



**Additional information to the ENERGA Capital Group's
expanded consolidated report for the three and nine
month period ended on 30 September 2013**

Gdańsk, 24 October 2013

Summary of the first three quarters of 2013:

- ENERGA Group's revenues amounted to more than PLN 8.5 billion, in other words PLN 296.3 million more than in the corresponding period year before;
- After the first three quarters of this year the Group has generated an EBITDA profit of PLN 1.5 billion (with EBITDA margin of 18 percent) with net profit of approx. PLN 597.6 million.
- In Q3 2013 ENERGA Group's revenues amounted to PLN 2,7 billion, approximately 5 percent higher than in the corresponding period the year before. The third quarter EBITDA profit exceeded PLN 374 million, 41 percent higher year-on-year. The weak performance of the Q3 results in the year before, was the impairment charge made for Ostrołęka's Power Plant B.
- The year-on-year volume growth in the Group's external electricity sales reached nearly 10 percent and was 22.7 TWh in the first three quarters of 2013, while the quantity of electrical energy sold on the wholesale market is up 62 percent (to 9.1 TWh);
- ENERGA Group generated 3.8 TWh of electrical energy on a gross basis and supplied 15.1 TWh of electrical energy to more than 2.9 million customers. The Group's total installed generation capacity has grown to 1.3 GWe; The Group's total installed thermal capacity is 867.1 MWt, while its gross thermal production is 2,756.6 TJ;
- The hydro power plants recorded the highest year-on-year growth of electricity generation of approx. 37 percent in conjunction with favorable weather conditions; the Włocławek hydro power plant was up 48 percent while power units co-firing biomass were up by approx. 20 percent;
- As at 30 September 2013 the Group had over 0.5 GWe of installed capacity in renewable energy sources (RES), in which the Group had gross production of 1.4 TWh of electrical energy in the first three quarters of 2013;
- The Group's capital expenditures were PLN 2,104 million, compared to PLN 1,193 million in the third quarter of last year. This was primarily the effect of increasing property, plant and equipment following capital expenditures incurred in the Distribution Segment of PLN 842 million and purchasing wind company assets from the DONG Group, Iberdrola Renovables and the purchase of Ciepło Kaliskie for PLN 1,052 million.

The tables below depict consolidated and standalone financial highlights during the nine months ended 30 September 2012 and 30 September 2013, while for balance sheet-related data as at 30 September 2013 and 31 December 2012.

Selected consolidated financial data of the ENERGA Group

	9 months ended 30 September		9 months ended 30 September	
	2013 (unaudited)	2012 (unaudited, restated)	2013 (unaudited)	2012 (unaudited, restated)
	PLN thousand		EUR thousand	
Revenue	8,537,486	8,241,169	2,021,616	1,964,615
Operating profit	933,127	798,617	220,958	190,383
Profit before tax	815,472	677,514	193,098	161,513
Net profit attributable to parent company shareholders	610,823	529,573	144,639	126,245
Comprehensive income	656,456	485,712	155,444	115,789
Net cash from operating activities	1,489,573	852,305	352,720	203,181
Net cash from investing activities	(2,297,684)	(1,247,980)	(544,075)	(297,506)
Net cash from financing activities	1,120,504	(64,641)	265,327	(15,410)

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Net change of cash and cash equivalents	312,392	(460,316)	73,972	(109,735)
Earnings per share, basic and diluted (PLN/EUR per share)	0.13	0.10	0.03	0.02
Average weighed number of outstanding common shares used to calculate the basic earnings per share ratio	4,633,763,076	4,968,805,368*	4,633,763,076	4,968,805,368

	Balance as at		Balance as at	
	30 September 2013 (unaudited)	31 December 2012	30 September 2013 (unaudited)	31 December 2012
	PLN thousand		EUR thousand	
Non-current assets	12,227,792	10,697,396	2,900,124	2,616,652
Current assets	4,189,939	4,205,209	993,748	1,028,621
assets classified as held for sale	142,816	10,168	33,872	2,487
Total assets	16,560,547	14,912,773	3,927,744	3,647,760
Liabilities directly related to assets classified as held for sale	67,360	-	15,976	-
Non-current liabilities	6,615,132	4,801,462	1,568,942	1,174,468
Current liabilities	2,012,484	2,392,789	477,310	585,292
Equity	7,865,570	7,718,522	1,865,515	1,888,000
Equity attributable to parent company shareholders	7,839,004	7,671,227	1,859,214	1,876,431
Share capital	4,521,613	4,968,805*	1,072,413	1,215,402
Book value per share (in PLN/EUR per share)	18,93	1.54	4,49	0.38
Number of common shares at the end of the period	414,067,114	4,968,805,368*	414,067,114	4,968,805,368

* Applies to the share capital before reverse split of the Company's shares.

Selected standalone financial data of ENERGA SA

	9 months ended 30 September		9 months ended 30 September	
	2013 (unaudited)	2012 (unaudited, restated)	2013 (unaudited)	2012 (unaudited, restated)
	PLN thousand		EUR thousand	
Revenue	52,255	34,953	12,374	8,332
Operating profit / loss	(60,375)	(54,379)	(14,296)	(12,963)
Gross profit / loss before tax	545,312	764,205	129,126	182,179
Net profit / loss	539,972	787,545	127,862	187,743
Comprehensive income	568,258	787,545	134,559	187,743
Net cash from operating activities	(54,059)	(3,841)	(12,801)	(916)
Net cash from investment activities	(313,142)	354,545	(74,150)	84,520

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Net cash from financing activities	619,476	(108,769)	146,688	(25,930)
Net change of cash and cash equivalents	252,275	241,934	59,737	57,675
Earnings per share, basic and diluted (PLN/EUR per share)	0.12	0.16	0.03	0.04
Average weighed number of outstanding common shares used to calculate the basic earnings per share ratio	4,633,763,076	4,968,805,368*	4,633,763,076	4,968,805,368*

* Applies to the share capital before reverse split of the Company's shares.

	Balance as at		Balance as at	
	30 September 2013 (unaudited)	31 December 2012	30 June 2013 (unaudited)	31 December 2012
	PLN thousand		EUR thousand	
Non-current assets	10,440,602	9,341,012	2,476,247	2,284,872
Current assets	1,215,630	1,024,426	288,317	250,581
Non-current assets classified as held for trading	20,500	-	4,862	-
Total assets	11,676,732	10,365,438	2,769,426	2,535,453
Non-current liabilities	5,024,786	3,148,649	1,191,752	770,180
Current liabilities	549,296	1,185,516	130,279	289,985
Equity	6,102,650	6,031,273	1,447,395	1,475,288
Share capital	4,521,613	4,968,805*	1,072,413	1,215,402
Book value per share (in PLN/EUR per share)	14,74	1,21	3,50	0,30
Number of common shares at the end of the period	414,067,114	4,968,805,368*	414,067,114	4,968,805,368

* Applies to the share capital before reverse split of the Company's shares.

The above financial data for the years ended 30 September 2012 and 30 September 2012 were converted into EUR according to the following rules:

- individual items of the statement of financial position – at the average EUR exchange rate set by the National Bank of Poland (NBP): PLN 4.2163 on 30 September 2013 and PLN 4.0882 on 31 December 2012.
- individual items of the statement of comprehensive income and the cash flow statement – at the exchange rate calculated as the arithmetic mean of the average EUR exchange rates set by the National Bank of Poland on the last day of each month of the financial period: PLN 4.2231 for the period from 1 January to 30 September 2013 and PLN 4.1948 for the period from 1 January to 30 June 2010.
- individual items of the statement of comprehensive income – at the exchange rate calculated as the arithmetic mean of the average EUR exchange rates set by the National Bank of Poland on the last day of each month of the financial period: PLN 4.2415 for the period from 1 July to 30 September 2013 and PLN 4.1354 for the period from 1 July to 30 June 2010.

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1. Description of the organization of the ENERGA Capital Group

1.1. Structure of the ENERGA Capital Group

As at 30 September 2013, the ENERGA Capital Group ("ENERGA Group", "Group") included: ENERGA SA („ENERGA Company”) as the parent company and the following companies:

a) direct subsidiaries (consolidated by the full method):

No.	Company name	Share capital [PLN]	Share capital - number of shares	ENERGA's share in the share capital [%]
1	ENERGA-OPERATOR SA	1,221,110,400.00*	603,301,400	100.00
2	ENERGA Elektrownie Ostrołęka SA	223,000,000.00	22,300,000	89.38
3	Elektrownia Ostrołęka SA	395,100,000.00**	395,100,000	100.00
4	ENERGA Kogeneracja Sp. z o.o.	141,976,500.00	283,953	78.07
5	ENERGA-OBRÓT SA	368,160,239.00	368,160,239.00	100.00
6	ENERGA Invest SA	3,250,000.00	5,000	100.00
7	ENERGA Hydro Sp. z o.o.	268,462,500.00	536,925	100.00
8	Międzynarodowe Centrum Szkolenia Energetyki Sp. z o.o. in liquidation	31,966,000.00	63,932	100.00
9	ENERGA Centrum Usług Wspólnych Sp. z o.o.	4,052,000.00	8,104	100.00
10	ZEP-MOT Sp. z o.o.	5,292,000.00	10,584	100.00
11	KONGRES Sp. z o.o. in liquidation	550,000.00	1,100	100.00
12	ENERGA Informatyka i Technologie Sp. z o. o.	35,343,500.00	70,687	100.00
13	Energa Finance AB(publ)	EUR 20,000,000	20,000,000	100.00
14	Elektrownia CCGT Gdańsk Sp. z o.o.	19,500,000.00	39,000	100.00
15	Elektrownia CCGT Grudziądz Sp. z o.o.	18,000,000.00	36,000	100.00
16	Ekologiczne Materiały Grzewcze Sp. z o.o.	6,330,000.00	12,660	100.00
17	AEGIR 5 Sp. z o. o. w Gdańsku	7,550,000.00	75,500	99.34
18	Breva Sp. z o.o.	15,588,000.00	31,176	100.00
19	ENERGA Innowacje Sp. z o.o.	10,002,000.00	10,002	50.01
20	RGK Sp. z o. o.	788,000.00	1,576	100.00

* On 10 October 2013 share capital increase by PLN 617.8 million due to cash contribution by ENERGA SA, and was registered in the NCR.

**Paid up capital of: PLN 206,350,000.00

b) indirect subsidiaries (consolidated by the full method)

No.	Company name	Share capital of the entity [PLN]	Share capital of the entity - number of shares	Share of ENERGA in the share capital [%]
1	ENERGA OPEC Sp. z o.o.	13,919,000.00	27,838	0.00
2	Zakład Energetyczny Toruń - ENERGOHANDEL Sp. z o.o.	8,010,000.00	16,020	0.00
3	Zakład Energetyczny Płock - Centrum Handlowe Sp. z o.o.	1,075,500.00	2,151	0.00
4	ENERGA Oświetlenie Sp. z o.o.	191,621,500.00	383,243	0.00
5	ENERGA Elektrociepłownia Kalisz SA	7,128,000.00	220,000	0.00
6	Ciepło Kaliskie Sp. z o.o.	43,257,000.00	43,257	0.00
7	Energetyka Kaliska – Usługi Techniczne Sp. z o.o.	1,712,000.00	3,424	0.00
8	ENERGA-OPERATOR Produkcja Sp. z o. o.	813,000.00	1,626	0.00

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9	Multiserwis Sp. z o.o. in liquidation	914,000.00	1,828	0.00
10	Zakład Budownictwa Energetycznego Sp. z o.o.	27,980,000.00	55,943	0.00
11	ENERGA-OPERATOR Techniczna Obsługa Odbiorców Sp. z o.o.	4,838,500.00	9,677	0.00
12	Zakład Energetyczny Płock - Dystrybucja Zachód Sp. z o.o. in liquidation	757,500.00	1,515	0.00
13	ENERGA-OPERATOR Eksploatacja i Inwestycje Płock Sp. z o.o.	909,500.00	1,819	0.00
14	ENERGA-OPERATOR Eksploatacja i Inwestycje Słupsk Sp. z o.o.	6,900,000.00	6,900	0.00
15	ENERGA-OPERATOR Eksploatacja i Inwestycje Kalisz Sp. z o.o.	5,600,000.00	5,600	0.00
16	ENERGA-OPERATOR Eksploatacja i Inwestycje Toruń Sp. z o.o.	6,100,000.00	6,100	0.00
17	ENERGA-OPERATOR Eksploatacja i Inwestycje Elbląg Sp. z o.o.	7,900,000.00	7,900	0.00
18	ENERGA – OPERATOR Eksploatacja i Inwestycje Gdańsk Sp. z o.o.	7,100,000.00	7,100	0.00
19	ZEP - Centrum Wykonawstwa Specjalistycznego Sp. z o.o.	456,500.00	913	0.00
20	ENERGA-OPERATOR Projektowanie Sp. z o. o.	381,500.00	763	0.00
21	Przedsiębiorstwo Wielobranżowe Energetyki „ELEKTROINSTAL” Sp. z o.o.	244,000.00	488	0.00
22	ZEP-AUTO Sp. z o.o.	50,000.00	100	0.00
23	ENERGETYK Sp. z o.o. in liquidation	220,000.00	440	0.00
24	Przedsiębiorstwo Budownictwa Elektroenergetycznego ENBUD Słupsk Sp. z o.o.	300,000.00	300	0.00
25	ENERGA Obsługa i Sprzedaż Sp. z o.o.	811,000.00	1,622	0.00
26	ENSPIRION Sp. z o.o.(formerly ENERGA Agregator Sp. z o.o.)*	5,000,000.00	5,000	0.00
27	ENERGA Serwis Sp. z o.o.	14,200,000.00	28,400	14.08
28	AEGIR 1 Sp. z o. o. w Gdańsku	50,000.00	500	0.00
29	AEGIR 2 Sp. z o. o. w Gdańsku	50,000.00	500	0.00
30	AEGIR 3 Sp. z o. o. w Gdańsku	50,000.00	500	0.00
31	AEGIR 4 Sp. z o. o. w Gdańsku	50,000.00	500	0.00
32	Zakład Energetyki Ciepłej w Żychlinie Sp. z o. o.	2,458,300.00	500	0.00
33	ENERGA SLOVAKIA s.r.o.	EUR 2,839,833.00	-	0.00
34	EPW 1 Sp. z o.o. (formerly DONG Energy Tuszyny Sp. z o.o.)**	2,500,000.00	2,500	0.00
35	EPW 2 Sp. z o.o. (formerly: DONG Energy Gąsiorowo Sp. z o.o.)	1,700,000.00	1,700	0.00
36	EPW 3 Sp. z o.o. (formerly: DONG Energy Pancierzyn Sp. z o.o.)	3,000,000.00	3,000	0.00
37	EPW Karcino Sp. z o.o. (formerly: DONG Energy Karcino Sp. z o.o.)	34,550,000.00	69,100	0.00
38	EPW Parsówek Sp. z o.o. (formerly: DONG Energy 3 Sp. z o.o.)	500,000.00	500	0.00
39	EPW Energia Sp. z o.o. (formerly: Iberdrola Renewables Polska Sp. z o.o.)	894,376,000.00	894,376	0.00
40	EKOTRADE Serwis FM Sp. z o.o.***	50,000.00	1,000	0.00
41	DGP Provider Sp. z o.o.***	50,000.00	1,000	0.00
42	Zakład Transportu Energetyki ENTRANS Słupsk Sp. z o.o. in liquidation	liquidated		

*On 18 October 2013 Company changed its firm to ENSPIRION Sp. z o.o.; **Change of the firm was registered in the NCR on 16 October 2013; *** companies sold on 1 October 2013 to a buyer from outside of the ENERGA Group.

c) associated entities (measured by the equity method):

No.	Company name	Share capital of the entity [PLN]	Share capital of the entity - number of shares	Share of ENERGA in the share capital [%]
1	Oświetlenie Uliczne i Drogowe Sp. z o.o.	73,010,000.00	73,010	42.20
2	SOEN Sp. z o.o.	1,000,000.00	2,000	48.50
3	EPW Energia Olecko Sp. z o.o. (formerly: DONG Energy Olecko Sp. z o.o.)	2,000,000.00	2,000	0.00
4	Bio-Power Sp. z o.o.	2,139,900.00	42,798	0.00
5	Słupskie Towarzystwo Koszykówki Sportowa SA*	Company has been sold to a buyer from outside of the ENERGA Group		

* On 17 July 2013 the company's shares held by ENERGA Group companies were sold.

