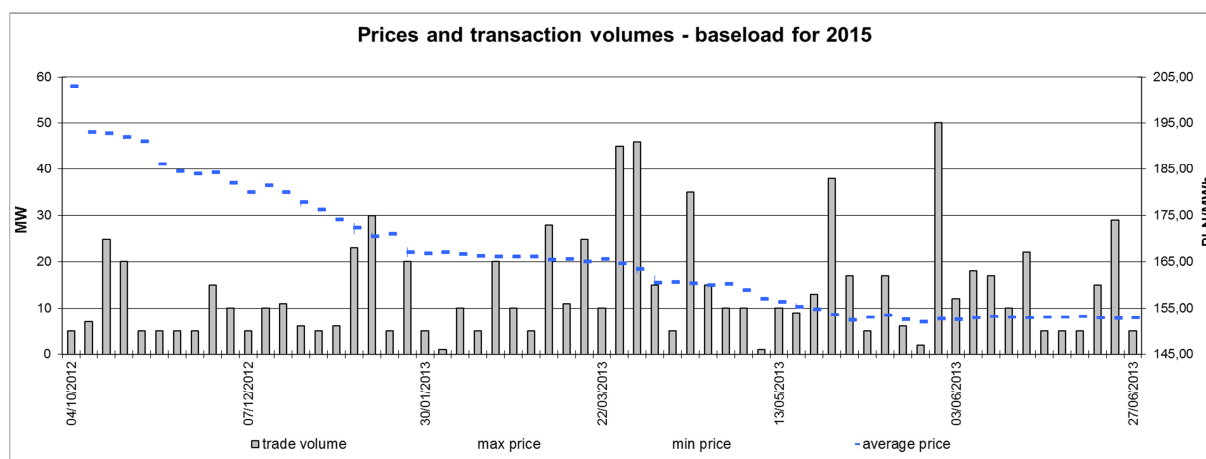


Source: Own development based on data from PPE and TFS.

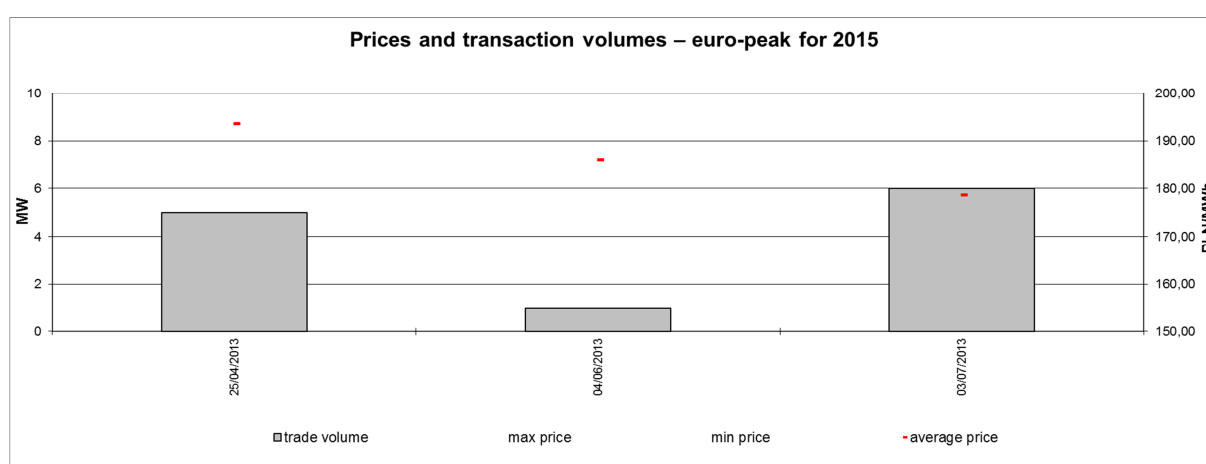
In H1 2013 drops were continued also on the base load product with delivery in 2015 (BASE Y-15). In the period from the beginning of January to the end of June 2013 the price of this product dropped by 28.60 PLN/MWh from the level of 181.45 PLN/MWh to 152.85 PLN/MWh. The spread between BASE Y-15 and BASE Y-14 amounted to averagely 4.01 PLN/MWh.

In April 2013 the first transaction was concluded for euro-peak with delivery in 2015 (PEAK5 Y-15), however till the end of H1 on this product only two transactions were made of the total volume of 6 MW (average volume-weighted price is 192.25 PLN/MWh). A month later, in May 2013 the first transaction was concluded for a base load with delivery in 2016 (BASE Y-16), however similarly as in the case of PEAK5 Y-15, the volume of concluded transactions was insignificant (a total of 34 MW in May and June). The average volume-weighted price amounted to 156.37 PLN/MWh, and the spread between BASE Y-16 and BASE Y-14 amounted to 7.58 PLN/MWh.

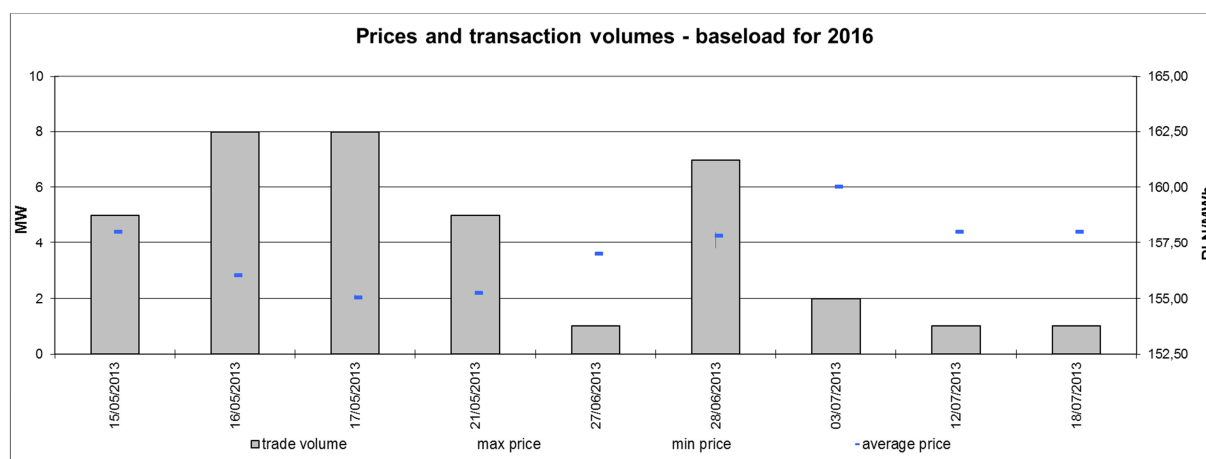
Detailed information on the above mentioned products are presented in the diagrams below.



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



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



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

Relatively high trade volumes on annual products with delivery in the subsequent year may testify of the price level reported in H1 2013 were considered attractive and stimulated recipients on the retail market to conclude contracts, which in turn resulted in a still high turnover on the wholesale market.

Reported low prices of energy may favour keeping competitiveness of Polish companies and encouraging retail customers to conclude agreements for subsequent years, not only for the upcoming year. It must be however born in mind that the level of prices of electricity should on a longer run ensure maintenance of a proper level of investment outlays in the sector of generation, in order to ensure energy security of Poland.

5.1.3. Obligations with respect to obtaining energy certificates of origin

In accordance with the regulations being in force energy companies selling electricity to end users in 2013 are obliged to obtain and redeem the following types of certificates of origin:

- For energy generated in renewable sources, the so called "green" certificates - the obligation on the level of 12.0% sales to end users,
- For energy generated in cogeneration fired with methane released and captured by underground mining works in operating, liquidated or closed mines of hard coal or with gas obtained from biomass processing, mentioned in Art. 9l item 1(1) of the Act of 10 April 1997 - Energy Law, the so called "purple" certificates - the obligation on the level of 0.9% sales to end users,
- Energy efficiency certificates, the so-called "white" certificates.

In H1 2013, despite the announcements, no legal regulations were adopted which would prolong the system of support for "red" and "yellow" certificates. As a result, with the beginning of 2013 the obligation for energy companies selling electricity to end users was limited to "green" and "purple" certificates and a new obligation entered into force relating to energy efficiency certificates - the so-called "white" certificates.

"White" certificates are a confirmation of the declared savings of energy resulting from an undertaking or undertakings of the same type aiming at the improving of energy efficiency. They are to be issued within tenders for increasing savings of energy by end users, increasing savings of energy by auxiliary devices and limitation of electricity, heat or natural gas losses during transmission or distribution¹. The obligation to buy them and redeem or make a compensatory payment belongs to power companies selling electricity to end users, in accordance with Article 12 item 2(1) of the Act of 15 April 2011 on energy efficiency.

The volume of primary energy corresponding to the value of the certificate which a power company is obliged to obtain to redeem, is calculated according to the below formula:

$$E_{p^2}^n = \frac{u^n * P^n}{100\% * O_{zj}}$$

where:

u^n - is a percentage indicator for a given year (n) of establishment of the obligation mentioned in Article 12 item 1 of the act, further on referred to as "settlement year" [%]. For 2013 it amounts to 1.0%.

P^n – is the amount of revenues from sales of electricity, heat or natural gas to end users generated for the settlement year by a given power company diminished with amounts and expenses mentioned in Article 12 item 4 of the act [PLN],

O_{zj} - amount of a unit compensatory payment [PLN/toe]. The payment presently amounts to 1,000.00 PLN/toe.

On 31 December 2012 the President of the Energy Regulatory Office announced the first tender for the selection of undertakings aimed at the enhancement of energy efficiency, for which energy

¹ The announcement of the President of the Energy Regulatory Office No. 1/2012 regarding a tender for the selection of undertakings aiming at the improving of energy efficiency for which energy efficiency certificates may be obtained. <http://bip.ure.gov.pl/download/3/3356/S60BW112123115320.pdf> (10.04.2013)

efficiency certificates may be obtained ("white" certificates)². Till the end of H1 2013 no results of the tender were announced, however the President of ERO published information on the number of offers which were submitted - they were over 200³, and informed of the possibility to announce another tender since not all "white" certificates were used in the first tender⁴. Also till the end of H1 2013 "white" certificates were not listed on the session market of PPE.

For "green" certificates during the first months of 2013 a decreasing trend was continued which commenced in 2012. In February 2013, after the information coming from the Ministry of Economy on consideration of launching of an intervention mechanism, on the market of "green" certificates there was a sudden increase in transaction prices from the level of 97.00 PLN/MWh to 187.50 PLN/MWh. Then, because of lack of further concrete information as to the construction of the system of intervention, "green" certificates returned to the level of 120.00 PLN/MWh. On the turn of April-May there was another increase in the price to the levels of 180.00 PLN/MWh, most likely resulting from a wish to buy "cheap" certificates of origin in order to realise the obligation during subsequent years. Finally, at the end of H1 2013 the price of "green" certificates of origin oscillated around 150.00 PLN/MWh.

At the end of June 2013, according to the data contained in the Monthly Report of PPE, the number of recorded and not redeemed certificates in the register amounted to around 7.1 TWh.

The unit compensatory payment for "green" certificates was increased from the level of 286.74 PLN /MWh for 2012, to the level of 297.35 PLN /MWh for 2013⁵.

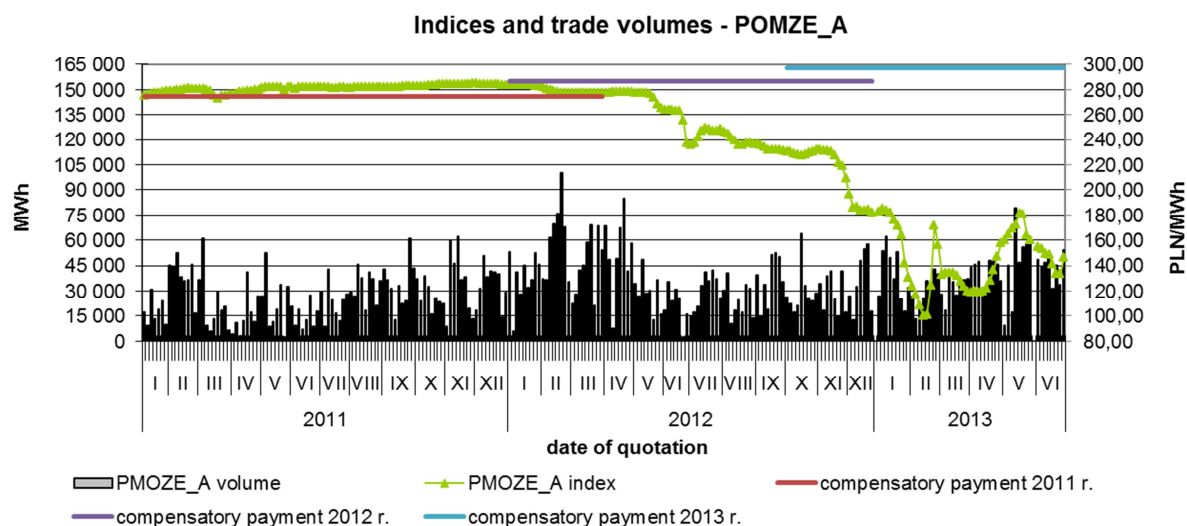
Reported still low levels of prices of certificates of origin for energy generated in renewable sources may be reflected in a lower cost burden of final energy recipients. On the other hand, it must be borne in mind that the support system should ensure maintaining a proper level of return on investment in RES sector in order to ensure realisation of the required share of energy from RES in an energy "mix" on a longer run. Thus, it is very important to ensure a predictable, coherent and stable system of support for renewable sources.

² http://www.ure.gov.pl/portal/pl/424/5057/Prezes_URE_oglosil_pierwszy_przetarg_na_wybor_przedstawiciel_za_ktore_mozna_uzysk.html

³ http://www.ure.gov.pl/portal/pl/424/5135/Otwarto_oferty_w_pierwszym_przetargu_na_wybor_przedstawiciel_sluzacych_poprawie_e.html

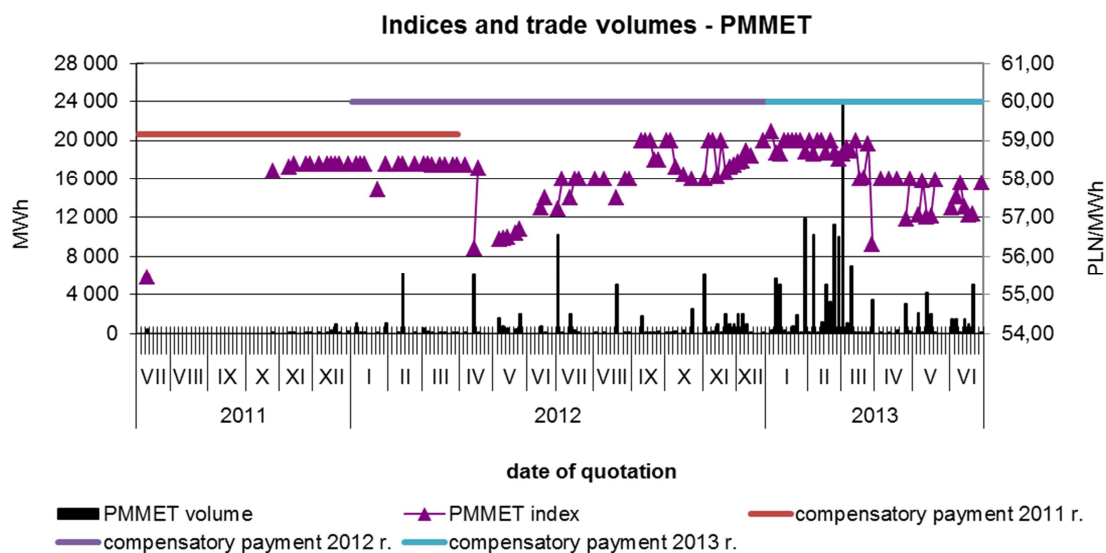
⁴ <http://www.consus.eu/n,14274,ure-zapowiada-drugi-przetarg-na-biale-certyfikaty.html>

⁵ http://www.ure.gov.pl/download/1/6283/Informacja_3_PURE_.pdf



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

A considerably lower than for "green" certificates a value variation of prices in H1 2013 was characteristic for "violet" certificates, for which the difference between the minimum and maximum index amounted to almost 3.00 PLN/MWh. The volume of trade on the session market of PPE with these types of certificates in comparison with "green" certificates was also much lower. The value of index (PMMET) at the end of June 2013 amounted to 57.90 PLN/MWh and was by 2.10 PLN/MWh lower than the unit compensatory payment for 2013. The unit compensatory payment announced by the President of ERO for "violet" certificates for 2013 remained unchanged in relation to 2012, i.e. 60.00 PLN/MWh⁶.



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

⁶ http://www.ure.gov.pl/download/1/5334/Informacja_PURE_Nr_15.pdf

5.1.4. Limits of CO₂ emission allowances and their market prices

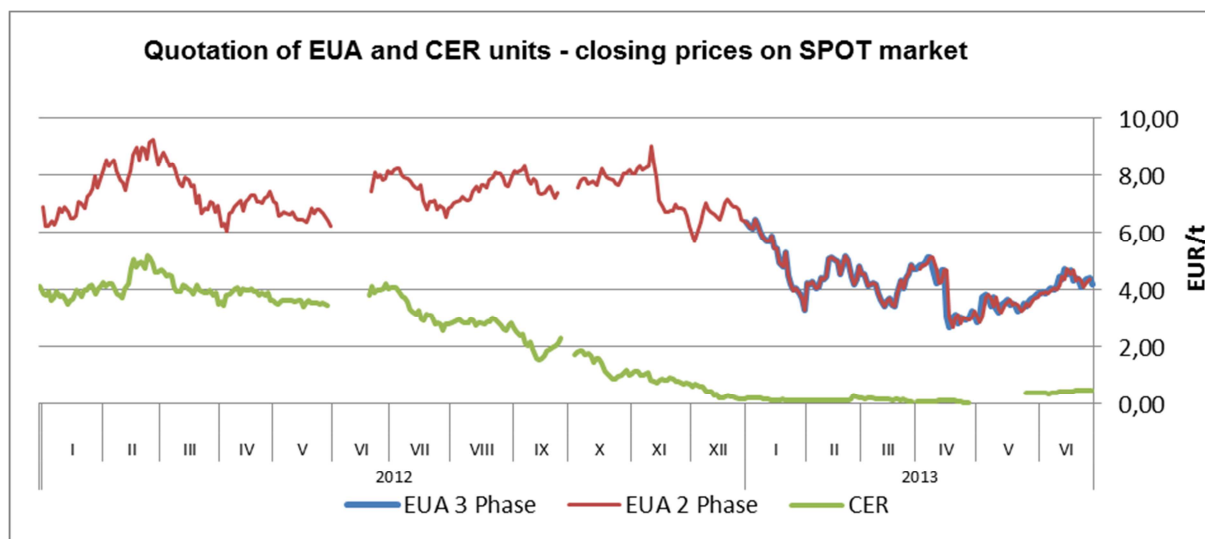
H1 2013, being the beginning of 3rd Settlement Period within the European Union Emission Trading Scheme (EU ETS) ran in the light of information on possible changes of the System operation. One of the most significant issues was the case of the so-called backloading, which is a proposal of withdrawal of 900 mln allowances from the auction during 2013-2015 and their re-introduction during subsequent years till 2020. As assumed, a temporary reduction in supply is to artificially increase the price of allowances for emissions of CO₂ (EUA) increasing cost-efficiency and encouraging pro-ecological investments in the industry and power engineering. Although the proposal must come through three legislation levels (European Commission, European Parliament, Council of Europe) before it is approved, the very speculations or reports in this matter were enough to incite nervous actions and fluctuations of EUA prices on markets. An example of such changes in prices resulting from announcements relating to backloading may be even a preliminary voting of the Committee on Industry planned for 24 January 2013. Waiting for the voting was accompanied by a growing market uncertainty which led to the depreciation of the value of units to the level of 4.65 EUR/t on 23 January - a day before the voting. After announcing of results which were against the planned changes, the prices of allowances reacted suddenly. EUA units offered in December futures contracts noted a short, but significant price drop. Their value dropped to the level of 2.81 EUR/t, to finally end quotations on that day on the level of 4.33 EUR/t.

