Extended consolidated quarterly report of the ENEA Group for the third quarter of 2013

Poznań, 5 November 2013

Contents of the extended consolidated quaterly report

Selected consolidated financial data of ENEA Group

	in PLN '000		in EUR '000	
	9 months ended 30.09.2013	**9 months ended 30.09.2012 (restated)***	**9 months ended 30.09.2013**	**9 months ended 30.09.2012**
Net sales revenue	6 787 243	7 427 090	1 607 171	1 770 547
Operating profit	826 076	708 846	195 609	168 982
Profit before tax	862 762	774 249	204 296	184 574
Net profit for the reporting period	666 840	609 715	157 903	145 350
Net cash flows from operating activities	1 313 989	959 747	311 143	228 794
Net cash flows from investing activities	(1 429 576)	(369 167)	(338 513)	(88 006)
Net cash flows from financing activities	604 255	(197 257)	143 083	(47 024)
Total net cash flows	488 668	393 323	115 713	93 764
Weighted average number of shares	441 442 578	441 442 578	441 442 578	441 442 578
Net earnings per share (in PLN)	1.51	1.38	0.36	0.33
Diluted earnings per share (in PLN / EUR)	1.51	1.38	0.36	0.33

	Balance as at 30.09.2013	**Balance as at 31.12.2012**	**Balance as at 30.09.2013**	**Balance as at 31.12.2012**
Total assets	15 619 242	14 710 462	3 704 490	3 598 274
Total liabilities	4 191 533	3 772 174	994 126	922 698
Non-current liabilities	2 503 940	1 748 504	593 871	427 695
Current liabilities	1 687 593	2 023 670	400 254	495 003
Equity	11 427 709	10 938 288	2 710 364	2 675 576
Share capital	588 018	588 018	139 463	143 833
Book value per share (in PLN / EUR)	25.89	24.78	6.14	6.06
Diluted book value per share (in PLN/EUR)	25.89	24.78	6.14	6.06

The above financial data for Q3 2013 and 2012 were translated into EUR in line with the following principles:

- individual assets and liabilities – at the average exchange rate as of 30 September 2013 – PLN/EUR. – 4.2163 PLN/EUR (as at 31 December 2012 – PLN/EUR 4.0882),
- individual items from the statement of comprehensive income and the statement of cash flows – as per the arithmetic mean of the average exchange rates determined by the National Bank of Poland as at the last day of each month of the financial period from 1 January to 30 September 2013 – PLN/EUR – 4.2231 PLN/EUR (for the period from 1 January to 30 September 2012 – 4.1948 PLN/EUR).

*- Restatements of comparative figures are presented in note 4 of the condensed interim consolidated financial statements of ENEA Group for the period from 1 January to 30 September 2013

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

INDEPENDENT AUDITORS' REPORT ON REVIEW OF THE CONDENSED INTERIM FINANCIAL STATEMENTS OF ENEA GROUP FOR THE PERIOD FROM 1 JANUARY 2013 TO 30 SEPTEMBER 2013

To the Shareholders of ENEA S.A.

Introduction

We have reviewed the accompanying 30 September 2013 condensed consolidated interim financial statements of ENEA Group, with its parent company's registered office in Poznań, Górecka 1 ("the condensed consolidated interim financial statements"), which comprise:

- the condensed consolidated interim statement of financial position as at 30 September 2013,
- the condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month period and nine-month period ended 30 September 2013,
- the condensed consolidated interim statement of changes in equity for the nine-month period ended 30 September 2013,
- the condensed consolidated interim statement of cash flows for the nine-month period ended 30 September 2013, and
- notes to the condensed consolidated interim financial statements.

Management of the parent company is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with the IAS 34 *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements, based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2013 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union.

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

Signed on the Polish original
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Marek Gajdziński
Key Certified Auditor
Registration No. 90061
Proxy

5 November 2013

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

Poznań, 5 November 2013

Index to the condensed interim consolidated financial statements

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

Members of the Management Board

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

Poznań, 5 November 2013

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

Consolidated statement of financial position

	Note	As at 30.09.2013	As at 31.12.2012
ASSETS			
Non-current assets			
Property. plant and equipment	8	11 207 935	10 459 377
Perpetual usufruct of land		67 542	70 369
Intangible assets	9	198 778	201 357
Investment property		31 809	30 752
Investments in associates		6 300	5 951
Deferred tax assets	18	160 417	175 081
Financial assets available for sale		53 857	66 735
Financial assets measured at fair value through profit or loss		1 782	1 504
Trade and other receivables		411	376
		11 728 831	**11 011 502**
Current assets			
CO_2 emission rights		131 600	194 622
Inventory	11	434 996	502 654
Trade and other receivables		1 399 802	1 449 314
Current income tax receivable		12 335	16 026
Financial assets held to maturity		40 164	5 135
Financial assets measured at fair value through profit or loss	14	272 239	422 173
Cash and cash equivalents	13	1 585 688	1 095 495
Non-current assets classified as held for sale		13 587	13 541
		3 890 411	**3 698 960**
TOTAL ASSETS		**15 619 242**	**14 710 462**

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

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

		As at	
EQUITY AND LIABILITIES	**Note**	**30.09.2013**	**31.12.2012**
Equity			
Equity attributable to shareholders of the Parent			
Share capital		588 018	588 018
Share premium		3 632 464	3 632 464
Share-based payments reserve		1 144 336	1 144 336
Revaluation reserve (financial instruments)		39 784	50 233
Other reserve		(21 317)	(21 317)
Retained earnings		6 024 297	5 521 833
		11 407 582	**10 915 567**
Non-controlling interest		20 127	22 721
Total equity		**11 427 709**	**10 938 288**
LIABILITIES			
Non-current liabilities			
Loans, borrowings and debt securities	15	817 262	50 797
Trade and other liabilities		9 187	-
Finance lease liabilities		2 646	4 248
Deferred income from subsidies and connection fees	17	636 573	659 627
Deferred tax liability	18	215 170	243 597
Liabilities due to employee benefits		542 916	542 511
Provisions for other liabilities and charges	19	280 186	247 724
		2 503 940	**1 748 504**
Current liabilities			
Loans, borrowings and debt securities	15	23 521	24 043
Trade and other liabilities		976 177	1 290 391
Financial lease liabilities		2 698	3 494
Deferred income from subsidies and connection fees	17	80 166	92 831
Current income tax liabilities		54 051	58 782
Liabilities due to employee benefits		190 408	177 407
Liabilities due to an equivalent of the right to acquire shares free of charge		292	306
Financial liabilities measured at fair value through profit or loss		-	14
Provisions for other liabilities and charges	19	359 779	375 864
Liabilities related to non-current assets held for sale		501	538
		1 687 593	**2 023 670**
Total liabilities		**4 191 533**	**3 772 174**
Total equity and liabilities		**15 619 242**	**14 710 462**

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

Consolidated statement of profit or loss and other comprehensive income

	Note	9 months ended 30.09.2013	3 months ended 30.09.2013	9 months ended 30.09.2012 (restated)*	3 months ended 30.09.2012 (restated)*
Sales revenue		6 938 070	2 239 586	7 582 612	2 454 782
Excise tax		(150 827)	(47 968)	(155 522)	(49 490)
Net sales revenue		**6 787 243**	**2 191 618**	**7 427 090**	**2 405 292**
Other operating revenue		97 893	18 559	71 052	14 746
Depreciation/amortization		(574 422)	(188 502)	(560 018)	(184 091)
Costs of employee benefits		(730 615)	(216 386)	(711 879)	(222 790)
Consumption of materials and supplies and costs of goods sold		(1 346 314)	(417 427)	(1 413 444)	(515 096)
Energy purchase for sale		(2 365 319)	(779 851)	(3 013 410)	(914 262)
Transmission and distribution services		(449 301)	(150 104)	(533 971)	(177 286)
Other external services		(304 263)	(103 090)	(312 487)	(118 134)
Taxes and charges		(185 099)	(57 607)	(166 171)	(52 573)
Gain/(loss) on sale and liquidation of property, plant and equipment		(4 900)	(1 673)	(1 852)	(2 474)
Impairment loss on property, plant and equipment		-	-	(106)	-
Other operating expenses		(98 827)	(17 779)	(75 958)	(12 238)
Operating profit		**826 076**	**277 758**	**708 846**	**221 094**
Financial expenses		(22 546)	(2 939)	(48 722)	(10 600)
Financial revenue		54 347	17 882	111 206	38 273
Dividend revenue		4 552	-	2 724	-
Share in profit/(losses) of associates measured using the equity method		333	40	195	456
Profit before tax		**862 762**	**292 741**	**774 249**	**249 223**
Income tax	18	(195 922)	(77 993)	(164 534)	(61 493)
Net profit for the reporting period		**666 840**	**214 748**	**609 715**	**187 730**
Other comprehensive income:					
Items that are or may be reclassified to profit or loss					
- change in fair value of financial assets available for sale reclassified to profit or loss		-	-	(838)	-
- change in fair value of financial assets available for sale		(12 900)	4 137	8 080	(731)
- income tax	18	2 451	(786)	(1 376)	139
Items that are not or may not be reclassified to profit or loss					
- actuarial gains/losses due to defined benefit plans		(9 563)	-	(16 848)	-
- income tax	18	1 817	-	3 201	-
Net other comprehensive income		**(18 195)**	**3 351**	**(7 781)**	**(592)**
Total comprehensive income		**648 645**	**218 099**	**601 934**	**187 138**
Including net profit:					
attributable to shareholders of the Parent		666 823	215 113	611 502	188 695
attributable to non-controlling interests		17	(365)	(1 787)	(965)
Including comprehensive income:					
attributable to shareholders of the Parent		648 622	218 464	603 751	188 103
attributable to non-controlling interests		23	(365)	(1 817)	(965)
Net profit attributable to shareholders of the Parent		666 823	215 113	611 502	188 695
Weighted average number of ordinary shares		441 442 578	441 442 578	441 442 578	441 442 578
Net earnings per share (in PLN per share)		**1.51**	**0.49**	**1.38**	**0.43**
Diluted earnings per share (in PLN per share)		**1.51**	**0.49**	**1.38**	**0.43**

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

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

Consolidated statement of changes in equity

		Share capital (face value)	Revaluation of share capital	**Total share capital**	**Share premium**	**Share-based payments reserve**	**Revaluation reserve (financial instruments)**	**Other reserves**	**Retained earnings**	**Non-controlling interests**	**Total equity**
Balance as at 01.01.2013	**Note**	441 443	146 575	**588 018**	**3 632 464**	**1 144 336**	**50 233**	**(21 317)**	**5 521 833**	**22 721**	**10 938 288**
Net profit									666 823	17	**666 840**
Net other comprehensive income							(10 449)		(7 746)		**(18 195)**
Total comprehensive income							**(10 449)**		**659 077**	**17**	**648 645**
Acquisition of shares in subsidiaries from non-controlling interests									2 306	(2 611)	**(305)**
Dividend	27								(158 919)		**(158 919)**
Balance as at 30.09.2013		441 443	146 575	**588 018**	**3 632 464**	**1 144 336**	**39 784**	**(21 317)**	**6 024 297**	**20 127**	**11 427 709**

		Share capital (face value)	Revaluation of share capital	**Total share capital**	**Share premium**	**Share-based payments reserve**	**Revaluation reserve (financial instruments)**	**Other reserves**	**Retained earnings**	**Non-controlling interests**	**Total equity**
Balance as at 01.01.2012	**Note**	441 443	146 575	**588 018**	**3 632 464**	**1 144 336**	**49 565**	**(21 710)**	**5 058 001**	**29 088**	**10 479 762**
Net profit*									611 502	(1 787)	**609 715**
Net other comprehensive income							5 866		(13 647)		**(7 781)**
Total comprehensive income							**5 866**		**597 855**	**(1 787)**	**601 934**
Dividends	27								(211 892)		**(211 892)**
Put option on minority interest in subsidiaries									427	(752)	**(325)**
Balance as at 30.09.2012		441 443	146 575	**588 018**	**3 632 464**	**1 144 336**	**55 431**	**(21 710)**	**5 444 391**	**26 549**	**10 869 479**