1.2. Capital Group's business description

The ENERGA Group is the third distribution system operator (DSO) in Poland in terms of the volume of electrical energy supplied to end users, with a leading position on the Polish market in terms of electricity distribution as a percentage of EBITDA. The Group's core business entails distribution, generation and sales of electrical energy. Among Poland's largest utilities we also hold a leading position in terms of the generation of energy in hydro power plants and the percentage of electrical energy originating from renewable energy sources (RES) in the total volume of electrical energy generated and distributed. We are one of the three largest electricity suppliers in Poland in terms of the volume of electricity sold to end users.

During the nine months ended 30 September 2013 the Group supplied 15.1 TWh of electrical energy to more than 2.9 million customers. As at 30 September 2013, the distribution grid consisted of power lines with a total length of over 193 thousand km and covered almost 77 thousand km², i.e. about 25% of the country's landmass.

The total installed generation capacity in the Group's power plants as at 30 September 2013 was approx. 1.3 GW. In the nine months ended 30 September 2013 the Group had gross production of 3.8 TWh of electrical energy. The Group's generation sources are made up of system power plants, renewable energy sources (RES) and combined heat and power plants (cogeneration – CHP). The installed capacity of our power plants relies on diverse energy sources, such as hard coal, hydropower and biomass. In the first three quarters of 2013, 63% of the Group's gross energy production originated from hard coal, 22% from hydro, 14% from biomass and 1% from wind.

As mentioned above, the ENERGA Group features the largest percentage of electrical energy originating from renewable energy sources in the total energy generated among the major utilities operating on the Polish market; it owes this primarily to the generation of energy in hydro power plants. Green energy is produced in 46 hydro power plants and biomass-fired installations. As at the end of September of this year, the Group had more than 0.5 GW installed in renewable energy sources, in which the Group had gross production of 1.4 TWh of electrical energy during the first three quarters of 2013.

The business of the ENERGA Group is focused on the following key business areas:

1. *Electricity Distribution Segment* – entails activity involving the distribution of electricity by the distribution system operator (DSO) – ENERGA-OPERATOR SA (segment leader), as well as activity directly connected to the distribution activity conducted by other Group companies;
2. *Generation Segment* – primarily entails the generation of electrical energy from renewable energy sources and generation activity in conventional power plants and combined heat and power plants as well as the distribution of heat;

3. *Sales Segment* – consists of activity associated with trading in electricity and customer service conducted by ENERGA-OBRÓT SA (segment leader) and ENERGA Obsługa i Sprzedaż Sp. z o.o. as well as street and road lighting services provided by ENERGA Oświetlenie Sp. z o.o.

The strategy pursued by the ENERGA Group calls for attaining a competitive advantage in sales and customer service and being the leader in service quality on the Polish market for the sale of electrical energy and other utilities. ENERGA intends to achieve this objective in particular by building a modern and comprehensive customer communication model. Project work continued in Q3 2013 to implement the pertinent IT systems to support billing and Customer Relationship Management.

This modern model will not only enhance the quality of the settlement process for products and services but will also reduce the costs of customer services. One of the advantages of the system is also the support for IT processes related to developing the product offering (offering traditional services and the possibility of penetrating new markets, for instance gas trading). Implementing a new IT system also constitutes the ENERGA Group's response to the challenges associated with the planned deregulation of tariff G and the new Energy Law. Its functionality entails building two IT centers, separately for the Distribution Segment and the Sales Segment, which provides for comprehensive compliance with ERO guidelines and unbundling rules. Operational and project activities in the customer service area aim at aligning channels and standards of contact with customer needs in a given segment in addition to cost efficiency. Measures to optimize the level of costs per sole unit of electrical energy also aim at clearly defining the scope of liability and avoiding excessive headcount. For this reason specialized Competence Centers will be formed to handle invoicing, billing, debt collecting and reporting.

1.3. Changes to the Capital Group's organization and corporate governance

In the course of pursuing its strategy of growth and optimizing the ENERGA Group's structure, the following changes were made to how it is organized during the nine months ended 30 September 2013:

- On 4 January 2013 ENERGA Bio Sp. z o.o. sold all the shares it owned in Biogazownia Starogard Sp. z o.o.;
- On 29 January of this year the Extraordinary Shareholder Meeting of Międzynarodowe Centrum Szkolenia Energetyki Sp. z o.o. adopted a resolution to dissolve the company and open its liquidation as of 1 February 2013. From that moment the vacation center in Karwieńskie Błoty and tenement buildings in Toruń were sold and actions are being taken to sell the company's other assets. As at 30 September of this year, the execution of the Voluntary Redundancy Program for some of the company's employees was brought to an end;
- After completing the liquidation process, on 27 February of this year Elektrownia Wodna we Włocławku Sp. z o.o. in liquidation was deleted from the National Court Register (KRS);
- After commencement of the liquidation process in December 2012, the company Kongres Sp. z o.o. made arrangements with the trade unions concerning the terms and conditions for employee voluntary redundancy. At present, actions are being taken to bring the company's liquidation to a close. As at 30 September of this year the liquidation financial statements will be prepared. According to the liquidation schedule accepted by the Extraordinary Shareholder Meeting, the liquidation activities should be completed by 31 December 2013;
- On 5 March 2013 the share capital increase in AEGIR 5 Sp. z o.o. up to PLN 7 550 000 was registered in the National Court Register. ENERGA SA holds 99.34% of this company's share capital, while the remaining 0.66% stake is owned by ENERGA Hydro Sp. z o.o.;
- On 26 March of this year the share capital increase in ENERGA-OPERATOR Eksploatacje i Inwestycje Elbląg Sp. z o.o. up to PLN 7 900 000 was registered in the National Court Register. The sole shareholder, i.e. ENERGA-OPERATOR SA subscribed for all the shares in the increased share capital;

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- On 27 March of this year the court registered the share capital increase in ENERGA Innowacje Sp. z o.o. from PLN 5 002 000 to PLN 10 002 000. ENERGA SA subscribed for the shares in the increased capital, which holds 50.01% in this company's share capital, while the other shareholders, i.e. ENERGA-OBRÓT SA and ENERGA-OPERATOR SA hold a 24.995% stake in this company each;
- Also on 27 March of this year the Extraordinary Shareholder Meeting of the companies: ENERGA Hydro Sp. z o.o. (acquiring company) and ENERGA Bio Sp. z o.o. (acquired company) adopted resolutions on their merger. The share capital increase was registered in the National Court Register on 3 April 2013.
- On this same day the registry court registered the share capital increase in ENERGA Finance AB(publ) up to EUR 2 000 000. On 19 June 2013 the Shareholder Meeting adopted a resolution to increase the share capital to EUR 20 000 000.00, which was registered on 2 August 2013. The sole shareholder, i.e. ENERGA S.A. subscribed for all the shares in the increased share capital;
- On 29 March 2013 the Shareholder Meeting of ENERGA Elektrociepłownia Kalisz S.A. adopted the resolution to reduce the company's share capital from PLN 16 456 000 to PLN 7 128 000;
- On 9 April 2013 ENERGA Kogeneracja Sp. z o.o. acquired 90% of the shares of Ciepło Kaliskie Sp. z o.o. (i.e. 38,931 shares with a par value of PLN 1 000.00). The City of Kalisz holds the remaining 10% stake. The company's share capital is PLN 43 257 000.00;
- On 16 April of this year a share capital increase in BREVA Sp. z o.o. was registered in the National Court Register from PLN 50 000 to PLN 1 350 000 while on 31 May of this year the National Court Register registered a capital increase of PLN 14 238 000. ENERGA SA subscribed for the shares in the increased capital, which holds 100% of the company's share capital;
- On 7 June 2013 the court registered the share capital increase in ENERGA Kogeneracja Sp. z o.o. from PLN 93 465 000.00 to PLN 141 976 500.00. ENERGA SA holds a 78% stake in the share capital, while ENERGA Elektrownie Ostrołęka SA holds a 22% stake;
- On 13 June of this year ENERGA SA made a contribution-in-kind to RGK Sp. z o.o. in the form of participations in the following companies, in exchange for newly-created shares (the registration of the capital increase is underway in the National Court Register):
 - Chłodnia Olsztyn Sp. z o.o. in bankruptcy by restructuring (600 shares),
 - Wytwórnia Sprzętu Komunikacyjnego „PZL Kalisz” SA (55 099 ordinary registered shares),
 - Stocznia Gdynia SA (47 002 ordinary registered shares),
 - Zakłady Przemysłu Ciągnikowego „URSUS” SA in bankruptcy (80 617 ordinary registered shares);
- Zakład Transportu Energetyki Sp. z o.o. in liquidation in Koszalin was deleted from the National Court Register on 17 June 2013;
- On 24 June 2013 ENERGA SA made a payment towards buyout of the shares owned by the minority shareholders of ENERGA-OPERATOR SA;
- On 25 June of this year ENERGA SA sold all the shares it owned (equal to 12) in SIDEn Systemy Informatyczne Doradztwo Energetyka Sp. z o.o. in Toruń to BOND Consulting Sp. z o.o. with its registered office in Warsaw;
- On 28 June of this year ENERGA Hydro Sp. z o.o. acquired shares in 6 companies belonging to the DONG Group, all seated in Warsaw, consisting of the following acquisition transactions executed on this same day:
 - 100% stake in DONG Energy Tuszyny Sp. z o.o. (i.e. 2 500 shares with a par value of PLN 1 000.00); the share capital is PLN 2 500 000.00,
 - 100% stake in DONG Energy Pancierzyn Sp. z o.o. (i.e. 3 000 shares with a par value of PLN 1 000.00); the share capital is PLN 3 000 000.00,
 - 100% stake in DONG Energy Karcino Sp. z o.o. (i.e. 69 100 shares with a par value of PLN 500.00); the share capital is PLN 34 550 000.00,

- 100% stake in DONG Energy 3 Sp. z o.o. (i.e. 500 shares with a par value of PLN 1 000.00); the share capital is PLN 500 000.00,
 - 100% stake in DONG Energy Gąsiorowo Sp. z o.o. (i.e. 1 700 shares with a par value of PLN 1 000.00); the share capital is PLN 1 700 000.00,
 - 19% stake in DONG Energy Olecko Sp. z o.o. (i.e. 380 shares with a par value of PLN 1 000.00); the share capital is PLN 2 000 000.00; PGE Polska Grupa Energetyczna SA with its registered office in Warsaw holds the other 81% stake.
- On 4 July 2013 ENERGA–OPERATOR SA formed two companies: DGP Provider Sp. z o.o. and EKOTRADE Serwis FM Sp. z o.o. The share capital of each of these companies is PLN 50 000. On 1 October 2013 ENERGA–OPERATOR SA sold both companies to investors from outside the ENERGA Capital Group.
 - On 8 July 2013 ENERGA Kogeneracja Sp. z o.o. acquired 22 shares in ENERGA OPEC Sp. z o.o. from minority shareholders. The stake held by ENERGA Kogeneracja Sp. z o.o. in ENERGA OPEC Sp. z o.o. grew from 99.91% to 99.99%;
 - On 12 July 2013 the Slovakian registry court entered a capital increase in ENERGA Slovakia s.r.o. The share capital after the increase is EUR 2 839 833. The company's sole shareholder is ENERGA–OBRÓT SA;
 - On 17 July 2013 ENERGA Hydro Sp. z o.o. sold all the shares it owned (40.90% of the share capital) in „Słupskie Towarzystwo Koszykówki” Sportowa Spółka Akcyjna to an entity from outside the ENERGA Group;
 - On 24 July of this year ENERGA SA became the sole shareholder of ENERGA–OPERATOR SA. The share buyback process from minority shareholders was completed;
 - On 29 July of this year Zakład Transportu Energetyki ENTRANS Słupsk Sp. z o.o. in liquidation was deleted from the National Court Register;
 - On 31 July 2013 ENERGA Hydro Sp. z o.o. acquired a 67.30% stake (i.e. 601 915 shares with a par value of PLN 1 000 each) in Iberdrola Renewables Polska Sp. z o.o. (presently EPW Energia Sp. z o.o.). PGE Polska Grupa Energetyczna SA with its registered office in Warsaw holds a 32.70% stake.
 - On 9 August of this year ENERGA SA sold 12 200 shares (7.38% of the share capital) in BHU SA to ENEA SA;
 - On 3 September 2013 the share capital increase in RGK Sp. z o.o. was registered in the National Court Register. The share capital after the increase is PLN 788 000;
 - On 13 September of this year a share capital decrease in ENERGA Elektrociepłownia Kalisz SA was registered. The share capital after the decrease is PLN 7 128 000;
 - On 25 September of this year the Shareholder Meeting of EPW Karcino Sp. z o.o. (formerly: DONG Energy Karcino Sp. z o.o.) to merge the company with ENERGA Hydro Sp. z o.o. (acquiring company) was held. The merger of the companies is in the process of being registered in the court;
 - On 27 September of this year an Extraordinary Shareholder Meeting of ENERGA–OPERATOR SA was held to increase the company's share capital from its reserve capital. On the 10 October 2013 the NCR registered the increase of Company's share capital by PLN 617.8 million, due to cash contribution by ENERGA SA. Company's share capital is PLN 1,221,110,400.

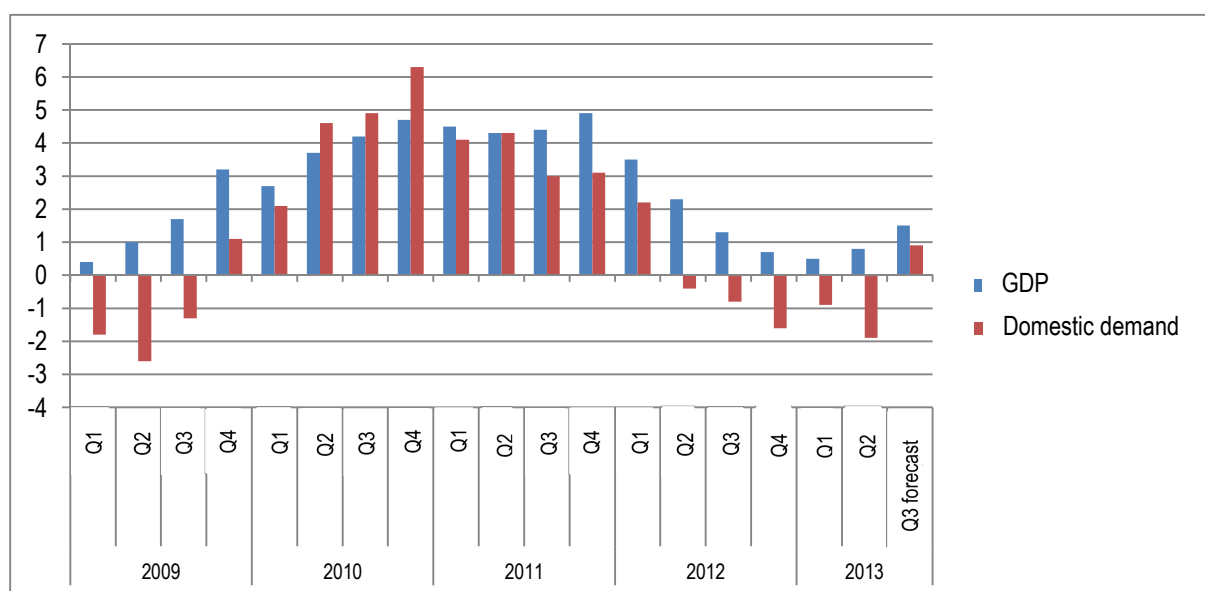
2. Factors and events affecting the financial results generated

2.1. Macroeconomic context and the electrical energy market

The Polish economy is in a period of economic slowdown, which is of great significance for the ENERGA Group's economic and financial standing, as in principle it does not conduct any business on international markets. The

pace of economic growth is relatively low. In the first quarter of 2013 it was a mere 0.5% on an annual basis (3.5% in the same period of the previous year). Q2 2013 was slightly better when the Polish economy accelerated slightly to 0.8%. Overall, however, we are still encountering a low level of economic activity. In light of the forecasts of the Market Economy Research Institute (IBnGR) in July of this year, the pace of growth should be 1.5% in Q3 of this year, which signifies further acceleration compared to Q2.

Fig. 1. Rate of growth of GDP and domestic demand in Poland on a quarterly basis in 2009-2013



Source: Proprietary material based on the Central Statistical Office's quarterly data and IBnGR's forecast.