At the end of H1 2013 there was an important voting of the Environment Committee of the European Parliament which on 19 June approved a delay of the auction of part of the allowances for emissions of CO₂. The market also expected the result of the voting planned for 3 July in the European Parliament over the proposal of backloading. Increases observed during the first part of the month resulted from information which testified on a possible success of the above mentioned voting. A positive result of the Committee voting did not influence appreciation of the units of allowances, and even from that moment prices began to drop. Drops resulted from a conviction that the European Parliament would again reject the proposal of backloading. Final voting in the European Parliament, which took place on 3 July, surprised the market. The European Parliament favoured the intervention on the market of trading allowances for emissions of CO₂ consisting in the suspension of the auction for part of the emission allowances. The result of the voting demonstrated that interests of Member States of EU are very differentiated in this matter.

On the spot market the average price of EUA units for the second settlement period in H1 2013 was 4.24 EUR/t. The value was by so much as 3.20 EUR/t lower than in H2 2012, which constituted a drop on the level of 43%. During the reporting period the highest prices on this product could be noticed at the beginning of the year (7 January - 6.45 EUR/t), the lowest in April (17 April the settlement rate dropped to 2.70 EUR/t). The discussed contract because of the commencement in 2013 of the 3rd Settlement Period expired on 26 June 2013.

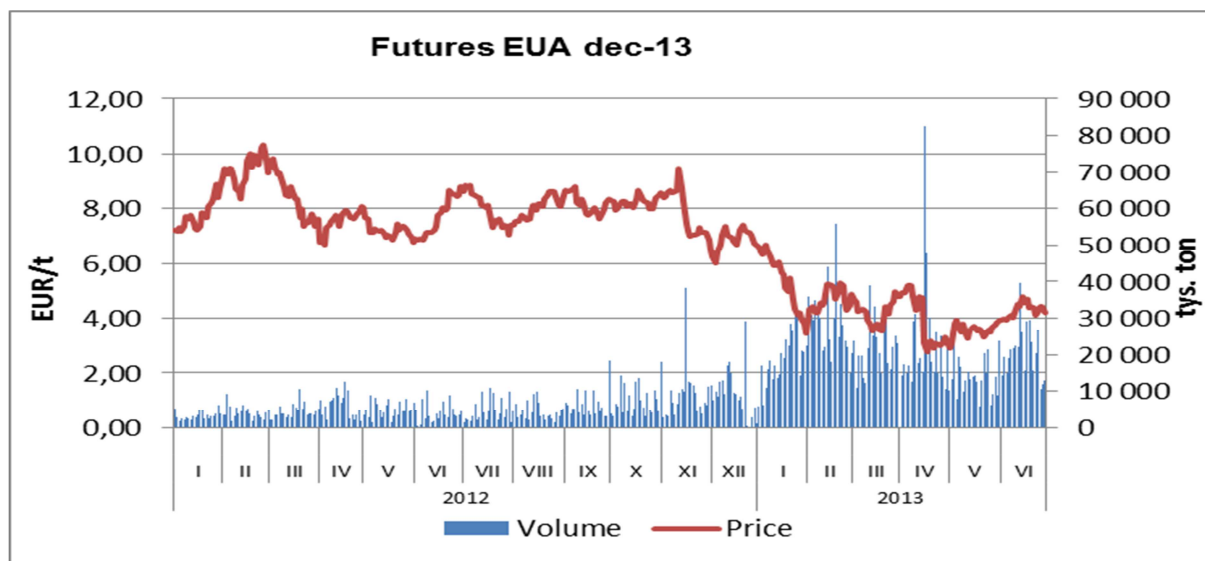
From December 2012 there was also a possibility of concluding spot contracts for the purchase of EUA units for the third settlement stage. The average settlement rate in H1 was almost identical as for EUA for the second stage and amounted to 4.25 EUR/t. Since the both products are strongly correlated local price extrema were on the same days and amounted to 6.46 EUR/t and 2.70 EUR/t.

Detailed information on daily quotations are included in the diagram below.



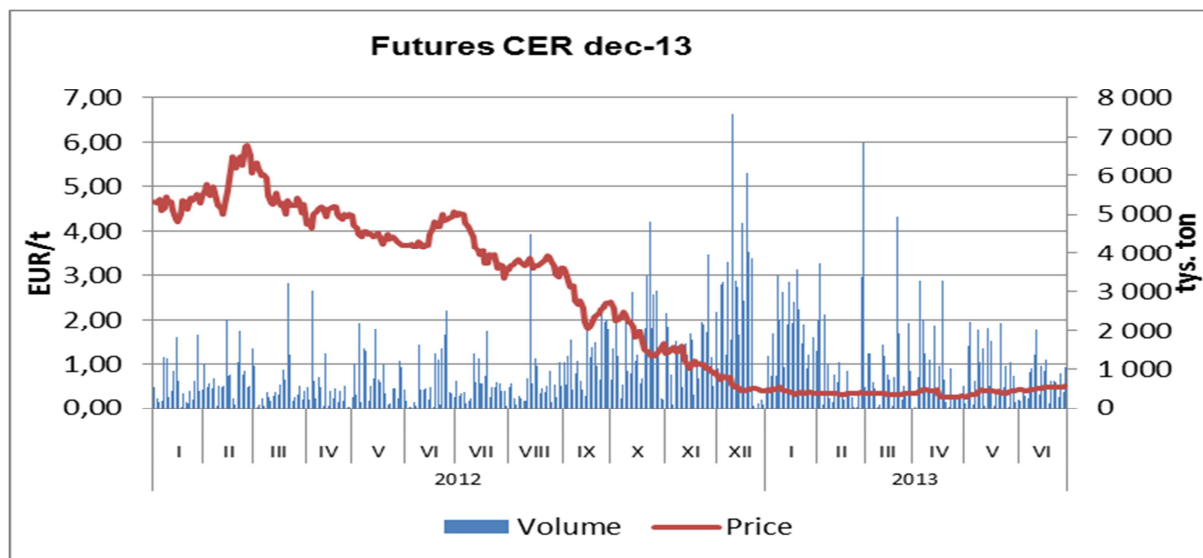
Source: Own development based on data from BlueNext and ICE.

The futures market followed the spot market (and political events). The EUA contract for emission allowances settled in December 2013 (EUA Dec-13) was on average concluded at the price of 4.33 EUR/t with the total trade volumes totalling to almost 2,674 bln units. The average price was by 3.13 EUR/t (42%) lower than the average price of the same product (i.e. EUA Dec-12) in H1 2012, and the average volume of the session grew by 6,308.12 thou. units, which constituted a growth by 43%.



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

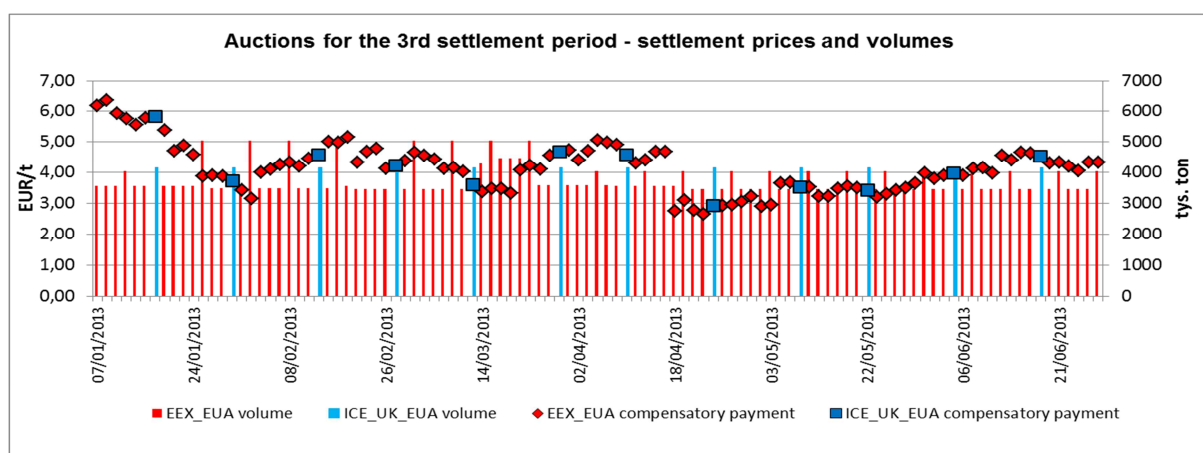
The CER contract for December 2013 (CER Dec-13) was traded during the reporting period on average at the price of 0.36 EUR/t. For comparison in H1 2012 the price of the contract for December 2012 (CER Dec-12) was over 10-times higher and amounted to 3.88 EUR/t. In H1 2013 the volume of concluded transactions also decreased - by 65% to 1,144.80 thou. units, which was undoubtedly connected with a considerable reduction in the possibility of using these units in order to settle the emissions of CO₂ during the 3rd Settlement Period. The highest prices were reported at the beginning of the year and in June with a maximum of 0.50 EUR/t as at the last day of June. The minimum reported price amounted to 0.24 EUR/t.



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

Apart from quotations of EUA on the spot and futures market a significant role was played by the primary auction market. Auctions on the EEX exchange increased the market to a total of almost 348.2 mln tonnes CO₂ emission allowances and auctions for ICE to over 49.6 mln tonnes. The average price on EEX auctions amounted at that time to 4.13 EUR/t (fluctuating between the maximum of 6.35 EUR/t and the minimum of 2.65 EUR/t). Auctions for ICE were also settled on average by 4.13 EUR/t, however with a difference between the minimum 2.93 EUR/t and maximum of 5.81 EUR/t.

During the reporting period there was a quite a controversial situation on 18 January when the auction on EEX was cancelled for the first time in history. The reason for that were prices in submitted offers which did not satisfy organisers. The situation repeated on 22 February for the same reason. EUA auctions organised almost each day were a significant factor affecting EUA prices on the secondary market.



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

Presently, it is estimated that on the market there is a surplus of around 2 bln units of allowances⁷. Undertaken actions aiming at the withdrawal of part of allowances, unless they are realised, will only to some extent balance the demand and supply sides. Thus, among member states there appears a lot of criticism regarding the present shape of EU ETS system and proposals of a necessity of its reconstruction, further events on the CO₂ market will trigger movements on the power markets.

Generation assets	CO ₂ emission in H1 2013	Annual average allocation according to KRPU (National Allocation Plan) for 2013
ENEA Wytwarzanie	5 181 725	No information
Elektrociepłownia Białystok	159 343	No information
MEC Piła	46 660	No information
PEC Oborniki	Does not participate in trade in emissions	Not applicable

5.1.5. Financing sources of the investment programme

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

ENEA S.A. adopted and is under the realisation of the project titled "Gaining funding for the realisation of investment projects in the ENEA CG", within which on 21 June 2012 between the Issuer and five banks acting as Issue Guarantors, i.e.: Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna, Bank Polska Kasa Opieki Spółka Akcyjna, Bank Zachodni WBK Spółka Akcyjna, Bank Handlowy w Warszawie Spółka Akcyjna and Nordea Bank Polska Spółka Akcyjna, a programme agreement was concluded relating to the bond issue programme up to the amount of PLN 4,000,000,000, in which the terms and conditions of the bond issue programme were determined between the Issuer and Bank Guarantors. This is a 10-year programme of issue of national bonds, unique in its construction and adjusted to the investment programme realised by the ENEA Capital Group. The funding is unsecured and free from limitations for shareholders within the so-called ownership clause and dividends.

The funds gained from commercial banks are designated for the realisation of investment projects in the ENEA CG, including e.g. for the construction of the 1,075 MWe gross supercritical bituminous coal fired power unit, which is to be constructed within the operations of ENEA Wytwarzanie.

In accordance with the Programme Agreement the Company is obliged to maintain a level of the financial indicator specified in the agreement: net debt/EBITDA relating to the amounts resulting from the consolidated financial statement. As at the date of preparation of this financial statement the above condition is fulfilled.

On the conclusion of the agreement the Company informed in the current report No. 23/2012 dated 21 June 2012.

As at 30 June 2013 ENEA S.A. did not issue bonds within the aforementioned Programme.

⁷ http://energetyka.wnp.pl/w-kwietniu-obroty-co2-w-gore-a-ceny-w-dol,197066_1_0_0.html

Investment loans from the European Investment Bank

Additionally, on 18 October 2012 ENEA S.A. concluded a Financial Agreement with the European Investment Bank for the amount of PLN 950 mln (say: nine hundred and fifty million zloty) or its equivalent in EUR.

On 19 June 2013 ENEA S.A. concluded another Financial Agreement with the European Investment Bank providing for the granting to ENEA S.A. of a loan in the amount of PLN 475 mln (say: four hundred and seventy five million zloty) or its equivalent in EUR.

The funds gained from the both loans will be designated for the funding of a multiannual investment plan regarding the modernisation and extension of the power grids of ENEA Operator. The period of loan repayment is up to 15 of the planned date of disbursement, however not later than till 18 October 2029.

At the same time, on 19 June 2013, in relation to the conclusion of the aforementioned Agreement an annex was signed to the agreement on realisation of the Programme of 18 October 2012 concluded between ENEA S.A., European Investment Bank and ENEA Operator, regulating the issues connected with the principles of realisation of the Programme in the part based on the funds granted by the Bank. As at 30 June 2013 ENEA S.A. did not use any loans within the aforementioned Agreement.

Additionally, ENEA S.A. continues parallel talks with the European Bank for Reconstruction and Development ("EBRD") concerning the possibility to obtain a maximum of PLN 800 mln of a long-term unsecured loan for the implementation of the investment programme of the Capital Group with regard to the area of electricity distribution. It is planned that the funds from EBRD will be obtained in H2 2013 and will be used gradually during the availability period established with the Banks. The funds for which ENEA S.A. applies in EBRD would be, beside the funds gained from EIB, one of the basic sources of financing of the investment programme in the area of electricity distribution during 2012-2015 with the estimate value of PLN 3.3 bln.

What is significant for gaining funding for the investment programme is a strong position of the Group on the Polish power market and a deliberate financial policy confirmed on 14 April 2011 by Fitch Ratings agency, which for ENEA S.A. issued long-term high ratings for an entity in the national and foreign currency on the level of "BBB" and a long-term national rating on the level of "A(pol)" with a stable outlook (maintained in April 2013).

5.1.6. New legal regulations within RES

Co-firing of biomass with coal is presently a leading technology of generation of electricity from RES in Poland (around 45%). A dynamic development is mainly a result of the support of the state in the form of certificates of origin ("green certificates") with relatively low investment costs. A further development of co-firing of biomass with coal will depend on the level of profitability of electricity production from these sources. This in turn depends on the correlation between the price of electricity, level of support, thus the market price and the method of calculation of certificates of origin, and costs of production, i.e. mainly the price of biomass used for co-firing.

If the new Law on RES introduces correction coefficients or specifies time limits for rights to certificates a real reduction in the support will occur. The level of support limitation will directly translate into the lowering of the number of operated installations, lowering of levels of electricity production in the technology and a decline in the supply of certificates generated from co-firing. The goal of investors will be other more economically attractive sources of electricity generation, also other than RES.

5.2. Development factors

5.2.1. Implementation of the strategy

The implementation of the Capital Group strategy is one of the essential factors for developing the Capital Group.

Our strategy is based on the mission of the Group, that is, to provide high-quality services to customers, to ensure a safe environment for our employees, and to build shareholder value while caring for the natural environment.

We realise our strategy through the implementation of the goals defined below:



An integral part of this strategy is the implementation of a new business model for the Group, which provides for the functioning of the following business areas:

- Corporate Centre,
- Generation based on fossil fuels and renewable sources,
- Wholesale trading,
- Sales,
- Distribution,
- Shared Services Centre.

Creating, in addition to the core business areas, a corporate centre and a shared service centre divisions, should increase the efficiency of managing the Group and enable cost synergies to be obtained from the centralised management of Group operations and a shared customer service system.

We assume that implementing our strategy during 2010-2020, we will designate in the base variant a total of about PLN 18.7 bln for investments in conventional generation, distribution and renewable energy sources and cogeneration.

Taking into account the planned investments, from the point of view of ENEA S.A., the long-term development of the equity portfolio is essential to carry the burden of future investments. The funds from the profit could complement the sources of financing of investment expenses, particularly within investments connected with the growth of the Group, mainly investments in new generating capacities.

Area of Generation

Our main goal for conventional generation is to construct a new 1.075 MWe gross electrical capacity bituminous coal-fired supercritical power unit in Świerże Górne. We are planning to commission it in 2017. Detailed information within the progress of the construction process with a description of required investment outlays was presented in 5.2.5 below.

At the same time, we are continuing the modernisation of the other 200 and 500 MW units operating in ENEA Wytwarzanie, the objective of which is to prolong the time of operation of units and improvement of the electricity generation efficiency through decreasing unit consumption of heat. Additionally, the investment programme is continued which aims at reconciliation to the requirements of the Directive No. 2010/75/EU on industrial emissions from large sources of combustion, the result of which is the agreement signed in March 2013 for the construction of IOS IV flue gas desulphurisation plant with Babcock-Hitachi K.K.

In the area of renewable energy sources we expect to further develop our generation capacities. By 2020 we are planning to achieve 250-350 MW of power installed in wind. At the same time, we perform activities aiming at the realisation of investments in biogas capacities. We have also commenced reviewing of the Group's strategy. We would like to end the process of the Group's strategy updating till the end of 2013.

On 15 January 2010 ENEA S.A. completed the purchase of the first biogas power plant in Liszkowo (The Kujawsko-Pomorskie Province) with the capacity of 2.12 MWe. In Q2 2011 ENEA S.A. purchased 100% shares in the special purpose vehicle Dobitt Energia established for the needs of the construction of an agricultural biopower plant with the capacity of 1.6 MW - the construction was completed in December 2012. Having been connected to the network and after a technological start-up the biopower plant will commence the production of electricity in Q2 2013. The total capacity of biogas power plants in the ENEA Capital Group will reach 3.72 MWe at that time.

In March 2011 a subsidiary of ENEA S.A., i.e. Elektrownie Wodne, dedicated to, among other things, the extension of production capacities of the Group from Renewable Energy Sources purchased a wind farm located in Darżyno in Pomorze with the installed capacity of 6 MW. The wind farm in Darżyno was constructed in 2008. It located on the very windy area. In 2012 the farm generated 16,410.3 MWh of gross electricity (16,305.2 MWh net).

On 1 June 2011 ENEA S.A. purchased from the French company Société Nationale d'Électricité et de Thermique (SNET) 69.58% of the Białystok Heat and Power Plant's shares. Thanks to the transaction the Group holds almost 100% shares of the company from Białystok. The Białystok Heat and Power Plant is one of the largest enterprises in the region. Heat generating capacity of the Białystok Heat and Power Plant (before the conversion of another boiler on biomass) amounted to 459.2 MWt. Apart from the heat production the Białystok Heat and Power Plant produces also electricity and process steam. The equipment of the combined heat and power plant may generate 400 GWh of electricity which is then sold on the wholesale market. The basic fuels used in the combined heat and power plant are biomass and coal. In 2008, in unit No. I, a boiler fired exclusively with biomass was started. The new installation helped to limit the emission of gases and dusts harmful to the environment and decreased the volume of waste from coal combustion. The capacity of the plant fired with this fuel is 75.2 MW. In 2012 the Białystok Heat and Power Plant completed the investment of the conversion of another coal boiler to the BFB fluidised bed type boiler - powered with biomass. Another biomass boiler in the Białystok Heat and Power Plant was commissioned on 31 December 2012.

Presently, the generating capacities of the Białystok Heat and Power Plant amount to respectively:

- The heat generating capacity 446.5 MWt, of which the heat generating capacity in RES - 105.0 MWt,
- The electrical generating capacity 156.6 MWe, of which the electrical generating capacity in RES - 56.6 MWe.

In June 2011 a hydroelectric plant was commissioned on the Wełna River in Oborniki. The building, which belongs to Elektrownie Wodne with the seat in Samociążek has the capacity of 330 kW. In 2012 the power plant generated 1,150.8 MWh of electricity. The water power plant in Oborniki is the 21st installation of that kind belonging to the ENEA Capital Group.

On 16 April 2012 ENEA S.A. purchased 100% shares of the special purpose vehicle, Windfarm Polska. The Company owns the newly built 50 MW wind farm in Bardy with the total capacity of 50 MW consisting of 25 Vestas turbines with the capacity of 2 MW each and the own switching station. The wind farm is located on a very windy area in the north-western Poland which translates into the forecast of an annual average production of electricity on the level of 150,000 MWh. In the period from the start-up (March 2012) till the end of 2012 the farm produced 121,914.3 MWh gross electricity (114,312.4 MWh net). Windfarm Polska commenced works aiming at the extension of production capacities of the farm with another 9 MW.