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

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

Consolidated statement of cash flows

	Note	9 months ended 30 September 2013	9 months ended 30 September 2012 (restated)*
Cash flows from operating activities			
Net profit for the reporting period		666 840	609 715
Adjustments:			
Income tax disclosed in the statement of profit or loss and other comprehensive income		195 922	164 534
Depreciation		574 422	560 018
(Profit)/loss on sale and liquidation of property. plant and equipment		4 900	1 852
Impairment loss on property, plant and the equipment	8	-	106
(Profit)/loss on sale of financial assets		665	(9 955)
Interest income		(54 882)	(110 033)
Dividend income		(4 552)	(2 724)
Interest expense		7 596	10 106
(Gain)/loss on measurement of financial assets		(1 525)	25 187
Other financial loss		-	5 756
Share in the (profit)/loss of associates		(333)	(195)
(Profit)/loss on valuation of financial instruments		1 107	(10 439)
Other adjustments		6 297	(1 160)
		729 617	**633 053**
Income tax paid		(212 041)	(156 542)
Interest received		45 330	87 686
Interest paid		(2 320)	(33 429)
Changes in working capital			
CO_2 emission rights		63 022	143 984
Inventory		74 345	32 456
Trade and other receivables		48 659	(147 330)
Trade and other liabilities		(72 566)	(83 189)
Liabilities due to employee benefits		3 468	(8 045)
Deferred income from subsidies and connection fees		(46 631)	(41 095)
Liabilities due to an equivalent of the right to acquire shares free of charge		(14)	(188)
Non-current assets held for sale and related liabilities		(83)	5 950
Provisions for other liabilities and charges		16 363	(83 279)
		86 563	**(180 736)**
Net cash flows from operating activities		**1 313 989**	**959 747**
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets		(1 553 811)	(928 202)
Proceeds from disposal of property. plant and equipment		2 651	7 068
Acquisition of financial assets		(140 000)	(774 279)
Receipts from disposal of financial assets		260 294	1 378 335
Acquisition of subsidiaries and associates adjusted by acquired cash		(704)	(52 559)
Dividends received		2 089	2 724
Other payments for investing activities		95	(2 254)
Net cash flows from investing activities		**(1 429 576)**	**(369 167)**
Cash flows from financing activities			
Loans and borrowings received		781 128	36 163
Loans and borrowings repaid		(13 656)	(26 626)
Dividend paid to the Parent's shareholder		(158 919)	(204 690)
Payment of finance lease liabilities		(4 032)	(3 519)
Other receipts/(payments) for financing activities		(266)	1 415
Net cash flows from financing activities		**604 255**	**(197 257)**
Net increase/(decrease) in cash		**488 668**	**393 323**
Balance at the beginning of the reporting period		1 095 495	1 218 361
Balance sheet change in cash and cash equivalents due to exchange rate differences		1 525	(2 110)
Balance at the end of the reporting period		**1 585 688**	**1 609 574**

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

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

Notes to the condensed interim consolidated financial statements

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

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

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

As at 30 September 2013 the shareholding structure of the Parent, was the following: the State Treasury of the Republic of Poland – 51.50% of shares, Vattenfall AB – 18.67%, other shareholders – 29.83%.

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

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

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

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

2. Statement of compliance

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

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

3. Accounting principles

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

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

4. Changes in accounting policies and presentation of financial data

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

a) Recognition, measurement and presentation of CO_2 emission rights

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

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

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

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

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

c) Change in presentation of certificates of origin

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

d) Application of amendments to IAS 19 Employee benefits

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

e) Other changes in presentation

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

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

Consolidated statement of profit or loss and other comprehensive income

	9 months ended 30.09.2012	(a)	(d)	(e)	Total adjustments	9 months ended 30.09.2012 Restated
Sales revenue	7 584 839			(2 227)	(2 227)	7 582 612
Excise duty	(155 522)					(155 522)
Net sales revenue	**7 429 317**			**(2 227)**	**(2 227)**	**7 427 090**
Other operating revenue	72 960			(1 908)	(1 908)	71 052
Depreciation	(597 018)	37 000			37 000	(560 018)
Costs of employee benefits	(728 727)		16 848		16 848	(711 879)
Consumption of materials and supplies and costs of goods sold	(1 315 761)	(97 683)			(97 683)	(1 413 444)
Energy purchase for sale	(3 012 464)			(946)	(946)	(3 013 410)
Transmission services	(533 971)					(533 971)
Other external services	(313 433)			946	946	(312 487)
Taxes and charges	(166 161)			(10)	(10)	(166 171)
Gain/(loss) on sale and liquidation of property, plant and equipment	(1 852)					(1 852)
Impairment loss on property, plant and equipment	(106)					(106)
Other operating expenses	(80 103)			4 145	4 145	(75 958)
Operating profit	**752 681**	**(60 683)**	**16 848**	**-**	**(43 835)**	**708 846**
Financial expenses	(48 722)					(48 722)
Financial revenue	111 206					111 206
Dividend revenue	2 724					2 724
Share in profits/losses of associates measured using the equity method	195					195
Profit before tax	**818 084**	**(60 683)**	**16 848**	**-**	**(43 835)**	**774 249**
Income tax	(172 863)	11 530	(3 201)		8 329	(164 534)
Net profit for the reporting period	**645 221**	**(49 153)**	**13 647**	**-**	**(35 506)**	**609 715**

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

	9 months ended 30.09.2012	(a)	(d)	(e)	Total adjustments	9 months ended 30.09.2012 Restated
Other comprehensive income						
Items that are or may be reclassified to profit or loss						
- change in fair value of financial assets available for sale reclassified to profit or loss	(838)					(838)
- change in fair value of financial assets available for sale	8 080					8 080
- income tax	(1 376)					(1 376)
Items that are not or may not be reclassified to profit or loss						
- actuarial gains/losses due to defined benefit plans	-		(16 848)		(16 848)	(16 848)
- income tax	-		3 201		3 201	3 201
Net other comprehensive income	**5 866**	**-**	**(13 647)**	**-**	**(13 647)**	**(7 781)**
Total comprehensive income for the reporting period	**651 087**	**(49 153)**	-	-	**(49 153)**	**601 934**
Including net profit:						
attributable to shareholders of the Parent	647 008	(49 153)	13 647		(35 506)	611 502
attributable to non-controlling interests	(1 787)	-	-		-	(1 787)
Including comprehensive income:						
attributable to shareholders of the Parent	652 874	(49 153)	30		(49 123)	603 751
attributable to non-controlling interests	(1 787)	-	(30)		(30)	(1 817)

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

	3 months ended 30.09.2012	(a)	(e)	Total adjustments	3 months ended 30.09.2012 Restated
Sales revenue	2 457 009		(2 227)	(2 227)	2 454 782
Excise duty	(49 490)				(49 490)
Net sales revenue	**2 407 519**	**-**	**(2 227)**	**(2 227)**	**2 405 292**
Other operating revenue	16 654		(1 908)	(1 908)	14 746
Depreciation	(196 424)	12 333		12 333	(184 091)
Costs of employee benefits	(222 790)				(222 790)
Consumption of materials and supplies and costs of goods sold	(501 377)	(13 719)		(13 719)	(515 096)
Energy purchase for sale	(914 034)		(228)	(228)	(914 262)
Transmission services	(177 286)				(177 286)
Other external services	(118 362)		228	228	(118 134)
Taxes and charges	(52 563)		(10)	(10)	(52 573)
Gain/(loss) on sale and liquidation of property, plant and equipment	(2 474)				(2 474)
Other operating expenses	(16 383)		4 145	4 145	(12 238)
Operating profit	**222 480**	**(1 386)**	**-**	**(1 386)**	**221 094**
Financial expenses	(10 600)				(10 600)
Financial revenue	38 273				38 273
Dividend revenue	-				-
Share in profits/losses of associates measured using the equity method	456				456
Profit before tax	**250 609**	**(1 386)**	**-**	**(1 386)**	**249 223**
Income tax	(61 756)	263	-	263	(61 493)
Net profit for the reporting period	**188 853**	**(1 123)**	**-**	**(1 123)**	**187 730**

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

	3 months ended 30.09.2012	(a)	(e)	Total adjustments	3 months ended 30.09.2012 Restated
Other comprehensive income					
Items that are or may be reclassified to profit or loss					
- change in fair value of financial assets available for sale reclassified to profit or loss	-				-
- change in fair value of financial assets available for sale	(731)				(731)
- income tax	139				139
Items that are not or may not be reclassified to profit or loss					
- actuarial losses due to defined benefit plans	-				-
- income tax	-				-
Net other comprehensive income	**(592)**	**-**	**-**	**-**	**(592)**
Total comprehensive income for the reporting period	**188 261**	**(1 123)**	**-**	**(1 123)**	**187 138**
Including net profit:					
attributable to shareholders of the Parent	189 818	(1 123)	-	(1 123)	188 695
attributable to non-controlling interests	(965)	-	-	-	(965)
Including comprehensive income:					
attributable to shareholders of the Parent	189 226	(1 123)	-	(1 123)	188 103
attributable to non-controlling interests	(965)	-	-	-	(965)

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

Consolidated statement of cash flows

	9 months ended 30.09.2012	(a)	(b)	(c)	(d)	(e)	Total adjustments	9 months ended 30.09.2012 Restated
Cash flows from operating activities								
Net profit for the reporting period	645 221	(49 153)			13 647		(35 506)	609 715
Adjustments:								
Income tax	172 863	(11 530)			3 201		(8 329)	164 534
Depreciation	597 018	(37 000)					(37 000)	560 018
(Profit)/loss on sale and liquidation of property, plant and equipment	1 852							1 852
Impairment loss on property, plant and the equipment	106							106
(Profit)/loss on sale of financial assets	(4 005)					(5 950)	(5 950)	(9 955)
Interest income	(110 033)							(110 033)
Dividend income	(2 724)							(2 724)
Interest expense	10 106							10 106
(Gain)/loss on measurement of financial assets	23 077		2 110				2 110	25 187
Share in the (profit)/loss of associates	(195)							(195)
Exchange (gains)/losses on loans and borrowings	(10 439)							(10 439)
Other financial expense	5 756							5 756
Other adjustments	49 881	(51 041)					(51 041)	(1 160)
	733 263	**(99 571)**	**2 110**		**3 201**	**(5 950)**	**(100 210)**	**633 053**
Paid income tax	(156 542)							(156 542)
Interest received	87 686							87 686
Interest paid	(33 429)							(33 429)
Changes in working capital								
CO_2 emission rights	-	143 984					143 984	143 984
Inventory	25 959			6 497			6 497	32 456
Trade and other receivables	(147 330)							(147 330)
Trade and other liabilities	(83 189)							(83 189)
Liabilities due to employee benefits	8 803				(16 848)		(16 848)	(8 045)
Deferred income due to subsidies and connection fees	(41 095)							(41 095)
Provision for certificates of origin	(70 466)			70 466			70 466	-
Liabilities due to an equivalent of the right to acquire shares free of charge	(188)							(188)
Non-current assets held for sale and associated liabilities	-					5 950	5 950	5 950
Provisions for other liabilities and other charges	2 741	(9 057)		(76 963)			(86 020)	(83 279)
	(304 765)	**134 927**		**-**	**(16 848)**	**5 950**	**124 029**	**(180 736)**
Net cash flows from operating activities	**971 434**	**(13 797)**	**2 110**	**-**	**-**	**-**	**(11 687)**	**959 747**

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

	9 months ended 30.09.2012	(a)	(b)	(c)	(d)	(e)	Total adjustments	9 months ended 30.09.2012 Restated
Cash flows from investing activities								
Acquisition of property, plant and equipment	(941 999)	13 797					13 797	(928 202)
Receipts from disposal of property, plant and equipment and intangible assets	7 068							7 068
Acquisition of financial assets	(774 279)							(774 279)
Receipts from disposal of financial assets	1 378 335							1 378 335
Acquisition of subsidiaries, associates and joint-ventures adjusted for acquired cash	(52 559)							(52 559)
Dividend received	2 724							2 724
Other adjustments	(2 254)							(2 254)
Net cash flows from investing activities	**(382 964)**	**13 797**	**-**	**-**	**-**	**-**	**13 797**	**(369 167)**
Cash flows from financing activities								
Loans and borrowings received	36 163							36 163
Loans and borrowings repaid	(26 626)							(26 626)
Dividend paid to the Parent's shareholder	(204 690)							(204 690)
Payment of finance lease liabilities	(3 519)							(3 519)
Other adjustments	1 415							1 415
Net cash flows from financing activities	**(197 257)**	-	-	-	-	-		**(197 257)**
Net increase/(decrease) in cash	**391 213**	-	**2 110**	-	-	-	**2 110**	**393 323**
Balance at the beginning of the reporting period	1 218 361	-						1 218 361
Balance sheet change in cash and cash equivalents due to exchange rate differences	-		(2 110)				(2 110)	(2 110)
Balance at the end of the reporting period	**1 609 574**	-	-	-	-	-		**1 609 574**