The weakening of domestic demand, especially consumption, which has been an important factor in economic growth to date, is particularly disquieting. The data from the Central Statistical Office (GUS) indicate that the growth rate of domestic demand was negative in Q1 and Q2 2013 at the level of -0.9% and -1.9%, respectively. It is anticipated that the situation will improve in Q3, with domestic demand having already turned positive.

The decline in expenditures for investment purposes is also strong. Capital expenditures have been falling for four quarters. In Q2 2013 gross capital expenditures for fixed assets fell by 3.8% (by 2% in Q1 2013). This applies both to the public sector and the private sector. IBnGR's forecasts indicate that this trend will persist through Q3 2013 with gross expenditures for fixed assets probably being -1.7%.

VAT proceeds were also lower than last year, which testifies to the weak condition of the Polish economy. The largest collapse is in construction and assembly production, which shrunk by 23% on an annual basis in Q2 2013 according to the Central Statistical Office's data. Subsequent months are producing gradual improvement in terms of this ratio's growth rate: to -9.8% in August compared to the same period in the previous year and to -4.8% y/y in September.

Net exports have been a factor sustaining economic growth in Poland, though it must be emphasized that they do not offset the decline in domestic demand. In light of the NBP's information, the exports of commodities grew by more than 5% y/y in Q2 2013, which yields a positive balance when coupled with falling imports.

The budgetary situation may evoke concern in Poland. It was necessary to revise the budgetary act and to raise the deficit ceiling to PLN 51.6 billion. Public debt to GDP (according to the ESA 95 method) was 57.3% in Q1 2013 according to Eurostat, making it 1.2% higher than a year ago. It is worth emphasizing that it is larger than other EU member states comparable to Poland in terms of per capita income (this ratio is higher only in Hungary). The risk of exceeding the 60% threshold is high.

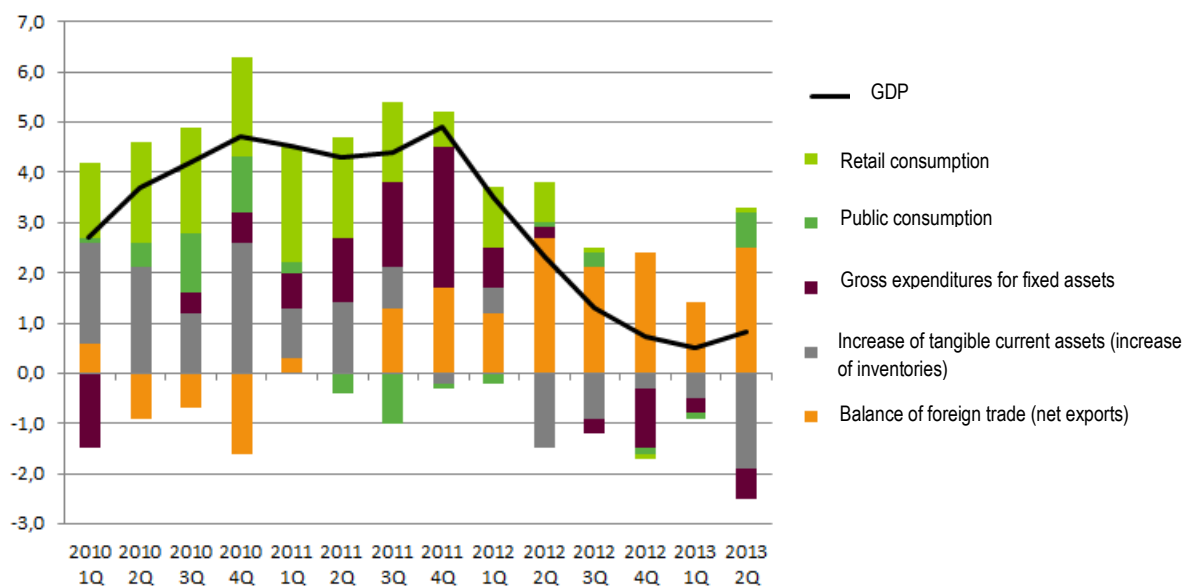
Positive signals are also flowing from the Polish economy, creating some hope for economic acceleration. The reading on industrial sold production is positive. According to the GUS data, industrial production rose in August y/y by 2.2%. In July 2013 this growth was even higher at 6.3%. The recently published data for September confirmed the growth in industrial production of 6.2% y/y.. Retail sales are also climbing. GUS has announced that they grew by 3.9% y/y in September (seasonally smoothed data).

An important element of macroeconomic evaluation is the situation on the labor market and the demand for labor. Unemployment in Poland is high and has grown compared to 2012. In August 2013 the rate of registered unemployment according to the Central Statistical Office was 13%, making it 0.6% higher than one year ago. In September the rate of unemployment remained unchanged at the level 13%. However, it is worth emphasizing that the situation is improving since the rate of unemployment has been steadily declining since the outset of 2013. The quarterly report on the labor market prepared by NBP shows that according to BAEL data Q2 2013 saw a slight increase in employment compared to the previous quarter (up 0.2%). This report also showed that the demand for labor became more vibrant in July 2013, though it continues to remain very weak. According to the most recently published data, wages were up 3.6% in September compared to the same month in the previous year. At the same time, we have observed for the thirteenth time in a row a negative annual rate of growth in employment, with the September decline being 0.3% y/y.

It is worth mentioning that a change in the monetary policy took place in Poland, shifting from a restrictive to a fairly lenient approach. For the NBP's prime interest rate (reference rate) fell from 4.75% to 2.5%. Low inflation and falling inflationary expectations allowed for such a large cut in rates. Inflation in September 2013 of 1% y/y is low enough that it does not fall within the inflationary target band (2.5% with a fluctuation range of +/- 1 percentage point). The unfavorable macroeconomic situation exerts an adverse impact on the Polish electric energy market and on the ability of undertakings in this sector to generate high rates of return. The economic situation, which has been deteriorating since the beginning of 2012, has an adverse impact on the condition of electricity customers, in other words businesses and households.

In terms of energy consumption we have recorded stagnation as according to PSE's data it was 103 927 GWh in the period from January to August 2013, which signifies demand growth of merely 0.14% compared to the same period in 2012. The falling prices for electrical energy are also exerting pressure on the financial results of utility groups.

With regard to the structure of exports and economic ties, the macroeconomic situation in Poland largely depends on what happens in the Eurozone, especially in Germany, which is our largest trading partner. It is worthwhile to emphasize that after six consecutive quarters of decline, the Eurozone recorded positive real GDP in Q2 2013 (growth of 0.3% quarter to quarter), which may indicate that the Eurozone's economy has the worst behind it. It would be difficult however to predict to what extent this growth is sustainable. For other readings indicate that this growth is shaky (i.e. market condition ratios in the Eurozone and Germany). IMF's forecasts updated in October indicate that there will be a recession (-0.4%) in the Eurozone in 2013 while the pace of GDP growth in 2014 will be relatively weak at 1%. The situation in the peripheral countries absorbed by fiscal problems may have an adverse impact on emerging from the crisis. This continues to be an important risk factor for economic growth in the Eurozone.

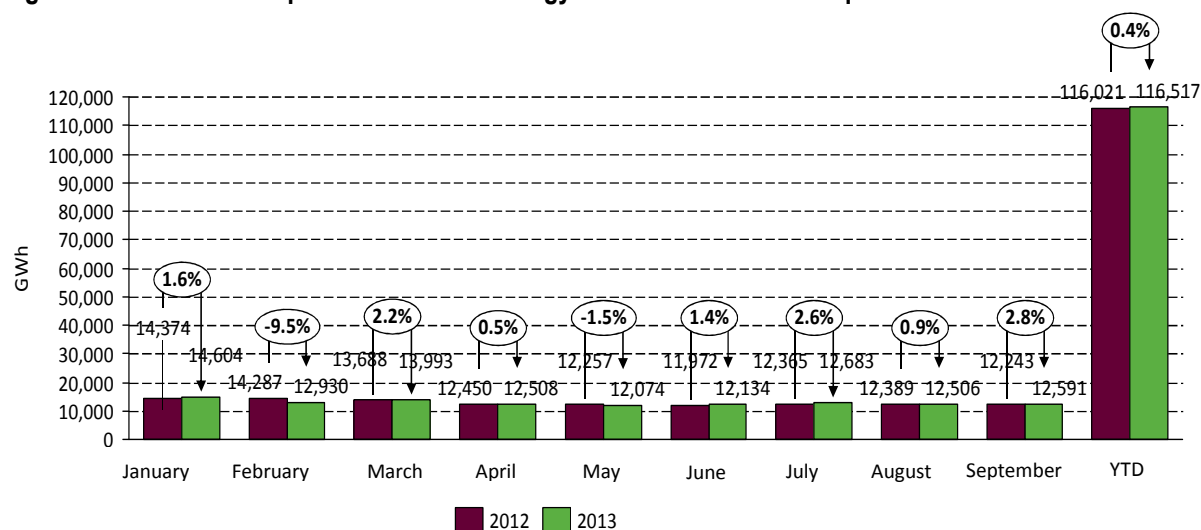
Fig. 2. Decomposition of GDP for Poland (2010–2013)


Source: Proprietary material based on the Central Statistical Office's data.

Weak economic growth in the Eurozone will not produce a strong (double digit) export impulse. In this context it is difficult to expect that the Polish economy will rapidly return to the path of having a 4-5% pace of GDP growth. The readings on sold product and retail sales do however produce some optimism concerning the Polish economy in the near future. Many factors indicate that it will gradually emerge from economic slowdown. There is a chance of more rapid economic growth already in 2014. According to IMF projections, 2014 will be better than 2013, with the pace of growth climbing to 2.4%. EU funds in the new perspective will constitute considerable support for the Polish economy starting in the latter half of next year.

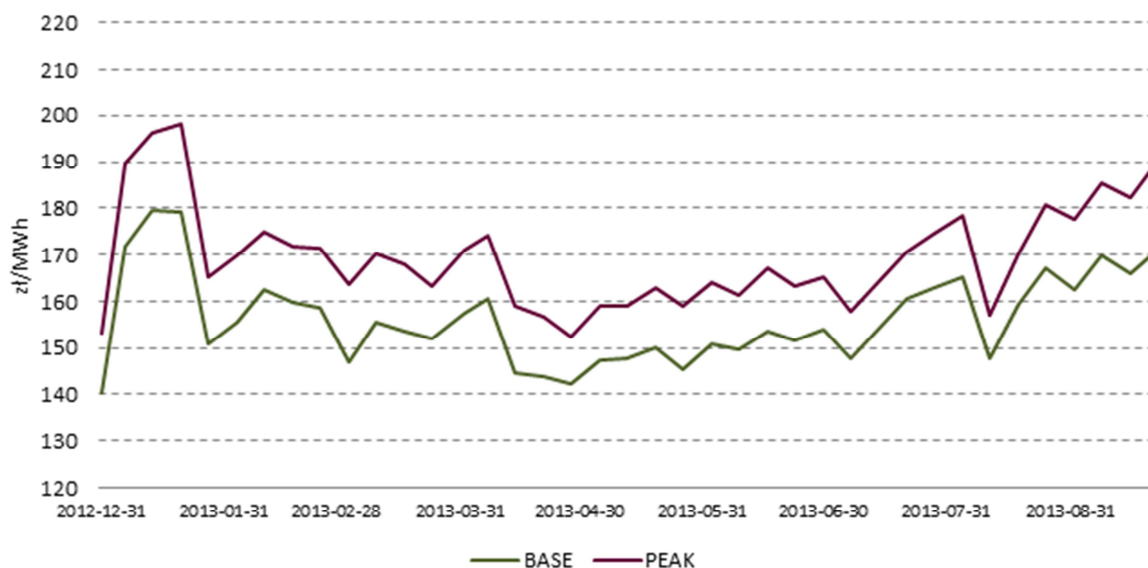
2.2. Domestic consumption of electrical energy

The domestic consumption of electrical energy, according to the preliminary data published by Polskie Sieci Energetyczne (PSE) in the first three quarters of 2013 was slightly higher than last year (approximately 0.4%). Q1 made a special contribution to this picture, especially February, when consumption was more than 9% lower than in the previous year. Q2 was close to the level in 2012. Growth returned in July, reaching a level of 2.6% above last year's figures, as was the case in September up to approximately 2.8%. From the perspective of the expected economic recovery, the growth in consumption this year is not extensive though one should note that one can observe growth in every month since June.

Fig. 3. Domestic consumption of electrical energy in Poland in the first 3 quarters of 2013.

 Source: http://www.pse-operator.pl/index.php?modul=8&id_rap=212

2.3. SPOT market for electrical energy in Poland

To analyze the SPOT market in Poland, a weekly price table was used for BASE and PEAK hours, respectively. Since the hourly prices on the SPOT market exhibit extensive volatility, using this structure for analysis will make it possible to observe the trends regardless of their extensive hourly volatility.

Fig. 4. Average weekly energy prices on the SPOT market in the first three quarters of 2013.

 Source: <http://wyniki.tge.pl/wyniki/rdn/ceny-sredniowazone/>

The graphs above show that Q3 2013 prices were less volatile than in 1H 2013. In July and September the trend for prices to stay within the range from 160 PLN/MWh to 140.00 PLN/MWh was more pronounced than in Q1 and Q2. It was not until the end of August of this year that this range expanded to 130 PLN/MWh and 180 PLN/MWh.

The 27th week of the year proved to be the least expensive one in the quarter under discussion when the price reached the level of 147.83 PLN/MWh in BASE, while the 38th week was the most expensive with a BASE price of 171.17 PLN/MWh. The least expensive day was 1 September 2013 with a BASE price of 125.44 PLN/MWh, while the most expensive day was 25 September with a price of 196.91 PLN/MWh.

2.4. Electricity forward market in Poland

To assess the forward market in Poland, the annual forward contract for delivery of base energy in the whole 2014 was used as a reference product. H1 2013 recorded a significant decrease of prices for this product from 178 PLN/MWh in the first days of January to 148 PLN/MWh on 27 June 2013. Assessing the price of the above contract one can note that especially in January its price dropped by as much as 16 PLN/MWh. In February we saw low price volatility, to record more decreases in March. The next periods of decreases fell in April and May. In the analyzed period this product clearly followed a decreasing trend, "breaking" individual support levels, first approx. 164 PLN/MWh, then approx. 162 PLN/MWh and approx. 161 PLN/MWh, stopping at 148 PLN/MWh. In July and August the price oscillated between 145 PLN/MWh and 150 PLN/MWh. At the end of August, after a nearly 3-months' stabilization of prices in the market, the helm was taken by buyers who pushed the price up by PLN 11. Such rapid increases were probably the result of cyclically improving macroeconomic data. After a period of increases, however, the optimism has dropped in the Polish market and after a PLN 6 drop, the contract price remained on a similar level for more than 3 weeks.