Within the cooperation of ENEA S.A. with PGNiG S.A. on analysing the possibilities of realisation of a joint investment in the construction of a generating source of electricity based on gas the Company conducted works aiming at the selection of an optimum localisation for the construction of a gas unit. Having completed localisation and economic analyses for the selected localisation, because of the analysis results diverging from expectations a decision was made on discontinuation of further works within this scope.

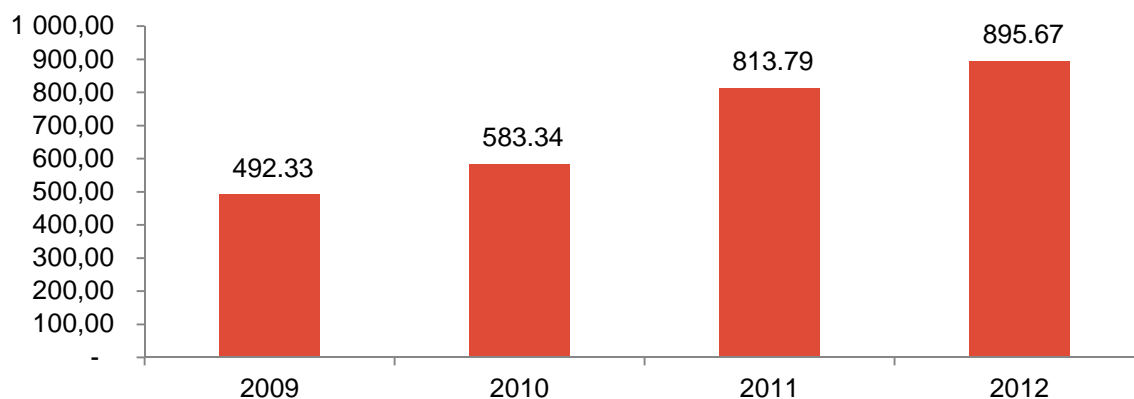
The Group also undertakes actions aiming at the consolidation of the generation area. On 25 May 2012, within the "Integration of the Generation Area" Elektrownia "Kozienice" S.A. changed its name to ENEA Wytwarzanie S.A. and will manage the production of electricity and heat in the whole ENEA Capital Group. The Integration of the Generation Area covers seven subsidiaries of the Group: ENEA Wytwarzanie S.A., Elektrociepłownia Białystok S.A., Elektrownie Wodne Sp. z o.o., Dobitt Energia Sp. z o.o., Windfarm Polska Sp. z o.o., MEC Piła Sp. z o.o. and PEC Oborniki Sp. z o.o. The integration of electricity and heat generating companies aims at the implementation of a new model of the Group's operations ensuring an efficient decision-making process within the coherent generation strategy, optimum allocation of resources and improvement in the generation area efficiency. On 28 December 2012 ENEA Wytwarzanie took over from ENEA S.A. the shares of six companies operating within the generation of electrical and heat energy in the ENEA CG. In return, ENEA S.A. took up all the shares in the raised share capital of ENEA Wytwarzanie. As a result of these actions a holding structure of the generation area was established which is managed by ENEA Wytwarzanie.

Another stage of the integration of the generation area realised in 2013 will be the inclusion of selected companies into the capital structure of ENEA Wytwarzanie, the remaining companies will remain in the full functional subjectivity. Presently, legal acts are being prepared which are indispensable for the incorporation of the said companies and realisation of activities within particular operating projects anticipated in the Integration Plan.

Area of Distribution

In the area of distribution, during the period covered with the strategy we are planning investment works and modernisation of the grid infrastructure, and essential refurbishment in connection with an increasing demand for electricity and the need to connect renewable sources of energy. Such investment and modernisation activities should result in increasing the functionality of our grid and reducing grid losses. They will also involve replacing those sections of power distribution lines that have been the longest in service. These activities should substantially affect the increase in reliability of deliveries of electricity to customers. Below we present the amounts of investment outlays made by ENEA Operator from 2009 to 2012.

Outlays for investments incurred in ENEA Operator [PLN mln]



Our investment expenditures within distribution are continually increasing. Also in 2013 the planned outlays are higher than the outlays realised in 2012.

The Company designated the outlays to:

- connecting new users and new sources and related construction of new networks,
- modernisation and reinstatement of the existing assets connected with improving the quality of services and/or power demand increase,
- other investment outlays (in particular: connectivity, measurements, IT, buildings, constructions, means of transport).

In the perspective of 2009-2013 an explicit trend was noticed consisting in the decreasing of the share of outlays for connecting new recipients and new sources and related construction of new networks in the total amount of outlays. In 2009 the outlays of this type constituted 66% of the value of the investment plan, in 2012 - 38% and in 2013 they constitute also 38% of the planned expenditures.

At the same time, a trend is visible of increasing the share of outlays for the modernisation and reinstatement of the existing assets. In 2009 the outlays of this type constituted 26% of the value of the investment plan, in 2012 - already 50% and in 2013 they constitute 58% of the planned expenditures.

Area of Sales

IN H1 2013 works were continued within the adopted "Sales Strategy of ENEA S.A. within retail trade for 2013-2016". The strategy based on the expansion beyond the historical market, improvement in the efficiency of customer service and purchases on the wholesale market of energy, assumes the reversion of the downward trend in sales observed during 2009 and 2010.

The pillars of the sales strategy are:

- expansion of retail sales (gaining new clients beyond the historical area, keeping and recovery of clients from the historical area, and the development of the gas trade competences),
- efficiency of customer service (development of new channels of customer gaining and service, improvement in the efficiency and quality of customer service and optimisation of costs),
- efficiency in the wholesale trading (efficiency of purchases on the wholesale market, better projections, risk and portfolio management).

The initiatives realised within the strategy implementation in H1 2013 included:

- product implementation (guaranteed prices) for loyalisation of customers from Cxx tariff groups,

- implementation of the agreement and tariff for individual customers from beyond the area of ENEA Operator,
- opening of two sales points of ENEA S.A. beyond the area of operations of ENEA Operator,
- development and implementation of the incentive scheme for the area of sales,
- transfer of post-sales service of TPA customers to ENEA Centrum S.A. from Post-sale Customer Service point in ENEA S.A.,
- implementation of a system of reporting and monitoring of levels of service in Customer Service Points,
- analysis of the grounds for the extension of the operations of ENEA S.A. with trade in gas,
- dimensioning and development of the organisation of the area of sales.

Initiatives commenced during that period include:

- development and implementation of the operating model of the sales and customer service areas/implementation of the Information System of Customer Service,
- implementation of the controlling system.

Area of Customer Service

In H1 2013 works were continued within the programme of customer service model change initiated in 2012, covering the most substantial issues from within the customer service area.

The programme groups initiatives and projects which lead to the gaining of the following goals:

- increase in the efficiency of gaining and retaining customers,
- increase in the level of customer service quality,
- reduction of unit costs of customer service.

A growth in the efficiency of gaining and retaining customers and a higher level of the quality of customer service will be reached through the implementation of a new operating model of sales and customer service areas and the implementation of an IT system of customer service (Billing, CRM, Contact Centre).

As a result of the implementation of the new operating model it is planned to lower the unit costs of customer service, increase the volumes of sales and share in the energy market, and also enhance customer satisfaction.

A key and largest project realised within the Programme is the implementation of the operating model together with an IT customer service system.

Initiatives within which works are conducted at the present stage of the programme advancement include:

- development and implementation of the operating model of sales and customer service areas/implementation of an Customer Service Information System, automation of the process of collection of measurement data of TPA customers to MultiZBYT billing system.

Initiatives realised in H1 2013 are:

- widening of the Call Center,
- optimisation of the debt collection process - verification of present processes,
- takeover by ENEA Centrum S.A. from ENEA Operator Sp. z o.o. the back-office service for Poznań,
- optimisation of the chain of points collecting payments of ENEA S.A.'s customers.
- transfer of TPA agreements for the inclusion in the enPort information system and also extension of the registration of agreements in enPort with direct sales.

Area of Wholesale Trade

In H1 2013 ENEA Trading Sp. z o.o. updated the strategy of functioning of the wholesale area of the ENEA CG. The document, cyclically prepared in ENEA Trading Sp. z o.o., was approved for use by the boards of ENEA S.A., ENEA Wytwarzanie and ENEA Trading Sp. z o.o.

ENEA Trading Sp. z o.o. commenced the process of transferring competences connected with trade in production fuels for generation sources of the Group. Centralisation in one entity, i.e. ENEA Trading Sp. z o.o., management of the first contribution margin in generation and commercial risk management on the wholesale market level, will enable optimisation of activities and business processes in the Group - from costs of production of own sources to supplying energy for ENEA S.A. for the needs of retail sales.

In H1 2013 ENEA Trading Sp. z o.o. continued works connected with the preparation for trade in natural gas on the wholesale market. Other formal and legal obligations were satisfied which were imposed by the legislator within obtaining approval for trade in gas abroad. In February 2013 the company signed an agreement with Dom Maklerski TRIGON on its representation on PPE. Moreover, by the decision of the Minister of Economy the company received the exemption from maintaining obligatory stocks of natural gas till 1 January 2015. On 18 April 2013 the President of the Energy Regulatory Office issued a positive decision on granting the company a licence to Trade in Gas Abroad (OGZ) till 31 December 2030.

In accordance with the requirements of the licence to Natural Gas Trading (OPG) the first transaction was also concluded on the market organised by PPE.

5.2.2. New 1,075 MW gross supercritical power unit

On 21 September 2012 the Board of ENEA Wytwarzanie and HITACHI Power Europe GmbH and Polimex-Mostostal S.A. consortium concluded a contract for the construction of a new supercritical steam power unit fired with bituminous coal with the capacity of 1,075 MW gross.

The period of the investment realisation is 58 months of the execution of the aforementioned contract.

The basic technical data of the unit are as follows:

- gross electrical power of the unit: 1,075 MW,
- net efficiency of the unit: 45.59%,
- availability: during the first year > 90%, in subsequent years > 92%.

Detailed information on the conclusion of the agreement was published in the current report No. 35/2012 of 21 September 2012.

The outlays anticipated for the investment realisation are around PLN 5.3 bln net (excluding financial costs). In order to ensure the realisation of the aforementioned investment in September 2012 the Boards of ENEA S.A. and ENEA Wytwarzanie concluded a programme agreement with BRE Bank regarding the Bond Issue Programme up to the amount of PLN 4 bln. Together with the programme agreement between ENEA S.A. and ENEA Wytwarzanie an agreement was concluded for guaranteeing the subscription for the bonds concerning the bond issue programme up to the amount of PLN 4 bln.

Detailed information on the conclusion of the agreement was published in the current report No. 34/2012 of 8 September 2012.

On 1 October 2012 a documented hand-over of the construction site to the Contractor was performed. The realised works and works in progress on the construction site till 30 June 2013:

- construction Site was fenced and lighted,
- geological survey of the land was performed for the development of the strategies of object foundation,

- demolitions were made on the construction site,
- relocations of underground installations were conducted,
- access roads were made,
- excavations under the main building and the installation of dehydrating deep excavations were made,
- excavation dehydration commenced - lowering of a groundwater tables and adjacent building subsidence monitoring was performed,
- piling commenced within the boiler house,
- continued deep excavations in the area of the main building, electrical building and ash containers.

Further realisation of works connected with the power supply installation and temporary lighting of the construction site.

5.2.3. Specifications and nature of the operations of ENEA Wytwarzanie

The Power Plant belonging to ENEA Wytwarzanie is a condensation power plant in which the basic fuel utilised in the generation of electricity is bituminous coal. The main impact of the power plant is in connection with emissions of atmospheric pollutions, storage of combustion waste, intake of water and disposal of sewage. Pollutants emitted into the atmosphere include sulphur dioxide, nitric oxide, dust and carbon dioxide.

The power plant has fume anti-dust installations with high-efficiency electrostatic precipitators mounted on each of its energy units. Taken into account in the modernisation, renovation and investment cycle of the units there is the need for the Power Plant to keep the permissible level of concentration of dust in the fumes from each unit, which must not exceed 50 mg/Nm³.

The Power Plant operates installations for initial reduction of nitric oxides. Their role is to limit the concentration of nitric oxides to a guaranteed level of 500 mg/Nm³, utilising such devices as ROBTAS low-emission burners and a system of air nozzles installed on the front and rear walls of the furnaces above the burner zone (so-called OFA, SOFA nozzles). Additionally, the unit No. 3 was equipped with latest generation NO_x low-emission burners, of Energotechnika-Energorozruch S.A., thanks to which the condensation of nitric oxides on the unit No. 3 is below 300 mg/Nm³.

Restricting emissions of SO₂ is handled by flue gas desulphurisation plants using the wet limestone method:

IOS I - for 560 MW of installed power covering unit No. 9, IOS III for 560 MW of installed power covering unit No. 10, and IOS II for 800 MW (4 200 MW units) of installed power in 200 MW units No. 2-8.

As a result of the decision made concerning the need to invest in flue gas desulphurisation, resulting from the IED Directive, and connected with fulfilling from 1 January 2016 stricter emission requirements, on 5 March 2013 ENEA Wytwarzanie and Babcock – Hitachi K.K. signed a contract for the Construction of IOS IV flue gas desulphurisation plant for 200 MW units with the total capacity of around 800 MWe.

Additionally, a programme is being realised aiming at the reduction of NO_x emissions through the installations of flue gases denitrification on each unit.

5.2.4. Investments presently realised in ENEA Wytwarzanie

In Q2 2013 the following investment plan was realised:

Completed investments:

- modernisation of block No. 6, including e.g. modernisation of the pressure part of the boiler, modernisation of the turbo set and block automatics.

Continued investments:

- 1st stage of the construction of the installation of the catalytic denitrogenation of flue gases for OP-650 boilers No. 4 to 8 (the common part for the units No. 4-8 and SCR installation on the unit No. 6),
- execution of bunding of field 4a and 6 including the dumping pipelines, execution of measuring and control equipment on field 6 and draining in bunding of field 6,
- reconstruction of the ash and slag hydraulic transport flyover,
- construction of a new vehicle scales for biomass,
- construction of IOS IV flue gas desulphurisation plant,
- 2nd stage of the construction of the installation of the catalytic denitrogenation of flue gases for OP-650 boilers No. 4 to 8 (the common part and SCR installation on the unit No. 8). Because of a significant delay in works for reasons defaulted by the Contractor, within this stage exclusively works not posing any risk for a timely delivery of unit No. 8 to operation after a completed repair are performed.
- modernisation of block No. 8, including e.g. modernisation of the pressure part of the boiler, modernisation of the turbo set and block automatics.

Commenced investments:

- modernisation of M08 waste stock,
- modernisation of fuel station No. 1 - stage II,
- modernisation of access roads and permanent roads on ash and slag waste heap,
- execution of a technical design of modernisation of ash and slag waste heap - fields No. 5 and 4b raising spillage bunds and discharges, division of field No. 5 and raising field 4b,
- cogeneration investment: "Development of the heating system in Piła through the installation of gas cogeneration aggregates in the regional boiler house KR-Koszyce in Piła" (for the amount of PLN 29,017,000 net).

5.2.5. Characteristics of realised investment tasks in ENEA Wytwarzanie**Reduction of nitric oxide emissions**Unit 4-8 denitrating

Within reductions of nitric oxides installations of the denitrogenation of flue gases are being constructed for 200 MW units No. 4-8. The realisation of this investment will guarantee the level of NO_x concentrations below the acceptable value of 200 mg/m³u valid from 2016.

Unit 1-2 denitrating

The planned development of the installations of flue gases denitrification - for units No. 1-2 will ensure maintaining the emission standards specified in "Directive No. 210/75/EU of the European Parliament and Council of 24 November 2010 on industrial emissions (integrated integrated pollution prevention and control)" being in force from 2016 and will enable further operation of units No. 1-2.

Unit 9-10 denitrating

The denitrating installation development on units No. 9 and 10 is planned for 2017 and 2018.

Reduction of sulphur oxide emissionsConstruction of a flue gas desulphurisation plant

The flue gas desulphurisation plant IOS IV will have a capacity allowing for desulphurisation of flue gases from four 200 MW units. After reconstruction of flue gas channels, the realised IOS IV Flue gas desulphurisation installation and the existing IOS II Flue gas desulphurisation installation will be able to desulphurise flue gas from units No. 1-8 in every movement conditions.

Construction of a chimney and starting gas pass

Within the construction of the IOS IV flue gas desulphurisation plant the currently operating chimney No. 3 will be modernised in order to be adapted to carry away flue gases coming from the start-ups of 200 MW units during which mazut and coal dust are combusted with no electro filters switched on. The chimney will be shortened to the height of 150 m.

New (starting) flue gas passes will also be developed with gates through which to the chimney No. 3 flue gases will be carried away coming from the start-up of boilers and also flue gases from operating units in case of any emergency regarding the flue gas desulphurisation plant IOS II or IOS IV.

Dust emission reduction

Within dust emissions reduction in March 2013 an exchange was commenced of an electro filter on the power unit No. 8. Taking into account the plan of IOS IV construction, the flue gas dedusting in ENEA Wytwarzanie from 2016 will be realised in two stages. The main dedusting will be performed in electro filters. Wet desulphurisation installations will ensure an additional flue gas dedusting, which will allow for keeping a standard required by IED Directive in the amount of 20 mg/m³u.

5.2.6. Planned investment outlays

In 2013, within the operations of ENEA Operator, ENEA Wytwarzanie, Elektrociepłownia Białystok, Elektrownie Wodne and ENEA, we plan to make investment outlays in the amount of ca. PLN 2,377,959 thou. The table below presents the planned investment outlays during the year ending on 31 December 2013 in division into particular types.

Investment outlays for the year ending 31 December 2013	[PLN '000]
Investment outlays on distribution assets, including	927 380
<i>Connecting new users and new sources and construction of new grids connected with it</i>	348 830
<i>Modernisation and reconstruction of the existing assets connected with improving the quality of services and/or power demand increase</i>	467 104
<i>Other investment outlays</i>	111 446
Investment outlays on generation assets, including:	1 377 795
ENEA Wytwarzanie, including	1 273 206
<i>Investments in individual 200 MW units</i>	160 013
<i>Joint* investments in 200 MW unit</i>	49 320
<i>Construction of a power unit with the capacity of approx. 1,000 MW</i>	990 093
<i>Investments in individual 500 MW units</i>	24 099
<i>Joint* investments in 500 MW units</i>	9 882
<i>Joint* investments in 200 MW and 500 MW units</i>	34 600
<i>Purchase of ready investments goods and used fixed assets</i>	5 199
Elektrociepłownia Białystok, including	46 015
<i>Construction of the heat recovery installation from K6 boiler flue gas</i>	15 000
<i>Coal stacker replacement</i>	5 900
<i>Construction of deNOx installation on K5 and K6 boilers</i>	6 200
<i>Other</i>	18 915
Elektrownie Wodne, including	58 574
<i>Investments in the development of wind farm projects</i>	46 324
<i>Investments in existing hydroelectric plants</i>	12 250

Other investment outlays	72 784
TOTAL	2 377 959

* Joint investments cover investments in technological systems common to the operation of individual groups of units (i.e. joint investments for 200 MW units, joint investments for 500 MW units and joint investments for 200 MW and 500 MW units).

Distribution assets

The investment policy is intended to maintain the appropriate technical condition of the distribution assets, which must be able to provide electricity distribution services in an uninterrupted manner while maintaining the required technical parameters of its delivery.

ENEA Operator, as a power company engaged in the distribution of electricity, is obliged to prepare development plans for its operations with regard to satisfying current and future demand for electricity. Development plans must take into account local zoning plans and district development plans defined in the zoning studies of individual district. Drafts of development plans must be consulted with the President of ERO.

A significant portion of the investment plan to 2015 is intended to implement tasks related to connecting both users and generators to the distribution grid. Another significant item of the investment plan is the implementation of tasks consisting of the modernisation, exchange and expansion of distribution grid elements in order to maintain the aforementioned technical parameters of supplied electricity for existing users. The investment programme also includes such tasks related to distribution support as, for instance, IT, telecommunications, tele-mechanics and measurement, as well as the purchase of existing investment assets, including vehicles, and tasks related to the support infrastructure, i.e. buildings and structures.