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

5. Material estimates and assumptions

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

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

No.	Name and address of the Company	Share of ENEA S.A. in the total number of votes 30.09.2013	Share of ENEA S.A. in the total number of votes 31.12.2012
1.	ENERGOMIAR Sp. z o.o. *Poznań, Strzeszyńska 58*	100	100
2.	BHU S.A. *Poznań, Strzeszyńska 58*	100	92.62
3.	ENEA Centrum Sp. z o.o. *Poznań, Górecka 1*	100	100
4.	Hotel „EDISON" Sp. z o.o. *Baranowo near Poznań*	100	100
5.	Energetyka Poznańska Zakład Transportu Sp. z o.o. *Poznań, Strzeszyńska 58*	100	100
6.	Energetyka Poznańska Przedsiębiorstwo Usług Energetycznych Energobud Leszno Sp. z o.o. *Lipno, Gronówko 30*	100	100
7.	ENERGO-TOUR Sp. z o.o. *Poznań, Marcinkowskiego 27*	99.92	99.92
8.	ENEOS Sp. z o.o. *Poznań, Strzeszyńska 58*	100	100
9.	ENTUR Sp. z o.o. *Szczecin, Malczewskiego 5/7*	100****	100
10.	Centrum Uzdrowiskowe ENERGETYK Sp. z o.o. *Inowrocław, Wilkońskiego 2*	99.94	99.94
11.	Elektrownie Wodne Sp. z o.o. *Samociążek, 86-010 Koronowo*	100*	100*
12.	Przedsiębiorstwo Energetyki Cieplnej Sp. z o.o. *Oborniki, Wybudowanie 56*	96.85*	93.99*
13.	„IT SERWIS" Sp. z o.o. *Zielona Góra, Zacisze 28*	100	100
14.	ENEA Operator Sp. z o.o. *Poznań, Strzeszyńska 58*	100	100
15.	ENEA Wytwarzanie S.A. *Świerże Górne, commune Kozienice. Kozienice 1*	100	100
16.	Miejska Energetyka Cieplna Piła Sp. z o.o. *Piła, Kaczorska 20*	65.03*	65.03*
17.	Elektrociepłownia Białystok S.A. *Białystok, Gen. Andersa 3*	100*	99.996*
18.	DOBITT Energia Sp. z o.o. *Bierutów, Gorzesław 8*	100*	100*
19.	Annacond Enterprises Sp. z o.o. *Warszawa, Jana III Sobieskiego 1/4*	61	61

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

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

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

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

On 9 August 2013 ENEA S.A. signed an agreement with ENERGA S.A. for purchase of 12,200 shares of BHU S.A. On 21 September 2013 the ownership of shares was transferred.

On 17 September 2013 a transformation of ENEA Centrum S.A. into ENEA Centrum Sp. z o.o. was registered in the National Court Register.

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

7. Segment reporting

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

	Trade	Distribution	Production	All other segments	Eliminations	Total
Net sales revenue	2 490 604	2 107 941	2 040 280	148 418	-	6 787 243
Inter-segment sales	178 217	-	254 569	254 616	(687 402)	-
Total net sales revenue	**2 668 821**	**2 107 941**	**2 294 849**	**403 034**	**(687 402)**	**6 787 243**
Total expenses	(2 401 761)	(1 612 671)	(2 175 567)	(364 014)	651 136	(5 902 877)
Segment profit/(loss)	**267 060**	**495 270**	**119 282**	**39 020**	**(36 266)**	**884 366**
Depreciation	(388)	(280 375)	(275 424)	(17 796)		
EBITDA	**267 448**	**775 645**	**394 706**	**56 816**		
% of net sales revenue	***10.0%***	***36.8%***	***17.2%***	***14.1%***		
Unassigned Group costs (general and administrative expenses)						(58 290)
Operating profit						**826 076**
Financial expenses						(22 546)
Financial revenue						54 347
Revenue from dividends						4 552
Share in profit/(losses) of associates measured using the equity method						333
Income tax						(195 922)
Net profit						**666 840**
Share of non-controlling interests						17

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

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

	Trade	Distribution	Production	All other segments	Eliminations	Total
Net sales revenue	785 705	683 898	678 065	43 950	-	2 191 618
Inter-segment sales	59 205	-	76 178	88 217	(223 600)	-
Total net sales revenue	**844 910**	**683 898**	**754 243**	**132 167**	**(223 600)**	**2 191 618**
Total expenses	(790 790)	(514 791)	(692 584)	(120 494)	210 940	(1 907 719)
Segment profit/(loss)	**54 120**	**169 107**	**61 659**	**11 673**	**(12 660)**	**283 899**
Depreciation	(180)	(94 190)	(89 068)	(5 707)		
EBITDA	**54 300**	**263 297**	**150 727**	**17 380**		
% of net sales revenue	***6.4%***	***38.5%***	***20.0%***	***13.2%***		
Unassigned Group costs (general and administrative expenses)						(6 141)
Operating profit						**277 758**
Financial expenses						(2 939)
Financial revenue						17 882
Share in profit/(losses) of associates measured using the equity method						40
Income tax						(77 993)
Net profit						**214 748**
Share of non-controlling interests						(365)

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

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

	Trade	Distribution	Production	All other segments	Eliminations	Total
Net sales revenue	3 024 989	2 095 282	2 140 897	165 922	-	7 427 090
Inter-segment sales	146 460	-	211 161	285 289	(642 910)	-
Total net sales revenue	**3 171 449**	**2 095 282**	**2 352 058**	**451 211**	**(642 910)**	**7 427 090**
Total expenses	(2 988 665)	(1 665 832)	(2 169 675)	(412 213)	615 663	(6 620 722)
Segment profit/(loss)	**182 784**	**429 450**	**182 383**	**38 998**	**(27 247)**	**806 368**
Depreciation	(324)	(279 711)	(257 371)	(18 142)		
EBITDA	**183 108**	**709 161**	**439 754**	**57 140**		
% of net sales revenue	***5.8%***	***33.8%***	***18.7%***	***12.7%***		
Unassigned Group costs (general and administrative expenses)						(97 522)
Operating profit						**708 846**
Financial expenses						(48 722)
Financial revenue						111 206
Dividend revenue						2 724
Share in profit/(losses) of associates measured using the equity method						195
Income tax						(164 534)
Net profit						**609 715**
Share of non-controlling interests						(1 787)

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

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

	Trade	Distribution	Production	All other segments	Eliminations	Total
Net sales revenue	943 396	688 110	715 437	58 349	-	2 405 292
Inter-segment sales	41 746	-	56 190	112 830	(210 766)	-
Total net sales revenue	**985 142**	**688 110**	**771 627**	**171 179**	**(210 766)**	**2 405 292**
Total expenses	(921 234)	(519 347)	(750 766)	(156 036)	194 886	(2 152 497)
Segment profit/(loss)	**63 908**	**168 763**	**20 861**	**15 143**	**(15 880)**	**252 795**
Depreciation	(150)	(92 977)	(81 110)	(5 795)		
EBITDA	**64 058**	**261 740**	**101 971**	**20 938**		
% of net sales revenue	***6.5%***	***38.0%***	***13.2%***	***12.2%***		
Unassigned Group costs (general and administrative expenses)						(31 701)
Operating profit						**221 094**
Financial expenses						(10 600)
Financial revenue						38 273
Dividend revenue						-
Share in profit/(losses) of associates measured using the equity method						456
Income tax						(61 493)
Net profit						**187 730**
Share of non-controlling interests						(965)

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

Segment reporting (cont'd)

Other segment reporting information as at 30 September 2013:

	Trade	Distribution	Production	All other segments	Eliminations	Total
Property. plant and equipment	16 350	6 312 370	4 752 327	323 376	(218 822)	11 185 601
Trade and other receivables	700 764	422 413	233 717	137 041	(186 317)	1 307 618
Total:	717 114	6 734 783	4 986 044	460 417	(405 139)	12 493 219
ASSETS excluded from segmentation						3 126 023
- including property, plant and equipment						22 334
- including trade and other receivables						92 595
TOTAL ASSETS						**15 619 242**
Trade and other liabilities	291 146	296 883	461 886	102 276	(177 425)	974 766
Equity and liabilities excluded from segmentation						14 644 476
- including trade and other liabilities						10 598
TOTAL EQUITY AND LIABILITIES						**15 619 242**
<u>for the 9-month period ended 30 September 2013</u>						
Capital expenditure for fixed assets and intangible assets	1 539	479 562	858 767	12 004	(35 474)	1 316 398
Capital expenditure for fixed assets and intangible assets excluded from segmentation						6 240
Depreciation/amortization	388	280 375	275 424	17 796	(5 683)	568 300
Depreciation/amortization excluded from segmentation						6 122
Recognition/(reversal/utilization) of receivables allowance	(27 878)	2 747	(25 943)	(911)	-	(51 985)
Receivables allowance excluded from segmentation						-

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

Other segment reporting information as at 31 December 2012:

	Trade	Distribution	Production	All other segments	Eliminations	Total
Property. plant and equipment	16 022	6 113 200	4 172 988	322 721	(194 113)	10 430 818
Trade and other receivables	640 496	417 583	426 555	194 581	(298 132)	1 381 083
Total:	656 518	6 530 783	4 599 543	517 302	(492 245)	11 811 901
ASSETS excluded from segmentation						2 898 561
- including property, plant and equipment						28 559
- including trade and other receivables						68 607
TOTAL ASSETS						**14 710 462**
Trade and other liabilities	383 255	507 290	479 827	132 065	(289 442)	1 212 995
Equity and liabilities excluded from segmentation						13 497 467
- including trade and other liabilities						77 410
TOTAL EQUITY AND LIABILITIES						**14 710 462**
for the 12-month period ended 31 December 2012						
Capital expenditure for fixed assets and intangible assets	323	868 755	901 470	62 455	(57 485)	1 775 518
Capital expenditure for fixed assets and intangible assets excluded from segmentation						27 601
Depreciation/amortization	366	358 800	346 714	23 012	(1 952)	726 940
Depreciation/amortization excluded from segmentation						22 797
Recognition/(reversal/utilization) of receivables allowance	211	5 616	(3 294)	3 410	-	5 943
Receivables allowance excluded from segmentation						-

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

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

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

8. Property, plant and equipment

During the 9-month period ended 30 September 2013 the Group acquired property, plant and equipment for the total amount of PLN 1,322,295 thousand (during the period of 12 months ended 31 December 2012 it was PLN 1,778,863 thousand). The mentioned above amount consists mainly in production segment (PLN 855,609 thousand) and in distribution segment (PLN 454,687 thousand). The expenditure in production segment are connected mainly with the construction of new power plant unit.
During the 9-month period ended 30 September 2013 the Group sold and liquidated fixed assets in the total net book value of PLN 8,469 thousand (during the 12 months ended 31 December 2012, respectively: PLN 16,026 thousand).

During the 9-month period ended 30 September 2013 impairment loss on the carrying amount of property, plant and equipment decreased by net amount of PLN 615 thousand (during the 12 months ended 31 December 2012 impairment loss on the carrying amount of property, plant and equipment increased by net amount of PLN 5,349 thousand).

As at 30 September 2013 the value of the impairment on the carrying amount of property, plant and equipment amounted to PLN 17,161 thousand (as at 31 December 2012, respectively: PLN 17,776 thousand).

9. Intangible assets

During the 9-month period ended 30 September 2013 the Group acquired intangible assets for the total amount of PLN 343 thousand (during the period of 12 months ended 31 December 2012 it was PLN 22,338 thousand).
Neither during the 9-month period ended 30 September 2013 nor during the period of 12 months ended 31 December 2012 the Group did not sold and liquidated intangible assets.
The most significant item of intangible assets is goodwill.

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

Goodwill by cash generating units has been presented in the table below:

Goodwill	**Net carrying amount**
Windfarm Polska Sp. z o.o.	102 435
Elektrownie Wodne Sp. z o.o. (Wind farm)	18 686
Dobitt Energia Sp. z o.o.	3 131
Miejska Energetyka Cieplna Piła Sp. z o.o.	1 806
Elektrownie Wodne Sp. z o.o.	667
	126 725

10. Allowance on trade and other receivables

	30.09.2013	**31.12.2012**
Opening balance of receivables allowance	**174 174**	**168 231**
Addition	17 497	28 804
Reversed	(33 292)	(21 914)
Utilized	(36 190)	(947)
Closing balance of receivables allowance	**122 189**	**174 174**

During the 9-month period ended 30 September 2013 the allowance on the carrying amount of trade and other receivables decreased by PLN 51,985 thousand (during the period of 12 months ended 31 December 2012 the impairment allowance increased by PLN 5,943 thousand).
During the 3-month period ended 30 September 2013 the allowance on the carrying amount of trade and other receivables decreased by PLN 22,231 thousand (during the period of 3 months ended 30 September 2012 the impairment allowance increased by PLN 5,605 thousand).