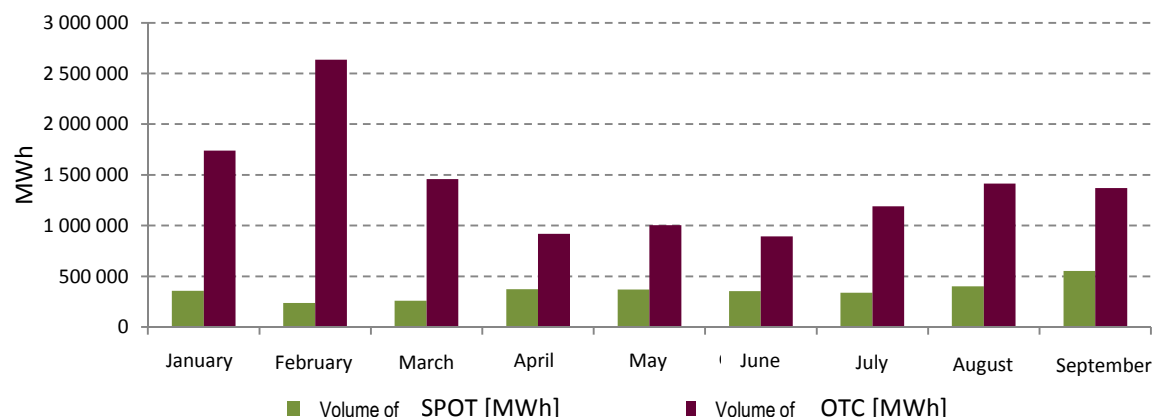
Fig. 5. Forward contract price – base with delivery in 2014 after 3Q 2013



Source: <http://wyniki.tge.pl/wyniki/rtee/tables/>

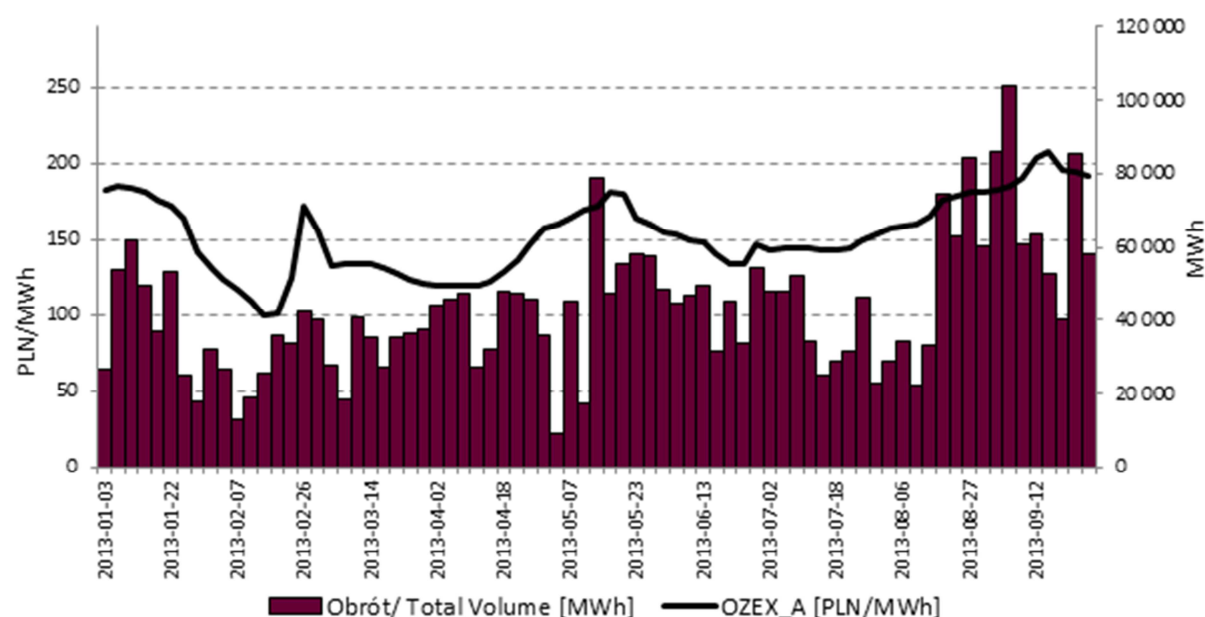
2.5. Property rights market (RES market)

Currently the property rights (RES) market operates on the basis of bilateral contracts as well as SPOT contracts. At the Polish Power Exchange (TGE) session deals (approx. 20 % of trade) and OTC deals (remaining trade) are concluded.

Fig. 6. Analysis of SPOT and OTC prices and volumes after Q3 2013


Source: <http://wyniki.tge.pl/wyniki/rpm/indeksy/>

Compared to the beginning of the year, the difference between the amount of deals concluded through the Exchange and in off-session deals decreased significantly. The participation of the Exchange in the valuation of RES property rights is becoming increasingly important; the ratio of the volume of SPOT to OTC contracts in January amounted to 21%, to reach 41% in September 2013.

Fig. 7. Analysis of prices and volumes at TGE trading sessions (PMOZE_A)


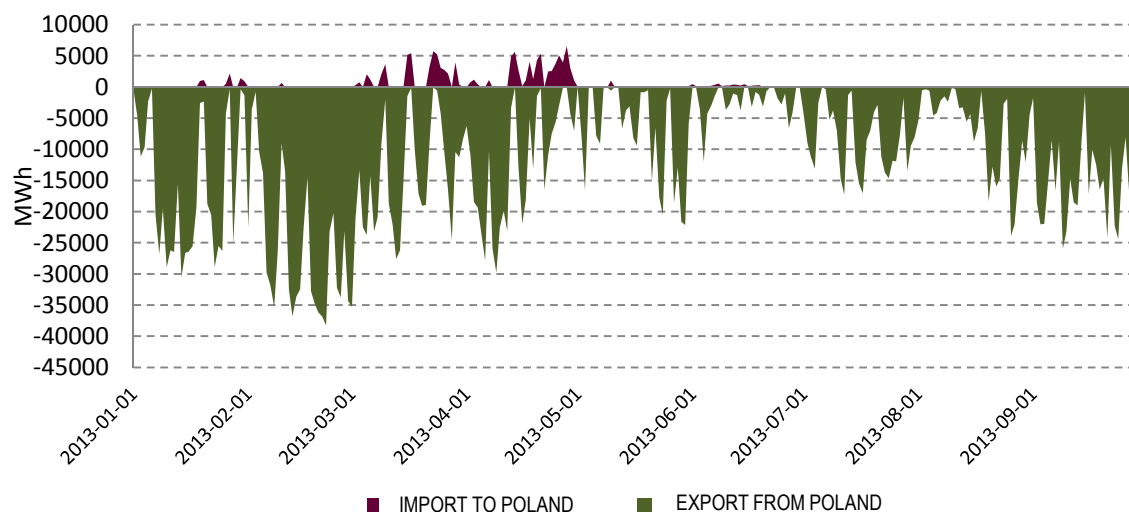
Source: <http://wyniki.tge.pl/wyniki/rpm/indeksy/>

In Q1 2013, as a result of the surplus of PMOZE_A in the market, dynamic decreases of prices of green property rights were recorded. In February the price of certificates dropped even to 99.00 PLN/MWh, reaching its historical low. Then the prices of green certificates increased as a result of higher contracting on the market for the final performance of the obligations of 2012. From March to the end of June this year, prices of PMOZE_A fluctuated in the range of 120-150 PLN/MWh, which was associated with the profitability threshold of generation of certificates in biomass co-firing sources. In the next quarter, Q3 2013, as a result of market news associated with the ERO President withholding the decision regarding issue of overdue certificates resulting from production of electricity in the biomass co-firing process, in November and December 2012 and throughout 2013, the OZEX_A index dynamically increased, reaching the highest level since November last year. The ultimate

decision of the ERO President regarding the issue or refusal to issue of overdue certificates to generators will have direct impact on price behavior in the last quarter of 2013.

2.6. Inter-system exchange

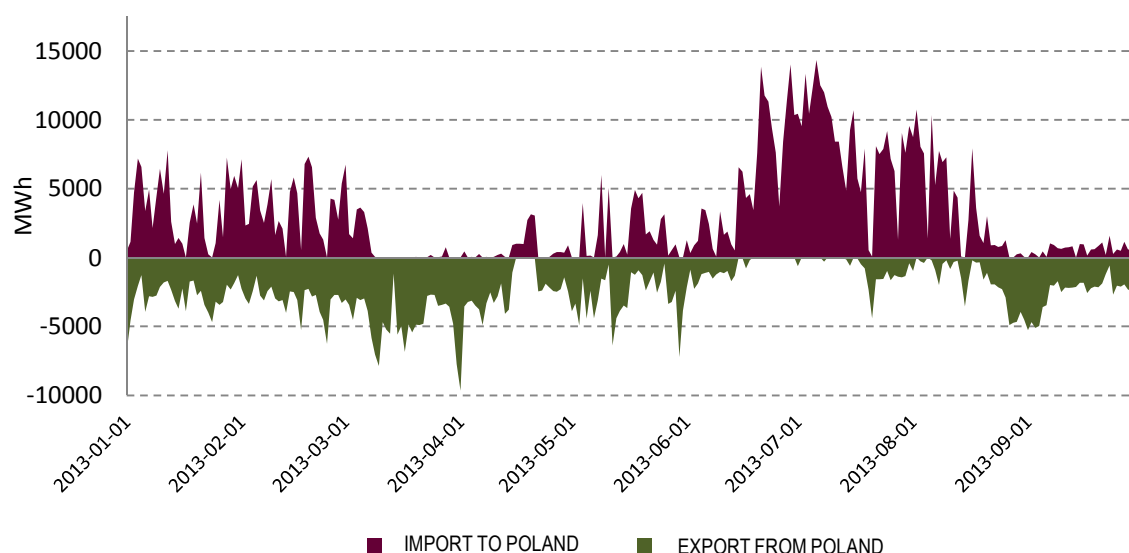
Fig. 8. Poland's parallel system exchange volumes in Q3 2013.



Source: http://www.pse.pl/index.php?modul=21&id_rap=9

In the above chart presenting the balance of parallel inter-system exchange one can see that the dominant direction of trade was export of electricity from Poland. In the predominant part of the last period, energy import was not profitable and when such profitability appeared the transmission system operator limited import capabilities.

Fig. 9. Poland's non-parallel system exchange volumes in Q3 2013.

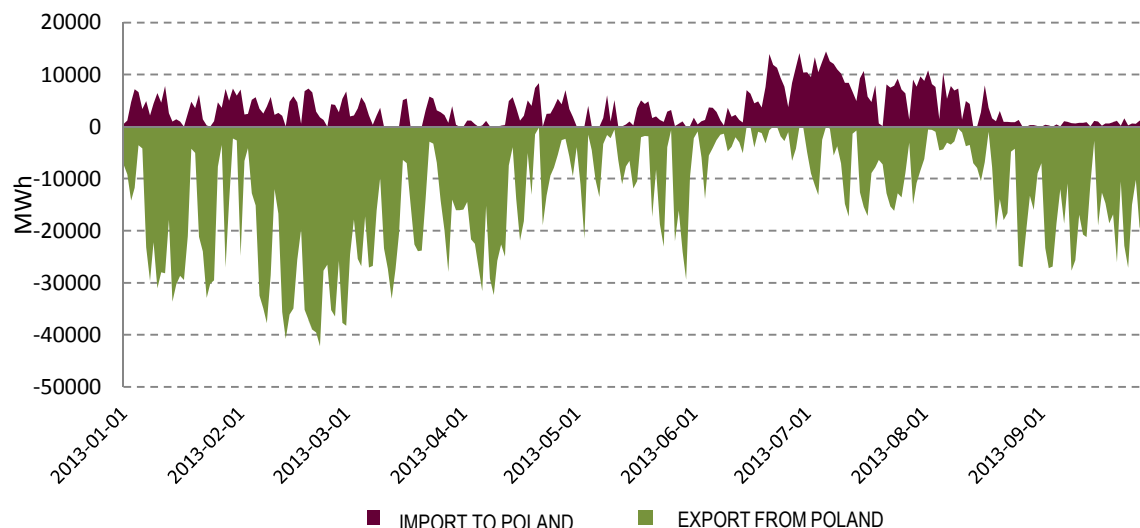


Source: http://www.pse.pl/index.php?modul=21&id_rap=9

In the non-parallel inter-system exchange (figure above) Poland has two connections. One, with a 220 MW line, with Ukraine and the other, with a 600 MW line, with Sweden. Throughout the period in question one can see that also import of electricity to Poland (especially in July) was profitable. However one should remember that

PSE does not offer export capabilities in the connection between Poland and Ukraine (only import of energy from Ukraine is possible).

Fig. 10. Poland's system exchange volumes in Q3 2013.



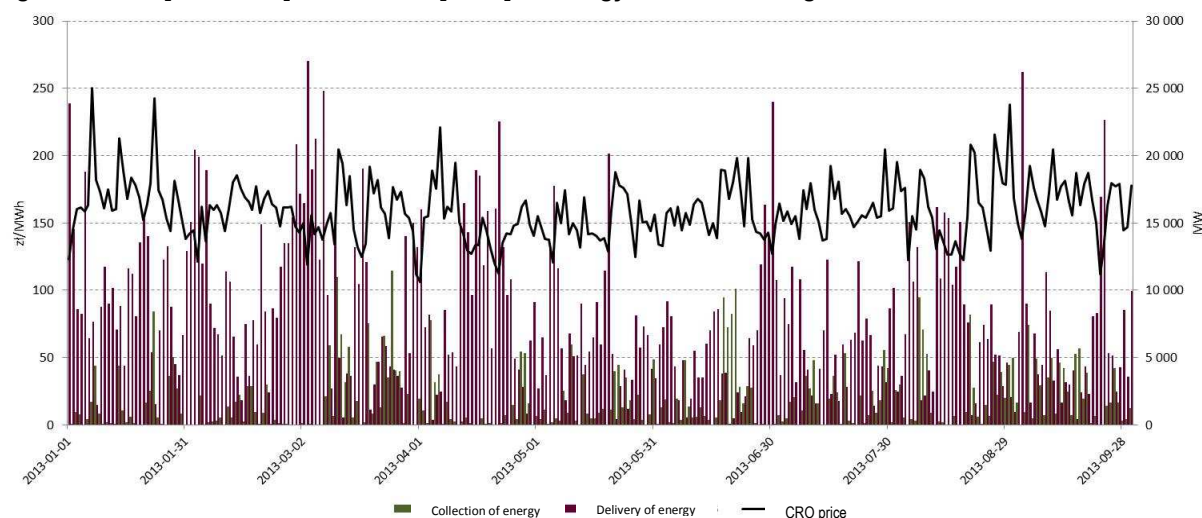
Source: http://www.pse.pl/index.php?modul=21&id_rap=9

The above charts present the commercial flows of electricity, which may deviate from physical flows observed at Poland's western and southern borders. Nonetheless, in commercial terms, energy exports predominated.

2.7. Balancing market

Summing up the ten months of 2013 on Poland's balancing market, one can note that from the standpoint of the direction of energy flow, delivery to the balancing market predominated (it amounted to 2.2 TWh, while offtake from the market was 0.5 TWh). This resulted from, inter alia, the uniqueness of market participants' contracting activity.

Fig. 11. Prices [PLN/MWh] and volume [MWh] of energy in the balancing market in Q3 2013.

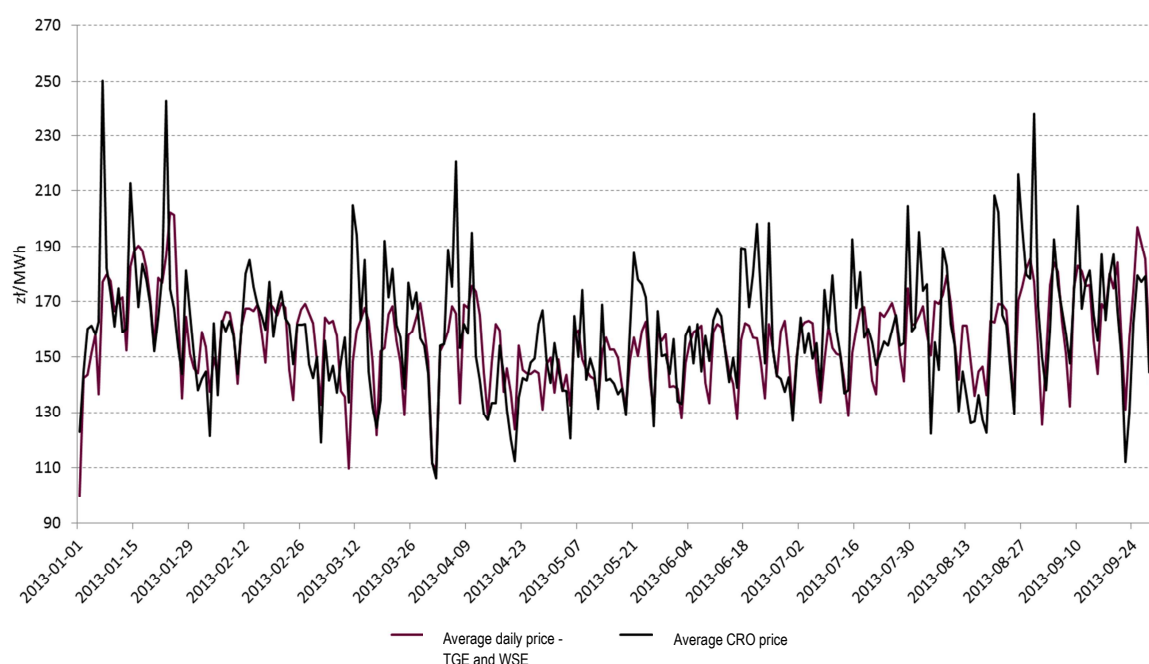


Source: <http://www.pse-operator.pl/index.php?modul=11>

Watching the prices in the balancing market one may notice that Q1 and Q3 were characterized by a few price "hikes" in relation to the prices in the SPOT market, as opposed to Q2 which was relatively stable. This pricing situation in the balancing market is attributable particularly to the overhauls, unit failures, low generation from renewable sources and increased sale to neighboring countries (inter-system exchange).