Generation assets

The investment and modernisation policy of ENEA Wytwarzanie will be implemented mainly in the following areas:

- adjusting generation units to achieve permissible standards of SO₂, NO_x and dust emissions that stem from EU directives and the provisions of the Accession Treaty,
- the longest and economically justified utilisation of existing power units, which will be used in a safe and effective manner while maintaining high availability and efficiency of the generation equipment,
- constructing new generation units with supercritical parameters with a high efficiency of power generation.

ENEA Wytwarzanie performs modernisation of generation units adapting them to the amending requirements of the environment protection within SO₂, NO_x, dust and other substances emission. In the upcoming years ENEA Wytwarzanie intends to carry out the following modernisation projects:

- till 2013 within modernisation as regards reduction of dust emission, the electro filter on unit No. 8 is performed,
- till 2015 within reduction of SO_x emissions, the construction of the fourth IOS IV flue gas desulphurisation plant is realised.

Because of the key elements of the draft act on energy renewable sources presented by the Ministry of Economy on 29 May 2012 and disadvantageous, for the profitability of undertakings considered in ENEA Wytwarzanie, corrective cofactors for certificates of origin concerning biomass for multi-fuel combustion, investments connected with co-firing of biomass in the present power boilers were suspended.

In the period from 2008 till now works are performed to realise the investments in order to increase the generating capacities of the Company and strengthen of the market value of the ENEA Capital Group. In December 2008 a connection agreement was signed with PSE Operator determining the conditions of connection of a unit with the capacity of ca. 1,000 MWe to the national transmission

grid. On 28 September 2011 ENEA Wytwarzanie obtained the Decision No. 487/2011 issued by the Powiat Starosty in Kozienice approving the building project and granting a permit for ENEA Wytwarzanie to construct the power unit No. 11 of up to around 1,000 MWe capacity.

Within the investments made by Elektrociepłownia Białystok in 2013 on K5 and K6 biomass boilers installations of flue gases denitrification in SNCR technology were constructed. During 2014-2015 in Elektrociepłownia Białystok a construction is planned of an installation of flue gases denitrification from K7 and K8 coal boilers in SCR technology. During 2016-2015 in Elektrociepłownia Białystok a construction is planned of an installation of flue gases desulphurisation from K7 and K8 coal boilers.

Within the investments realised by Elektrownie Wodne, apart from operation and maintaining held generating assets, projects are also realised within energy renewable sources, conducted based on the development of own investments and market acquisitions.

The portfolio of own projects includes wind farms with the total capacity of 42.5 MW from which the most advanced is 15 MW Baczyna project for which a building permit was achieved. The farm is on the stage of finalisation of works over the specification of essential terms of a contract. Start-up of the installation - depending on the course of tender procedures in the mode of an act - Public Procurement Law - is anticipated for Q1 2015.

Among the projects conducted based on the market acquisition and being the subject of interests of the company there is a 12 MW Wind Farm. The decision on the project realisation depends on the final determination of the terms of the transaction. As a result of the acquisition activities in 2012 an agreement was concluded concerning the acquisition of rights to the project of a wind power plant of the capacity of 1.8 MW and the process of their take-over was completed in Q1 2013. Presently, works are being in progress over increasing generating capacities of the designed power plant.

The supplementation of own investments is a pilot project of a photovoltaic wind farm of the capacity of 1 MW. A pilot project of the set of photovoltaic cells of the total capacity of up to 1 MW located on the territory of Jastrowie. Lands were protected and conditions of grid connection were obtained.

Other investment outlays

Within the amount of the remaining investment outlays in the amount of PLN 72,784 thou. ENEA plans to spend funds in particular for teleinformation projects and modernisation of street lighting.

We expect the planned investment outlays to be covered from available cash funds, funds from operations, and obtained debt financing.

Realised investments

We are currently implementing the investment plan for 2013, as part of which we are conducting/have conducted the following investment projects:

- investment in distribution assets, including the construction and modernisation of high, medium and low voltage grids, and connecting customers to the medium and low voltage power grids, and also realisation of connection to the power grid of generators, in particular RES,
- investments in distribution assets to support distribution, including IT, telecommunications, tele-mechanics systems, as well as metering and billing systems,
- investments in purchase of power equipment (transformers and other apparatus used at stations), relays securing against results of shorting, measurement and control apparatus and means of transport,
- construction of a new power unit No. 11 in ENEA Wytwarzanie,
- development of catalytic flue gas denitrification system for boilers No. 4 to 8 in ENEA Wytwarzanie;
- modernisation of unit No. 8 in ENEA Wytwarzanie, based on, for example, replacement of electro filter, modernisation of boiler, turbine set as well as modernisation of unit automation,
- reconstruction of hydraulic transport trestle bridge of ash and slag as well as return water pipelines from the storage yard in ENEA Wytwarzanie,

- construction of IOS IV flue gas desulphurisation plant in ENEA Wytwarzanie,
- modernisation and renovation tasks relating to owned hydroelectric plants in accordance with investment and renovation plan,
- preparation for realisation of own projects of wind farms,
- analysis and preparation for the realisation of purchases of RES projects based on market acquisition,
- construction of the heat recovery installation from K6 biomass boiler flue gases in Elektrociepłownia Białystok,
- construction on the installation of flue gases denitrification (SNCR) on K5 and K6 biomass boilers in Elektrociepłownia Białystok,
- replacement of coal stacker in Elektrociepłownia Białystok.

5.2.7. Assessment of the Feasibility of Implementing Investment Plans

The financial situation of the Company provides a solid foundation for carrying out its investment plans, which can be implemented through organic development and acquiring other entities. Our balance sheet, equity and balance of pecuniary funds provide a solid financial base for investment outlays, both from our own resources and external sources. In order to use its resources efficiently, in their further investment activities (particularly in the area of acquisitions) the Company intends to make use of debt financing so as to attain financial leverage.

5.2.8. Rating

Maintaining for ENEA S.A. in April 2013 by Fitch Ratings agency of a long-term rating of an entity in domestic and foreign currency at the level of "BBB" and a long-term domestic rating at the level of "A(pol)" is of a key importance as to the investment intentions of the Group. The outlook of the ratings is stable.

The awarded rating illustrates the strong position of ENEA on the domestic energy market and simultaneously confirms its very good economic standing, locating the Group among the entities of key importance for the sector in Central and Eastern Europe. The results justify the appropriateness of both the strategic actions taken in the Company during the recent time and the shape of the current policy pursued by ENEA S.A.

The effect of holding the rating, being an independent and objective appraisal of the creditworthiness of the Company, is of key importance for its stakeholders. The credit rating is a substantial tool for building of the image of the entity in the economic environment implying multidimensional consequences for its holder.

The rating awarded to ENEA takes into account its vertically integrated position (the ENEA Group consisting of ENEA S.A. and its subsidiaries) on the Polish power market, including the leading position on the domestic electricity distribution and sales market as well as its strong position in the segment of electricity generation.

5.2.9. Description of the use of funds raised from the share issue

ENEA S.A. in H1 2013 did not issue any securities. Proceeds of ENEA S.A. from public offering conducted in 2008 are invested in instruments exhibiting minimum risk, i.e. issued debt instruments secured by suretyship or guaranteed by the State Treasury or bank deposits. Revenues from the aforementioned investments in H1 2013 amounted to PLN 4,318 thou.

Funds from the issue of C series shares are used for the realisation of the investment in the ENEA CG pursuant to the issue prospectus prepared in relation to the issue of these shares.

5.2.10. Management personnel

Highly qualified management personnel holding a widely understood experience in corporate management has an important impact on future successes of the Company.

Staffing policy assumptions of the Company serve the realisation of plans of a dynamic growth and strengthening of the market competitive position. Company's working towards maintaining the position of a leader on the power services market and active gaining of new clients, both individual and business, and also higher and higher dynamics and comprehensiveness of changes that occur in the power business are connected with serious challenges for the management personnel. Knowledge, skills and experience of people holding managerial positions in the Company constitute key factors regarding strategic interests within commercial operations.

Willing to face an efficient managing of the enterprise the Company, through various trainings, regularly develops and improves the competences of the managerial personnel, which in turn is a great motivation for the employees causing that they are more committed to the duties they perform.

In H1 2013 works were commenced in the Company relating to the building of a professional competences model, which will enable development of growth plans for employees affecting improvement of competences and will enable planning the development of employees with a great growth potential.

5.2.11. Personal changes in the authorities of ENEA S.A.

On 11 January 2013 Mr. Krzysztof Zborowski resigned from the function of the Member of the Management Board for Energy Generation of ENEA S.A. The resignation from the position held was effected as of the statement date.

On 11 March 2013 the Supervisory Board recalled all members of the Board and nominated:

- Mr. Krzysztof Zamasz to the position of the President of the Board of ENEA S.A.,
- Mr. Grzegorz Kinelski to the position of the Member of the Board of ENEA S.A. for Commercial Affairs,
- Mr. Paweł Orlof to the position of the Member of the Board of ENEA S.A. for Corporate Affairs.

Additionally, on 9 April 2013 the Supervisory Board nominated Ms. Dalida Gepfert to the position of the Member of the Management Board of ENEA S.A. for Financial Affairs, who commenced the work on 23 April 2013.

On 27 March 2013 Mr. Graham Wood resigned from the function of a Member of the Supervisory Board of ENEA S.A. The resignation from the function held was filed as of 24 April 2013, i.e. as of the date of holding the Ordinary General Meeting of Shareholders of ENEA S.A. At the same time, as of 24 April 2013 Ms. Małgorzata Aniołek filed a resignation from the position of a Member of the Supervisory Board of ENEA S.A. That day, the Ordinary General Meeting of Shareholders of ENEA S.A. nominated into the composition of the Supervisory Board of ENEA S.A. Ms. Małgorzata Niezgoda and Mr. Torbjörn Wahlborg.

As of 24 June 2013 Mr. Michał Jarczyński filed a resignation from the position of a Member of the Supervisory Board of ENEA S.A.

Detailed information on the changes in the composition of the authorities of ENEA S.A. is published by the Company in current reports.

5.2.12. Waste management

Waste management is conducted in accordance with the regulations being in force, i.e.:

- new Act on waste of 14 December 2012 which entered into force on 23 January 2013,

- previous Act of 21 April 2001 on waste, whose some provisions remain in force till 23 January 2015.

In June 2013 ENEA Wytwarzanie obtained a decision of the Marshall of the Province amending the integrated permit (PZ). Changes in PZ within waste related to the terms and conditions (naming), new codes of waste and adaptation to the requirements of the new Act on waste being in force from 23 January 2013.

Presently, the adaptation of the administrative sectorial decision within waste management to new provisions of the Act is under realisation (tender procedure). With the letter of 22 May 2013 ENEA Wytwarzanie applies for gaining a decision approving the instructions of operating a slag-ash mixture waste depot. Pursuant to the act EWSA has two years of the entry into force for the reconciliation of its decisions and permits to the requirements of the new act.

The Company possess a slag-ash mixture waste heap with an active surface of storing of 313 ha consisting of six storing fields, from which the following was divided:

- place for storing gypsum,
- place for storing sediments from industrial wastewater treatment plant.

In H1 2013, activities were realised aimed at making the greatest possible use of burner wastes. The waste use ratio was over 48%.

In H1 2013 76,685.02 tonnes of gypsum from desulphuring system were utilised (the amount produced was 80,547.49 tonnes).

Sales are also important of: fly ash 200,440.06 tonnes and microsphere (dry) 1,843.82 tonnes. 36,440.16 tonnes of dry slag-ash mixture (dry) were passed for recycling.

In the vicinity of the waste storage facilities, a monitoring of the quality of the environment is carried out in accordance with the relevant regulations being in force including the examination of physical and chemical properties of fly ashes of the slag and ash mixture, gypsum and examination of water quality. The results of tests carried out indicate only a small impact on the environment.

The power plant undertakes activity designed to avoid repeated spread of dust, through periodic sprinkling of fields, flooding of fields not in use and protecting surfaces with membrane-forming chemicals. We perform ongoing maintenance and conservation works (maintaining green areas and the area of the storage facility, planting trees and bushes), and hydroseeding embankments and waste heap surfaces.

5.3. Threats and risks

5.3.1. Factors related to economic activity

Risk factors connected to economic activity in Poland

The results of our activity, like our financial situation and development prospects, depend on many factors, which are influenced both by the condition of the Polish economy and by the regional economic situation. The above factors include growth or decline in gross national product, in industrial production, in inflation, in unemployment and in average wages and salaries, the size and demographic nature of the population and also the development of the service sector and industry. All and any future unfavourable changes in one or several of the above factors, and in particular worsening in the condition of the Polish economy, may have a negative effect on the results and the financial situation of our Group.

Furthermore, decisions of a political nature may have an effect on our activity since we operate in the power sector, which is considered to be of strategic importance. This relates principally to the definition of the country's power policy and to structural and ownership decisions relating to power enterprises controlled by the State Treasury. These factors may have a significant and

negative effect on revenues from the sale of electricity and the provision of distribution services, particularly in relation to individual consumers.

The legal and regulatory environment in which we operate is subject to changes

Our Group is exposed to the risk of changes in the legal and regulatory environment. In Poland, that environment, and especially the law as it concerns the power sector, is subject to change. As a consequence, legal regulations are not interpreted in a uniform manner by courts or institutions of public administration.

Additionally, there is no uniform law interpretation within functioning of the energy sector. As a result, there is no developed, unified interpretation of the law in this area. There is, therefore, considerable uncertainty as to how issues relating to our activities will be resolved if they become the subject of court proceedings. Therefore, there is a risk of unexpected and unfavourable decisions that could have a negative effect on our operations, financial results, financial situation or development prospects.

The operations of our Group are also strongly affected by changes in taxation law. The taxation system in Poland is subject to dynamic changes that result from the need to reconcile these regulations to the requirements arising from European Union legal regulations. The nature and extent of such changes, together with difficulties of interpretation related to the application of tax law, hamper both day-to-day activity and proper tax planning. Tax authorities' practice and court decisions in this area are not uniform. The adoption by the tax authorities of interpretations of tax regulations that differ from our own may have a negative effect on our activity, financial results, financial situation or development prospects.

5.3.2. Legal regulation and tariffs

Our operating results depend on a number of regulations and decisions of regulatory authorities, in particular those aimed at shaping electricity prices for customers from tariff G group sets who use energy for household purposes.

We conduct our activities in an environment which is subject to a special legal framework.

Our situation is particularly affected by the provisions of the Energy Law and European Union regulations, especially those relating to environmental protection. Those laws and regulations are subject to frequent amendments, which we are unable to foresee and which could result in a lack of consistency in the provisions of law that form the basis for our operations.

The authority responsible for regulating the energy sector in Poland is the President of the Energy Regulatory Office ("ERO"). Key powers of the President of ERO include approving tariffs and inspecting their application and granting and withdrawing exemptions from the obligation to submit tariffs for approval, granting and withdrawing licences, appointing entities to be system operators, agreeing development plans, imposing fines, and inspecting energy companies' performance of the obligations set out in the Energy Law. Besides the President of ERO, other authorities can also exercise substantial influence over our operations by exercising their inspection and regulatory powers. These include the President of OCCP and the European Commission, which have key powers in the process of liberalising the energy sector and related to the supervision of its implementation. The inspection and regulatory powers of the President of ERO and other authorities enable them to significantly influence our operations, particularly the amount of revenues that we generate. The scope of those powers might change in the future, as a result of which those authorities could obtain additional powers relating to the activities that we conduct. Decisions made by those authorities could have a material adverse effect on the volume of revenues we generate.

The tariffs approved by the President of ERO, which we apply in our operations, are calculated on the basis of elements whose amount is to a large extent at the discretion of the President of ERO.

ENEA S.A. is obliged to submit tariffs for electricity sales to households connected to the ENEA Operator's grid to the President of ERO for approval. By law, the manner in which tariffs are calculated should ensure that the power company: (i) has sufficient funds to cover the costs planned for the tariff period in question, provided that the President of ERO deems them justified; and (ii) obtains a particular margin while ensuring that customers are protected from unreasonably high prices and rates of charges. Some elements of the tariff calculations are calculated on the basis of financial models and other assumptions adopted by the President of ERO, which do not take into account the actual costs of our operations.

As a result, elements of the tariff calculations are the subject of often lengthy negotiations with the President of ERO, which may not lead to our generating the revenues we have planned. This can have an adverse effect on the amounts of the margins we obtain.

In practice, tariffs are usually approved for a period of one year. If we incur additional costs during a regulatory period that were not included in the model or were included in a lower amount, we are limited in our ability to take such costs into account in the tariff. In practice, the President of ERO will only accept a tariff adjustment in the case of a substantial increase in costs due to causes that are beyond our control.

Until 31 December 2007, ENEA S.A.'s activities relating to sales of electricity to end customers were subject to an obligation to present tariffs to the President of ERO for approval. As at the date of publication of this report, due to a decision of the President of ERO of 14 May 2008 we are exempt from the obligation to submit electricity tariffs to the President of ERO for approval, except for the tariff for customers from the G tariff group sets (households) connected to the grid of ENEA Operator to whom ENEA sales energy based on comprehensive agreements.

The tariff being in force from 1 January 2012, i.e. "Electricity tariff for G tariff group sets in packages: HOUSEHOLD, PREPAID" of ENEA S.A. for 2012 was approved with the decision of the President of ERO sign DTA-4211-53(15)/2011/2688/V/BH dated 16 December 2011 and was implemented for use with the resolution of the Board of ENEA S.A. No. 761/2011 of 20 December 2011. On the motion of ENEA, with the decision of the President of ERO sign DTA-4211-99(2)/2012/2688/V/BH the term of validity of the Tariff 2012 was prolonged to 30 June 2013. The justification for the prolongation of the term of the Tariff 2012 was ensuring stabilisation on the market of electricity in the face of observed fluctuations of wholesale prices of electricity, introduction of a public and legal obligation to obtain and present for redemption to the President of ERO of certificates of energy efficiency or make compensatory payments, increased obligations to obtain and present for redemption to the President of ERO of certificates of origin of energy from energy renewable sources and legal uncertainty within the support systems of highly efficient cogeneration.

On 13 May 2013, with the letter sign DRE-4211/16(1)/2013/2688/VI/BH the President of ERO called ENEA to present a motion for approving the tariff for electricity in relation to G tariff group sets. With the letter of 15 May 2013 sign 2013/0326/DO ENEA S.A. on 20 May 2013 filed a motion to the President of the Energy Regulatory Office for approval of "Electricity tariff for G tariff group sets in packages: HOUSEHOLD, PREPAID" for 2013. On 22 May 2013, with the letter sign DRE-4211-16(3)/2013/2688/VI/BH/JCz the President of ERO called ENEA to present till 27 May 2013 a corrected motion for approving the tariff for electricity for G tariff group sets. With the letter of 23 May 2013 sign DO/OZ/ZT/2013/289 ENEA S.A. on 27 May 2013 filed a corrected motion for approval of "Electricity tariff for G tariff group sets in packages: HOUSEHOLD, PREPAID" for 2013 upholding its previous position within most cost items in the Tariff calculation. On 29 May 2013, with the letter sign DRE-4211-16(5)/2013/2688/VI/BH the President of ERO called ENEA to present till 3 June 2013 a corrected motion for approving the tariff for electricity for G tariff group sets. With the letter of 31 May 2013 sign DO/OZ/ZT/2013/298 ENEA S.A. on 3 June 2013 filed a corrected motion for approval of "Electricity tariff for G tariff group sets in packages: HOUSEHOLD, PREPAID" for 2013 at the same time upholding in the motion the rationality of some of its cost assumptions.