11. Inventory

	30.09.2013	**31.12.2012**
Materials	308 025	311 892
Semi-finished products and work in progress	3 711	1 502
Finished products	798	605
Certificates of origin	119 283	191 624
Goods for resale	11 782	14 405
Total gross value of inventory	**443 599**	**520 028**
Inventory allowance	(8 603)	(17 374)
Total net value of inventory	**434 996**	**502 654**

During the 9-month period ended 30 September 2013 the inventory allowance decreased by PLN 8,771 thousand (during the period of 12 months ended 31 December 2012 the inventory allowance increased by PLN 5,636 thousand).
During the 3-month period ended 30 September 2013 the inventory allowance decreased by PLN 2,988 thousand (during the period of 3 months ended 30 September 2012 the inventory allowance did not change).

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

12. Certificates of origin

	30.09.2013	31.12.2012
Opening balance – net value	**180 521**	**144 012**
Self-production	120 017	222 060
Acquisition	92 318	283 574
Redemption	(282 154)	(420 491)
Sale	-	(37 531)
Change in allowance	6 286	(11 103)
Other changes	619	-
Closing balance – net value	**117 607**	**180 521**

13. Restricted cash

As at 30 September 2013 the restricted cash amounted to PLN 101,762 thousand. This comprised cash at bank (cash blocked due to a deposit for receivables, a security deposit and a transaction deposit), cash on electricity and CO_2 emission rights trade deposits, funds restricted based on collateral agreements and deposits paid by suppliers.
As at 31 December 2012 the restricted cash amounted to PLN 10,386 thousand.

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

As at 30 September 2013 the book value of investment portfolio amounted to PLN 323,627 thousand, including financial assets measured at fair value through profit or loss (treasury bills and bonds of PLN 272,239 thousand and bank deposits for the period of up to 3 months of PLN 51,388 thousand presented as cash and cash equivalents). In addition, the Group has units in the "Pioneer" Investment Fund, presented as long-term assets.

15. Loans and borrowings

	30.09.2013	31.12.2012
Long-term		
Bank loans	804 893	38 342
Borrowings	12 369	12 455
	817 262	**50 797**
Short-term		
Bank loans	21 996	21 206
Borrowings	1 525	2 837
	23 521	**24 043**
Total	**840 783**	**74 840**

During the 9-month period ended 30 September 2013 the carrying amount of credit facilities and loans increased by net amount of PLN 765,943 thousand (during the period of 12 months ended 31 December 2012 the carrying amount of credit facilities and loans decreased by PLN 44,055 thousand).
The information on new credit agreements has been presented in note 30.

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

16. Financial instruments

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

	30.09.2013		31.12.2012	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Long-term financial assets available for sale (shares in unrelated parties)	53 857	53 857	66 735	66 735
Non-current financial assets measured at fair value through profit or loss	1 782	1 782	1 504	1 504
Current financial assets held to maturity	40 164	40 164	5 135	5 135
Current financial assets measured at fair value through profit or loss	272 239	272 239	422 173	422 173
Cash and cash equivalents	1 585 688	1 585 688	1 095 495	1 095 495
Loans, borrowings and debt securities	840 763	840 763	74 840	74 840
Finance lease liabilities	5 344	5 344	7 742	7 742

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

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

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

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

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

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

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

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

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

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

	30.09.2013			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value through profit or loss				
Non-derivative financial assets held for trading	274 021	-	-	274 021
Financial assets available for sale				
Listed equity instruments	53 302	-	-	53 302
Not listed equity instruments	-	-	555	555
Total	**327 323**	**-**	**555**	**327 878**

	31.12.2012			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value through profit or loss				
Non-derivative financial assets held for trading	423 677	-	-	423 677
Financial assets available for sale				
Listed equity instruments	66 202	-	-	66 202
Not listed equity instruments	-	-	533	533
Total	**489 879**	**-**	**533**	**490 412**
Financial liabilities measured at fair value through profit or loss				
Forward contracts	(14)	-	-	(14)
Total	**(14)**	**-**	**-**	**(14)**

17. Deferred income from subsidies and connection fees

	30.09.2013	**31.12.2012**
	Carrying amount	**Carrying amount**
Long-term		
Deferred income due to subsidies	166 433	172 501
Deferred income due to connection fees	470 140	487 126
	636 573	**659 627**
Short-term		
Deferred income due to subsidies	15 833	17 413
Deferred income due to connection fees	64 333	75 418
	80 166	**92 831**

Deferred income schedule

	30.09.2013	**31.12.2012**
Up to 1 year	80 166	92 831
1 to 5 years	131 807	133 312
Over 5 years	504 766	526 315
	716 739	**752 458**

During the 9-month period ended 30 September 2013 the carrying amount of deferred income from subsidies and connection fees decreased by net amount of PLN 35,719 thousand (during period of 12 months ended 31 December 2012 the carrying amount decreased by PLN 32,563 thousand).

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

18. Deferred income tax

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

	30.09.2013	31.12.2012
Opening balance	68 516	105 266
Acquisition of subsidiaries	-	(23)
Amount debited/(credited) to profit or loss	(9 495)	(29 349)
Amount debited/(credited) to other comprehensive income	(4 268)	(7 378)
Closing balance	**54 753**	**68 516**

During the 9-month period ended 30 September 2013, the Company's profit before tax was credited with PLN 9,495 thousand as a result of a decrease in net deferred tax asset (during the period of 12 months ended 31 December 2012 the Company's profit before tax was credited with PLN 29,349 thousand as a result of the decrease in deferred tax liability).

During the 3-month period ended 30 September 2013, the Company's profit before tax was credited with PLN 85 thousand as a result of a decrease in net deferred tax asset (during the period of 3 months ended 30 September 2012 the Company's profit before tax was debited with PLN 18,484 thousand as a result of the increase in deferred tax liability).

19. Provisions for other liabilities and charges

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

	30.09.2013	31.12.2012
Long-term	280 186	247 724
Short-term	359 779	375 864
Closing balance	**639 965**	**623 588**

During the 9-month period ended 30 September 2013 the provisions for other liabilities and charges increased by net amount of PLN 16,377 thousand (during the period of 12 months ended 31 December 2012 the provisions other liabilities and charges increased by PLN 85,605 thousand).

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

Change in provisions for other liabilities and charges

for the period ended 30 September 2013

	Provision for non-contractual use of land	Provision for other claims	Provision for land reclamation	Provision for the environmental fee	Provision for certificates of origin	Provision for CO_2 emissions rights	Other	Total
Opening balance	**159 861**	**23 695**	**24 648**	**2 098**	**236 083**	**90 361**	**86 842**	**623 588**
Increase in provisions	39 244	196	800	710	264 103	109 115	9 259	423 427
Provisions utilized	-	(48)	(24)	(1 456)	(282 527)	(90 361)	(2 123)	(376 539)
Unused provision reversed	(13 088)	(1 772)	-	(710)	(9 064)	(5 026)	(851)	(30 511)
Closing balance	**186 017**	**22 071**	**25 424**	**642**	**208 595**	**104 089**	**93 127**	**639 965**

for the period ended 31 December 2012

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

Description of significant claims and liabilities in this regard are set out in note 24.

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

20. Related party transactions

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

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

Transactions with members of the Company's governing bodies:

Item	Management Board of the Company		Supervisory Board of the Company	
	01.01.2013 - 30.09.2013	01.01.2012 - 30.09.2012	01.01.2013 - 30.09.2013	01.01.2012 - 30.09.2012
Remuneration under managerial contracts and consultancy agreements	4 839	2 791	-	-
Remuneration relating to appointment of members of supervisory bodies	23	553	300	277
Remuneration due to other employee benefits (particularly electricity allowance)	33	71	-	-
TOTAL	**4 895**	**3 415**	**300**	**277**

During the 9-month period ended 30 September 2013 have been granted the loans from the Company's Social Benefits Fund to the members of the Supervisory Board in amount of PLN 11 thousand (PLN 24 thousand during the 12 month period ended 31 December 2012). During this period the repayments of these loans amounted to PLN 3 thousand (PLN 24 thousand during the 12 month period ended 31 December 2012). As at 30 September 2013 the balance of loans granted from Company's Social Benefits Fund amounts to PLN 29 thousand (PLN 21 thousand as at 31 December 2012). Members of the Management Board have no borrowings from the Fund.

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

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

The transactions concern mainly:

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

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

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

ENEA Wytwarzanie S.A. applied for the advance in the amount of PLN 18,000 thousand to cover stranded costs in 2013. Till 4 October 2013 Zarządca Rozliczeń S.A. made an advance payment for the three quarters of 2013, amounting to PLN 13,500 thousand (PLN 4,500 thousand for each quarter). During the period from January to September 2013 of 2013, income from compensation of stranded costs for 2013 have not been recognized, except for the amount of PLN 964 thousand resulting from the ruling of 10 April 2013.

For 2014 ENEA Wytwarzanie S.A. applied for advance in the amount of PLN 17,000 thousand.

On 10 April 2013, hearing concerning determination of stranded costs compensation for ENEA Wytwarzanie S.A. for 2009 was held at the Court of Appeal in Warsaw. The Court of Appeal partly considered the appeal of the President of Energy Regulatory Office (URE) to the judgment of Court for Competition and Consumer Protection (SOKiK) of 27 June 2012. The Court of Appeal reversed the judgment under appeal in this way, that it determined the amount of the annual adjustment to be PLN 16,544 thousand, i.e. at the higher of PLN 964 thousand than the amount set out in the decision of the President of Energy Regulatory Office (URE). The Court of Appeal did not approve a substantial part of the annual adjustment determined in the judgment of the District Court. On 13 May 2013 Zarządca Rozliczeń S.A. made a payment of PLN 964 thousand. On 30 October ENEA Wytwarzanie S.A. filed cassation appeal to the judgment of 10 April 2013 and referring to 2009. On 10 July 2013 the Court of Appeal announced the ruling on LTC for 2008. Pursuant to that ruling, the Court refused the appeal of the President of URE against the ruling of the Regional Court of 20 April 2012. The President of URE's decision was amended as legally binding and was determined as PLN (-)4 192 thousand instead of original amount of PLN (-)89,537 thousand. The sentence means that all substantial allegations included in the appeal against the decision of the President of URE had been considered. On 24 July 2013 ENEA Wytwarzanie S.A. received a payment of PLN 40,577 thousand from Zarządca Rozliczeń S.A.

On 5 August 2013 ENEA Wytwarzanie S.A. received the decision of the President of Energy Regulatory Office determining the stranded costs compensation for 2012 to be returned to Zarządca Rozliczeń S.A. amounting to PLN 17,687 thousand until 30 September 2013. On 14 August 2013 ENEA Wytwarzanie S.A. appealed the decision of the President of Energy Regulatory Office to the Court for Competition and Consumer Protection, the Regional Court in Warsaw applying suspension of decision enforcement until the case is decided. On 9 September 2013 the Court for Competition and Consumer Protection, the Regional Court in Warsaw decided to suspend execution of the decision of the President of Energy Regulatory Office dated 30 July 2013 determining the annual stranded costs adjustment until the case is decided.

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

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

22. Commitments under contract binding as at the reporting date

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

	30.09.2013	31.12.2012
Acquisition of property, plant and equipment	5 305 843	5 516 356
Acquisition of intangible assets	12 506	62 473
	5 318 349	**5 578 829**

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

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

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

24.1. Pending proceedings before courts of general jurisdiction

Actions brought by the Group

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

Actions brought to courts of general jurisdiction by ENEA Wytwarzanie S.A. are connected mainly with claims for receivables due to breaches of forwarding agreements and penalties from biomass suppliers.
As at 30 September 2013, the total of 7,432 cases brought by the Group were pending before common courts for the total amount of PLN 102,650 thousand (13,384 cases for the total amount of PLN 70,979 thousand as at 31 December 2012).

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

Actions brought against the Group

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

As at 30 September 2013 there were 1,499 cases pending before common courts which have been brought against the Group for the total amount of PLN 223,321 thousand (1,102 cases for the total amount of PLN 176,262 thousand as at 31 December 2012). Provisions related to the court cases have been presented in note 19.

24.2. Proceedings before public administration bodies

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

As described more in detail in the financial statements for the year ended 31 December 2012 the President of the Energy Regulatory Office issued in 2009 a decision on ENEA's failure to comply with the obligation to purchased electricity produced in the energy cogenerated with heat system in the first half of 2006, imposing a fine of PLN 7,594 thousand on the Company. On 4 January 2013 ENEA S.A. appealed against the judgment of 10 December 2012.

On 14 October 2013, the Court of Appeal in Warsaw announced a ruling on the above case. Pursuant to that ruling, the Decision of the President of Energy Regulatory Office of 27 November 2008 was amended so that the amount of the fine was decreased from PLN 7,594 thousand to PLN 3,600 thousand. The costs of the proceeding have been endured (neither party is required to pay the costs to the other party). On 24 October 2013 ENEA S.A. transferred the above mentioned amount to the National Fund for Environmental Protection and Water Management.