The arithmetic mean of the settlement price for the period in question was 158.83 PLN/MWh, peak 171.26 PLN/MWh and off-peak 138.10 PLN/MWh. The lowest month was April, with the monthly CRO level of 149,32 PLN/MWh, and the highest was January with 170,46 PLN/MWh.

Fig. 12. Statement of changes on the balancing market and the SPOT market after Q3 2013.

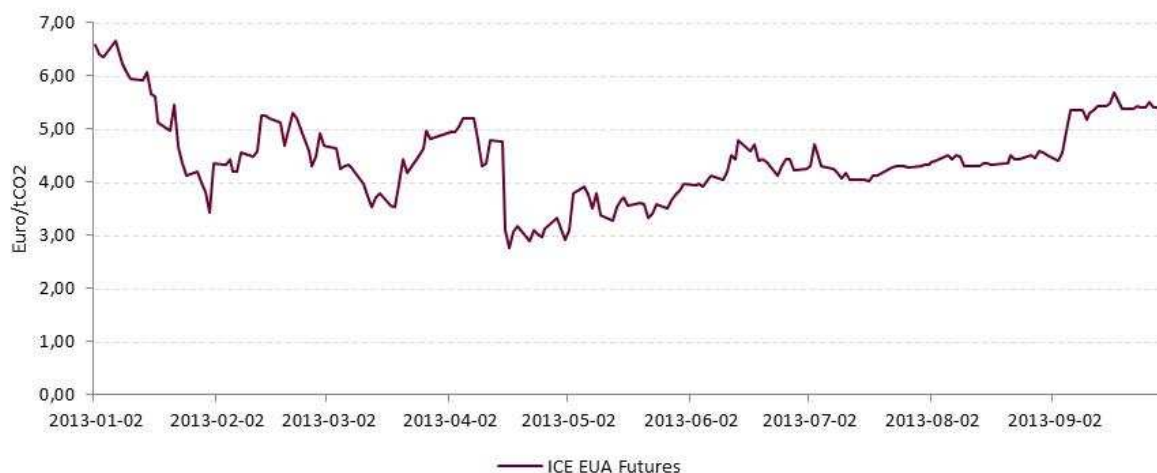


Source: <http://www.pse-operator.pl/index.php?modul=11>

2.8. Emission allowance market

In Q3 2013, clear increases in the CO₂ allowances market were observed. This resulted from delays in allocation of free allowances for the period 2013-2020 and the risk of a correction of previously assumed quantities. These price increases could also be attributable to better data from the European economy, suggesting a recovery in the industry.

On 1 October 2013, the Ministry of Economy distributed free CO₂ allowances among all installations participating in the EU ETS trading system, in accordance with Poland's derogation application. Receipt of free allowances is conditional upon performance of investment tasks captured in the National Investment Plan and utilization of the expenditures on their execution for settlement of the allowances granted. In the period 2013-2020, the quantity of free allowances will decrease each year and as of 2020 all CO₂ allowances will have to be purchased at an auction.

Fig. 13. EUA prices (DEC 2013) in the period from January to September 2013

 Source: <http://www.barchart.com/detailedquote/futures/CKZ13>

3. Major achievements and failures of the Group in the period covered by the report and list of key related events

3.1. Group's financial results

3.1.1. Description of the rules for drawing up the interim condensed consolidated financial statements

The condensed interim consolidated financial statements of the ENERGA Group for the period of 9 months ended 30 September 2013 have been prepared in accordance with the International Accounting Standard 34 "Interim financial reporting" as adopted by the European Union.

The condensed interim consolidated financial statements have been prepared on the historical cost basis except for financial instruments measured at fair value through profit or loss and hedging derivatives.

The condensed interim consolidated financial statements have been prepared based on the assumption that the Group would continue as a going concern in the foreseeable future. As at the date of the financial statements there is no evidence indicating significant uncertainty as to the ability of the ENERGA Group to continue its business activities as a going concern.

The accounting (policy) principles used to prepare the interim condensed consolidated financial statements were presented in Note 7 to the condensed interim consolidated financial statements of the ENERGA SA Group consistent with IAS 34 for the 9 months ended 30 September 2013.

3.1.2. Discussion of the key economic and financial numbers of the ENERGA Group disclosed in the consolidated financial statements for 3Q 2013.

Consolidated profit and loss account

	9 months ended 30 September 2013	9 months ended 30 September 2012	change	change (%)
	PLN thousand			
Revenue	8,537,486	8,241,169	296,317	3.6%
Cost of sales	7,062,093	6,936,890	125,203	1.8%
Gross profit	1,475,393	1,304,279	171,114	13.1%

ENERGA SA

Additional information to the ENERGA Group's expanded consolidated report for the 3- and 9-month period ended on 30 September 2013

Other operating income	97,717	81,934	15,783	19.3%
Selling and distribution expenses	213,519	206,623	6,896	3.3%
General and administrative expenses	279,975	277,472	2,503	0.9%
Other operating expenses	146,489	103,501	42,988	41.5%
Operating profit	933,127	798,617	134,510	16.8%
Financial income	129,611	65,043	64,568	99.3%
Financial costs	246,753	185,966	60,787	32.7%
Share of profit (loss) of associates	(513)	(180)	(333)	185.0%
Profit before tax	815,472	677,514	137,958	20.4%
Income tax	212,049	162,526	49,523	30.5%
Discontinued operations and non-current assets classified as held for sale	(5,807)	15,198	(21,005)	-
Net profit for the period	597,616	530,187	67,429	12.7%
EBITDA	1,501,373	1,332,380	168,993	12.7%

	3Q 2013	3Q 2012		
	PLN thousand		change	change (%)
Revenue	2,747,942	2,625,940	122,002	4.6%
Cost of sales	2,330,001	2,367,070	(37,069)	(1.6%)
Gross profit	417,941	258,870	159,071	61.4%
Other operating income	37,033	31,619	5,414	17.1%
Selling and distribution expenses	75,279	70,812	4,467	6.3%
General and administrative expenses	97,486	90,318	7,168	7.9%
Other operating expenses	99,821	45,645	54,176	118.7%
Operating profit	182,389	83,714	98,675	117.9%
Financial income	26,460	19,393	7,067	36.4%
Financial costs	95,322	46,047	49,275	107.0%
Share in the profit (loss) of the associated entity	(116)	(153)	37	(24.2%)
Profit before tax	113,411	56,907	56,504	99.3%
Income tax	45,179	37,013	8,166	22.1%
Discontinued operations and non-current assets classified as held for sale	(3,231)	-	(3,231)	-
Net profit for the period	65,001	19,893	45,108	226.8%
EBITDA	373,540	265,097	108,443	40.9%

In the three quarters of 2013, the Group's revenues were PLN 8,537,486 thousand which compared to the same period of the previous year represents an increase of PLN 296,317 thousand, i.e. 4%. An increase in revenues was recorded by the Distribution Segment and the Sales Segment, while the Generation Segment experienced a decline in the same period. Revenue growth in the Distribution Segment was driven by the increasing distribution tariff.

Cost of sales was 2% higher y-o-y. The increase in the cost of sales was caused by higher cost of electricity purchase due to a higher volume of purchases. On the other hand, lower consumption of hard coal had a positive

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contribution, driven mainly by the average prices of coal falling by 6.3% and by lower cost of purchase of transmission and transit services.

The Group's EBITDA increased by approx. PLN 168,993 thousand (13%) up to PLN 1,501,373 thousand. The main contributor to EBITDA growth was the improved results of the Distribution and the Generation Segment Segments.

Accordingly, the net result of the ENERGA Group reached PLN 597,616 thousand, which was 13% more than the net profit earned during the first three quarters of 2012.

Consolidated statement of financial position

PLN thousand	As at 31 January 2009	As at 31 December 2012	Change	% Change
ASSETS				
Non-current assets				
Property, plant and equipment	11,356,144	10,000,916	1,355,228	13.6%
Investment property	15,337	17,060	(1,723)	(10.1%)
Intangible assets	376,441	378,563	(2,122)	(0.6%)
Goodwill	144,973	28,627	116,346	406.4%
Investments in associates accounted for under the equity method	1,955	2,580	(625)	(24.2%)
Other investments	1,341	980	361	36.8%
Deferred tax assets	225,485	209,870	15,615	7.4%
Hedging derivatives	50,369	-	50,369	-
Other non-current assets	55,748	58,799	(3,051)	(5.2%)
	12,227,792	10,697,396	1,530,396	14.3%
Current assets				
Inventories	291,555	376,928	(85,373)	(22.6%)
Current tax receivables	40,399	37,493	2,906	7.8%
Trade receivables	1,274,651	1,520,668	(246,017)	(16.2%)
Deposits	20,419	26,784	(6,365)	(23.8%)
Other financial assets	20,254	18,762	1,492	8.0%
Cash and cash equivalents	2,306,822	2,069,058	237,764	11.5%
Other current assets	235,839	155,516	80,323	51.6%
	4,189,939	4,205,209	(15,270)	(0.4%)
Assets classified as held for sale	142,816	10,168	132,648	1304.6%
TOTAL ASSETS	16,560,547	14,912,773	1,647,774	11.0%
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the Parent				
Share capital	4,521,613	4,968,805	(447,192)	(9.0%)
Foreign exchange gains arising on translation	(656)	47	(703)	-

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Additional reserve capital	447,192	-	447,192	100%
Reserve capital	521,490	471,235	50,255	10.7%
Cash flow hedge reserve	28,273	-	28,273	100%
Retained earnings	2,321,092	2,231,139	89,953	4.0%
Non-controlling interest	26,566	47,295	(20,729)	(43.8%)
Total equity	7,865,570	7,718,522	147,048	1.9%
Non-current liabilities				
Loans and borrowings	1,812,307	2,026,138	(213,831)	(10.6%)
Bonds issued	3,155,065	1,079,219	2,075,846	192.3%
Non-current provisions	652,832	710,786	(57,954)	(8.2%)
Deferred tax liabilities	516,850	519,686	(2,836)	(0.5%)
Deferred income and non-current government grants	462,669	456,010	6,659	1.5%
Finance lease liabilities	2,708	7,293	(4,585)	(62.9%)
Other non-current financial liabilities	2,597	1717	880	51.3%
Other non-current liabilities	10,104	613	9,491	1548.3%
	6,615,132	4,801,461	1,813,671	37.8%
Current liabilities				
Trade and other financial liabilities	785,279	880,271	(94,992)	(10.8%)
Current loans and borrowings	283,426	389,639	(106,213)	(27.3%)
Bonds issued	50,899	-	50,899	100%
Current income tax liability	19,414	34,662	(15,248)	(44.0%)
Deferred income and government grants	30,181	28,933	1,248	4.3%
Accruals	87,386	117,765	(30,379)	(25.8%)
Provisions	376,131	555,345	(179,214)	(32.3%)
Other current liabilities	379,769	386,174	(6,405)	(1.7%)
	2,012,484	2,392,789	(380,305)	(15.9%)
Liabilities related to assets classified as held for sale	67,360	-	67,360	100%
Total liabilities	8,694,976	7,194,250	1,500,726	20.9%
TOTAL EQUITY AND LIABILITIES	16,560,547	14,912,773	1,647,774	11.0%

As at 30 September 2013, the total assets of the ENERGA Group reached PLN 16,560,547 thousand and were PLN 1,647,774 thousand (11%) higher than on 31 December 2012.

The most significant change was recorded in property, plant and equipment, which increased by the aggregated amount of PLN 1,353,106 thousand (13%). This effect was driven by an increase in non-current assets due to capital expenditures in the Distribution Segment of PLN 842,322 thousand and the acquisition of wind assets from the DONG Group and of Ciepło Kaliskie for PLN 1,051,659 thousand, where the contribution was reduced by depreciation of PLN 568,246 thousand.

In liabilities, the bonds issued item changed most radically from PLN 1,079,219 thousand (as at 31 December 2012) to PLN 3,205,964 thousand at the end of September 2013 (i.e. by 197%), which was due to the issue of Eurobonds in March 2013 in the amount of EUR 500 million (more in item 4.2.)

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The equity of the ENERGA Group increased by PLN 147,048 thousand, driven mainly by the positive performance in 2013, partially offset by the distribution of the 2012 profit. The Company designated PLN 496,881 thousand to be distributed to shareholders as a dividend, which offset the positive result achieved in that period. As at 30 September 2013, the equity covered 47% of the Group's assets, while the same ratio at the end of 2012 was 52%. The Group's net debt increased by PLN 1,568,937 thousand (10%) up to PLN 2,994,874 thousand.

Consolidated cash flow statement

	As at	As at	Change	Change (%)
	30 September 2013	30 September 2012		
PLN thousand				
Net cash from operating activities	1,489,573	852,305	637,268	74.8%
Net cash used in investing activities	(2,297,684)	(1,247,980)	(1,049,704)	84.1%
Net cash flow from financing activities	1,120,504	(64,641)	1,185,145	-
Net increase / (decrease) in cash and cash equivalents	312,392	(460,315)	772,707	-
Cash and cash equivalents at the end of the period	2,341,766	1,295,226	1,046,540	80.8%

The balance of ENERGA Group's cash as at 30 September 2013 was PLN 2,341,766 thousand and was PLN 1,046,540 thousand (81%) higher than at end of the comparable period in 2012.

The total net cash flows from ENERGA Group's operating, investing and financing activities in the three quarters of 2013 were PLN 312,392 thousand, compared to (PLN 460,315) thousand for the three quarters of 2012. The main factor which caused this change was the first EUR 500 million bond issue under the EMTN program set up.

Cash flow from operating activities increased by PLN 637,268 thousand (75%) compared to the three quarters of the previous year.

Cash flow from investing activity was PLN 1,049,704 thousand (84%) higher than in the period of three quarters of the previous year, mainly due to expenditures for the acquisition of subsidiaries: Ciepło Kaliskie and wind assets from the DONG Group and Iberdrola Renovables (total expenditures for the acquisition of subsidiaries reached PLN 1,212,330 thousand in 9 months of 2013). The reduced expenditures towards property, plant and equipment and intangible assets had the opposite effect on the cash flows on investing activities (a drop of PLN 141,176 thousand, or 11%).

Cash flows used in investing activities in the three quarters 2013 were positive at PLN 1,120,504 thousand, i.e. PLN 1,185,145 higher as compared to the comparable period in 2012. The increase resulted primarily, in the issue of the first tranche of Eurobonds of EUR 500 million. In the period in question, the repayment of loans of PLN 328,078 thousand had an important effect on cash flow (towards the European Investment Bank EBI, European Bank for Reconstruction and Development (EBRD), Nordea Bank Polski, PKO BP and PEKAO SA) which was significantly higher than in the comparable period of 2012, i.e. PLN 19,303 thousand.

The cash flows achieved by the ENERGA Group in the discussed area are typical for growth companies: positive cash flows from operating activities, negative from investing activities and positive from financing activities. The Group's liquidity is not under threat.

3.2. Operating segments

3.2.1. Key operational data of the ENERGA Group

Electricity sales by the ENERGA Group (in TWh)

Electricity sales outside of the Group (in TWh)	9 months of 2013	9 months of 2012	Change
Retail electricity sales	13.63	15.08	(10%)
Electricity sales on the wholesale market	9.06	5.60	62%
<i>Electricity sales on energy exchange</i>	7.19	3.98	81%
<i>Electricity sales to foreign recipients</i>	0.19	0.14	29%
<i>Electricity sales to cover network losses</i>	1.07	1.07	0%
<i>Electricity sales to the balancing market</i>	0.60	0.38	56%
<i>Other wholesale</i>	0.02	0.02	(1%)
Total sale of energy	22.70	20.68	10%

After three quarters of 2013, the volume of electricity sold by the ENERGA Group decreased by approximately 10% (1.4 TWh) when compared to the similar period in 2012. The decline affected all the tariff groups, while the most significant deviation occurred within tariff groups A and B. The decline in sales volumes within the tariff groups was offset by the increasing quantities of energy sold on the wholesale market. In this subsegment, the volume of sales increased by about 62% (3.5 TWh). When measured by volume, sales to households (tariff G) in the period from January to September 2013 represented 29% of sales to end users (previous year it was 27%). In the period under analysis, average sale prices to end users fell by approx. 3%, while on the wholesale market they decreased by almost 8%.