On 6 June 2013 with the letter sign DRE-4211-16(10)/2013/2688/VI/BH the President of ERO determined a correction cofactor, Yn, specifying the change of conditions being beyond the control of the Enterprise of performing business operations within trade in electricity in the amount of 4.28 and called ENEA S.A. to present till 10 June 2013 a corrected motion for approval of the tariff for G tariff group sets prepared with inclusion of the correction cofactor Yn. At the same time, in the decision the President of ERO reserved that failure to adapt the tariff presented for approval to the amount of Yn cofactor which was set, will result in issuing of a decision refusing to approve the tariff. Department of Trade, based on the legal opinion prepared by Kawecki & Szlęzak law firm, prepared a proposal of "Electricity tariff for G tariff group sets in packages: HOUSEHOLD, PREPAID" for 2013 for recipients from G tariff group sets connected to the grid of ENEA Operator Sp. z o.o. and a proposal of a reply to the decision of the President of ERO dated 6 June 2013 in the administrative procedure connected with its approval taking into account the decisions of the President of ERO. On 10 June 2013 with the letter sign DO/OZ/ZT/2013/307 ENEA S.A. filed a corrected motion for approval of "Electricity tariff for G tariff group sets in packages: HOUSEHOLD, PREPAID" for 2013 taking into account the value of the determined Yn cofactor. With the decision of 11 June 2013 sign DRE-4211-16(12)/2013/2688/VI/BH the President of ERO approved the "Electricity tariff for G tariff group sets in packages: HOUSEHOLD, PREPAID" of ENEA S.A. for the period from 1 July 2013 to 31 December 2013. The decision approving the Tariff with the text was published in the Branch Bulletin of ERO - Electricity No. 103 (1448) of 11 June 2013. The decision approving the tariff was given the order of immediate enforceability by the President of ERO.

With regard to sales of electricity to customers other than households (tariff group sets A, B and C), as of 1 August 2011 to 29 February 2012, an "Electricity Tariff" was in effect for tariff group sets A, B and C, implemented by ENEA S.A. Management Board's Resolution No. 383/2011 of 14 June 2011. From 1 March 2012 the "Electricity Tariff" is in effect for tariff groups sets A, B and C, implemented by ENEA S.A. Management Board's Resolution No. 44/2012 of 24 January 2012.

5.3.3. Licences

As part of its core activities the Group is involved in generating, distributing and trading in electricity. The above activities are performed by companies from the Group on the basis of licences granted by the President of ERO, the body established to carry out regulatory tasks with regard to regulating of the trade in fuels and energy, and to encourage competition in the energy sector. The companies within the Group hold, specifically, the following licences:

- ENEA holds a licence to trade in electricity, valid until the end of 2025,
- ENEA Operator has a licence to distribute electricity, valid until mid-2017,
- ENEA Wytwarzanie holds a licence to generate electricity, valid until the end of 2025, and a licence to trade in electricity, valid until 31 December 2030,
- ENEA Trading Sp. z o.o. holds a licence for the generation of electricity, valid till the end of 2030.

5.3.4. Dominant position on the local market.

We have a dominant position with regard to providing distribution services on the local market covering Northwest Poland. The actions we take are therefore subject to an inspection by Polish and European anti-monopoly institutions (including the President of OCCP and the European Commission). If those authorities find that we are applying monopolistic practices, they will issue a decision ordering us to refrain from applying them and possibly fine us. Furthermore, any legal acts that are a manifestation of an abuse of a dominating position will be invalid, either entirely or partially, as appropriate. In the future, any decisions that might be issued by the President of OCCP or the European Commission may have an adverse effect on our business activities, financial standing, financial results or development prospects.

5.3.5. Electricity market liberalisation

In connection with electricity market liberalisation and increasing competition in this area, ENEA S.A. is exposed to the risk of losing customers within sales of electricity. As of 1 July 2007, all electricity customers are entitled to choose an electricity seller. The risk therefore exists that other energy companies will offer our customers more favourable terms and will in effect take them over, which could lead to a decline in our revenue. However, even if our present customers choose another electricity seller, our Group will continue to obtain revenues from energy distribution to customers connected to our distribution network.

The year of 2012 on the energy market demonstrated that the conscience of a possibility to change the sellers is getting higher not only among business clients but also households. The activities of the President of ERO aiming at activation of energy recipients bring more and more effects. For full market liberalisation what is lacking is only deregulation of prices of electricity for households. According to the data of ERO at the end of Q1 2013 172,404 recipients changed the electricity supplier (growth change on the level of 295% yoy), including 77,213 commercial customers (233% growth yoy) and 95,191 households (374% growth yoy).

ENEA S.A. is an active participant on the competitive market, engaging in activities aimed at selling energy to customers connected to the grids of operators other than ENEA Operator. In H1 2013 we sold about 1,036 GWh to such customers.

5.3.6. The regulatory value of assets

RAB (regulatory asset base) is the value of assets engaged in the distribution activity. It is used to calculate the distribution tariffs. The initial RAB providing the basis for further calculations will be estimated on the basis of the lost revenue method, i.e. on the basis of a determination of the value of the loss that the Distribution System Operator would incur if it were deprived of its network assets. The initial RAB was specified as at 31 December 2008. The method of its calculation is specified in the paper of the President of ERO dated 19 November 2008 titled "Method of determining the regulatory asset base and return on the engaged capital".

5.3.7. Long-Term Power Purchase Agreements (LTPPA)

For 2013 ENEA Wytwarzanie applied for the advance towards stranded costs in the amount of PLN 18,000 thou. On 5 April 2013 Zarządca Rozliczeń S.A. made a payment of the advance for Q1 2013 in the amount of PLN 4,500 thou. and on 5 July 2013 for Q2 2013 also in the amount of PLN 4,500 thou. In H1 2013 the revenues for compensations for 2013 were not recognised, however the amount was recognised of PLN 964 thou. resulting from the judgement of 10 April 2013.

On 10 April before the Court of Appeal in Warsaw a hearing took place on the determination of an annual adjustment of stranded costs for ENEA Wytwarzanie for 2009. With a partial recognition of the appeal of the President of ERO against the decision of the Court of Competition and Consumer Protection of 27 June 2012, the Court of Appeal changed the challenged decision and determined the amount of the annual adjustment in the positive amount of PLN 16,544 thou., i.e. in the amount by PLN 964 thou. higher than the amount set in the decision of the President of ERO. The Court of Appeal has however not accepted the basic amount of the annual adjustment indicated in the decision of the Regional Court.

On 13 May 2013 Zarządca Rozliczeń made a payment of the amount of PLN 964 thou. The Company will file a cessation complaint against the decision of 10 April 2013.

On 27 June 2013 a hearing was held before the Court of Appeal regarding determination of the annual adjustment of stranded costs for ENEA Wytwarzanie for 2008. The Court closed the hearing and postponed the announcement of the judgement till 10 July 2013.

On 10 July 2013 the Court of Appeal announced the decision regarding LTPPAs 2008 in which it overruled the appeal of the President of ERO against the decision of the Regional Court of 20 April 2012. The decision of the President of ERO for 2008 was amended validly and determined for the amount of PLN (-) 4,192 thou. in lieu of the original amount of PLN (-) 89,537 thou. The judgement means that all the substantial challenges were recognised which were contained in the appeal against the decision of the President of ERO. The Company is entitled to receive the amount of PLN 40,577 thou. from Zarządca Rozliczeń S.A. by title of reimbursement of part of the adjustment which was paid by ENEA Wytwarzanie to Zarządca Rozliczeń S.A. in 2009 based on an invalid decision of the President of ERO of 31 July 2009.

On 5 August 2013 ENEA Wytwarzanie S.A. received the decision of the President of ERO from which it follows that the amount of the annual adjustment for stranded costs for 2012 which ENEA Wytwarzanie should return to Zarządca Rozliczeń S.A. till 30 September 2013 amounts to PLN (-) 17,686,885. The decision may be appealed to the Regional Court in Warsaw - Court for Competition and Consumer Protection, through the President of ERO.

The dates of hearings concerning the annual adjustments for 2010 and 2011 have not been set yet.

5.3.8. Risks connected with the possibility of strategy realisation

We will make efforts to implement our policy with respect to development directions but we might not be able to implement our development strategy and planned investment outlays because of factors which remain beyond our control.

Our development strategy foresees the implementation of specific targets, and covers in particular the development of the Group's core operations, improving the Group's effectiveness, and building a socially responsible business.

The implementation of our strategy is affected by several factors, most of which are independent of us, particularly decisions of our majority Shareholder, i.e. the State Treasury, measures taken by our competitors, and changes in the applicable law. A key aspect of the implementation of our strategy is the need to ensure appropriate financing on terms that are favourable for us.

On 21 June 2012 between ENEA and five banks acting as Guarantors for the issue, i.e.: Powszechna Kasa Oszczędności Bank Polski S.A., Bank Polska Kasa Opieki S.A., Bank Zachodni WBK S.A., Bank Handlowy w Warszawie S.A. and Nordea Bank Polska S.A. an agreement was concluded concerning the bond issue programme up to the amount of PLN 4 bln (the detailed description of the bond issue programme may be found in item 5.1.5 "Financing sources of the investment programme").

Despite the concluded agreement relating to the bond issue programme mentioned above, we are not certain if the funding within the other investment needs is available to us. As a result, we could be forced to postpone the achievement of certain strategic goals, as well as to reduce or forgo planned investment outlays, which could have a material effect on our operations, financial standing, financial results or development prospects.

Our ability to obtain financing and the cost of capital depend on many factors, and in particular on:

- general market conditions and situation on capital markets,
- availability of bank loans,
- investors' confidence,
- company's financial situation,
- tax regulations.

We conduct our activities in an environment which is subject to a special legal framework. The situation of the Group is particularly affected by the provisions of the Energy Law and European Union regulations, including those relating to environmental protection. These legal regulations are subject to frequent changes (which we are not in a position to forecast) but there is a tendency

to gradually increase the requirements relating to use of the environment, in particular in relation to entities in the power sector. These growing requirements may in the future create a need for the Group to incur additional investment outlays.

Also, the legal provisions impose an obligation on us to obtain and present certificates of origin to the President of ERO for cancellation, confirming:

- that electricity is being generated in renewable sources,
- that electrical energy is being generated in combination with heat generation (cogeneration) or, if certificates of origin are not obtained or presented for redemption in the required quantity, to make compensatory payments.

Additionally, on 1 January 2013 the system of energy efficiency certificates system was implemented in Poland, the so-called "white certificates", which imposes an obligation on us to obtain and present for redemption to the President of ERO energy efficiency certificates or, if certificates are not obtained or presented for redemption in the required quantity, to make compensatory payment. Actions undertaken by us in our development strategy are also dependent on the level of permits for emissions of carbon dioxide and other gases and substances received for each specific settlement period.

Operations planned by us in regard to acquisitions and capital investments may not achieve the expected effect because of factors beyond our control such as competition from other power companies and market conditions. Furthermore, the results obtained by the companies in which we invest may turn out to be worse than our initial estimates, which may cause a reduction in the rate of return on these transactions compared with initial expectations. As a result of acquisitions or investments made, we will also have to take steps to reorganise the structure of the entities concerned, to integrate particular business areas, to centralise the management of assets and liabilities and to integrate information technology systems. These processes may turn out to be time-consuming and costly and it is uncertain whether they will be performed in accordance with the desired schedule or in the planned manner. They may also lead to lasting differences in the procedures employed in the Group. The above actions are dependent also on the behaviour of the trade unions involved in the acquisitions or capital investments made.

Our activity within modernising generating capacity and making new investments in generating assets is dependent on weather conditions, the course of construction, repair and modernisation works, increases in the planned costs of investments, market conditions and the need to obtain necessary permits.

Achieving strategic objectives in the field of development is also affected by the condition of the Polish economy and by the regional economic situation, and in particular by: growth or decline in the gross national product and industrial production, inflation, unemployment and in average wages and salaries, the size and demographic structure of the population, and also the development of the services sector and industry.

5.3.9. Synergy results

The planned acquisitions and capital investments may not produce the expected results. The valuation of our future acquisitions and investments will depend on market conditions, as well as on other factors that are beyond our control, and it might turn out that we are unable to correctly assess the value of the acquisitions and investments that we have carried out. Furthermore, the results achieved by companies in which we invest might turn out to be worse than our initial estimates, which could result in the rate of return from those transactions being lower than initially anticipated. Moreover, the restructuring of these entities may prove to be a time-consuming and costly process.

5.3.10. Modernisation of generating assets

We may not be able to carry out the needed modernisation of our generation and distribution assets, or to complete our investments, due to events beyond our control, including third-party actions.

Our activities involving the production and distribution of electricity require ongoing and regular refurbishments and modernisations, as well as new investments in production and distribution assets. Such projects are burdened with significant risk factors. These risk factors in particular relate to inclement weather, delays in the completion of construction, repair and modernisation works, increases of planned investment costs, the insolvency of contractors or sub-contractors, contractors' or sub-contractors' employee disputes, shortages of construction materials or equipment, accidents, unforeseen technical difficulties or the impossibility of obtaining required permits. If any of those risks occurs, it could lead to delays in implementing plans to modernise our distribution or production assets or prevent them from being implemented, which could have an adverse effect on our financial results and development prospects.

5.3.11. Risks relating to the distribution of electricity

Events of force majeure or other malfunctions of electricity infrastructure that belongs to us or other power companies or of production assets could lead to us failing to comply with electricity supply conditions, being held liable, or receiving administrative penalties. Maintaining the power system and our distribution infrastructure in a proper working order is of a key significance for our business activities. The law also imposes certain obligations on us to maintain and repair key elements of our power infrastructure. A malfunction of the electricity system (including transmission or distribution grids and production assets belonging to third parties) or our electricity infrastructure could prevent or reduce the purchase or sale of electricity or system services and the provision of electricity distribution services. The risk of a malfunction is increased by the fact that nearly 51% of our energetic lines and approx. 45% of power stations are more than 30 years old. In the event of a malfunction in the distribution infrastructure due to its current technical condition, problems related to it or events of force majeure, because ENEA Operator is obliged under the provisions of the Energy Law to maintain and repair the distribution grid it may become necessary to incur substantial unforeseen costs.

5.3.12. Risk associated with connecting renewable energy sources

According to the Energy Law, ENEA Operator, as an energy business involved in the distribution of electricity, is obliged to conclude grid connection agreements with entities seeking such connections, if the technical and economic connection conditions are met, and the entity seeking connection meets the conditions for connection and receipt of power. If ENEA Operator refuses to conclude such a connection agreement, it is obliged to notify the President of ERO and the entity seeking connection, specifying the reasons for such refusal. At present, ENEA Operator is party to several dozens of proceedings brought by the President of ERO concerning connections to its own distribution network.

5.3.13. Risks relating to the process of generation

There are numerous risks associated with producing and distributing electricity, which could lead to us being held liable or fined.

Both the production and distribution of electricity are dangerous activities, particularly with regard to such tasks as transporting and unloading fuels, operating heavy equipment, and delivering electricity to transmission and distribution systems. Dangers such as fire, explosions and grid malfunctions are an intrinsic part of our operations and they can occur, in particular, due to internal procedures not being complied with, technological defects, human error or external events. The occurrence of any of the above events could cause injury or death, damage or destruction

of property, plants or equipment, pollution or damage to the environment, and interruptions in our operations, which could lead to us bearing significant liability or being fined.

5.3.14. Supplies and prices of bituminous coal and other fuels

The basic fuel used to produce electricity by our basic generating assets, i.e. ENEA Wytwarzanie, is bituminous coal. In H1 2013 the cost of coal comprised about 45% of operating costs of ENEA Wytwarzanie. We depend on two suppliers for our coal supplies: Lubelski Węgiel "Bogdanka" S.A. which in H1 2013 delivered to us ca. 72% and Katowicki Holding Węglowy S.A. Moreover, from the two suppliers: Kompania Węglowa S.A. and Jastrzębska Spółka Węglowa S.A. ENEA Wytwarzanie makes supplementary purchases. The Polish market of coal supplies is a market highly monopolised by companies belonging to the State Treasury, our key shareholder, which controls a substantial part of domestic supplies of coal on the quantitative basis, excluding Lubelski Węgiel "Bogdanka" S.A., which in 2010 became public, with a minority share of the State Treasury, and listed in the Warsaw Stock Exchange. It is uncertain whether the present contracts in force for supply of coal which we concluded with our key suppliers will not be terminated or prolonged after their term. Moreover, according to these contracts, the price and quantity of delivered coal are determined during negotiations each year. It is not certain that the result of such negotiations will be always advantageous for us. If we are not able to execute contracts for supply of coal to ENEA Wytwarzanie or the deliveries are suspended or disrupted for any other reason (i.e. as a result of strikes at mines), ENEA Wytwarzanie may be forced to purchase coal from more distant places at higher prices, suspend or limit generation of electricity till the supplies of coal are resumed or adjust own generating assets to use alternative fuels, which may result in increases in its expenditures. Increase of costs in ENEA Wytwarzanie would be reflected in the prices of power energy we sell which could lead to a situation that our prices become uncompetitive in relation to the prices of electricity sold by our competitors on the market. Moreover, lack of ability to keep stocks of bituminous coal on the proper level required by law may in turn result in imposing administrative penalties on us in the amount of up to 15% of our revenues from licensed activity during the previous tax year.

The only supplier of the light-up fuel to ENEA Wytwarzanie in H1 2013 was PKN ORLEN S.A. The fuel delivered is heavy heating oil with sulphur content of up to 3%.

In January 2008 ENEA Wytwarzanie began production of power from the co-firing of biomass as fuel. Co-firing of biomass is carried out in eight 215-225 MW power units. Sawdust pellets and briquettes as well as sunflower pellets and briquettes are primarily used as biomass. ENEA Wytwarzanie in H1 2013 held agreements with a total of 13 suppliers of biomass. In H1 2012, biomass consumption (according to beltway scales) amounted to 140,698.51 tonnes, whilst in H1 2013 it was 106,032.39 tonnes.

5.3.15. Coal transport

The basic means of transport used to deliver bituminous coal to ENEA Wytwarzanie in H1 2013 was rail transport. 100% supplies of this material to ENEA Wytwarzanie were realised by PKP Cargo S.A., the largest Polish forwarder, with which contracts were concluded for coal transport to ENEA Wytwarzanie with the mines of companies: Lubelski Węgiel "Bogdanka" S.A., Katowicki Holding Węglowy S.A., Jastrzębska Spółka Węglowa S.A. as a result of an open tender procedure.

5.3.16. Real estate

The Company holds no due legal title to some properties used by ENEA Operator. This applies to approximately 30% of all the real properties on which the power infrastructure is located (except for power lines).

This may entail the risk of paying further costs on account of non-contractual use of real properties, which may have an adverse effect on operations and financial performance. There is a risk of proceedings being initiated against the Company in order to prevent it from any further use of such properties, which might result in significant costs incurred by the Company.

5.3.17. Environmental protection

Our activities have a significant effect on the natural environment and require possession of a series of permits to make use of the environment. In particular, in order for ENEA Wytwarzanie to conduct its business, it must hold an integrated permit, which we obtained under Decision of the Voivode of the Mazowieckie Province of 20 December 2005. The issued permit, along with amending decisions, is valid till 20 December 2015. Failure to comply with the provisions of permits, or rescission of those permits, can lead to our incurring liabilities, to penalties being imposed on us, or to suspension of the operation of certain facilities.

Legal conditions, including conditions set by the European Union concerning environmental protection, are subject to frequent changes, and there is a tendency to gradually increase requirements in the field of use of the environment, in particular in relation to entities in the power sector. These growing requirements do and may in the future create a need for us to incur additional investment outlays. Failure to comply with new legal provisions in the area of environmental protection may lead to significant financial penalties being imposed on us. The appearance of any of the above circumstances may significantly increase our costs and limit our ability to pursue our business.

5.3.18. Collective disputes and agreements

ENEA S.A. is a party to a collective dispute which was initiated on 7 September 2009, and concerned the planned privatisation of the Company and the effects of a potential change to the shareholding structure on the Company's employees.

5.3.19. Insuring our operations

Insurance policies concluded for the benefit of Companies belonging to the ENEA Capital Group may not be sufficient to cover losses borne as a result of activities carried out. Such activities are associated with many risks. For example, malfunctions in the electricity system could prevent us from selling electricity or make it necessary to incur unforeseen costs in order to repair the distribution infrastructure. Our key assets, particularly production assets, power lines or transformer units, could be destroyed due to an event of force majeure or other events, including fires, other natural disasters or a terrorist attack. Our Group's activities could also result in claims being asserted relating to damage caused to third parties. The scope of the insurance policies we hold corresponds to the scope of the insurance policies held by other power companies in Poland, though it may differ from the scope of insurance policies held by foreign entities. There is no guarantee that the insurance policies concluded on our behalf will be sufficient to cover all the losses incurred by us or by third parties in connection with our operations. The occurrence of any of the above circumstances or similar circumstances could therefore lead to us being unable to resume the full scope of our activities within a reasonable time or at all, which could have an adverse effect on our operations, financial standing, financial results or development prospects.