Both ENEA S.A. and the President of Energy Regulatory Office are entitled to file cassation appeals to the Supreme Court within two months from the receipt of the judgment including the justification

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

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

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

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

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

On 20 January 2011 ENEA Wytwarzanie S.A. (then Elektrownia „Kozienice" S.A.) applied for reinstatement the deadline to declare the amount of electricity consumed in the production of electricity process in December 2010, which is exempted from excise duty.

On 3 February 2011 The Head of the Radom Custom Office refused the reinstatement the deadline to forward the abovementioned declaration.

As a result of a complaint filed the Director of the Customs Chamber in Warsaw with a decision of 31 July 2013 reversed the aforementioned decision of 3 February 2011 and remanded the case for reconsideration to the Head of the Radom Custom Office.

With a decision of 20 February 2013 the Head of the Radom Custom Office discontinued the proceeding on reinstatement the deadline to declare the amount and use of electricity consumed in the production of electricity process in December 2010, which is exempted from excise duty.

On 20 March 2013 a law firm acting on behalf of ENEA Wytwarzanie S.A. filed an appeal against the aforementioned decision.

With a decision of 10 June 2013 the Director of the Customs Chamber in Warsaw informed that the appeal would not be considered within the period specified in Art. 139 of Tax Ordinance Act and set a new date for the completion of the proceeding on 11 October 2013.

With a decision dated 8 October 2013 the Director of the Customs Chamber in Warsaw notified that the appeal would not be reconsidered in the term set in the decision dated 10 June 2013 (due to the need of analysis of the factual and legal circumstances of the proceeding) and set a new date for the completion of the proceeding till 31 January 2014.

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

On 11 January 2013 Mr. Krzysztof Zborowski – Member of the Management Board for Energy Production resigned from the Management Board, effective from the date of the statement.
On 11 March 2013 the Supervisory Board dismissed all members of the Management Board of ENEA S.A., effective from 11 March 2013 and at the same time appointed:

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

On 9 April 2013 the Supervisory Board appointed Mrs. Dalida Gepfert to the position of the Member of the Company's Management Board responsible for Financial Matters, effective from 10 May 2013.
On 15 April 2013 the Supervisory Board adopted a resolution amending the resolution dated 9 April 2013, in such a way that the appointment of Mrs. Dalida Gepfert was effective from 23 April 2013 and not from the date of 10 May 2013 as indicated previously.

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

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

- Mrs. Małgorzata Niezgoda;
- Mr. Torbjörn Wahlborg

to the Supervisory Board for the 8th term.
On 24 April 2013 Mrs. Małgorzata Aniołek resigned from the position of the Member of Supervisory Board.
On 25 June 2013 Mr. Michał Jarczyński resigned from the position of the Member of Supervisory Board of ENEA S.A., effective from 24 June 2013.

27. Dividend

On 24 April 2013 the General Shareholders' Meeting of ENEA S.A. adopted Resolution no. 7 concerning net profit distribution for the financial period from 1 January 2012 to 31 December 2012 under which the dividend for shareholders amounts to PLN 158,919 thousand, PLN 0.36 per share (the dividend paid in 2012 for the financial period from 1 January 2011 to 31 December 2011 amounted to PLN 211,892 thousand, PLN 0.48 per share). The dividend had been fully paid to the shareholders before 30 September 2013. The payment of the dividend to shareholders was decreased by income tax on capital gains.

28. Signing of a framework agreement on the exploration for and extraction of shale gas

On 4 July 2012 the Company signed a framework agreement on the exploration for and extraction of shale gas (the "Agreement").

The parties of the Agreement are ENEA S.A., Polskie Górnictwo Naftowe i Gazownictwo S.A. ("PGNiG"), KGHM Polska Miedź S.A., PGE Polska Grupa Energetyczna S.A. and TAURON Polska Energia S.A. (hereafter jointly referred to as the "Parties").

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

Under the Wejherowo concession, the cooperation will cover the area of approximately 160 km^2 (Area of Cooperation). The agreement also provides for the preferences for the Parties to interaction in the remaining area of Wejherowo concession (except for situations when PGNiG explores, evaluates and extracts of shale gas individually and except for the area on which PGNiG has already begun the exploration near Opalino and Lubocino). Estimated expenditures on exploration, evaluation and extraction with respect to the first three zones (Kochanowo, Częstkowo and Tępcz pads) within the Area of Cooperation are projected to be in the amount of PLN 1.72 bln. In the third quarter of 2013 the Parties continued to work on the terms of agreement and to analyse the business and tax conditions of the cooperation.

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

On 5 September 2012 PGE Polska Grupa Energetyczna S.A. (PGE), KGHM Polska Miedź S.A. (KGHM), TAURON Polska Energia S.A.(TAURON) and ENEA S.A.(ENEA) have signed a letter of intent concerning the purchase of shares in the first special purpose vehicle, established for the construction and operation of the first atomic power plant in Poland. In accordance with the letter the companies will undertake the development of a draft agreement for the purchase of shares of PGE EJ 1 Sp. z o.o.(PGE EJ1), a special purpose vehicle, which is responsible for the direct preparation of the investment process of the construction and operation of the first atomic power plant in Poland. The agreement is to regulate the rights and obligations of each party by the realization of the project, assuming that PGE will act, directly or through a subsidiary, as a leader in the process of the project preparation and realization. On 28 December 2012 the Parties to the letter of intent agreed to extend its validity period till 31 March 2013.

On 25 June 2013 ENEA, KGHM, PGE oraz TAURON concluded an Agreement on continuation of development of a draft agreement for the purchase of PGE EJ1 (Agreement), which was announced in the Current Report No. 28/2013 dated 26 June 2013.

On 23 September 2013 ENEA, KGHM, PGE and TAURON, as a result of working out the draft agreement for the purchase of shares in the special purpose vehicle for the construction and operation of nuclear power plant, initialed the Agreement of Shareholders. Thus, the Parties agreed that the initialed document constitutes the draft of the prospective Agreement of Shareholders to be signed once corporate approvals of each Party are obtained. The Agreement of Shareholders will commit the Parties to conclude a purchase agreement of shares in PGE EJ1 ("Share Purchase Agreement").

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

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

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

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

30. Signing of the Loan Agreement with European Investment Bank

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

The funds from the issue will be designated for financing of long-term investment plan (Programme) for the modernization and extension of power grids of ENEA Operator Sp. z o.o located in north - western Poland. The total value of the Programme is estimated at approximately PLN 3,275.87 million.

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

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

As at 30 September 2013 and till the date of these interim condensed consolidated financial statements, under the agreements with European Investment Bank for a total value of PLN 1.425 billion ENEA S.A. received funds in the amount of PLN 780 million.

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

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

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

On 16 July 2013 the Management Board of ENEA SA adopted a resolution finding the aforementioned agreement dated 28 May 2008 in Zdroisko as invalid and reversed the provision in July i.e. the month in which the resolution was adopted.

32. Subsequent events

On 7 October 2013 ENEA S.A. concluded a framework agreement with PKO BP S.A. (for the period till 6 April 2015) to provide bank guarantees for a total amount of up to PLN 350 million. Guarantees issued under the guarantee line are intended as collateral of deposits to IRGIT S.A. from ENEA S.A. and ENEA Trading S.A. and other liabilities (maximum up to PLN 35 million) for the IRGIT S.A. (Warsaw Commodity Clearing House). The obligation of the companies to pay deposits arises, among others, from signed future contracts for electric energy supplies and purchases of certificates of origin.

Selected separate financial data

	in PLN '000		in EUR '000	
	9 months ended 30.09.2013	**9 months ended 30.09.2012 (restated)***	**9 months ended 30.09.2013**	**9 months ended 30.09.2012**
Net sales revenue	3 699 986	4 298 331	876 130	1 024 681
Operating profit	220 306	68 330	52 167	16 289
Profit before tax	879 471	481 495	208 252	114 784
Net profit for the reporting period	823 306	457 007	194 953	108 946
Net cash flows from operating activities	96 736	(104 681)	22 906	(24 955)
Net cash flows from investing activities	(536 254)	(54 937)	(126 981)	(13 096)
Net cash flows from financing activities	618 886	(207 167)	146 548	(49 387
Total net cash flows	179 368	(366 785)	42 473	(87 438)
Weighted average number of shares	441 442 578	441 442 578	441 442 578	441 442 578
Net earnings per share (in PLN)	1.87	1.04	0.44	0.25
Diluted earnings per share (in PLN / EUR)	1.87	1.04	0.44	0.25

	Balance as at 30.09.2013	**Balance as at 31.12.2012**	**Balance as at 30.09.2013**	**Balance as at 31.12.2012**
Total assets	12 880 686	11 647 700	3 054 974	2 849 102
Total liabilities	1 717 566	1 149 808	407 363	281 250
Non-current liabilities	898 145	142 092	213 017	34 757
Current liabilities	819 421	1 007 716	194 346	246 494
Equity	11 163 120	10 497 892	2 647 610	2 567 852
Share capital	588 018	588 018	139 463	143 833
Book value per share (in PLN / EUR)	25.29	23.78	6.00	5.82
Diluted book value per share (in PLN/EUR)	25.29	23.78	6.00	5.82

The above financial data for Q3 2013 and 2012 were translated into EUR in line with the following principles:

- individual assets and liabilities – at the average exchange rate as of 30 September 2013 – PLN/EUR – 4.2163 PLN/EUR (as at 31 December 2012 – PLN/EUR 4.0882),
- individual items from the statement of profit or loss and other comprehensive income and the statement of cash flows – as per the arithmetic mean of the average exchange rates determined by the National Bank of Poland as at the last day of each month of the financial period from 1 January to 30 September 2013 – PLN/EUR – 4.2231 PLN/EUR (for the period from 1 January to 30 September 2012 – 4.1948 PLN/EUR).

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

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

INDEPENDENT AUDITORS' REPORT ON REVIEW OF THE CONDENSED INTERIM FINANCIAL STATEMENTS OF ENEA S.A. FOR THE PERIOD FROM 1 JANUARY 2013 TO 30 SEPTEMBER 2013

To the Shareholders of ENEA S.A.

Introduction

We have reviewed the accompanying 30 September 2013 condensed separate interim financial statements of ENEA S.A., with its registered office in Poznań, Górecka 1 ("the condensed separate interim financial statements"), which comprise:

- the condensed separate interim statement of financial position as at 30 September 2013,
- the condensed separate interim statement of profit or loss and other comprehensive income for the three-month period and nine-month period ended 30 September 2013,
- the condensed separate interim statement of changes in equity for the nine-month period ended 30 September 2013,
- the condensed separate interim statement of cash flows for the nine-month period ended 30 September 2013, and
- notes to the condensed separate interim financial statements.

Management is responsible for the preparation and presentation of these condensed separate interim financial statements in accordance with the IAS 34 *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on these condensed separate interim financial statements, based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2013 condensed separate interim financial statements are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union.