Distribution of electricity, by tariff groups*

Distribution of electricity, by tariff groups* (in GWh)	9 months of 2013	9 months of 2012	Change (%)
Tariff Group A (HV)	2,902	2,786	4%
Tariff Group B (MV)	5,085	4,964	2%
Tariff Group C (LV)	3,144	3,086	2%
Tariff Group G (LV)	4,013	4,044	(1%)
Total	15,143	14,880	2%

* Billed sales

After three quarters of 2013, the volume of supplied electricity was higher than the one in the same period of the previous year, by 2% on average. An increase of the average distribution rate was approx. 2% annualized.

Gross production of electricity in the ENERGA Group

Gross production of electricity (GWh)	9 months of 2013	9 months of 2012	Change (%)
Power plants - coal-fired	2,244.5	2,112.5	6%
Power plants - biomass co-fired	504.5	414.9	22%
CHP plants - coal-fired	137.9	138.7	(1%)
Biomass-fired CHP plants	2.8	8.2	(66%)
Power plants - hydro	809.7	585.8	38%
Pumped-storage plant	14.6	14.0	4%
Power plants - wind	41.8	0.0	-

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Total production of electricity	3,755.9	3,274.1	15%
<i>incl. renewable sources</i>	1,358.7	1,008.6	35%

During the three quarters of 2013, generating companies of the ENERGA Group produced approx. 481.8 GWh (15%) more electricity than the year before. The largest growth, by 37%, occurred in hydro power plants (good weather conditions caused the production growth of the Hydro Power Plant in Włocławek by 48%) and by 20% in biomass co-burning units (the year 2013 is the first full year of operation of the biomass co-burning boiler in ENERGA Elektrownie Ostrołęka SA).

Heat sales

Heat sales (in TJ)	9 months of 2013	9 months of 2012	Change (%)
ENERGA Kogeneracja Sp. z o.o.	1,369.5	1,334.9	3%
ENERGA Elektrownie Ostrołęka S.A.	1,038.5	1,147.9	(10%)
ENERGA Elektrociepłownia Kalisz S.A.	348.7	336.5	4%
Total heat sales	2,756.6	2,819.4	(2%)

The low average temperature in the winter/spring season of 2012/2013 had a positive effect on the sales of heat produced by ENERGA Group generators after three quarters of 2013. Despite the above, the aggregated sales of CHP plants fell by approx. 62.8 TJ (2%) compared to the same period of the previous year. Lower production were recorded by the Ostrołęka unit (109.4 TJ) where recorded change in the required capacity reservation services. This was not offset by the higher heat sales in other CHP plants (by 46.8 TJ).

Volume and value of fuel purchases from external suppliers

Fuel purchases	9 months of 2013		9 months of 2012		Change (%)	
	Quantity	Purchase value	Quantity	Purchase value	Quantity	Purchase value
		(PLN million)		(PLN million)		
Coal [thous. tons]	1,208.3	362.7	1,138.0	364.6	6.2%	(0.5%)
Biomass [thous. tons]	343.8	159.2	309.3	152.6	11.2%	4.3%
Total fuel purchases		521.9		517.2		0.9%

* Including the cost of transportation

In the period under analysis, the ENERGA Group generators used slightly higher quantities of coal (by approx. 70.3 thousand tons or 6%) compared to three quarters of 2012. This was the result of increase of the electricity production from coal by 6%. On the other hand, biomass usage increased by approx. 34.5 thousand. tons (11%). As a result of the falling market prices of energy resources, increase of volume usage resulted with the purchase values of those fuels by ENERGA Group generators - during the three quarters of 2013, they spent PLN 5 million (1%) more than in the same period of 2012.

3.2.2. Electricity Distribution Segment

<i>thous. PLN</i>	9 months ended 30 September 2013	9 months ended 30 September 2012	Change	Change (%)
Revenues	2,799,063	2,707,574	91,489	3.4%
EBITDA	1,136,067	1,036,872	99,195	9.6%
<i>of which depreciation:</i>	479,664	448,279	31,385	7.0%
EBIT	656,404	588,594	67,810	11.5%
Net profit	450,527	386,095	64,432	16.7%

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CAPEX	842,322	891,701	(49,379)	(5.5%)
<i>thous. PLN</i>	As at 30 September 2013	As at 31 December 2012	Change	Change (%)
Cash	676,423	715,429	(39,006)	(5.5%)
Financial debt	2,936,227	3,058,363	(122,136)	(4.0%)
Headcount at the end of the period [people]	6,525	6,954	(429)	(6.2%)

During the 3 quarters of 2013, the electricity Distribution Segment contributed approx. 76% to ENERGA Group's EBITDA (approx. 78% after 3 quarters of 2012).

In the 3 quarters of the current year, revenues of the electricity Distribution Segment were higher than the same period of the previous year (approx. +3%). The higher revenues were driven by growing average distribution rate due to an increase in distribution tariffs and a higher volume of distributed electricity (an increase of almost 2%). Revenues from connection fees were also higher than in the previous year (approx. +11%).

EBITDA growth was 10% y-o-y. EBIT increased by PLN 67,810 thousand (12% y-o-y). Lower costs of transmission and transit services and increased distribution rates were the key contributors to the improved operating result.

The net profit of the period reached PLN 450,527 and was PLN 64,432 thousand (+17%) higher than the net profit the year before. The net profit was adversely affected by the financial result of PLN (74,290) thousand caused among others by financial costs on the debt raised for the Group centrally by ENERGA SA.

During the 3 quarters of 2013, capital expenditures of the Distribution Segment were PLN 842,322 thousand, i.e. PLN 49,379 thousand lower than in the same period of the previous year. The lower capex was caused, among others, by difficult weather conditions associated with the prolonged winter of 2013.

Compared to 31 December 2012, financial debt fell by PLN 122,136 thousand as the Company started the repayment of loans incurred in international financial institutions. Cash was 6% lower than at the end of 2012.

3.2.3. Sales Segment

<i>PLN thousand</i>	9 months ended 30 September 2013	9 months ended 30 September 2012	Change	Change (%)
Revenues	5,248,805	5,214,277	34,528	0.7%
EBITDA	188,035	201,201	(13,166)	(6.5%)
<i>of which depreciation:</i>	19,613	18,099	1,514	8.4%
EBIT	168,422	183,102	(14,680)	(8.0%)
Net profit	158,482	153,955	4,527	2.9%
CAPEX	20,492	17,505	2,987	17.1%

<i>PLN thousand</i>	As at 30 September 2013	As at 31 December 2012	Change	Change (%)
Cash	321,207	246,150	75,057	30.5%
Financial debt	1,910	2,365	(455)	(19.2%)
Headcount at the end of the period [people]	1,455	1,425	30	2.1%

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During the 3 quarters of 2013, the Sales Segment contributed approx. 13% to ENERGA Group's EBITDA, compared to 15% in the same period of the previous year.

Revenues of the Sales Segment were PLN 5,248,805 thousand, similar to the same period of the previous year. During the 3 quarters of 2013, the volume of electricity sold by the ENERGA Group to end users decreased by approximately 10% (1.4 TWh) when compared to the similar period in 2012. The decline affected all the tariff groups, while the most significant deviation occurred within tariff groups A and B. The decline in sales volumes within the tariff groups was offset by the increasing quantities of energy sold on the wholesale market. In this subsegment, the volume of sales increased by about 62% (3.5 TWh).

In the period under analysis, average sale prices to end users fell by approx. 3%, while on the wholesale market they decreased by almost 8%.

The change in the sales structure reduced EBITDA by nearly 7% as compared to the same period in the previous year, down to PLN 188,035 thousand.

Liquidity of the Segment improved. Compared to the end of 2012, cash as at 30 September 2013 increased by PLN 75,057 thousand (30%).

3.2.4. Generation Segment

<i>PLN thousand</i>	9 months ended 30 September 2013	9 months ended 30 September 2012	Change	Change (%)
Revenues	1,115,809	1,158,171	(42,362)	(3.7%)
EBITDA	198,575	114,806	83,769	73.0%
<i>of which depreciation:</i>	74,667	75,182	(515)	(0.7%)
EBIT	123,908	39,624	84,284	212.7%
Net profit	83,417	4,056	79,361	1956.6%
CAPEX	1,218,034	222,329	995,705	447.9%

<i>PLN thousand</i>	As at 30 September 2013	As at 30 September 2012*	Change	Change (%)
Cash	309,980	396,600	(86,620)	(21.8%)
Financial debt	1,525,752	378,167	1,147,585	303.5%
Headcount at the end of the period (<i>people</i>)	1,578	1,661	(83)	(5.0%)

*Data as at 31 December 2012

After 3 quarters of 2013, the contribution of the Generation Segment to the aggregated EBITDA of the ENERGA Group was 13%, increasing from 9% in the same period of the previous year.

Despite the higher production volume by the Segment's production assets (by 15%) benefiting from, among others water and weather conditions, its revenues were lower than during the 3 quarters of the previous year. This was driven mostly by the decline in average selling prices of electricity. Another major contributing factor was the lower volume of electricity sold as compared to the previous year.

An increase in energy production from energy resources (by 8% compared to the same period in the previous year) resulted in a pro rate increase in the volume of energy resources used (coal, biomass). This however did not increase the cost of consumption of those resources due to their lower purchase prices (fall of approx. 6%) and the optimized level of inventories in ENERGA Elektrownie Ostrołęka SA.

Segment's results were adversely affected by the lower market prices of certificates of origin from renewable sources ("green certificates") which serve as the basis for recognizing revenues on certificates received.

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The Segment's capital expenditures were much higher during the 3 quarters of 2013 than in the same period of 2012 (by PLN 995,705 thousand). They included expenditures for increases in non-current assets associated with the acquisition of wind farms from DONG Energy Wind Power A/S and Iberdrola Renovables Energia S.A.U., as well as the acquisition of Ciepło Kaliskie Sp. z o.o., in the amount of PLN 1,051.7 million.

The increase in financial debt and the balance of cash as compared to the 3 quarters of 2012, was caused by a bond issue of PLN 1,100,000 thousand by ENERGA Hydro Sp. z o.o. to be used for the acquisition of wind farms.

3.3. Execution of the investment program

In period of the first 3 quarters of 2013 entities from the ENERGA Group incurred capital expenditures in the amount of PLN 2,104 million, compared to 1,193 in the same period last year. The biggest share in this amount went to the expenditures of the Distribution Segment, which totaled PLN 842 million (i.e. 40% of total expenditures). Significant funds were also consumed by the project to develop a heat source for the city of Ostrołęka (PLN 38.1 million), modernization of ESP Żydowo (PLN 18.3 million) and construction of a biomass unit in EC Elbląg (PLN 37.7 million).

In the first 3 quarters of 2013 the ENERGA Group executed, among other things, the following investment projects:

- Expansion and modernization of the distribution network, including implementation of the *Smart Grid*.
- Construction of a biomass unit in EC Elbląg with the capacity of 25 MWe and 30 MWt. All installation works for the unit have been completed. At present, functional and operation tests of the installations and equipment are under way, and after their positive completion the trial and adjustment run of the entire unit will take place. The commissioning of the unit is planned for 2014.
- Addition of heat generation to the power units in Elektrownia Ostrołęka B. The investment is at the construction stage. The commissioning of the new heat source is planned for 2014.
- Modernization of ESP Żydowo, including expansion of the power plant's capacity by 9 MWe. All modernization works have been completed on schedule. The commissioning of the last hydro unit took place on 2 October 2013.
- Construction of a ~20.5 MWe wind farm in Myślino. Preparations for commencement of the construction phase are currently under way. On 22 August 2013, a tender for delivery, installation and commissioning of wind turbines was announced.
- Construction of a ~28 MWe wind farm in Drzewiany. The investment project is at the stage of obtaining the required permits and administrative decisions, and securing the title to the land. The commissioning of the farm is planned for 2015.
- Construction of a photovoltaic power plant in Gdańsk with the capacity of approx. 2 MWe. Currently the work associated with preparation of the investment project for execution is under way. On 4 July 2013, a tender for construction of the power plant together with the accompanying infrastructure was announced.
- Preparation of a project to build a gas-fired power plant in Grudziądz with the capacity of approx. 500 MWe. The investment is at the stage of a tender to select the General Contractor. If the required economic prerequisites are satisfied and a decision is made to go ahead with the construction phase, the power plant can be commissioned in 2017.
- Preparation of a project to build a gas-fired power plant in Gdańsk with the capacity of approx. 500 MWe. The investment project is at the stage of preparation of the design documentation and obtaining the required permits and decisions. Completion of the stage of preparation of the investment for construction is planned for 2016.

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- Preparation of a project to build a combined cycle unit in EC Elbląg with the capacity of ~115 MWe and 83 MWt. The unit is to replace the decommissioned hard coal-fired units. In August an agreement with the General Designer was signed. Currently the work associated with assessment and preparation of the investment project for execution is under way.
- Preparation of a design for construction of the second barrage on the Wisła together with a water power plant with the capacity of approx. 76 MWe. Currently the work associated with obtaining the Environmental Decision is under way.

3.4. Forecast financial results

ENERGA SA's Management Board has not published forecast stand-alone or consolidated financial results for the 2013 financial year.

3.5. Financial and market risk management

Implementing the provisions of the ENERGA Group Financial Policy, the Group entities conclude different kinds of financial agreements which entail financial and market risks. The most important ones include the interest rate risk, FX risk, credit risk and liquidity risk. The above risk categories determine the financial results of individual companies and the ENERGA Group.

Interest rate risk

ENERGA Capital Group entities finance their operating or investing activity with debt liabilities bearing interest at a floating or fixed interest rate. The interest rate risk is also associated with investment of surplus cash in floating or fixed interest rate assets.

The floating interest rate risk resulting from concluded debt liabilities pertains only to rates based on the WIBOR rate. In the case of liabilities in EUR the interest rate risk is associated with fixed interest rates.

Foreign currency risk

In the financial area the FX risk is associated with incurring and servicing ENERGA Group's debt liabilities in a foreign currency, which is possible under the EMTN Eurobond Issue Program. Additionally, selected Group entities had foreign currency surpluses resulting from their operating activity or debt issues.

The ENERGA Group monitors and manages the FX risk. For the purposes of hedging the FX risk associated with the issue of the first series of the Eurobonds the Group has concluded CIRS hedging transactions.

Credit risk

This risk arises due to the counterparty's potential permanent or temporary insolvency with regard to financial assets such as cash and cash equivalents and financial assets available for sale. The risk arises due to the contractual counterparty's inability to make the payment and the maximum exposure to this risk equals the balance sheet value of acquired instruments. In this respect, to minimize credit risk the ratings of financial institutions with which the Group cooperates are monitored.

Credit risk is also incurred in the case of funds involved in participation units in the ENERGA Trading SFIO fund. According to the adopted investment policy, the fund invests in assets such as treasury bills and bonds and commercial debt instruments. Credit risk associated with investments in treasury bills and bonds is referred to the solvency risk of the State Treasury. Credit risk associated with investments in commercial debt instruments is mitigated through the fund's properly defined investment policy. The fund may invest its monies only in assets characterized by an investment rating awarded by rating agencies or awarded internally by the fund manager.

Liquidity risk

ENERGA Group companies monitor the liquidity risk using a periodic liquidity planning tool. The tool takes into account the payment due/maturity dates both for investment liabilities and financial assets and liabilities and forecasted cash flows from operating activity.

The Group aims at maintaining the balance between continuity and flexibility of financing through use of various sources of financing, such as working capital and investment loans, local bonds and Eurobonds.

Due to centralization of the debt-related activity in ENERGA SA, this entity conducts on-going monitoring of fulfillment of the covenants and their forecasts in long-term periods, which makes it possible to define the Group's capability to incur debt. This, in turn, determines the Group's investment capabilities.

4. Significant events during the reporting period and events after the balance sheet date

4.1. Domestic bond issue program

On 21 September 2012, ENERGA SA concluded with Pekao SA and BRE Bank SA an issue agreement establishing a domestic bond issue program in the amount of PLN 4 billion. The first bond issue under the program in the amount of approx. PLN 1 billion took place on 19 October 2012, with the redemption date of 18 October 2019. The issue was addressed to Polish institutional investors. On 19 November 2012, the bonds were floated on one of the Catalyst markets – on the Alternative Trading System (ASO) platform which is operated by BondSpot S.A. On 8 January 2013, an application was filed with the Financial Supervision Commission (KNF), together with the prospectus, to transfer the bonds to the regulated market. This KNF proceeding however has been suspended due to the process of preparation for the Company's IPO. On 28 June 2013, an application was filed with KNF for resumption of the proceeding to approve the prospectus prepared in connection with the intention to apply for admission and introduction of the bonds issued by ENERGA SA into trading on the regulated market. The proceeding to approve the prospectus was again suspended by KNF because the preparations for the IPO have gained momentum.