5.3.20. Events of force majeure and malfunctions

Events of force majeure or other malfunctions of electricity infrastructure that belongs to us or other power companies or of production assets could lead to us failing to comply with electricity supply conditions, being held liable, or receiving administrative penalties.

Maintaining the power system and our distribution infrastructure in a proper working order is of a key significance for our business activities. The law also imposes certain obligations on us to maintain

and repair key elements of our power infrastructure. A malfunction of the electricity system (including transmission or distribution grids and production assets belonging to third parties) or our power infrastructure could prevent or reduce the purchase or sale of electricity or system services and the provision of electricity distribution services. The risk of a malfunction is increased by the fact that nearly 51% of our energetic lines and approx. 45% of power stations are more than 30 years old. In the event of a malfunction in the distribution infrastructure due to its current technical condition, problems related to it or events of force majeure, because ENEA Operator is obliged under the provisions of the Energy Law to maintain and repair the distribution grid it may become necessary to incur substantial unforeseen costs.

It is of key significance for our production activities to ensure continuous supplies of electricity and regulatory system services (RSS), in accordance with the terms and conditions of agreements we have concluded and market demand. This means that we need to ensure that the tendency of production equipment to malfunction is kept at a low level. Because malfunctions are likely to occur in production equipment, particularly those which are partially worn out, there is a risk that we will fail to comply with power supply conditions, which could result in substantial repair costs, contractual penalties and costs of emergency purchases on the balancing market.

Malfunctions of our distribution infrastructure or production assets could give rise to liability with respect to third parties, which could result in an obligation to pay substantial damages. Additionally, a breakdown in our distribution or generating infrastructure may be grounds for imposition on us by the President of ERO of a penalty of up to 15% of our revenues from business conducted under a licence.

6. Authorities of the Capital Group

6.1. Members, appointment and description of powers delegated to the entity authorities

6.1.1. Management Board

Pursuant to Art. § 12 item 2 of the Company's Statute, the Issuer's Management Board's members are appointed for a joint term of three years.

From 1 January 2013 the Management Board operates in the following composition:

Name	Position
Krzysztof Zamasz	President of the Board
Hubert Rozpędek	Member of the Management Board for Economic Affairs
Janusz Bil	Member of the Management Board for Commercial Affairs
Krzysztof Zborowski	Member of the Management Board for Energy Generation

On 11 January 2013 the Member of the Management Board for Energy Generation - Mr. Krzysztof Zborowski, resigned from the function of the Member of the Board of ENEA S.A. The resignation from the position held was effected as of the statement date.

On 14 February 2013, based on Article 19a of the Act of 30 August 1996 on commercialisation and privatisation and the regulation of the Council of Ministers of 18 March 2003 concerning the qualification procedure to the position of a member of the board in some commercial companies, including § 13 ff. of the Company's Statute, the Supervisory Board of ENEA S.A. initiated the qualification procedure to the positions of four Members of the Board of ENEA S.A., i.e. President of the Board, Member of the Management Board for Financial Affairs, Member of the Management Board for Commercial Affairs and Member of the Management Board for Corporate Affairs.

The announcement on the qualification procedure was published on 18 February 2013 in the "Rzeczpospolita" daily.

As a result of the conducted procedure, on 11 March 2013 the Supervisory Board recalled the hitherto Members of the Board and nominated as of 11 March 2013 Mr. Krzysztof Zamasz to the position of the President of the Management Board of ENEA S.A., Mr. Grzegorz Kinelski to the position of the Member of the Management Board of ENEA S.A. for Commercial Affairs and Mr. Paweł Orłof to the position of the Member of the Management Board of ENEA S.A. for Corporate Affairs.

On the same day the Company's Supervisory Board adopted a resolution based on which it decided to terminate the qualification procedure to the position of the Member of the Management Board for Financial Affairs with no selection of a candidate.

In relation to the termination of the recruitment proceedings to the position of the Member of the Management Board for Financial Affairs with no selection made, on 15 March 2013 the Supervisory Board of ENEA S.A. adopted a resolution on commencement of the qualification procedure to the position of the Member of the Management Board for Financial Affairs. The press advertisement on the qualification proceedings to the position of the Member of the Management Board for Financial Affairs was published in a Polish-wide daily "Rzeczpospolita" of 18 March 2013.

As a result of the conducted proceedings, on 9 April 2013 the Supervisory Board of ENEA S.A. nominated Ms. Dalida Gepfert to the position of the Member of the Management Board for Financial Affairs who commenced work on 23 April 2013.

As at the date of this Report, the Company's Management Board has the following composition:

Name	Position
Krzysztof Zamasz	President of the Board
Grzegorz Kinelski	Member of the Management Board for Commercial Affairs
Dalida Gepfert	Member of the Management Board for Financial Affairs
Paweł Orłof	Member of the Management Board for Corporate Affairs

6.1.2. Competences and powers of the Management Board

The Board transacts the business of the Company and represents it (Art. 368 § 1 CCC and § 10 item 1 of the Company's Statute). Two Members of the Board acting jointly or one Member of the Board and an authorised signatory acting jointly are authorised to make declarations of will on behalf of the Company (§ 10 item 2 of the Company's Statute).

Authorisations, organisation and principles of operations of the Management Board are specified by the Commercial Companies Code, Company's Statute and the Rules of the Management Board.

Pursuant to Article 371 § 6 of the Commercial Companies Code, including § 11 item 1 of the Company's Statute, the Company's Board adopts the Rules of the Management Board specifying the operations of the Board, rules of transacting business of the Company by the Board and adoption of resolutions by the Board. The Rules of the Management Board are drafted by the Management Board on the basis of the guidelines set out by the Supervisory Board, adopted by a Management Board's resolution, and approved by the Supervisory Board.

Presently, the Rules of the Management Board are in force in the Company as adopted with the resolution of the Board of 22 June 2010, approved by the resolution of the Supervisory Board of 12 July 2010.

Pursuant to the Rules of the Management Board, meetings of the Management Board take place at the registered office of the Company on Tuesdays, unless the President of the Board or a Member of the Board assigned by him decides otherwise. Meetings of the Management Board of the Company

are convened by the President of the Board or a Member of the Board designated by him, at the President's own initiative or upon a motion by two Members of the Board. A Member of the Board is required to justify their absence from a Meeting in writing. Absence at a Board's meeting is justified by a Chairman of the meeting (§ 6 item 1-3 of the Rules of the Management Board).

Employees of the Company, experts and external advisers may be invited to attend Management Board meetings. The agenda and the necessary documents for a Board meeting are provided by the Management Board Office at least one business day before the meeting (§ 6 item 4 and 6 of the Rules of the Management Board).

For valid reasons, a meeting can be convened immediately and without materials being provided. For a meeting to be held, all the members of the Management Board must be effectively notified of the meeting (§ 6 item 7 of the Rules of the Management Board).

Decisions of the Management Board associated with conducting the Company's affairs, as referred to in Clause 11 item 2 of the Company's Statute, are adopted as the Management Board's resolutions. The Management Board can adopt resolutions if at least half of its members are present at the meeting and all of the members have been correctly notified of the meeting (§ 7 item 1 and 2 of the Rules of the Management Board). In the event of an equal number of votes in adopting a management board resolution, the casting vote is held by the Management Board President (§ 7 item 6 of the Rules of the Management Board).

The Management Board can adopt resolutions in writing or remotely using a means of direct communication. Adopting resolutions in this manner requires a justification and that the draft resolution be presented in advance to all the members of the Management Board. Resolutions adopted in writing or remotely using a means of direct communication are presented at the next meeting of the Management Board with the outcome of the vote (§ 7 item 7 and 8 of the Rules of the Management Board).

Pursuant to § 4 item 3 of the Rules of the Management Board being in force, normal business of the Company not reserved for a resolution of the Management Board is conducted by the President of the Management Board acting alone and by particular Members of the Board according to their individual internal division of competencies:

It does not however change a rule concerning making declarations of will on behalf of the Company mentioned in § 10 item 2 of the Company's Statute.

The full text of the Rules of the Management Board of ENEA Spółka Akcyjna is available at www.enea.pl.

6.1.3. Supervisory Board

As at 1 January 2013, the Supervisory Board of the Company was composed of ten members and operated in the following composition:

Name	Position
Wojciech Chmielewski	Chairman of the Supervisory Board
Jeremi Mordasewicz	Vice-Chairman of the Supervisory Board
Michał Kowalewski	Secretary of the Supervisory Board
Sandra Malinowska	Member of the Supervisory Board
Małgorzata Aniołek	Member of the Supervisory Board
Sławomir Brzeziński	Member of the Supervisory Board
Przemysław Łyczyński	Member of the Supervisory Board
Tadeusz Mikłosz	Member of the Supervisory Board

Graham Wood	Member of the Supervisory Board
Michał Jarczyński	Member of the Supervisory Board

On 27 March 2013 Mr. Graham Wood resigned from the function of a Member of the Supervisory Board. The resignation from the function held was filed as of 24 April 2013, i.e. as of the date of holding the Ordinary General Meeting of Shareholders of ENEA S.A. At the same time, as of 24 April 2013 Ms. Małgorzata Aniołek filed a resignation from the position held. That day, the Ordinary General Meeting of Shareholders of ENEA S.A. nominated into the composition of the Supervisory Board of ENEA S.A. Ms. Małgorzata Niezgoda and Mr. Torbjörn Wahlborg.

As of 24 June 2013 Mr. Michał Jarczyński filed a resignation from the position of a Member of the Supervisory Board of ENEA S.A.

As at the date of preparation of this report the Supervisory Board of the Company of the 8th term is composed of nine members and operates in the following composition:

Name	Position
Wojciech Chmielewski	Chairman of the Supervisory Board
Jeremi Mordasewicz*	Vice-Chairman of the Supervisory Board
Michał Kowalewski	Secretary of the Supervisory Board
Małgorzata Niezgoda	Member of the Supervisory Board
Sandra Malinowska	Member of the Supervisory Board
Sławomir Brzeziński	Member of the Supervisory Board
Torbjörn Wahlborg	Member of the Supervisory Board
Przemysław Łyczyński	Member of the Supervisory Board
Tadeusz Mikłosz	Member of the Supervisory Board

* Members of the Supervisory Board fulfilling the independence criterion mentioned in § 22 of the Company's Statute.

6.1.4. Competences and powers of the Supervisory Board

The Supervisory Board supervises all areas of the activities of the Company on an ongoing basis. The special duties of the Supervisory Board include assessing the Management Board's report on the Company's operations and the financial statements for the previous financial year, to ensure their compliance with the books of account and documents and the factual status, and motions of the Management Board on the distribution of profits or covering of losses, as well as submitting an annual written report on the results of that assessment to the General Meeting of Shareholders (particularly Art. 382 § 1 and 3 CCC and § 20 item 1 of the Statute). The powers, organisation and operating principles of the Supervisory Board are set out in the Statute, *the Rules of the Supervisory Board of ENEA S.A.* and the Commercial Companies Code.

Pursuant to § 22 item 1 and 4, § 23 and § 24 of the Company's Statute the Supervisory Board is composed of six to fifteen members appointed by: (i) the General Meeting of Shareholders, (ii) the Company's employees - to the extent of their entitlement under the Act on Commercialisation and Privatisation (the employees can elect two, three or four members of the Supervisory Board if it has up to six, from seven to ten, or more than 11 members respectively) and (iii) the State Treasury - the State Treasury has the right to appoint one member of the Supervisory Board. Additionally, pursuant to § 22 item 7 of the Company's Statute, the Supervisory Board should be as a minimum composed of one person nominated by the General Meeting from among the persons satisfying the independence criterion specified in the corporate governance rules adopted by the Supervisory Board of the Warsaw Stock Exchange.

In accordance with the Rules of the Supervisory Board, adopted with the resolution of the Supervisory Board of 15 December 2009, amended by the Resolution No. 59/VII/2012 of 29 June 2012 (in force since 30 June 2012) the Board meets at least once every two months (§ 3 item 1 of the Rules of the Supervisory Board and § 26 item 1 of the Statute). Meetings of the supervisory Board are convened by the Chairman or Vice-Chairman of the Board, who will also present a detailed agenda. A Supervisory Board's meeting should be convened at the request of any Supervisory Board member or at the request of the Management Board (§ 26 item 4 of the Statute). A request for convening a meeting should be prepared in writing and should contain a proposed agenda, justification of each item of the agenda and should be signed by the applicant. A request shall be formally verified by the Chairman of the Supervisory Board who transfers the request to the other members of the Supervisory Board if it fulfils legal requirements. A meeting of the Supervisory Board convened based on the request may be held the earliest within two weeks of the delivery of the request to the Chairman.

A meeting of the Board will be convened within two weeks from the date when a request is received. For a meeting of the Board to be convened, all the members of the Board must be invited in writing at least seven days before the meeting. For valid reasons, the Chairman of the Supervisory Board can reduce that period to two days, specifying the manner of delivering the invitations. In an invitation to a meeting of the Supervisory Board, the Chairman will specify the time and venue of the meeting and include a detailed draft agenda. He/she will also enclose materials with the invitation relating to the matters included on the agenda. In cases indicated in the Rules of the Supervisory Board meetings of the Supervisory Board may also be held with no formal convening (§ 3 item 6 and 7 of the Rules of the Supervisory Board).

Supervisory Board's meetings are chaired by its Chairman, or, in his/her absence, by the Vice-Chairman or other Supervisory Board member appointed at the meeting (§ 26 item 5 of the Statute). The Chairman of the Supervisory Board, and in his/her absence, a Vice-Chairman or another Supervisory Board member chairing the meeting, ensures an efficient and proper course of the Supervisory Board's meetings, in accordance with the adopted agenda, legal regulations, the Statute and the Rules of the Supervisory Board of ENEA S.A., and in particular he/she has an exclusive right to:

- a) open, proceed and close meetings of the Supervisory Board,
- b) give and take back the floor to members of the Supervisory Board,
- c) issue standing orders,
- d) order a voting, supervise its proper progress and announce results,
- e) settle order issues,
- f) order breaks in meetings of the Supervisory Board,
- g) issue instructions to a keeper of the minutes of the meeting of the Supervisory Board,
- h) distribute written resolutions of the Supervisory Board,
- i) undertake other actions necessary for an efficient operation of the Supervisory Board.

The proposed agenda can be changed if all the members of the Supervisory Board are present at the meeting and no one objects to the agenda. Any matter not included in the agenda shall be included into the agenda of the subsequent meeting (§ 4 item 2 and 3 of the Rules of the Supervisory Board). Participation in Supervisory Board's meetings is obligatory for Supervisory Board members. Supervisory Board members are required to justify their absence from a Meeting in writing. Supervisory Board member's absence justification requires a resolution of the Supervisory Board (§ 4 item 6 of the Rules of the Supervisory Board).

On recognition of each submitted matter members of the Supervisory Board are entitled to assess draft resolutions in a discussion and submit amendments to them, however the discussion should proceed in accordance with the following principles (§ 4 item 7a of the Rules of the Supervisory Board):

- a) a member of the Supervisory Board may speak exclusively on matters included in the agenda within the scope of the item of the agenda under discussion,

- b) on considering each business from the agenda, depending on its nature, the Chairman may set a time limit for its discussion by each speaker,
- c) the Chairman shall have the right to instruct the speaker who diverges from the topic, exceeds permitted time limits, or makes prohibited utterances,
- d) the Chairman shall have the right to take the floor back from speakers who do not adhere to the Chairman's remarks or to the provisions of the Regulations,
- e) the Chairman shall decide on termination of the discussion.

The Supervisory Board adopts resolutions if at least half of its members are present at the meeting and all of its members have been invited (§ 27 item 2 of the Statute and § 6 item 1 of the Rules of the Supervisory Board). The Supervisory Board shall adopt resolutions by an absolute majority of votes cast. In the event of a voting tie the Chairman of the Supervisory Board will have the casting vote (§ 27 item 3 of the Statute and § 6 item 4 of the Rules of the Supervisory Board).

The Supervisory Board can also adopt resolutions in writing, by signing the same copy (or copies) or the draft resolution or separate documents with the same content, or by telephone or by other means of remote communication, in a manner that allows all the Members participating in the meeting to directly communicate with each other. Adopting a resolution by this procedure requires that a justification for the resolution be drawn up in advance and that a draft resolution be presented to all the members of the Supervisory Board together with the justification (§ 6 item 6 of the Rules of the Supervisory Board). Resolutions cannot be adopted in writing or remotely using means of direct communication for elections of the Chairman or Vice-Chairman of the Board, appointing a member of the Management Board or recalling or suspending those persons (§ 27 item 4 of the Statute read together with Art. 388 § 4 CCC). Resolutions adopted in writing or remotely using a means of direct communication are presented at the next meeting of the Supervisory Board with the outcome of the vote (§ 6 item 78 of the Rules of the Supervisory Board). Members of the Supervisory Board may participate in adopting resolutions of the Supervisory Board casting votes in writing through another Member of the Supervisory Board, subject to Art. 388 § 2 and 4 of the Commercial Companies Code (§ 27 item 5 of the Statute and § 6 item 9 of the Rules of the Supervisory Board).

Audit Committee and Nominations and Remuneration Committee

The Rules of the Supervisory Board of ENEA S.A. provides for the nomination of two Committees of the Supervisory Board, i.e. the Audit Committee (pursuant with the Act of 7 May 2009 on certified auditors and their self-government, entities authorised to audit financial statements and on public supervision; further on: Act on certified auditors) and the Nominations and Remuneration Committee (§ 7 item 1 of the Rules of the Supervisory Board).

Pursuant to the Rules of the Supervisory Board, a committee consists of at least three members appointed by the Supervisory Board from among its members for a period corresponding to the length of the Board's term. The members of the committee elect a chairman of the committee from among their number. The chairman of the committee directs and supervises the committee's work, particularly the organisation and procedure of committee meetings. Committee meetings are convened by the chairman of the committee or, if he/she is absent, by a member of the Board indicated by him/her. Notifications of committee meetings are subject to the provisions on notifications of Board meetings, as appropriate. However, committee meetings should be held once per quarter, before the Company publishes its financial statements. Only persons invited by the chairman can take part in committee meetings. Committee resolutions are adopted by an ordinary majority of votes. In the event of an equal number of votes, the chairman of the committee has the casting vote. Committee resolutions are adopted at meetings or remotely using a means of direct communication. The chairman of the committee submits resolutions, motions and reports on matters on the Board's agenda to the Board, as well as other motions, including motions regarding the need to draw up an expert opinion or an opinion concerning the scope of the committee's tasks for the needs of the committee or employ an adviser (§ 7 item 2-10 of the Rules of the Supervisory Board).

Pursuant to Art. 86 item 7 of the Act on certified auditors the competence of the audit committee include in particular:

- 1) monitoring the process of financial reporting;
- 2) monitoring the effectiveness of internal control systems, internal audits and risk management,
- 3) monitoring of the performance of financial review activities,
- 4) monitoring the independence of the auditor and the entity authorised to audit financial statements, including in the case of the provision of services as specified in Article 48 item 2 of the Act.