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

Signed on the Polish original

....
Marek Gajdziński
Key Certified Auditor
Registration No. 90061
Proxy

5 November 2013

Condensed interim separate financial statements of ENEA S.A. for the period from 1 January to 30 September 2013

Poznań, 5 November 2013

Index to the condensed interim separate financial statements

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

Members of the Management Board

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

Poznań, 5 November 2013

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

Separate statement of financial position

	Note	Balance as at 30.09.2013	31.12.2012
ASSETS			
Non-current assets			
Property, plant and equipment	7	181 521	182 708
Perpetual usufruct of land		1 567	1 437
Intangible assets	8	3 058	3 572
Investment property		17 048	17 455
Investments in subsidiaries, associates and joint ventures	9	8 820 176	8 820 100
Deferred tax asset	17	25 417	42 109
Financial assets available for sale		30	5
Financial assets held to maturity		1 848 413	596 450
Financial assets measured at fair value through profit or loss		1 782	1 504
		10 899 012	**9 665 340**
Current assets			
Inventory		21 658	120 160
Trade and other receivables		1 034 015	981 525
Current income tax receivable		-	4 750
Financial assets held to maturity		100 117	79 475
Financial assets measured at fair value through profit or loss	14	272 239	422 173
Cash and cash equivalents	13	540 769	361 401
Non-current assets classified as held for sale	10	12 876	12 876
		1 981 674	**1 982 360**
TOTAL ASSETS		**12 880 686**	**11 647 700**

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

		Balance as at	
EQUITY AND LIABILITIES	**Note**	**30.09.2013**	**31.12.2012**
EQUITY			
Share capital		588 018	588 018
Share premium		4 627 673	4 627 673
Share-based payments reserve		1 144 336	1 144 336
Reserve capital		1 569 385	1 205 625
Retained earnings		3 233 708	2 932 240
Total equity		**11 163 120**	**10 497 892**
LIABILITIES			
Non-current liabilities			
Loans, borrowings and debt securities	16	777 252	-
Finance lease liabilities		6 861	7 289
Deferred income from subsidies and connection fees		28 772	29 909
Liabilities due to employee benefits		70 752	87 810
Provisions for other liabilities and charges	18	14 508	17 084
		898 145	**142 092**
Current liabilities			
Trade and other liabilities		550 142	712 626
Finance lease liabilities		3 066	3 405
Deferred income from subsidies and connection fees		2 246	2 344
Current income tax liabilities		3 441	-
Liabilities due to employee benefits		14 559	16 776
Liabilities due to cash settled share-based payments		292	306
Provisions for other liabilities and charges	18	245 675	272 259
		819 421	**1 007 716**
Total liabilities		**1 717 566**	**1 149 808**
TOTAL EQUITY AND LIABILITIES		**12 880 686**	**11 647 700**

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

Separate statement of profit or loss and other comprehensive income

	9 months ended 30 September 2013	3 months ended 30 September 2013	9 months ended 30 September 2012 (restated)*	3 months ended 30 September 2012
Sales revenue	3 850 583	1 210 982	4 453 455	1 381 867
Excise tax	(150 597)	(47 873)	(155 124)	(49 348)
Net sales revenue	**3 699 986**	**1 163 109**	**4 298 331**	**1 332 519**
Other operating revenue	36 143	4 891	7 370	956
Depreciation/amortization	(13 468)	(4 754)	(12 574)	(4 405)
Costs of employee benefits	(28 289)	1 206	(44 935)	(15 376)
Consumption of materials and supplies and costs of goods sold	(2 926)	(1 051)	(3 086)	(993)
Energy purchase for sale	(2 159 445)	(708 240)	(2 778 499)	(847 527)
Transmission and distribution services	(1 141 350)	(356 990)	(1 199 626)	(373 098)
Other external services	(126 791)	(40 675)	(159 314)	(52 308)
Taxes and charges	(7 496)	(2 172)	(6 547)	(1 642)
Profit/(loss) on sale and liquidation of property, plant and equipment	(36)	(1)	2 186	(7)
Other operating expenses	(36 022)	(5 210)	(34 976)	(10 131)
Operating profit	**220 306**	**50 113**	**68 330**	**27 988**
Financial expenses	(4 512)	(2 097)	(33 104)	(12 776)
Financial revenue	58 001	23 080	84 178	23 627
Dividend income	605 676	243 856	362 091	161 154
Profit before tax	**879 471**	**314 952**	**481 495**	**199 993**
Income tax	(56 165)	(16 855)	(24 488)	(7 759)
Net profit for the reporting period	**823 306**	**298 097**	**457 007**	**192 234**

	9 months ended 30 September 2013	9 months ended 30 September 2012 (restated)*
Other comprehensive income:		
Items that are or may be reclassified to profit or loss		
change in fair value of financial assets available for sale reclassified to profit or loss	-	(838)
income tax	-	159
Items that will not be reclassified to profit or loss		
net actuarial gains/(losses) on defined benefit plans	1 038	(4 245)
income tax	(197)	807
Net other comprehensive income	**841**	**(4 117)**
Total comprehensive income	**824 147**	**452 890**

	9 months ended 30 September 2013	3 months ended 30 September 2013	9 months ended 30 September 2012 (restated)*	3 months ended 30 September 2012
Earnings attributable to the Company's shareholders	823 306	298 097	457 007	192 234
Weighted average number of ordinary shares	441 442 578	441 442 578	441 442 578	441 442 578
Net earnings per share (in PLN per share)	**1.87**	**0.68**	**1.04**	**0.44**
Diluted earnings per share (in PLN per share)	**1.87**	**0.68**	**1.04**	**0.44**

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

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

Separate statement of changes in equity

		Share capital (face value)	Revaluation of share capital	**Total share capital**	**Share premium**	**Share-based payments reserve**	**Reserve capital**	**Retained earnings**	**Total equity**
Balance as at 1.01.2013		441 443	146 575	**588 018**	**4 627 673**	**1 144 336**	**1 205 625**	**2 932 240**	**10 497 892**
Net profit								823 306	**823 306**
Net other comprehensive income								841	**841**
Total comprehensive income for the period								**824 147**	**824 147**
Distribution of the financial profit							363 760	(363 760)	-
Dividends	19							(158 919)	**(158 919)**
Balance as at 30.09.2013		441 443	146 575	**588 018**	**4 627 673**	**1 144 336**	**1 569 385**	**3 233 708**	**11 163 120**

		Share capital (face value)	Revaluation of share capital	**Total share capital**	**Share premium**	**Share-based payments reserve**	**Revaluation reserve (financial instruments)**	**Reserve capital**	**Retained earnings**	**Total equity**
Balance as at 1.01.2012		441 443	146 575	**588 018**	**4 627 673**	**1 144 336**	**11 989**	**1 062 349**	**2 771 491**	**10 205 856**
Net profit*									457 007	**457 007**
Net other comprehensive income*							(679)		(3 438)	**(4 117)**
Total comprehensive income for the period							**(679)**		**453 569**	**452 890**
Distribution of the financial profit								143 276	(143 276)	-
Dividends	19								(211 892)	**(211 892)**
Balance as at 30.09.2012		441 443	146 575	**588 018**	**4 627 673**	**1 144 336**	**11 310**	**1 205 625**	**2 869 892**	**10 446 854**

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

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

Separate statement of cash flows

	Note	9 months ended 30.09.2013	9 months ended 30.09.2012 (restated)*
Cash flows from operating activities			
Net profit for the reporting period		823 306	457 007
Adjustments:			
Income tax disclosed in the statement of profit or loss and other comprehensive income		56 165	24 488
Depreciation		13 468	12 574
(Gain) / loss on sale and liquidation of property, plant and equipment		36	(2 186)
(Gain)/loss on disposal of financial assets		747	(6 972)
Interest income		(58 748)	(77 205)
Dividend income		(605 676)	(362 091)
Interest expense		4 512	4 271
(Gain)/loss on measurement of financial assets		-	23 077
Other financial (income)/costs		-	5 756
		(589 496)	**(378 288)**
Paid income tax		(31 479)	608
Interest received		52 859	47 706
Interest paid		(2 124)	(3 412)
Changes in working capital			
Inventory		98 502	6 497
Trade and other receivables		(49 251)	(135 946)
Trade and other liabilities		(156 497)	(51 955)
Liabilities due to employee benefits		(18 237)	(1 796)
Deferred income due to subsidies and connection fees		(1 673)	(1 650)
Liabilities due to an equivalent of the right to acquire shares free of charge		(14)	(188)
Provisions for other liabilities and charges		(29 160)	(43 264)
		(156 330)	(228 302)
Net cash flows from operating activities		**96 736**	**(104 681)**
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets		(14 304)	(16 518)
Receipts from disposal of property, plant and equipment and intangible assets		91	2 341
Receipts from disposal of financial assets		205 967	231 170
Acquisition of financial assets		(1 329 000)	(448 483)
Acquisition of subsidiaries, associates and joint ventures	9	(305)	(55 925)
Dividends received		601 676	232 468
Other (payments for)/receipts from investing activities		(379)	10
Net cash flows from investing activities		**(536 254)**	**(54 937)**
Cash flows from financing activities			
Proceeds from credits and loans		780 000	-
Dividends paid		(158 919)	(204 690)
Payment of finance lease liabilities		(2 195)	(2 477)
Net cash flows from financing activities		**618 886**	**(207 167)**
Net increase/ (decrease) in cash		**179 368**	**(366 785)**
Balance at the beginning of the reporting period		361 401	707 610
Balance at the end of the reporting period		**540 769**	**340 825**

* Restatements of comparative figures are presented in Note 4 of these condenced interim separate financial statements

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

1. General information about ENEA S.A.

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

ENEA S.A., operating under the business name Energetyka Poznańska S.A., was entered in the National Court Register at the District Court in Poznań under KRS number 0000012483 on 21 May 2001.

As at 30 September 2013 the shareholding structure of ENEA S.A. was the following: the State Treasury of the Republic of Poland – 51.50% of shares, Vattenfall AB – 18.67%, other shareholders – 29.83%.

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

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

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

ENEA S.A. is the parent company in the ENEA Group ("Group"). As at 30 September 2013 the Group comprised also 15 subsidiaries, 7 indirect subsidiaries and 1 associate.

The Company prepared condensed interim consolidated financial statements of ENEA Group as at 30 September 2013 and for the nine-month period then ended. These condensed interim separate financial statements should be read together with these condensed interim consolidated financial statements and with the separate financial statements of ENEA S.A. for the financial year ended 31 December 2012.

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

2. Statement of compliance

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

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

3. Accounting principles

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

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

4. Changes in accounting policies and presentation of financial data

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

a) Application of amendments to IAS 19 Employee benefits

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

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

b) Change in presentation of certificates of origin

From 2012 certificates of origin are presented in inventories and their carrying amount does not decrease the provision for certificates of origin. Until 2011 the carrying amount of certificates of origin held by the Company set off the provision presented in the statement of financial position.

c) Other changes in presentation

The Company has made also presentation change which concerns presentation of provision for certificates of origin and provisions for other liabilities and charges.

Separate statement of profit or loss and other comprehensive income

	9 month period ended 30.09.2012	(a)	9 month period ended 30.09.2012 Restated
Sales revenue	4 453 455		4 453 455
Excise tax	(155 124)		(155 124)
Net sales revenue	**4 298 331**		**4 298 331**
Other operating revenue	7 370		7 370
Depreciation/amortization	(12 574)		(12 574)
Costs of employee benefits	(49 180)	4 245	(44 935)
Consumption of materials and supplies and costs of goods sold	(3 086)		(3 086)
Energy purchase for sale	(2 778 499)		(2 778 499)
Transmission and distribution services	(1 199 626)		(1 199 626)
Other external services	(159 314)		(159 314)
Taxes and charges	(6 547)		(6 547)
Profit/(loss) on sale and liquidation of property, plant and equipment	2 186		2 186
Other operating expenses	(34 976)		(34 976)
Operating profit	**64 085**	**4 245**	**68 330**
Financial expenses	(33 104)		(33 104)
Financial revenue	84 178		84 178
Dividend income	362 091		362 091
Profit before tax	**477 250**	**4 245**	**481 495**
Income tax	(23 681)	(807)	(24 488)
Net profit for the reporting period	**453 569**	**3 438**	**457 007**
Other comprehensive income:			
Items that are or may be reclassified to profit or loss			
- change in fair value of financial assets available for sale reclassified to profit or loss	-	(838)	(838)
- change in fair value of available for sale financial assets	(838)	838	-
- income tax	159		159
Items that will not be reclassified to profit or loss			
- net actuarial gains/(losses) on defined benefit plans	-	(4 245)	(4 245)
- income tax	-	807	807
Net other comprehensive income	**(679)**	**(3 438)**	**(4 117)**
Total comprehensive income	**452 890**	**-**	**452 890**

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

Separate statement of cash flows

	9 months ended 30.09.2012	(a)	(b)	(c)	9 months ended 30.09.2012 Restated
Cash flows from operating activities					
Net profit for the reporting period	453 569	3 438			457 007
Adjustments:					
Income tax disclosed in the profit or loss	23 681	807			24 488
Depreciation	12 574				12 574
(Gain) / loss on sale and liquidation of property, plant and equipment	(2 186)				(2 186)
(Gain)/loss on disposal of financial assets	(6 972)				(6 972)
Interest income	(77 205)				(77 205)
Dividend income	(362 091)				(362 091)
Interest expense	4 271				4 271
(Gain)/loss on measurement of financial assets	23 077				23 077
Other financial (income)/costs	5 756				5 756
	(379 095)	807			(378 288)
Paid income tax	608				608
Interest received	47 706				47 706
Interest paid	(3 412)				(3 412)
Changes in working capital					
Inventory	-		6 497		6 497
Trade and other receivables	(135 946)				(135 946)
Trade and other liabilities	(51 955)				(51 955)
Liabilities due to employee benefits	2 449	(4 245)			(1 796)
Deferred income due to subsidies and connection Fees	(1 650)				(1 650)
Provision for certificates of origin	(37 231)		(6 497)	43 728	-
Liabilities due to an equivalent of the right to acquire shares free of charge	(188)				(188)
Provisions for other liabilities and charges	464			(43 728)	(43 264)
	(224 057)	(4 245)	-	-	(228 302)
Net cash flows from operating activities	**(104 681)**	-	-	-	**(104 681)**
Cash flows from investing activities					
Acquisition of property, plant and equipment and intangible assets	(16 518)				(16 518)
Receipts from disposal of property, plant and equipment and intangible assets	2 341				2 341
Receipts from disposal of financial assets	231 170				231 170
Acquisition of financial assets	(448 483)				(448 483)
Acquisition of subsidiaries, associates and joint ventures	(55 925)				(55 925)
Dividends received	232 468				232 468
Other proceeds from investing activities	10				10
Net cash flows from investing activities	**(54 937)**	-	-	-	**(54 937)**
Cash flows from financing activities	(204 690)				(204 690)
Payment of finance lease liabilities	(2 477)				(2 477)
Net cash flows from financing activities	**(207 167)**	-	-	-	**(207 167)**
Net increase/ (decrease) in cash	**(366 785)**	-	-	-	**(366 785)**
Opening balance of cash	707 610	-	-	-	707 610
Closing balance of cash	**340 825**	-	-	-	**340 825**