4.2. Eurobond issue program

On 19 March 2013, as part of the Eurobond Issue Program (EMTN Program), the first eurobond issue with the value of EUR 500 million was carried out by ENERGA Finance AB(publ), a 100% subsidiary of ENERGA SA. The EMTN Program was assigned a BBB investment rating from Fitch and Baa1 from Moody's Investors Service. The first issue under the program comprised 5,000 bonds with the value of EUR 100 thousand each, with a 7-year maturity and with an annual coupon of 3.250%. The Eurobonds are listed at the Luxembourg exchange.

4.3. Bond issues

On 30 May 2012, ENERGA SA concluded with PKO Bank Polski SA a bond issue agreement as part of a program with the total value of PLN 100 million. The funds under the agreement can be used to subscribe for the bonds issued by ENERGA Elektrownie Ostrołęka SA in connection with the execution of an investment program. The bond redemption date is 31 December 2022. Bonds can be issued as short-term securities with a maturity of 3 months, with the bank's obligation to subscribe for them in accordance with the terms and conditions of the issue agreement throughout its term. The agreement is secured by financial covenants. The first bond issue as part of the above financing in the amount of PLN 66 million was carried out on 9 July 2012. The bond amount redeemable on 9 July 2013 was rolled over to new series bonds. As at 30 September 2013, as part of this program, ENERGA SA's debt on account of the bond issue with the maturity falling on 9 October 2013 amounted to PLN 66 million.

4.4. Loans to finance ENERGA–OPERATOR SA's investment program for 2012-2015

On 10 July ENERGA SA, ENERGA-OPERATOR SA and European Investment Bank (EIB) concluded a bank loan agreement for PLN 1 billion maturing up to 15 years for each tranche.

The funds raised from this agreement will be earmarked for financing a long-term investment program of ENERGA-OPERATOR SA, involving, among other things, development of the distribution network and improvement of its efficiency, including implementation of an advanced metering system constituting an element of the new "Smart Grid" solution. As at 30 September 2013 the EIB loan has not been utilized.

On 26 June 2013, ENERGA SA and its subsidiary ENERGA–OPERATOR SA and the European Bank for Reconstruction and Development (EBRD) concluded a loan agreement for PLN 800 million under which EBRD provided PLN 400 million, and the remainder will be taken up by a consortium of two commercial banks: PKO Bank Polski SA and ING Bank Śląski SA. The funds obtained from the agreement will be earmarked for financing the aforementioned investment program of ENERGA–OPERATOR SA for 2012-2015. The final maturity of the loan is 18 December 2024. The loan is unsecured and based on customary contractual provisions. As at 30 September 2013 the loan has not been utilized.

4.5. Wind asset purchase agreement

On 19 February 2013, ENERGA Hydro Sp. z o.o. (ENERGA Hydro) signed an preliminary agreement on purchase of up to 100% shares in companies constituting inland wind assets of Dong Energy Wind Power A/S in Poland in a consortium with PGE Polska Grupa Energetyczna SA (PGE). The transaction was finalized on 28 June after obtaining UOKiK's approval for the concentration. As a result of purchase of the shares the ENERGA Group acquired one operating wind farm with the capacity of 51 MW and a portfolio of wind projects with diversified level of completion and the total capacity of 200 MW.

On 26 February 2013, ENERGA Hydro, also in a consortium with PGE, concluded an preliminary agreement on purchase of shares in Iberdrola Renewables Polska Sp. z o.o. (currently: EPW Energia Sp. z o.o.). After fulfillment of the conditions precedent the transaction was finalized on 31 July 2013. As a result of the transaction ENERGA Hydro became the owner of 67.3% of the shares of the acquired company. After splitting the company the ENERGA Group will become the sole owner of wind farms: Karścino with the capacity of 90 MW and Bystra with the capacity of 24 MW, as well as a portfolio of wind projects with different levels of completion and the total capacity of 1,186 MW.

4.6. Heating asset purchase agreement

On 9 April 2013, a subsidiary, ENERGA Kogeneracja Sp. z o.o., and the City of Kalisz concluded an agreement on the purchase of 90% shares in Ciepło Kaliskie Sp. z o.o., company managing the integrated heating system in Kalisz and holding the position of a natural monopolist in this market. The company does not conduct heating activity but leases the heating assets to Przedsiębiorstwo Energetyki Ciepłej S.A. in Kalisz. Presently this company conducts operating activity using the assets belonging to Ciepło Kaliskie.

4.7. Long-term agreement between ENERGA–OBRÓT SA and PSE-ELECTRA SA (currently PGE Polska Grupa Energetyczna SA)

The aforementioned agreement pertains to transactions of purchase, sales, delivery and offtake of electricity between ENERGA-OBRÓT SA and PGE. The agreement was concluded for an undefined term, effective as of 21 December 2007. The estimate value of the agreement depends on the purchase, sale, delivery and offtake of electricity between the parties (value of cash flows). In the period from 1 January to 30 September 2013, ENERGA-OBRÓT SA purchased electricity from PGE for PLN 1,505,364 thousand.

4.8. Information on material transactions concluded with related entities

Information on the transactions with affiliated entities is presented in Note 18 to the condensed consolidated interim financial statements for the period of 9 months ended 30 September 2013.

4.9. Guarantees and sureties given

On 19 April 2013, ENERGA SA concluded with PGE a surety agreement under which the Company granted a surety for the period from 30 April 2013 to 30 June 2016 for the trade liabilities of ENERGA-OBRÓT SA associated with purchase of electricity up to PLN 500 million.

4.10. Update of the ENERGA Group's Strategy for 2013–2020

The ENERGA SA Management Board on an on-going basis reviews and adapts the strategy to the current market conditions and other factors important for the industry. After verification of the strategy presented in current report no. 20/2013 on 13 September the Company replaced in full the previous versions of the strategy.

The Company's overriding objective is to create value for shareholders and other stakeholders through development of the Group as an efficient and innovative entity which flexibly adapts to market conditions, maintains a profile of activity with a low business risk and safe capital structure, becoming an increasingly reliable distributor, preferred supplier and environment-friendly generator of electricity.

The strategy of the ENERGA Group assumes defending the leading position among Polish utilities and further increase of efficiency and quality of the offered services, thanks to joint efforts of committed and devoted employees. The strategy is based on 3 main pillars: (i) development of distribution activity, (ii) minimizing environmental impact, and (iii) constant concentration on customer service.

In distribution activity the priority will be to enhance profitability, improve the quality and reliability of services and further connection of new customers and renewable sources of energy to our grid. These objectives will be attained in particular through modernization and expansion of the distribution grid and improvement of operation efficiency.

The ENERGA Group will reduce its impact on the natural environment thanks to development of environment-friendly energy sources, including investments in renewable energy sources and support of efficient energy consumption. To this effect the Group uses tested technologies and processes reducing greenhouse gas emissions in the generation and distribution process.

The ENERGA Group's constant concentration on customer service will enable us to improve their satisfaction with the quality of services and maintain strong long-term ties. The Group will provide its customers with high quality products and services delivered in a reliable and cost-efficient manner.

One of the core tools for execution of the strategy is the Investment Program. The Group carries out careful financial analyses to ensure that its investment projects reach and exceed the minimum thresholds of the internal rate of return on investments. ENERGA evaluates and undertakes investments and manages business risk in a prudent manner, while observing safety of the capital structure. Currently the Group pursues the following financial objectives: (i) maintaining the credit ratings on the investment level; (ii) limiting the amount of expenditures on individual projects to a figure no higher than the Group's annual EBITDA; and (iii) maintaining a safe level of financial ratios – our objective is to maintain the Net Debt/EBITDA ratio at no more than 2.5.

The current Investment Program comprises potential investments with the value of up to approx. PLN 19.7 billion in the period from 2013 to 2021. Approx. PLN 15.9 of this amount are investments in projects perceived as important from the standpoint of execution of the strategy, which depend on external factors such as, in particular, regulatory changes or market conditions only to a small extent. These are in most cases projects stimulating increase of efficiency of the distribution segment and the Group's production capacity regarding RES and co-

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Additional information to the ENERGA Group's expanded consolidated report for the 3- and 9-month period ended on 30 September 2013

generation, with the total expenditures on distribution of approx. PLN 12.5 billion, on RES – approx. PLN 1.7 billion, on the baseload power plant and CHP – approx. PLN 1.1 billion, and other investments – approx. PLN 0.6 billion. The remaining projects with the expenditures of approx. PLN 3.8 billion, with an 82% share of RES, comprise optional investment projects depending on the market and regulatory conditions, whose implementation in each case will depend on the results of feasibility studies and analyses of cost-efficiency and risks associated with their execution. Thus one cannot rule out that only some or none of them will be executed.

4.11. Privatization process

In January 2013 the Minister of State Treasury (MST) made a decision on relaunch of the ENERGA SA privatization process. The intention of the MST, according to public announcements, is to sell a minority stake in ENERGA SA at the Warsaw Stock Exchange as part of an IPO (Initial Public Offering) transaction. On 1 August this year the MST announced selection of the advisors for the Company's IPO. The global coordinators are J.P. Morgan and UBS Investment Bank. On 11 September 2013, the Minister of State Treasury filed ENERGA SA's prospectus with KNF.

4.12. Ratings

ENERGA was assigned ratings by two independent rating agencies, i.e. Fitch Ratings and Moody's Investors Service, seated in the territory of the European Union and registered pursuant to the Rating Agency Regulation.

On 10 October 2013, Fitch Ratings upheld the "BBB" long-term international rating assigned to the Company with a stable outlook and the long-term sovereign rating at "A(pol)" with a stable outlook. In the rating the agency pointed to (i) the high share of the regulated distribution segment in EBITDA, which contributes to predictability of the cash flows, (ii) progress in raising external financing sources for the capital expenditures and sufficient liquidity. The agency also pointed to additional factors, in the form of a relatively stable regulatory environment and acceleration of the development of generation capacity from renewable energy sources by the Company.

In December 2011, Moody's Investors Service assigned to the ENERGA Group a "Baa1" long-term rating with a negative outlook, which it upheld in December 2012. The negative outlook reflects the uncertainty regarding the ownership plans and the Group's intensive investment plans for the next years. When assigning the rating, Moody's pointed to the following factors which impacted the rating granted: (i) the Group's established position as one of the four biggest power groups in Poland, (ii) low business risk of regulated distribution activity, which generated 59% of the Group's EBITDA in 2011 (70% in H1 2012), (iii) the Group's strong financial standing, balancing the risk associated with significant investment plan, (iv) the Group's short position in generation – relatively large generation gap, (v) relatively short history of the Group's activity. On 8 March 2013, Moody's Investors Service assigned to the medium-term, senior Eurobond Issue Program (EMTN Program) of the ENERGA Finance AB(publ) seated in Sweden (100% subsidiary of ENERGA SA), with the value of up to EUR 1 billion, with a guarantee granted by ENERGA SA, a temporary long-term credit rating at "(P)Baa1" with a negative outlook.

4.13. Impairment of the fixed assets of Power Plant B in Ostrołęka

Due to the prerequisites appearing with regard to Power Plant B operating within the subsidiary ENERGA Elektrownie Ostrołęka SA, which may result of impairment of the value in use of this company's property, plant and equipment, as at 31 March 2013 an impairment test was carried out on the basis of financial projections for period IV of 2013-2017 and residual value. The test pointed to the necessity of making a revaluation charge for the property, plant and equipment of Power Plant B. The revaluation charge for the property, plant and equipment of Power Plant B in Ostrołęka in the amount of PLN 123.4 million was reflected in ENERGA Group's own cost of sales.

As at 30 September 2013 a new impairment test for the property, plant and equipment of CGU B was carried out, in which their value in use was determined on the basis of the estimate discounted operating cash flows. The test was carried out taking into account the operation assumptions prepared by the company according to its knowledge as at 30 September 2013 and the price paths updated in accordance with the report prepared for the Polish market by an independent agency as at 31 July 2013. The calculations were carried out on the basis of combined financial projections for period X 2013-2018 and the residual value, using the discount rate in the amount of the weighted average of the cost of capital (WACC) at 8.21% before tax. On the basis of the results obtained, no need to adjust the revaluation charge created at the end of March 2013 was identified.

There is a risk that in the case of significant changes of market conditions the test results may change in the future.

4.14. The Ostrołęka C Project

In connection with suspension, in September 2012, of the investment project involving construction of a new 1,000 MW power unit in Ostrołęka, the ENERGA Group took actions aimed at finding an external investor for the project. In H1 2013 the process was ended as a result of absence of satisfactory offers, despite preliminary interest on the part of several potential investors. Currently the Group is considering alternative scenarios for further actions, including reduction of the capacity of the unit in Ostrołęka, change of the fuel to gas, or suspension of the project.

4.15. Distribution of ENERGA SA's profit for 2012

On 23 April 2013, the Ordinary Shareholder Meeting of ENERGA SA adopted a resolution on distribution of the net profit for 2012. Out of the profit of PLN 547,135,921.36, nearly 91%, i.e. PLN 496,880,536.80, was allocated for dividend for the shareholders. The data (and the nominal price of PLN 0.10 per share) pertained to the status from before the merger of the shares of ENERGA SA. This process was executed on the basis of Resolution no. 22 of the Extraordinary Shareholder Meeting adopted on 3 September, registered with the District Court on 9 September. PLN 50,255,384.56 was allocated for the Company's reserve capital. The ENERGA SA Management Board has recommended a dividend in the amount of PLN 0.04 per share, i.e. PLN 198,752,214.72, which accounted for over 36% of net profit for 2012. As at 30 September 2013 dividends in the amount of PLN 480,782 thousand were paid out.

5. Factors which, in the Company's opinion, will have impact on its results in the perspective of at least one quarter

In the opinion of the ENERGA SA Management Board, the following factors will have impact on the results and activity of the Company and the ENERGA Group in the perspective of at least one quarter of 2013:

- level of demand for electricity and heat,
- electricity prices at the wholesale and retail market,
- prices of property rights and URE's policy as regards the granting of property rights for biomass co-firing,
- prices of fuels used for production of electricity and heat, especially prices of hard coal and biomass,
- macroeconomic environment, in particular the level of interest rates and FX rates,
- availability and prices of CO₂ allowances,
- changes to the legal environment,
- weather and hydrometeorological conditions,
- outcomes of pending lawsuits.

6. ENERGA SA's governing bodies

As at the date of submission of this report the personnel composition of the Management Board was as follows:

Composition of ENERGA SA's Management Board (as at 30 September 2013)

Name of the Management Board member	Function
Mirosław Bieliński	President of the Management Board
Roman Szyszko	Executive Vice President of the Management Board, Chief Financial Officer
Wojciech Topolnicki	Executive Vice President of the Management Board, Strategy and Investment

As at the date of submission of this report the personnel composition of the Supervisory Board was as follows:

Composition of ENERGA SA's Supervisory Board (as at 30 September 2013)

Name of the Supervisory Board member	Function
Zbigniew Wtulich	Chairman of the Supervisory Board
Marian Gawrylczyk	Deputy Chairman of the Supervisory Board
Agnieszka Poloczek	Secretary of the Supervisory Board
Iwona Zatorska-Pańtak	Member of the Supervisory Board
Mirosław Szreder	Member of the Supervisory Board
Roman Jacek Kuczkowski	Member of the Supervisory Board

7. ENERGA SA's share capital and shareholding structure

On 3 September 2013 the Extraordinary Shareholder Meeting of ENERGA SA adopted resolutions on merging the Company's shares and reducing its share capital. The merger was effected in combination with proportional reduction of the total number of the Company's series A, B and C shares from 4,968,805,368 to 414,067,114. The reduction of the share capital was effected through reduction of the nominal value of all existing shares in the Company from PLN 12 (new nominal value of the shares following from the merger) to PLN 10.92 each. The decrease of the share capital was carried out without any distributions to shareholders, including to the State Treasury, and resulted in shifting the funds from the share capital to reserve capital.