Additionally, pursuant to §8 item 5 of the Rules of the Supervisory Board the task of the Audit Committee is to advise the Board regarding the internal policy and budget procedures adopted by the Company and inspect them and advise on the Company's contracts with certified auditors, in particular:

- a) monitoring the accuracy of the financial information presented by the Company, particularly by reviewing the appropriateness and consistency of the application of the accounting methods adopted by the Company and its group (including the criteria for consolidating the financial statements of the companies in the group),
- b) monitoring the process of financial reporting;
- c) monitoring the effectiveness of internal control systems, internal audits and risk management,
- d) monitoring the financial audit and presenting recommendations to the Board regarding the selection, appointment, re-appointment and dismissal of the external auditor by the authorised body and regarding the terms and conditions of his engagement,
- e) monitoring the independence of a certified auditor and the entity authorised to audit financial statements, including in the case of the provision of services as specified in Article 48 item 2 of the Act on certified auditors,
- f) evaluating and submitting an annual internal audit plan to the Supervisory Board for approval,
- g) Evaluating and submitting an annual internal audit unit budget to the Supervisory Board for approval,
- h) evaluating and submitting changes in the scope of activities of the internal audit unit to the Supervisory Board for approval,
- i) discussing any problems or reservations that might result from auditing financial statements,
- j) discussing the nature and scope of the audit with the Company's certified auditors before the commencement of each audit of the annual financial statements and monitoring the coordination of work between the Company's certified auditors,
- k) reviewing internal control and risk management systems at least once a year, in order to ensure that key risks (including those associated with compliance with applicable provisions of law and regulations) are correctly identified, managed and disclosed,
- l) ensuring the effectiveness of the internal audit by expressing an opinion on the election, appointment or recall of the head of the internal audit department, as well as monitoring the reaction of the Management Board of the Company to its findings and recommendations,
- m) issuing an opinion on withdrawing from the payment conditions (reducing the remuneration) of the Director of the Inspection and Audit Office,
- n) analysing reports of the Company's internal auditors and the key conclusions of other internal analysts and the Management Board's response to those conclusions, including examining the degree of independence of internal auditors,
- o) inspecting the nature and scope of non-auditing services, in particular on the basis of the external auditor disclosing the sum of all fees paid by the Company and its group to the auditing firm and its chain, in order to prevent a material conflict of interests in that context,
- p) reviewing the effectiveness of the external auditing process and monitoring the response of the Management Board to written recommendations presented to it by external auditors,
- q) examining issues being the reason for dismissing an external auditor and issuing recommendations on required action,
- r) cooperating with the Company's organisational units responsible for auditing and control and periodically assessing their work,
- s) reviewing the Company's system of management accounting.

Pursuant to § 9 item 2 of the Rules of the Supervisory Board the task of the Nominations and Remuneration Committee is to promote the achievement of the Company's strategic objectives by presenting opinions and motions to the Board regarding the structure of employment and the remuneration paid to the Company's personnel, particularly management personnel. The Committee's tasks include:

- a) analysing Management Board policy concerning the nomination, election and appointment of high-level managerial personnel,
- b) presenting proposals to the Board relating to the remuneration and forms of employment of members of the Management Board, taking into account their previous achievements,
- c) presenting opinions to the Supervisory Board on the justification for awarding performance-based remuneration and on incentives based on realisation of tasks and goals of the Company and proposals in that respect,
- d) assessing the Company's human resources management system,
- e) periodically assessing the skills, knowledge and experience of individual members of the Management Board and management personnel and presenting the results of the assessment to the Board.

As at the date of this report, the Committees of the Supervisory Board of the Company are as follows:

1. The Audit Committee:

- Małgorzata Niezgodą - Chairman,
- Jeremi Mordasewicz - Member,
- Wojciech Chmielewski - Member,
- Przemysław Łyczyński – Member,
- Sławomir Brzeziński – Member.

2. Nominations and Remuneration Committee:

- Michał Kowalewski - Chairman,
- Sandra Malinowska - Member,
- Tadeusz Mikłosz – Member,
- Jeremi Mordasewicz - Member,
- Torbjörn Wahlborg – Member.

Till the date of publication of this report the Audit Committee held four meetings and adopted 9 resolutions. Meetings of the Committee were devoted, among other things, to:

- election of the Chairman of the Audit Committee of the Supervisory Board,
- assessment of the methods of reviewing of the Non-consolidated financial statement of ENEA S.A. for the period of 1 January to 31 December 2012 and Consolidated financial statement of the ENEA Capital Group for the financial year ending 31 December 2012,
- assessment of the methods of analysis of condensed interim financial statements the Company and the ENEA Capital Group for the period of 1 January to 31 March 2013.

In addition, the Audit Committee:

- issued a positive opinion on the following documents: "2013 Annual Audit Plan for ENEA CG" in the part relating to ENEA S.A. and "Budget Proposal of the Control and Audit Office for 2013",
- issued a positive opinion on the draft amended Audit Plan for 2013,
- issued a positive opinion on vesting the function of the Head of the Control and Audit Office to Ms. Anna Sobańska,
- conducted a discussion on the report of "Fraudit" Mikołaj Rutkowski from the investigation audit performed in relation to the cooperation with PBG DOM Sp. z o.o. (project of Skalar Office Center),

- conducted a discussion regarding the *Follow-up Statement* of the Supreme Chamber of Control concerning selection of the concept and course of the tender procedure for the implementation of a uniform billing system in ENEA S.A.

and got familiar with the following information:

- information on the preliminary description of the system of internal control in ENEA S.A.,
- information regarding a task from within the remuneration system in ENEA CG,
- information on the proposal of changes in provisions of the *Rules of Internal Audit in the ENEA Capital Group*,
- information on the current status of realisation of the Project: *Development and implementation of an integrated risk management system in ENEA CG* and acknowledgement of the Integrated Corporate Risk Management Policy in ENEA CG Companies, Liquidity Risk Management Policy in ENEA CG Companies, Liquidity Management Policy in ENEA CG Companies, Currency Risk Management Policy and Interest Rate Risk in ENEA CG Companies and Credit Risk Management Policy in ENEA CG Companies.

Till the date of publication of this report the Nominations and Remuneration Committee held 5 meetings and adopted 19 Resolutions. The subject matter of the meetings of the Committee was e.g. development of recommendations for the Supervisory Board regarding:

- adoption of a resolution exempting the Member of the Management Board for Economic Affairs of ENEA S.A. from a prohibition to pursue economic activity, business or other remunerated activity within services connected with the held security worker licence/second grade,
- granting permits to Members of the Board of ENEA S.A. to be members of Supervisory Boards of the ENEA Capital Group companies,
- conclusion with Members of the Board of ENEA S.A. of Service Agreements - managerial contract and No-Competition Agreements, determination of rules of remuneration of Members of the Board and authorisation for the Chairman of the Supervisory Board to conclude the above mentioned agreements.

6.2. List of holdings of the issuer's shares, or rights thereto, by persons that manage or supervise ENEA S.A.

Name	Position	Number of shares of ENEA S.A. held as at 15 May 2013	Number of shares of ENEA S.A. held as at 27 August 2013
Tadeusz Mikłosz	Member of the Supervisory Board	4 140	4 140

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

As at the day of publication of this semi-annual report, persons managing or supervising do not hold shares or stock in subsidiaries of ENEA S.A.

In the period from the publication of the previous periodic report no changes occurred in the status of shareholding of managing and supervising persons.

7. The shareholding and share capital structure of ENEA S.A.

7.1. Share capital structure

As at the date of publication of this Report of the Management Board the amount of the Issuer's share capital is PLN 441,442,578.

A general number of votes at a general meeting resulting from all the issued shares of the Issuer corresponds to the number of shares and amounts to 441,442,578 votes.

As at 30 June 2013 the structure of the share capital is as follows:

- 1,980,143 registered shares,
- 439,462,435 bearer shares.

7.2. Shareholding structure

As at the date of publishing this report, the structure of shareholders holding more than 5% of the total number of votes at ENEA S.A.'s General Meeting of Shareholders is as follows:

No.	Shareholder	State as at 15 May 2013		State as at 27 August 2013	
		Number of shares/number of votes during GM	Share in the share capital/share in the total number of votes	Number of shares/number of votes during GM	Share in the share capital/share in the total number of votes
1	State Treasury	227 378 918	51.51%	227 370 638	51.51%
2	Vattenfall AB	82 395 573	18.67%	82 395 573	18.67%
3	Others	131 668 087	29.82%	131 676 367	29.82%
TOTAL		441 442 578	100.00%	441 442 578	100.00%

In the period from publication of the report for Q1 2013 there has been a slight change in the shareholding for the key Shareholder of the Company, i.e. the State Treasury. The divergence in number of shares held by the State Treasury is connected with the specificity of the process of nil-paid rights to employee shares from the State Treasury by entitled employees and their heirs.

8. Additional Information

8.1. Proceedings underway before courts, bodies appropriate for arbitration proceedings or public administration bodies

8.1.1. Proceedings related to the Issuer's or its subsidiary's payables or debts, whose value is 10% or more of the equity

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

8.1.2. Two or more proceedings regarding receivables or liabilities, whose total value corresponds to 10% or more of the equities

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

A description of other proceedings underway other than those referred to above, to which ENEA S.A. or its Group companies are a party, is set out in note 24 to the consolidated financial statement.

8.2. Structure of employment in the ENEA Capital Group

The table below shows ENEA S.A.'s employment level as at 30 June 2013 and the annual average employment in the Company in 2013, divided into trade and other activities.

	State as at the end of H1 2013 (FTEs)	Annual average employment in H1 2013 (FTEs)
Trade	145.00	145.73
Other activity	252.88	251.74
TOTAL	397.88	397.47

The employment as at 30 June 2013 amounted to 397.88 full-time equivalents and was higher in relation to the state as at 31 December 2012 by 4 full-time equivalents. Higher employment results from the need of realisation of ongoing operations of the Company.

The table below shows employment at subsidiaries in H1 2013:

Item	State as at 30 June 2013 (FTEs)	Annual average employment in H1 2013 cumulatively (FTEs)
BHU S.A.	152.50	157.38
ENEA Wytwarzanie S.A.	2 290.00	2 306.00
Elektrownie Wodne Sp. z o.o.*	162.25	163.00
Miejska Energetyka Ciepła Piła Sp. z o.o. with its registered office in Piła*	158.00	160.00
Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. with its registered office in Oborniki*	38.00	39.00
Elektrociepłownia Białystok S.A. *	192.00	191.00
Dobitt Energia Sp. z o.o. *	3.00	3.00
Windfarm Polska Sp. z o.o. *	1.00	1.00
ENEA Operator Sp. z o.o.	5 188.38	5 213.6
Eneos Sp. z o.o.	114.50	115.17
ENEA Centrum S.A.	172.28	163.97

Energetyka Poznanska Przedsiębiorstwo Usług Energetycznych ENERGOBUD Leszno Sp. z o.o.	599.03	595.74
Energetyka Poznanska Zakład Transportu Sp. z o.o.	59.25	58.83
Energomiary Sp. z o.o.	188.00	188.97
Energo-Tour Sp. z o.o.	25.00	22.08
ENTUR Sp. z o.o. **	0.50	3.42
Hotel EDISON Sp. z o.o.	20.00	20.67
ITSERWIS Sp. z o.o.	86.70	85.48
Niepubliczny Zakład Opieki Zdrowotnej Centrum Uzdrowiskowe ENERGETYK Sp. z o.o.	77.00	77.59
Annacond Enterprises Sp. z o.o.	5.00	5.17
ENEA Trading Sp. z o.o.	58.40	58.00
TOTAL	9 590.79	9 629.07

* Subsidiaries of ENEA Wytwarzanie S.A.

** Entity in liquidation.

8.3. Information on transactions hedging the currency risk

Within its operations in H1 2013 ENEA S.A. concluded forward transactions the objective of which was securing the currency risk (EUR/PLN) connected with the realisation of the agreement on purchase of assets. All the above forward transactions were settled in the reporting period.

From April 2013 ENEA Wytwarzanie through ENEA Trading Sp. z o.o. commenced purchases of allowances for emissions of CO₂ in forward contracts. Within these contracts purchase transactions were made with delivery: in December 2013 /DEC-13/, in December 2014 /DEC-14/ and in December 2015 /DEC-15/.

8.4. Information on the authorised entity performing audit and review of financial statements

The authorised entity is KPMG Audyt Sp. z o.o. ul. Chłodna 51, 00-867 in Warsaw, is entered into the list of entities authorised to audit financial statements maintained by the National Chamber of Statutory Auditors of 7 February 1995 under the register number of 458.

8.5. Activity of ENEA S.A. within corporate social responsibility (CSR)

In 2010 the ENEA Capital Group established a CSR Strategy (*corporate social responsibility*) integrated with the business strategy of the Group contained in the document titled "Corporate Strategy of the ENEA Capital Group for 2010-2015 looking forward to 2020". The CSR Strategy is assumed to support, develop and deepen the provisions of the business strategy and is to serve the realisation of the third from the set goals, mainly:

- a) improving the effectiveness of how the Group functions,
- b) development of the core business of the Group,
- c) construction of a socially responsible business.

Such a tight combination of provisions concerning social responsibility of the business with the Corporate Strategy underlines a high priority for the implementation of CSR practices in all companies belonging to the Group.

Within the area of: "Building of a socially responsible business" 3 goals are set:

1. Ensuring well-balanced human resource management.
2. Ensuring a dialogue with all stakeholders, including local communities, and taking their opinions into account in business operations.
3. Promoting pro-environmental practices and behaviours.

Individual companies from the ENEA Group prepare their own operating plans each year detailing the scope of actions contributing to pursuing CSR Strategy objectives. Operating plans take into account the specific nature of each company commonly pursuing to perform the adopted strategic objectives of the ENEA Group. Each company reports, through appointed CSR coordinators in a given company, to ENEA S.A. a progress in the implementation of activities in line with the strategy.

In ENEA S.A. in H1 2013 numerous new activities were realised implementing the aforementioned goals of the CSR Strategy but at the same time being the continuation of the activities commenced in 2012 within projects contained in the operating plans, including e.g.:

Within goal 1. Ensuring a balanced human capital management the following projects were realised:

Intranet platform

In Q1 2012 an Intranet platform was implemented which is available for each ENEA Group company. Corporate Intranet is by definition the most important tool of communication which ultimately will be available to each employee of the ENEA Group.

At the end of 2012 all the Group companies (except PEC Oborniki) were connected to the Intranet. Thanks to the Intranet the employees of the Group companies obtained a real time access to the same information. The Intranet fulfils not only an informative function but also integrates employees and is co-developed by them.

The most traffic is generated on websites relating to social issues, coverage from events/meetings of the Group (photo-video footage) and personal changes.

Pages are updated on ongoing basis. The News page is updated and verified each day, which contains the most important information relating to ENEA CG and the market. Once a week, cyclically, also the content of the main information tabs is updated.

Within goal 2. Ensuring a dialogue with stakeholders, including local community, and taking their opinions into account in business operations:

ENEA S.A.'s good practices in the report "Responsible Business in Poland 2012. Good Practices"

For a third year in a row the Responsible Business Forum verified positively four examples of responsible activities reported by ENEA S.A.:

- a. The report of the corporate social responsibility of the ENEA Group 2011 (in the area according to ISO 26000 "corporate governance"),
- b. Ecological system of double-side printing (in the area according to ISO 26000 "environment"),
- c. Power knowledge competition "1 of 10,000" (in the area according to ISO 26000 "occupational practices"),
- d. Enea.pl portal for the disabled (in the area according to ISO 26000 "human rights").

The report is the most significant annual publication concerning CSR activities undertaken in Poland. The report shows good practices of companies concerning involvement in execution of the rules of responsible business and trends in companies' operations.

"Dumni z dziedzictwa" Programme ("Proud of the legacy")

In September 2011 ENEA S.A. signed a 3-year agreement on providing patronage over the Royal Baths Museum in Warsaw. It is the first stage of the programme "Proud of the legacy" in which

ENEA S.A. wishes to express its deep commitment to care for the Polish culture and its place in the consciousness of people around the world. Within the patronage the Company replaces electrical installation within the Royal Baths complex and prepares spectacular lighting of their historic buildings. Technical concepts, projects and realisations of works relating to the lighting are performed by Eneos Sp. z o.o. belonging to the ENEA Group, which was repeatedly awarded for its professionalism.

Up till now, within the "Proud of the legacy" programme:

- lighting was prepared of:
 - a) Palace on the Isle
 - b) Myślewicki Palace
 - c) Belvedere Pond
 - d) Temple of Diana
- the exposition lighting was modernised in the Sculpture Gallery on 2nd floor of the Old Orangery,
- electrical installation was replaced in the attic of Pochorążówka building,
- power network was constructed along the Chinese Avenue.

The initiatives realised within the Programme in H1 2013 included:

Photo competition – "The Glow of the Palace on the Isle"

On 17 December 2012 a four-week photographic competition started named: "The Glow of the Palace on the Isle" for the most beautiful photo of the illuminated building. Within the competition 150 works were submitted, from among which on 25 January 2013 the winners were selected. The prime prize in the competition was a professional camera, CANON EOS 650 D. The competition lasted till 25 January 2013. The jury composed of representatives of ENEA and the Royal Baths Museum awarded 3 works. The final of the competition could be watched live on the programme fan page on Facebook.

Conference "Zachowanie dziedzictwa narodowego; inwestowanie w obiekty zabytkowe and their adaptation" ("Preserving national legacy; investing in monuments and their adaptation")

During 25-26 April 2013 in the Royal Baths Museum in Warsaw a conference was held: "Preserving national legacy; investing in monuments and their adaptation", during which key questions were raised relating to investing in monuments: legal issues, preservation practice, applied technology. Presentation of sample preservation realisations familiarised the participants with details of investment processes, and thus gave a possibility of contributing to the promotion of applying good preservation practices by monuments. During the panel discussion, problems important for conservators connected with spacial order were raised.

Commitment of ENEA S.A. in the social campaign "Cała Polska czyta dzieciom" ("The whole Poland reads to children")

ENEA S.A. since 2011 has been supporting the operations of the Foundation "ABCXXI - Cała Polska czyta dzieciom". The goals of the "The whole Poland reads to children" campaign is most of all propagation of the everyday reading to children as an effective method of supporting their comprehensive development, building of internal competencies of children: emotional and intellectual competencies, and limitation of a negative impact of the mass culture and mass media on children and the youth.

Presently, the campaign is conducted in all of Poland. The programmes announced by the Foundation: "Reading Schools" and "Reading Kindergartens" were joined by schools and kindergartens. Institutions which introduced every day reading aloud to children are observing an increase in comprehension of texts and instructions, improved concentration, easiness of speech and composition, better motivation to learn and willingness of cooperation, establishment of relations among students and students and reading teachers, increase in reading activities of children, and a substantial improvement of the behaviour.

Known and valued people, from the cultural, political and business world, have engaged in the Foundation's activity, and the honorary patronage over the campaign was taken by the Ministry of Culture and National Heritage.

10th Final of the campaign "The whole Poland reads to children" took place on 26 March 2012. ENEA S.A. was honoured with a statuette that was at the same time a thank you to the company for supporting the Foundation's activities.

A project of an educational movie was prepared in H1 2012 entitled "Jak kochać dziecko?" (How to love a child?) whose distribution was planned together with a book "Pierwsza książka mojego dziecka" (My child's first book). Works over the movie and the book are already finished. Inauguration of the project took place on 6 February 2013. Its idea is a free gift of a multimedia packet titled "My child's first book" free of charge to mothers who give birth to their children within the territories of four provinces – Świętokrzyskie, Podkarpackie, Podlaskie and Warmińsko-Pomorskie – from 6 February 2013 until the edition is exhausted. The packet includes the book entitled "My child's first book" that was prepared in such a way that should encourage young parents to read their children every day. It includes information concerning developmental advantage coming from reading to children from birth, examples of reading influence on health and life of actual children and poems for children – both, short ones, simple and rhythmic, easy to repeat and longer ones, written by renown authors, such as: "Lokomotywa" by Julian Tuwim, "Idzie niebo" by Ewa Szelburg-Zarembina and "W kredensowym zamku" by Joanna Papuzińska. The whole book has funny illustrations that encourage to learn, explain and describe various activities, the seasons, household items and the surrounding world. The carefully manufactured book is friendly and safe for the child. The packet also includes a DVD with an educational movie "How to love a child?" discussing the methods of satisfying emotional needs of a child and "Kołysanki i śpiewanki dla Najmłodszych" (Lullabies and songs for Little Ones) serving to develop a child's aptitude for music. The packet's edition is 6 thousand copies and will be distributed among the mothers during their discharge from the hospital, at the maternity units of private and public healthcare institutions. The book and DVD are intended as a kind of cultural and pedagogical start-up kit for young parents and their newborn babies, hence the plan is to distribute them in future free of charge to all mums at obstetric hospitals. The inaugurated action is a pilot project that in future is to include all of Poland. At present the packet (book and DVD) distribution will include 4 provinces, selected with regard to their lowest reading rate.

"Młodzi odwagi" project ("Courage, young people!")

ENEA S.A. participated as a partner in the "Courage, young people!" community action. The action was a Poland-wide campaign supported by journalists, publicists and healthy lifestyle specialists. The purpose of the action was to make young people pay attention to the quality of food they choose, the way they eat it, as well as encourage them to move every day and work out. All schools interested in participation in the movement for promotion of healthy eating habits and physical activity were free to join in. The action was launched in September 2012 and ended on 30 June 2013.