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

5. Material estimates and assumptions

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

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

	Name and address of the company	Share of ENEA S.A. in the total number of votes 30.09.2013	Share of ENEA S.A. in the total number of votes 31.12.2012
1.	ENERGOMIAR Sp. z o.o. *Poznań, Strzeszyńska 58*	100	100
2.	BHU S.A. *Poznań, Strzeszyńska 58*	100	92.62
3.	ENEA Centrum Sp. z o.o. *Poznań, Górecka 1*	100	100
4.	Hotel „EDISON" Sp. z o.o. *Baranowo near Poznań*	100	100
5.	Energetyka Poznańska Zakład Transportu Sp. z o.o. *Poznań, Strzeszyńska 58*	100	100
6.	Energetyka Poznańska Przedsiębiorstwo Usług Energetycznych Energobud Leszno Sp. z o.o. *Lipno, Gronówko 30*	100	100
7.	ENERGO-TOUR Sp. z o.o. *Poznań, Marcinkowskiego 27*	99.92	99.92
8.	ENEOS Sp. z o.o. *Poznań, Strzeszyńska 58*	100	100
9.	ENTUR Sp. z o.o.in liquidation *Szczecin, Malczewskiego 5/7*	100****	100
10.	Centrum Uzdrowiskowe ENERGETYK Sp. z o.o. *Inowrocław, Wilkońskiego 2*	99.94	99.94
11.	Elektrownie Wodne Sp. z o.o. *Samociążek, 86-010 Koronowo*	100*	99.996*
12.	Przedsiębiorstwo Energetyki Cieplnej Sp. z o.o. *Oborniki, Wybudowanie 56*	96.85*	93.99*
13.	„IT SERWIS" Sp. z o.o. *Zielona Góra, Zacisze 28*	100	100
14.	ENEA Operator Sp. z o.o. *Poznań, Strzeszyńska 58*	100	100
15.	ENEA Wytwarzanie S.A. *Świerże Górne, commune Kozienice, Kozienice 1*	100	100
16.	Miejska Energetyka Cieplna Piła Sp. z o.o. *Piła, Kaczorska 20*	65,03*	65,03*
17.	Elektrociepłownia Białystok S.A. *Białystok, Gen. Andersa 3*	100*	99,996*
18.	DOBITT Energia Sp. z o.o. *Bierutów , Gorzesław 8*	100*	100*
19.	Annacond Enterprises Sp. z o.o. *Warszawa, Jana III Sobieskiego 1/4*	61	61

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

20.	Windfarm Polska Sp. z o.o. *Koszalin, Wojska Polskiego 24-26*	100*	100*
21.	ENEA Trading Sp. z o.o. *Świerże Górne, commune Kozienice, Kozienice 1*	100	100
22.	„Ecebe" Sp. z o.o. *Augustów, Wojciech 8*	100**	99,996**
23.	Energo-Inwest-Broker S.A. *Toruń, Jęczmienna 21*	38,46***	30,3***

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

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

On 9 August 2013 a share purchase agreement of 12,200 shares in BHU S.A., between ENEA S.A. and ENERGA S.A., was signed. On 21 September 2013 ownership of shares was transferred to ENEA S.A.

On 17 September 2013 a transformation of ENEA Centrum S.A. into ENEA Centrum Sp. z o.o. was registered.

7. Property, plant and equipment

During the 9-month period ended 30 September 2013, the Company acquired property, plant and equipment for the total amount of PLN 11,245 thousand (during the period of 12 months ended 31 December 2012 it was PLN 26,190 thousand).

During the 9-month period ended 30 September 2013, the Company sold and liquidated property, plant and equipment for the total net amount of PLN 55 thousand (during the period of 12 months ended 31 December 2012 it was PLN 2,096 thousand).

As at 30 September 2013 the total impairment loss on the carrying amount of property, plant and equipment amounted to PLN 1,592 thousand (as at 31 December 2012: PLN 1,592 thousand).

8. Intangible assets

During the 9-month period ended 30 September 2013, the Company did not acquire intangible assets (during the period of 12 months ended 31 December 2012: PLN 0 thousand).

During the 9-month period ended 30 September 2013 intangible assets of PLN 470 thousand were transferred from fixed assets under construction (PLN 1,607 thousand during the period of 12 months ended 31 December 2012).

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

9. Investments in subsidiaries, associates and joint ventures

	30.09.2013	31.12.2012
Opening balance	**8 820 100**	**8 522 698**
Reclassification to non-current assets held for sale (gross value)	-	(2 309)
Acquisition of investments	305	187 813
Other changes	-	122 202
Impairment loss	(229)	(10 304)
Closing balance	**8 820 176**	**8 820 100**
Impairment loss		
Opening balance of impairment loss on investments	**29 874**	**19 570**
Recognized	229	10 304
Closing balance of impairment loss on investments	**30 103**	**29 874**

10. Non-current assets held for sale

	30.09.2013	31.12.2012
Opening balance	**12 876**	**17 818**
Reclassification from investments in subsidiaries, associates and joint-ventures	-	2 309
Sale of assets	-	(7 251)
Closing balance	**12 876**	**12 876**

During the 9-month period ended 30 September 2013 there were no changes in non-current assets held for sale.

As at 30 September 2013 the shares in Hotel "EDISON" Sp. z o.o. are presented as non-current assets held for sale. On 15 March 2013 the announcement of the sale of hotel was published in Gazeta Wyborcza, however there were no offer submitted. The Memorandum was requested by two companies. On 24 April 2013 another announcement was published in Gazeta Wyborcza. Response to the Company's public invitation to negotiations on the acquisition of a block of shares was received from two entities. On 14 June 2013, binding offers were obtained from them. At the same time, one of the entities involved in the proceedings was granted exclusive right to negotiate.

As a result of the sales process of Hotel "Edison" Sp. z o.o., on 12 August 2013, a share sale agreement of its shares was concluded (with the entity, previously granted the exclusive right to negociate). The acquisition of 100% in Hotel "Edison" Sp. z o.o. by the investor is subject to a recipt from a bank a promise of a loan to purchase of shares and the issuance of zoning conditions for land on which Hotel Edison is located by the Tarnowo Podgórne Municipal Office. The Parties agreed to finalizethe above conditions no later than 31 December 2013.

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

11. Allowance on trade and other receivables

	30.09.2013	31.12.2012
Opening balance of receivables allowance	**85 666**	**82 104**
Addition	7 358	13 008
Reversed	(775)	(9 531)
Utilized	(35 599)	85
Closing balance of receivables allowance	**56 650**	**85 666**

During the 9-month period ended 30 September 2013 the allowance on the carrying amount of trade and other receivables decreased by PLN 29,016 thousand (during the period of 12 months ended 31 December 2012 the impairment allowance increased by PLN 3,562 thousand). The decrease of the allowance represents mainly the write-off of bad debts.

During the 3-month period ended 30 September 2013 the allowance on the carrying amount of trade and other receivables increased by PLN 463 thousand (during the period of 3 months ended 30 September 2012 the impairment allowance increased by PLN 2,451 thousand).

12. Inventory

	30.09.2013	31.12.2012
Certificates of origin	21 658	120 160
Total inventory	**21 658**	**120 160**

Certificates of origin:

	30.09.2013	31.12.2012
Opening balance	**120 160**	**56 764**
Acquisition	183 453	483 002
Redemption	(281 955)	(419 606)
Closing balance	**21 658**	**120 160**

13. Cash and cash equivalents

	30.09.2013	31.12.2012
Cash in hand and at bank	**540 769**	**360 925**
- cash in hand	28	160
- cash at bank	540 741	360 765
Other cash	-	**476**
-cash in transit	-	476
Total cash and cash equivalents	**540 769**	**361 401**
Cash disclosed in the cash flows statement	**540 769**	**361 401**

As at 30 September 2013 the restricted cash amounted to PLN 739 thousand and comprised cash at bank (cash blocked due to a security deposit, a deposit for receivables and a transaction deposit).

As at 31 December 2012 the restricted cash amounted to PLN 7,000 thousand.

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

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

As at 30 September 2013 the book value of investments portfolio amounted to PLN 323,627 thousand, including financial assets measured at fair value through profit or loss treasury bills and bonds of PLN 272,239 thousand and bank deposits of PLN 51,388 thousand presented as cash and cash equivalents. The Company also has units in the "Pioneer" Investment Fund, presented as long-term assets.

15. Financial instruments

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

	30.09.2013		31.12.2012	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Long-term financial assets available for sale (shares in unrelated parties)	30	30	5	5
Non-current financial assets held to maturity	1 848 413	1 848 413	596 450	596 450
Non-current financial assets measured at fair value through profit or loss	1 782	1 782	1 504	1 504
Short-term financial assets held to maturity	100 117	100 117	79 475	79 475
Short-term financial assets measured at fair value through profit or loss	272 239	272 239	422 173	422 173
Cash and cash equivalents	540 769	540 769	361 401	361 401
Bank loans, borrowings and debt securities	777 252	777 252	-	-
Finance lease liabilities	9 927	9 927	10 694	10 694

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

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

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

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

Short-term financial assets measured at fair value through profit or loss include an investment portfolio managed by a company specialized in professional fund management (Note 14). The fair value of the investment portfolio is estimated based on market quotations..

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

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

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

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

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

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

	30.09.2013			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value through profit or loss				
Non-derivative financial assets held for trading	274 021	-	30	274 051
Total	**274 021**	**-**	**30**	**274 051**

	31.12.2012			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value through profit or loss				
Non-derivative financial assets held for trading	423 677	-	5	423 682
Total	**423 677**	**-**	**5**	**423 682**

16. Bank loans, borrowings and debt securities

	30.09.2013	31.12.2012
Long-term		
Bank loans	777 252	-
Balance as at the reporting date	**777 252**	**-**

Under the agreement with European Investment Bank (Note 27) ENEA S.A. received funds in the amount of PLN 780 million. The loan is denominated in PLN, with a floating rate based on WIBOR 6M plus the bank's margin.

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

17. Deferred income tax

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

	30.09.2013	31.12.2012
Opening balance	**(42 109)**	**(56 833)**
Change recognized in profit or loss	16 495	16 566
Change recognized in other comprehensive income	197	(1 842)
Closing balance	**(25 417)**	**(42 109)**

During the 9-month period ended 30 September 2013, the Company's profit before tax was debited with PLN 16,495 thousand as a result of a decrease in net deferred tax asset (during the period of 12 months ended 31 December 2012 the Company's profit before tax was debited with PLN 16,566 thousand as a result of a decrease in net deferred tax assets).

During the 3-month period ended 30 September 2013, the Company's profit before tax was debited with PLN 1,833 thousand as a result of a decrease in net deferred tax asset (during the period of 3 months ended 30 September 2012 the Company's profit before tax was debited with PLN 6,047 thousand as a result of a decrease in net deferred tax assets).

18. Provisions for other liabilities and charges

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

	30.09.2013	31.12.2012
Long-term	14 508	17 084
Short-term	245 675	272 259
Balance as at the reporting date	**260 183**	**289 343**

	Provision for non-contractual use of property	Provision for other claims	Provisions for certificates of origins	Other	Total
Balance as at 01.01.2012	**26 577**	**3 163**	**249 710**	**24 138**	**303 588**
Provisions made	17 562	1 276	430 479	-	**449 317**
Provisions used	(1 043)	-	(431 748)	(14 394)	**(447 185)**
Reversal of provisions	(3 690)	-	(12 687)	-	**(16 377)**
Balance as at 31.12.2012	**39 406**	**4 439**	**235 754**	**9 744**	**289 343**
Provisions made	4 239	196	263 651	-	**268 086**
Provisions used	-	(48)	(282 252)	-	**(282 300)**
Reversal of provisions	(4 124)	(1 772)	(9 050)	-	**(14 946)**
Balance as at 30.09.2013	**39 521**	**2 815**	**208 103**	**9 744**	**260 183**

A description of material claims and contingent liabilities has been presented in note 23.2 and 23.3.