Schools participating in the action organised workshop lessons (also for parents) and other creative activities promoting healthy lifestyle. They also took an active part in organizing the campaign and projects for "healthier" in-school shops and physical activity among young people. The schools also had to sign the healthy lifestyle Manifesto that contains rules and guidelines that should be observed in order for the action goals to be achieved. The "Courage, young people!" action has been organised by Gazeta Wyborcza and the Centre For Citizenship Education, in collaboration with the Ministry of National Education and Ministry of Health, among others.

"Jak urządzić świat" project ("How to shape the world")

In 2012 ENEA took part in "How to shape the world" project. The objective of the project is reinforcing the public debate about economic, social and ecologic hazards that became visible at the beginning of the 21st century. The project fits in with the modern educational model that promotes critical thinking, cooperation among students and communication – within student teams, the whole school and via the internet networks, and what is particularly important – relating the school to real-life

problems, teaching to recognize and solve them. The project is Poland-wide and is addressed to students, teachers and headmasters of primary, secondary and upper-secondary schools. The programme commenced on 1 October 2012 and will last till the end of August 2013.

The Corporate Volunteering Support Programme "Z porywu serca" ("Spur of heart")

The initiatives of help and of social involvement of employees have been present in the culture of the ENEA Capital Group for a long time. The employees have an enormous potential, which ENEA, as a socially committed employer, strongly supports. In 2011, the ENEA CG started actively involve their employees in social activities. "Frame Principles of Supporting Corporate Volunteering" has been endorsed, regulating past activity of employees in the pro-social sphere. Today, voluntary work of employees is a substantial factor in building relationships with stakeholders of the company. Employees in the ENEA CG personally engage in a gratuitous aid to those in need. Many actions are their own initiative. Without a doubt, the involvement in charitable activities stems from the awareness of the timeless value of helping, but primarily from personal satisfaction and joy brought by charity work. Visible results of the support given to others are their main motivation for further action.

Volunteers take action for the local communities, as well as participate in organised volunteer programs: The programmes "Power-not so scary" and "In contact with nature KIDS" are aimed at children aged 5-9 and their teachers and methodologists. The concept was developed in collaboration with teachers and methodologists. The "Power-not so scary" programme obtained the following patronages: the Minister of National Education, the Wielkopolskie Educational Officer, the Deputy Governor of Wielkopolskie Province and the President of Poznań.

The volunteers of the ENEA CG educate the youngest in safe power handling and ecology. They visit primary schools and kindergartens, where they organise lessons during which they show the movies specially prepared for the purpose, deliver talks and solve puzzles with children to help them remember presented knowledge.

The objectives of the education are to improve the safety of children in contact with the equipment powered by electricity, building environmental awareness, as well as energy and natural environment conservation among the youngest, instilling proper behaviour among the youngest concerning handling electricity, promoting pro-environmental behaviours, promoting safe and rational use of electricity, reducing the risk of electric shock or burns due to improper use of electrical appliances, inspiring parents and teachers to talk with children about ecology, safe handling of electrical devices, improving the ability to cooperate in a group.

Educational programme for children "Nie taki prąd straszny" ("Power-not so scary")

Its objective is increasing knowledge and shaping attitudes within safe use and respecting electricity and increasing awareness of particular social groups within this field. Safety of operation of electrical devices and conservation of the environment are issues of extreme importance for the company, as they relate to its business and social activity. The main objective of the ENEA CG is to stress the fact that we care for safety of energy consumers, that the Group acts professionally and that our employees are professionals. Both, the subject and group of consumers were selected in consideration of the company's and its employees' needs. The project also allows freedom in the choice of place and group for which the workshop is to be carried out (one of primary schools within the area of the ENEA CG operation). It means that a volunteer can suggest the school where they want to make the presentation.

"W kontakcie z naturą KIDS" educational programme ("In contact with nature KIDS")

A project of ecological education poses a possibility of conducting explanatory classes relating to how the power is generated, how to save energy, how to safely deal with power and how to respect the environment on a daily basis. Thanks to the ready-made scenarios the employees can conduct a lesson on their own, in a tandem or group, or with the help of a teacher. As a support of the In contact with nature KIDS project a website was created under the same name. It contains

information connected with ecology for both, children and adults. It is presented in an attractive and interactive way, encouraging to get acquainted with it – games, puzzles, videos or lesson scenarios, etc.

Social education programme - "Pierwsza pomoc - ratownictwo przedmedyczne" ("First aid - pre-medical rescue")

The program aims to spreading knowledge of the provision of first aid and teaching its practical applications in the event we become witnesses to the accident. It uses the potential of employees who wish to share their knowledge with a simultaneous social education within providing first aid and reducing indifference attitudes. The research demonstrates that social needs within this scope are very big and tend to grow. The project is directed to Group employees who wish to share their knowledge and skills within pre-medical rescue. Because of the topic which is commonly known and the project shape which is based on pre-medical rescue shows, employees who involve in the project do not need any additional preparation and during trainings are confident and comfortable. The teaching is delivered by volunteers of the ENEA Operator - premedical rescuers who have had a range of professional training.

In H1 2013 actions of volunteers were continued which mainly focused around educational programmes of children and youth, i.e. "Power-not so scary", "In contact with nature KIDS" and "First aid - pre-medical rescue".

During six months of 2013 volunteers from the ENEA Group covered 23 thousand beneficiaries with their actions. It is a record number of people reached by volunteers in such a short time. Totally, within the functioning of the corporate volunteering in the ENEA Group (i.e. June 2011) the volunteering has 63.5 beneficiaries.

Corporate volunteering programme is developing thanks to the commitment of employees, volunteers. Their number is growing systematically. Presently, they count over 300 employees of 12 companies in the Group.

Volunteering at ENEA CG in numbers:

Category	2011	2012	H1 2013	Total from the launch of volunteering programme
Number of beneficiaries of	14 141	26 085	23 287	63 513
Number of beneficiaries of <i>Power-not so scary</i>	7 345	11 264	10 718	29 327
Number of beneficiaries of <i>First aid – pre-medical rescue</i>	5 293	10 204	10 231	25 728
Units covered with education and aid	127	295	120	542

Volunteers' actions in H1 2013

*the list includes selected initiatives

January	
Cap collection campaign within the ENEA Group	Involvement of all the employees of the ENEA Group in socially responsible activity, namely plastic cap collection. The sales profits are designated for the treatment of a sick boy, Antek Szczepanek.
Art contest within the educational campaign "W kontakcie z naturą Kids" ("In contact with nature KIDS")	Selection of the winner of the "Bezpieczna droga do szkoły" (Safe trip to school) contest organised for children by volunteers from Koźienice. The campaign together with the "WKZN Kids" (In contact with nature KIDS) educational project – promotion of the WKZN Kids brand and website.
Second part of advanced level training courses in first aid –	Creation of a group of rescuers within ENEA S.A. The team consists of 11 people. The purpose of the initiative is improvement of safety

pre-medical rescue	in the workplace and building a corporate image as a socially responsible company.
February	
"1% z porywu serca" ("Spur of heart 1%")	Employees for employees, or 1% tax for an important purpose – helping those in need within the ENEA Group. A database of people had been created (employees/their closest families) to whom other employees could donate 1% of their annual taxes.
2012 volunteer action recap	Announcement of results to the employees of the ENEA Group, promotion of the volunteer work and encouraging them to become involved in social work. Volunteers were given the agenda for 2013.
March	
Donation of an AED for the MM Shopping Centre in Poznań	Promotion of volunteer work and of ENEA as a socially responsible brand. Donation of a defibrillator to the representatives of the shopping centre combined with a presentation of first aid with the use of the device by volunteer rescuers from ENEA Operator.
EASTER – Collection of clothing and sweets for the children from the Orphanage in Wolsztyn	Helping those in need. Charity campaign for the charges of the Wolsztyn Orphanage. The employees of the ENEA Group companies from Poznań had collected more than 800 personal care products. The products and sweets were given to the children as a part of the "Oni też czekają na święta" ("They also wait for the holidays") Easter campaign.
Dzień Wrażliwości - Dzień Motyla (Sensitivity Day – Butterfly Day)	The ENEA Group volunteers together with the representatives of the Province Office in Poznań and the Palium Hospice volunteers appealed to the Poznań citizens to help collect money for a hand prosthesis for the 20-year-old Marysia Piechowska. The girl lost her hand as a result of cancer. It is her dream to study architecture and therefore needs an "unusual" prosthesis allowing her to draw. It costs PLN 200 thou.
April	
Launching the "Strefa wolontariusza" ("Volunteers' zone") tab in the ENEA Group intranet	The tab has been dedicated to the volunteers and all those employees than want to become involved in social work. The tab contains reports of ongoing volunteer campaigns of the ENEA Group, announcements of the type of help needed by various organisations and the types of social work one can become involved in. There is also the description of programmes carried out as a part of corporate volunteering of the ENEA Group, principles of corporate volunteering, as well as contact data to the volunteering programme coordinators. There is also a photo gallery of various campaigns completed by the volunteers from ENEA.
Opening of a motorcycle season in Poznań, called "Moto-serce" ("Motor-heart")	Participation of the volunteer rescuers from ENEA Operator in the opening of the motorcycle season. Presentations of first aid for the inhabitants of the Wielkopolskie Province and attractions for children related to the educational programme "Power-not so scary". Involvement of the employees of the ENEA Group in the social interactions of Poznań, promotion of corporate volunteering of the ENEA Group.
May	
Campaign for the "Stworzenia Pana Smolenia" ("Creatures of Mr. Smoleń") Foundation	Cleaning up the area for the construction of an educational trail for the charges of the Foundation and preparation works for the construction of an enclosure for horses. Promotion of corporate volunteering and involvement of male employees of the ENEA Group.
Poznański Dzień Korczaka (Korczak's Day in Poznań)	The event organised together with the Province Office in Poznań. The volunteers from the ENEA Group launched the "Small volunteering" programme in the Hipolit Cegielski Primary School No. 6 in Rataje,

	one of Poznań districts. As managers of this programme they will be the guides and advisors for teachers, children and young people, as well as partners in their volunteer work. For the purpose of this programme, under the auspices of ENEA, the Poznań author, Joanna Krzyżanek wrote a book titled "Dobre uczynki Cecylki Knedelek". Thanks to reading the book children can understand the idea of volunteering and helping others selflessly.
A charity football game "O puchar serc" ("For the Hearts cup")	The event organised together with the Province Office in Poznań. Participation of the volunteers from the ENEA Group in a football tournament, presentations of first aid and providing attractions for children. The football tournament was a part of a family fair during which money was collected for the treatment of the 8-year-old Gabryśia and 3-year-old Mikołaj. The children have spina bifida. They are both in wheelchair. Money collected during the fair was donated for the children's treatment. Creation of involvement of the employees in socially responsible activities.
Family fair combined with promotion of health and safety. Organised by – the City Hall in Poznań.	Participation of volunteer rescuers from ENEA Operator. Presentations of first aid. Attractions for children related to the educational programme "Power-not so scary". Creation of involvement of the employees in socially responsible activities.
June	
A science picnic in Warsaw	Participation of the volunteers from Koźienice in the Science Picnic organised by the Copernicus Science Centre in Warsaw. A stand was prepared for children where animators and volunteers explained on simple examples how power is generated, carried out contests and informed those interested of the status of construction of the new power unit in Koźienice. The stand was visited, among others, by the President of Warsaw – Hanna Gronkiewicz-Waltz.
A garden for the children from the "Droga" Orphanage in Wolsztyn	The volunteers from the ENEA Group built boxes for growing vegetables. All this so that the children could start the crops they had dreamt of. Still waiting for execution is the second part of the project, namely artistic extension of the vegetable garden onto the walls of the garage and utility building. The design is ready. Execution – September 2013.
Educational campaigns in Customer Service Centres	The employees of Customer Service Centres of ENEA Centrum apart from their standard services were enlightening the youngest customers right before the summer holidays in the ways of power saving, potential hazards and how to prevent them in order to make the holidays safe.

Within goal 3. Promoting pro-environmental practices and behaviours:

ENEA S.A. tries to initiate actions aiming at minimisation of a negative impact of its office activity on the natural environment introducing pro-ecological system solutions in the functioning of its offices and therefore tries to change them into places which are maximally environmentally friendly.

The recycling action "Ciuch w Ruch" ("Move the dress") in ENEA S.A.

ENEA S.A. in March 2012 joined the charity and ecological action "Move the dress" financially supporting children in care of the Anna Dymna's Mimo Wszystko Foundation and promoting pro-ecological behaviours.

The action aims at gaining financial funding for children in care of the "Mimo Wszystko" Foundation although it requires no financial outlays from participants. By bringing clothes and shoes which are no longer needed you may help others. The objective of this action is a wise use of unneeded clothes - in big corporations, firms, public institutions or retail chains specially designed containers will be located to which one may drop waste clothes. The material of which such clothes are made will be reused and will generate profit - mainly to "Mimo Wszystko" Foundation. 3R Recycling

Solutions cooperating with the Foundation by the project will give it for the children in care of the Foundation.

The containers were placed in the buildings of ENEA S.A. in Poznań by Górecka 1 and Strzeszyńska 58.

The group of beneficiaries is not limited only to those children in care of Anna Dymna. Within the action of "Move the dress" many people will find job in Poland and abroad, many people will be able to buy clothes they cannot afford. Helping seen in such a way brings numerous advantages to the needing people and to the natural environment and is a classic example of promoting and idea of the social responsibility of a business.

The time period of the "Move the dress" action is not limited.

Anna Dymna's Foundation "Mimo Wszystko" each day tries to support physically retarded people from the whole Poland. The foundation uses many differentiated methods of obtaining funds in order to meet companies and Donors half-way to facilitate them in giving money for help (fund-raising).

Ecological education system for ENEA S.A.'s employees

An educational campaign commenced in 2011 is being conducted through the system of eco-stickers which teach employees how to limit the consumption of electricity, manage water rationally, how to reduce a negative impact of transport on the ecosystem and how to use cars, also company cars, in a sustainable and environmentally friendly way.

Eco-printing - saving office paper

Pro-ecological actions are usually visible in uncomplicated everyday corporate activities, therefore ENEA S.A. decided - on another stage of ecological education of employees - to focus on economical use of office paper and educate on how not to print more than is actually needed.

In 2011 local printers were replaced with multifunctional printing devices. In H1 2012 a system of default setting was implemented of all the multifunctional devices which work in the offices of ENEA S.A. to the duplex printing mode. In H1 2013 all printing devices were set in default to print white and black. The project becomes a part of the pro-ecological consciousness of employees of ENEA S.A., and seeing it more widely, of the society through the application of such solutions which contribute to the lessening of the impact of the office on the natural environment. Duplex printing impacts lower emissions of carbon dioxide. Changes in behaviours connected with higher ecological knowledge may be also reflected in savings made in our households.

Waste paper and batteries segregation - special cartons in printer rooms

In 2011 ENEA S.A. a system of waste segregation was introduced to wisely manage the office resources. From 2012 in most office spaces of ENEA S.A. cartons appeared for segregation of waste paper and batteries. Ecological containers are located in rooms with multifunctional devices and printers. Thanks to these containers waste materials will be reused and will not pollute the environment. This is another eco-activity initiated by ENEA S.A. to encourage employees to demonstrate a pro-ecological attitude each day, also at work.

8.6. Awards, distinctions and achievements

<p>The list of 500 Biggest companies of the Polityka weekly</p>	<p>The ENEA Group ranked 15th on the list containing 500 biggest companies of 2012. The main criterion for the order of companies on the list was the sales revenue.</p>
<p>The 500 Biggest companies ranking of the Rzeczpospolita daily</p>	<p>The ENEA Group ranked 21st among the most valuable and biggest companies of the "Rzeczpospolita" daily. The criteria of the 500 companies ranking were, among others, financial results and capital expenditures. Telecommunications, power and financial sectors are high on the list.</p>
<p>The Forbes list</p>	<p>The leaders of the "Forbes" ranking are the companies from the fuel and power sectors. ENEA qualified in the first 20 of a hundred biggest domestic companies. The order in the ranking was decided by financial results. The profit and sales revenues of the Company were taken into consideration.</p>
<p>50 most profitable companies by the Polityka weekly</p>	<p>The ENEA Group ranked 8th among the 50 Most profitable companies. The order was decided by net and gross profit.</p>
<p>The Most Eco-Friendly Brand</p>	<p>The ENEA brand received the Most Eco-Friendly Brand Badge in the "Energy provider" category in the European Trusted Brands consumer survey. It was the only distinction awarded to a Polish company in the power sector. More than 18 thou. consumers from 12 European countries participated in the survey. People indicated brands spontaneously, without hints.</p>
<p>ENEA S.A. among the best known companies of the market by the Puls Biznesu daily</p>	<p>Stock listed companies were evaluated by 180 brokers, investment advisors and analysts on the grounds of surveys verifying the board's competencies, quality of investor relations, auto-evaluation of analysts' knowledge of the company. ENEA S.A. was recognised as "one of the companies best known in the market". 400 companies are listed on the main market of the Warsaw Stock Exchange.</p>
<p>ENEA S.A. qualified for the "Responsible business in Poland 2012. Good practices" Report organised by the Responsible Business Forum with four of its good practices</p>	<p>For the third year in a row the Responsible business Forum verified positively four examples of responsible activities reported by ENEA S.A.:</p> <ul style="list-style-type: none"> • The report of corporate social responsibility of the ENEA Group 2011 (within the ISO 26000 standard: "corporate governance"), • Ecological system of double-side printing (in the area according to ISO 26000 "environment"), • Power knowledge competition "1 of 10,000" (in the area according to ISO 26000 "occupational practices"), • Ecological system of double-side printing (in the area according to ISO 26000 "environment"). <p>The report is the most significant annual publication concerning CSR activities undertaken in Poland. The report presents best practices of companies concerning commitment to execution of the principles of corporate social responsibility and trends in companies' operations.</p>
<p>ENEA Wytwarzanie as an Employee-Friendly Employer</p>	<p>ENEA Wytwarzanie S.A. received the title of the "Employee-Friendly Employer". The winners were awarded prizes, among others, for observing the labour law, OSH regulations and organisation of trade unions in workplaces. The award ceremony took place in the Belvedere.</p>
<p>Certificates for the Laboratories of ENEA Wytwarzanie</p>	<p>Calibration Laboratory and Testing Laboratory in ENEA Wytwarzanie received Accreditation Certificates according to the PN-EN ISO/IEC 17025:2005 standard. The certificates award the many years of activity towards implementation, obtaining competence and confirmation of fulfilment of requirements for laboratories accredited by the Polish Centre for Accreditation.</p>

	<p>The Calibration Laboratory received the certificate for calibration in the following fields:</p> <ul style="list-style-type: none"> • electricity values – voltage, current (direct and alternating), • pressure and vacuum – relative, absolute, • temperature – electric thermometry. <p>The Testing Laboratory received the certificate for research in the following fields:</p> <ul style="list-style-type: none"> • chemical tests of vent gases – gas concentration, • environmental engineering tests, • AST testing of automatic monitoring systems (AMS).
ENEA Operator	<p>On 7 June last during a formal gala in order for the 20th anniversary of the Wielkopolski Capital Club, Artur Różycki, the President of ENEA Operator received an honorary award “For the contribution to the Wielkopolskie Province” handed by the Wielkopolskie Province Marshal. The award is given by the Wielkopolskie Province government.</p>
Lenovo Gold Business Partner 2013 for ITSERWIS	<p>ITSERWIS received an official partnership certificate – Lenovo Gold Business Partner. It is a proof that ITSERWIS guarantees a very high level knowledge of solutions offered by Lenovo. The company’s staff participated in specialist training courses and their knowledge was confirmed by competence examinations.</p>
Distinction for ITSERWIS by Microsoft	<p>The certificate was awarded for "commitment to creation and provision of innovative solutions and services based on Microsoft technologies to customers". Many rigorous criteria had to be fulfilled in order to receive the certificate. Specialists implementing the solutions had to show their knowledge and competencies related to technical aspects of Microsoft products. The ability to properly select a solution was assessed with regard to it matching individual needs of companies.</p>

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

In the opinion of the Management Board of ENEA S.A. the data and information presented above within the Report of the Management Board from operations of the ENEA Capital Group in H1 2013 fully reflect all the information important for the assessment of the staff, financial and asset position, financial result of ENEA S.A. and the ENEA Capital Group and their changes, and information which is material for the assessment of ability to settle the liabilities.



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