During the 9-month period ended 30 September 2013 the provisions for other liabilities and charges decreased by net amount of PLN 29,160 thousand, mainly due to settlement of 2012 obligation related to sale to end users of electricity generated in a renewable source or in cogeneration (during the period of 12 months ended 31 December 2012 the provisions for other liabilities and charges decreased by PLN 14,245 thousand).

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

During the 3-month period ended 30 September 2013 the provisions for other liabilities and charges increased by net amount of PLN 53,455 thousand (during the period of 3 months ended 30 September 2012 the provisions for other liabilities and charges increased by PLN 3,587 thousand).

19. Dividend

On 24 April 2013 the General Shareholders' Meeting of ENEA S.A. adopted Resolution no. 7 concerning net profit distribution for the financial period from 1 January 2012 to 31 December 2012 under which the dividend for shareholders amounts to PLN 158,919 thousand, PLN 0,36 per share (the dividend paid in 2012 for the financial period from 1 January 2011 to 31 December 2011 amounted to PLN 211,892 thousand, PLN 0.48 per share). The dividend had been fully paid to the shareholders before 30 September 2013. The amount of dividend wasreduced by the capital gains tax.

20. Related party transactions

The Company concludes transactions with the following related parties:

(i) Companies of the ENEA Group

	01.01.2013 - 30.09.2013	01.01.2012-.30.09.2012
Purchases, including:	**2 922 310**	**2 814 409**
investment purchases	5 955	5 284
materials	473	525
services	1 232 969	1 309 798
other (including energy)	1 682 913	1 498 802
Sales, including:	**34 966**	**98 026**
energy	17 043	53 673
services	10 273	34 531
other	7 650	9 822
Interest income, including:	**26 073**	**17 012**
bond	26 073	17 012
Dividend income	**605 676**	**362 091**

	30.09.2013	31.12.2012
Receivables	21 873	20 682
Liabilities	384 305	464 446
Financial assets – bonds	1 948 530	675 925

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

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

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

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

The value of transactions has been presented below:

Item	Management Board of the Company		Supervisory Board of the Company	
	01.01.2013 - 30.09.2013	**01.01.2012- 30.09.2012**	**01.01.2013 - 30.09.2013**	**01.01.2012 - 30.09.2012**
Remuneration under managerial and consultancy agreements	4 839	2 791	-	-
Remuneration under managerial and consultancy agreements	23	553	300	277
Other employee benefits (including electricity allowance)	33	71	-	-
TOTAL	**4 895**	**3 415**	**300**	**277**

During the 9-month period ended 30 September 2013 the loans granted from the Company's Social Benefits Fund to the members of the Supervisory Board amounted to PLN 11 thousand (PLN 24 thousand during the 12-month period ended 31 December 2012 – appointment of new Member of the Supervisory Board). During this period the repayments of these loans amounted to PLN 3 thousand (PLN 24 thousand during the 12-month period ended 31 December 2012). The balances of loans from the Company's Social Fund as at 30 September 2013 amounts to PLN 29 thousand (PLN 21 thousand as at 31 December 2012). Members of the Management Board have no borrowings from the Fund.

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

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

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

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

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

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

21. Commitments under contracts binding as at the reporting date

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

	30.09.2013	**31.12.2012**
Acquisition of property, plant and equipment	1 510	7 017
Acquisition of intangible assets	1 079	57 539
	2 589	**64 556**

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

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

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

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

In the 9-month period ended 30 September 2013 the Company did not issue any new guarantees or sureties for credit facilities or loans. On 18 July 2012 ENEA S.A. entered into an annex No. 2 to the contract of guarantee dated 27 July 2011 with Izba Rozliczeniowa Giełd Towarowych S.A. (Warsaw Commodity Clearing House) which extends the duration of the surety for the liabilities of ENEA Trading Sp. z o.o. till 31 July 2014. Under this contract, ENEA S.A. unconditionally and irrevocably guarantees the liabilities of ENEA Trading Sp. z o.o. to the Warsaw Commodity Clearing House.

23.2. Pending proceedings before courts of general jurisdiction

Actions brought by the Company

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

As at 30 September 2013, the total of 5,417 cases brought by the Company were pending before common courts of law for the total amount of PLN 19,848 thousand (11,467 cases for the total amount of PLN 22,661 thousand as at 31 December 2012).

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

Actions brought against the Company

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

As at 30 September 2013, the total of 106 cases against the Company were pending before common courts of law for the total amount of PLN 18,828 thousand (129 cases for the total amount of PLN 17,760 thousand as at 31 December 2012). The provisions related to these cases are presented in note 18.

23.3. Proceedings before Public Administration Bodies

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

As described more in detail in the financial statements for the year ended 31 December 2012 the President of the Energy Regulatory Office issued in 2009 a decision on ENEA's failure to comply with the obligation to purchased electricity produced in the energy cogenerated with heat system in the first half of 2006, imposing a fine of PLN

7,594 thousand on the Company. On 4 January 2013 ENEA S.A. appealed against the judgment of 10 December 2012.

On 14 October 2013, the Court of Appeal in Warsaw announced a ruling on the above case. Pursuant to that ruling, the Decision of the President of Energy Regulatory Office of 27 November 2008 was amended so that the amount of the fine was decreased from PLN 7,594 thousand to PLN 3,600 thousand. The costs of the proceeding have been endured (neither party is required to pay the costs to the other party). On 24 October 2013 ENEA S.A. transferred the above mentioned amount to the National Fund for Environmental Protection and Water Management.

Both ENEA S.A. and the President of Energy Regulatory Office are entitled to file cassation appeals to the Supreme Court within two months from the receipt of the judgment including the justification.

24. Changes in the composition of the Management Board of ENEA S.A.

On 11 January 2013 Mr. Krzysztof Zborowski – Member of the Management Board for Energy Production resigned from the Management Board, effective from the date of the statement.

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

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

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

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

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

On 27 March 2013 Mr. Graham Wood resigned from the position of the Member of Supervisory Board, effective from 24 April 2013.

On 24 April 2013 the General Shareholders' Meeting appointed:

- Mrs. Małgorzata Niezgoda;
- Mr. Torbjörn Wahlborg

to the Supervisory Board for the 8th term.

On 24 April 2013 Mrs. Małgorzata Aniołek resigned from the position of the Member of Supervisory Board.

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

26. Bond issue programme

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

On 20 June 2013 ENEA S.A. executed a Programme Agreement with ENEA Operator Sp. z o.o and Nordea Bank Polska S.A. (Bank – Issue Agent, Paying Agent and Depository). The Programme Agreement relates to Bond Issue Programme up to the amount of PLN 1.425 bln (Agreement). The bond issue programme established by ENEA Operator Sp. z o.o. based on the Agreement (Programme) provides bond issue under the bond purchase referral to ENEA S.A.
The Programme was established for the period from the date of signing the Agreement till 18 October 2029 and the availability period expires on 18 October 2014 (Availability Period). The issued bonds will be unsecured.
The funds from the issue will be designated for financing of long-term investment plan (Programme) for the modernization and extension of power grids of ENEA Operator Sp. z o.o located in north - western Poland.
Bonds issued within the Bond Issue Programme are bonds in accordance with the Act on Bonds dated 29 June 1995 (Official Journal 2001, No. 120, item 1300 with amendmendts).

As a part of the Agreement, on 20 June 2013 ENEA S.A. and ENEA Operator Sp. z o.o. executed a Guarantee Agreement concerning the Programme, up to the amount of PLN 1.425 bln. Under the terms of the Guarantee Agreement ENEA S.A. is obliged to purchase bonds of initial offering, on the terms determined in the Guarantee Agreement and in the Programme. The obligation of ENEA S.A. to purchase bonds applies to the Availability Period.

The Guarantee Agreement is valid for the Programme period and expires on 18 October 2029 or till the day of the last bond redemption if on the last day of the Programme period all bonds are not purchased.

As at 30 September 2013 and till the date of these interim condensed separate financial statements, under the Programme for a total amount of PLN 1.425 bilion, ENEA Opearator Sp. z o.o. issued four bonds for a total amount of PLN 780 million. The bonds have been fully taken up by ENEA S.A.

26.2. Bond issue programme of ENEA Wytwarzanie S.A.

On 16 July 2013 ENEA S.A. (here as: Guarantor) concluded with ENEA Wytwarzanie S.A. (here as: Bond Issuer) and BRE Bank S.A. (Organiser, Issue Agent, Paying Agent and Depositary) an Agreement on the Bond Issue Programme for PLN 746 million. The bonds are denominated in polish zloty and the interest rate of the bonds is floating. The latest redemption date is set at 15 July 2015. The Programme Agreement anticipates a possibility of issuing bonds of maximum 4 series, the nominal value of each series will not be lower than PLN 100 milion.

As at 30 September 2013 and till the date of these interim condensed separate financial statements, under the Bond Issue Programme ENEA S.A. purchased three series of bonds for a total amount of PLN 519 million.

26.3. Bond issue programme Elektrociepłownia Białystok S.A.

On 9 September 2013 an Annex no. 2 to the Bond Issue Programme dated 23 July 2012 and an Annex no. 2 to the Guarantee Agreement dated 23 July 2013 between ENEA S.A. and Elektrociepłownia Białystok S.A. were signed. Under the Annexes the total value of the bond issue programme and the guarantee to purchase bonds by ENEA S.A. have been increased by PLN 30 million up to PLN 158.5 million.

Under the Agreements ENEA S.A. purchased E series bonds with a value of PLN 30 million.

27. Signing of the Loan Agreement with European Investment Bank

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

The funds from the issue will be designated for financing of long-term investment plan (Programme) for the modernization and extension of power grids of ENEA Operator Sp. z o.o located in north - western Poland. The total value of the Programme is estimated at approximately PLN 3,275.87 million.

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

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

As at 30 September 2013 and till the date of these interim condensed separate financial statements, under the agreements with European Investment Bank for a total value of PLN 1.425 billion ENEA S.A. received funds in the amount of PLN 780 million.

28. Signing of a framework agreement on the exploration for and extraction of shale gas

On 4 July 2012 the Company signed a framework agreement on the exploration for and extraction of shale gas (the "Agreement").

The parties of the Agreement are ENEA S.A., Polskie Górnictwo Naftowe i Gazownictwo S.A. ("PGNiG"), KGHM Polska Miedź S.A., PGE Polska Grupa Energetyczna S.A. and TAURON Polska Energia S.A. (hereafter jointly referred to as the "Parties").

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

Under the Wejherowo concession, the cooperation will cover the area of approximately 160 km^2 (Area of Cooperation). The agreement also provides for the preferences for the Parties to interaction in the remaining area of Wejherowo concession (except for situations when PGNiG explores, evaluates and extracts of shale gas individually and except for the area on which PGNiG has already begun the exploration near Opalino and Lubocino). Estimated expenditures on exploration, evaluation and extraction with respect to the first three zones

(Kochanowo, Częstkowo and Tępcz pads) within the Area of Cooperation are projected to be in the amount of PLN 1.72 bln. In the third quarter of 2013 the Parties continued to work on the terms of agreement and to analyse the business and tax conditions of the cooperation.

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

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

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

On 23 September 2013 ENEA, PGE, KGHM and Tauron, as a result of working out the draft agreement for the purchase of shares in the special purpose vehicle for the construction and operation of nuclear power plant, initialed the Agreement of Shareholders. Thus, the Parties agreed that the initialed document constitutes the draft of the prospective Agreement of Shareholders to be signed once corporate approvals of each Party are obtained. The Agreement of Shareholders will commit the Parties to conclude a purchase agreement of shares in PGE EJ1 ("Share Purchase Agreement").

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

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

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

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

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

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

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

On 16 July 2013 the Management Board of ENEA SA adopted a resolution finding the aforementioned agreement dated 28 May 2008 in Zdroisko as invalid and reversed the provision in July i.e. the month in which the resolution was adopted.

31. Subsequent events

On 7 October 2013 ENEA S.A. concluded a framework agreement with PKO BP S.A. (for the period till 6 April 2015) to provide bank guarantees for a total amount of up to PLN 350 million. Guarantees issued under the guarantee line are intended as collateral of deposits to IRGIT S.A. from ENEA S.A. and ENEA Trading S.A. and other liabilities (maximum up to PLN 35 million) for the IRGIT S.A. (Warsaw Commodity Clearing House). The obligation of the companies to pay deposits arises, among others, from signed future contracts for electric energy supplies and purchases of certificates of origin.

On 30 October 2013 ENEA Operator Sp. z o.o. made an early redemption of all of the outstanding issue from ENEA S.A., which had been issued under the Bond Issue Programme dated 9 August 2011. The value of the bond redemption amounted to PLN 454 million.