As at the date of submission of this report, the Company's share capital amounted to PLN 4,521,612,884.88 and was made up of 414,067,114 shares with the nominal value of PLN 10.92 each, which are registered shares:

- 269,139,114 series AA shares, which are ordinary shares,
- 144,928,000 series BB shares, which are preferred in terms of voting at the Shareholder Meeting in such a way that one share entitles the holder to 2 votes at the Shareholder Meeting.

As at the date of preparation of this document, the shareholding structure of ENERGA SA was as follows:

- State Treasury – 84.18% shareholding in the share capital,
- other shareholders – 15.82% shareholding in the share capital.

As at the date of preparation of this report, the structure of votes at the ENERGA SA Shareholder Meeting was as follows:

- State Treasury¹ – 88.28% votes at the Shareholder Meeting,

¹ The State Treasury holds 144,928,000 series BB shares preferred in terms of voting at the Shareholder Meeting in such a way that one share entitles the holder to 2 votes at the Shareholder Meeting.

- other shareholders – 11.72% votes at the Shareholder Meeting.

8. Proceedings pending before the court, arbitration bodies or public administration bodies

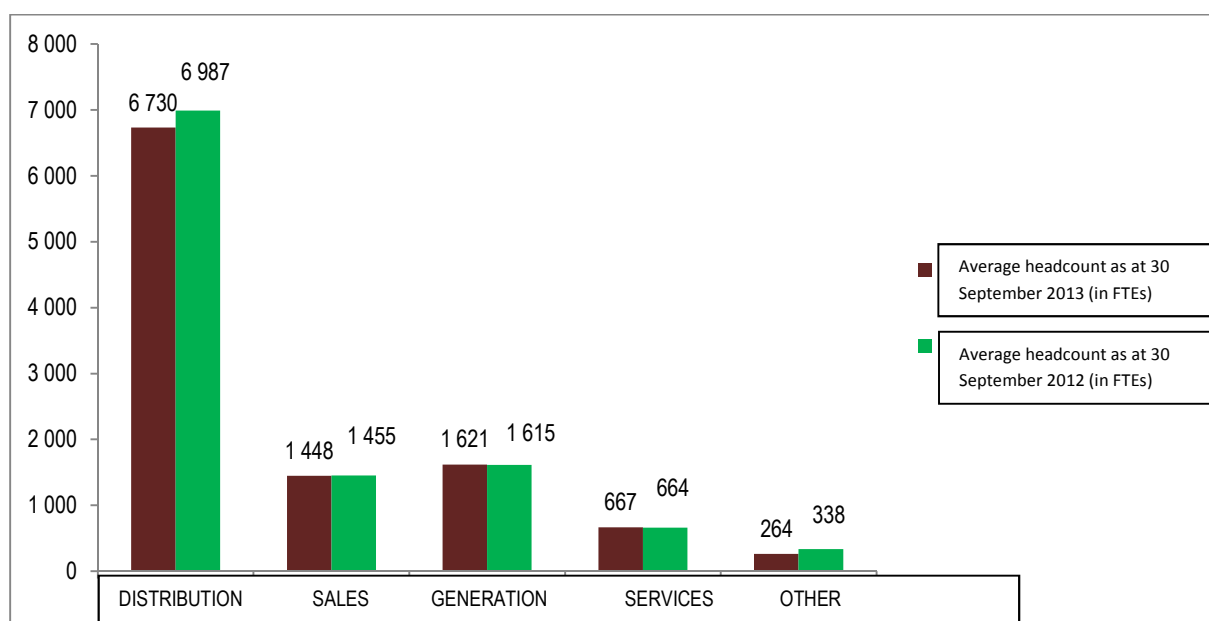
Detailed information pertaining to material court proceedings of the ENERGA Group are presented in note 23.6 to the interim condensed consolidated financial statements.

9. Employment in the ENERGA Capital Group

Total headcount in the ENERGA Group as at 30 September 2013 amounted to 10,441, whereas as at 30 September 2012 it amounted to 11,101.

The average headcount (FTEs) in the ENERGA Group for the period January-September 2013 amounted to 10,730 FTEs and in the same period of 2012 it amounted to 11,059. The chart below presents the average headcount by segment*).

Fig. 14 Average headcount in the ENERGA Group as at 30 September 2013 and 30 September 2012 (in FTEs)



*) Data from Capital Group companies by segment in accordance with the Resolution of the ENERGA SA Management Board of 24 June 2013.

In the period from 30 September 2012 to 30 September 2013 the headcount in the ENERGA Group decreased by 660 persons, i.e. by 5.95%. The biggest decrease of headcount was recorded in the electricity Distribution Segment - by 414 persons, i.e. 5.97% of the headcount in this segment. The main reason for the decrease was continuation of the voluntary termination program. Also the "Other" segment recorded a decrease of headcount by 107 persons², i.e. 31.01% of the headcount in this segment. As a result of changes in the operational model of the ENERGA SA management company, some of the processes, together with employees, were shifted to ENERGA Centrum Usług Wspólnych Sp. z o.o. and ENERGA Informatyka i Technologie Sp. z o.o., and group lay-offs were carried out in ENERGA Kongres Sp. z o.o. in liquidation. The decrease of headcount in the Generation Segment by 84 persons (5.05%) results from performance of big and seasonal construction and earthwork contracts.

² Segments Division data in accordance with the Resolution of the ENERGA SA Management Board of 24 June 2013.

The decrease of the total number of employees resulted mainly from the individual departure principles launched in the Group. They were established in connection with the social agreement of 19 July 2007 pertaining to securing employee rights and interests in the process of consolidation and restructuring of the Group ("Social Agreement") under which employees received, among other things, a guarantee of employment until 31 July 2017. In accordance with the Social Agreement, termination of the employment relationship with mutual consent and payment of a compensation is possible only on the rules defined in the voluntary departure program agreed between the employer (.e. the Group company employing the given employee) and the trade unions being parties to the Social Agreement. As a result of the agreement with the trade unions, in the Group there has been launched a Voluntary Departure Program for Employees employed in ENERGA Obsługa i Sprzedaż Sp. z o.o., ENERGA OPEC Sp. z o.o. and Międzynarodowe Centrum Szkolenia Energetyki Sp. z o.o. in liquidation. However in most cases, as a result of absence of an agreement with the trade unions, rules for individual departures have been established. These rules are not identical in all Group companies; each of them adopts different rules, defining individual conditions for considerations paid out to employees in connection with termination of the employment relationship which depend on, among other things, the level of the average salary in the given Group company.

9.1. Collective disputes and agreements

Collective disputes with employees may lead to disruptions in operating activity, especially work stoppages as well as to higher wage costs, which may have an adverse impact on the Group's operations, financial position, financial results and the growth outlook.

In ENERGA SA and ENERGA Group companies there are over 40 company and inter-company trade union organizations affiliating approx. 62% of the Group's employees. Some of the trade unions active in the Group are representative trade union organizations within the meaning of the Labor Code. The position held by trade unions in the power sector is particularly strong on account of the headcount in the sector and its strategic influence over the functioning of the economy. Despite the Group's endeavors to maintain good relations with its employees and solve all problems on an ongoing basis one cannot rule out that collective disputes will take place in the future.

At present, distinct ENERGA Group employers are currently a party to a collective dispute initiated on 23 January 2013. It pertains to abandoning liquidation of activity by employers through ensuring that the restructuring processes do not cause reduction of the existing headcount, while satisfying the condition of preserving the individual headcount status at the employer on the date of announcement of the demand and conclusion of an agreement securing the interests of employees acquired in the restructuring processes. At most employers' a collective agreement has been concluded between the employer and the trade unions with the involvement of a mediator. The dispute is still pending.

Gdańsk, 24 October 2013

Signatures of the ENERGA SA Management Board Members

Mirosław Bieliński

President of the ENERGA SA Management Board

Roman Szyszko

Executive Vice President of the Management Board, Chief Financial Officer

Wojciech Topolnicki

Executive Vice President of the Management Board, Strategy and Investments

Glossary of terms and abbreviations

ATS	Alternative Trading System, one of the trading platforms of the Catalyst system organized by BondSpot S.A.
BASE	Contract for the supply of 1MWh during every hour of the day
Billing	Itemized bill, statement of all fees for added services which a subscriber uses in a given settlement period
Biomass	Biodegradable solid or liquid substances of plant or animal origin, derived from products, waste and residues obtained in agricultural or forestry production or in the agricultural and forestry product processing industry as well as biodegradable parts of other waste, in particular agricultural raw materials
BondSpot S.A.	Subsidiary of the Warsaw Stock Exchange running a regulated over-the-counter market and electronic trading platforms for securities and financial instruments, also on an unregulated market
CAPEX	Capital expenditures
Catalyst	Catalyst bonds market conducted on the trading platforms of the Warsaw Stock Exchange and BondSpot
Certificate of origin	Certificate of origin from renewable sources and certificate of origin from cogeneration
Certificate of origin from co-generation	Document issued by the President of the Energy Regulatory Office pursuant to Article 9l of the Energy Law, confirming generation of electricity from high-efficiency cogeneration in: (i) a gas-fired cogeneration unit or a unit with a total installed source capacity below 1 MW (the so-called yellow certificate), (ii) a cogeneration unit fired with methane released and captured at underground mining works in active, liquidated or closed down coal mines or with gas obtained from the processing of biomass (the so-called violet certificate), or (iii) in any other cogeneration unit (the so-called red certificate)
Certificate of origin from renewable energy sources, green certificate	Document issued by the ERO President pursuant to art. 9e of the Energy Law confirming the generation of electrical energy in a renewable energy source (known as a green certificate)
CGU B	Cash Generating Units
CIRS	Currency Interest Rate Swap – Interest rate swap contract based on payment in floating interest rate transactions with fixed term and frequency payments in two different currencies.
CO ₂	Carbon dioxide
Cofiring	Generation of electricity or heat in a process of joint and concurrent firing of biomass or biogas with other fuels performed in a single unit; a portion of the energy generated in this manner may be regarded as energy generated from renewable energy sources
Cogeneration, CHP	Technological process of combined generation of heat and electricity or mechanical energy in the same technological process
Covenants	Contractual clauses providing safeguards
Customer Relationship Management, CRM	System to manage customer relationships
Distribution System Operator, DSO	Power utility involved in the distribution of gaseous fuels or electricity, responsible for network traffic in the gas distribution system or power distribution system, ongoing and long-term security of operation of the system, operation, maintenance, repairs and necessary extension of the distribution network, including connections with other gas systems or other power systems
EBIDTA (Earnings before interest, taxes,	ENERGA SA defines and calculates EBIDTA as operating profit/(loss) (calculated as net

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depreciation and amortization)	profit/(loss) on continuing operations for the period/year adjusted for (i) income tax, (ii) share in profits of associates, (iii) financial income and (iv) finance costs) adjusted for depreciation and amortization (as disclosed in the income statements). EBITDA is not an IFRS measure and should not be treated as alternative to IFRS measures. Moreover, EBITDA is not uniformly defined. The method of calculating EBITDA used by other companies may differ significantly from that used by ENERGA SA. In consequence, the EBITDA presented herein cannot, as such, be relied upon for the purpose of comparison to other companies.
EBIT	Earnings Before Interest and Taxes – operating profit
EBRD	European Bank for Reconstruction and Development
EIB	European Investment Bank
EMTN	Euro Medium Term Notes – the EMTN issue program
ENERGA Capital Group, ENERGA Group, Group	Capital group involved in generation of, trade in and distribution of electricity and heat. Also conducts operations related to street lighting, design, material procurement, network installation, specialist transport, hotel services and information technology services
ENERGA SA, ENERGA	Parent company in the ENERGA Capital Group
ERO	Energy Regulatory Office
EU	European Union
EUA	European Union Allowance
EU ETS	European Union Greenhouse Gas Emission Trading Scheme
EUR	Euro, currency used in countries belonging to the European Union's Eurozone
GDP	Gross Domestic Product
GUS	Central Statistical Office (Główny Urząd Statystyczny)
GW	Gigawatt, unit of power in the International System of Units, 1 GW = 109 W
GWe	Gigawatt of electrical power
GWh	Gigawatt hour
IBnGR	Economy Market Research Institute
IMF	International Monetary Found
IPO	Initial Public Offering
IRGIT	Izba Rozliczeniowa Giełd Towarowych S.A. (<i>Warsaw Commodity Clearing House</i>)
KNF	Polish Financial Supervision Commission
KTR	National Advertising Association (<i>Krajowe Towarzystwo Reklamowe</i>)
kWh	Kilowatt hour, unit of electrical energy generated or used by equipment with 1 kW of power in an hour; 1 kWh = 3,600,000 J = 3.6 MJ

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Additional information to the ENERGA Group's expanded consolidated report for the 3- and 9-month period ended on 30 September 2013

MST	Ministry of State Treasury
MW	Unit of power in the International System of Units, 1 MW = 106 W
MWe	Megawatt of electrical power
MWh	Megawatt hour
MWt	Megawatt of thermal power
NBP	National Bank of Poland – Poland's central bank
NCR	National Court Register
Off-peak	Contract with the delivery of 1 MWh of energy in the off-peak demand hours from 12 a.m. to 7 a.m. and from 10 p.m. to 12 a.m.
OTC	Over-the-counter market
OZEX_A	Volume-weighted average price of all transactions on the PMOZE_A contract during the relevant trading session
PEAK	Contract with the delivery of 1 MWh of electricity at any peak hour of the day from 7 a.m. to 10 p.m.
PGE	PGE Polska Grupa Energetyczna SA
PLN	Polish zloty, legal tender in Poland
Polish Power Exchange, TGE	Polish Power Exchange S.A., a mercantile exchange on which commodities admitted to be traded on the exchange are traded, i.e. electrical energy, liquid and gaseous fuels, mine gas, pollution emission limits and property rights ensuing from certificates of origin whose price is directly or indirectly dependent on the price of electrical energy, liquid or gaseous fuels and the quantity of pollution emissions
PMI	Purchasing Managers' Index, an index of industrial economic activity calculated by Markit in cooperation with HSBC
PMOZE_A	Property rights to certificates of origin for electricity generated from RES whose generation period specified in the certificate of origin started on 1 March 2009
Property rights	Transferrable rights constituting a commodity arising from certificates of origin for electricity generated from renewable energy sources and in cogeneration
PSE	<i>Polskie Sieci Elektroenergetyczne Spółka Akcyjna</i> with its registered office in Warsaw, entered in the register of commercial entities of the National Court Register under number KRS 0000197596; the company designated by Decision No. DPE-47-58(5)/4988/2007/BT issued on 24 December 2007 by the President of the Energy Regulatory Office as the operator of the electricity transmission system in the territory of the Republic of Poland for the period from 1 January 2008 to 1 July 2014
Renewable Energy Sources, RES	Source used for the processing of wind, solar, geothermal, wave, tidal or river fall energy or energy derived from biomass, landfill biogas or biogas generated in the process of sewage discharge or treatment or decomposition of plant or animal remains
RPP	Monetary Policy Council
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SFIO	Specialized Open-end Mutual Funds

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Additional information to the ENERGA Group's expanded consolidated report for the 3- and 9-month period ended on 30 September 2013

Smart Grid	Power system smartly integrating the operations of all participants of generation processes, transmissions, distributions and uses in order to supply electricity in an economic, sustainable and safe manner. Comprehensive power solutions permitting combination, mutual communication and optimal control of previously non-integrated elements of power grids
SPOT	Day-Ahead Market (DAM) – energy market operating in the “day ahead” time interval (DA) providing for energy supply on day D
Tariff G	Tariff group for individual customers- households
Tariff Group	Group of customers receiving electricity, heat or services related to the supply of electricity or heat, in respect of whom one set of prices or fee rates and conditions of use is applied
Transmission System Operator, Electrical power TSO, TSO	Power utility involved in the transmission of gaseous fuels or electricity, responsible for network traffic in the gas transmission system or power transmission system, ongoing and long-term security of operation of the system, operation, maintenance, repairs and necessary extension of the transmission network, including connections with other gas systems or other power systems
TWh	Terawatt hour, a multiple unit of electrical energy in the International System of Units. 1 TWh is 109 kWh
Unbundling	Process of legal and organizational unbundling of distribution operations (electricity distribution services provided by the distributor) from generating operations (generation of electricity by power plants) and operations related to trading in electricity (by sellers)
UOKiK	Office of Competition and Consumer Protection
Vertically-integrated utility	Power utility/group of power utilities whose mutual relationships are defined in Article 3 Section 3 of the Concentration Regulation involved in (i) in relation to gaseous fuels: transmission, distribution, storage or liquefaction and manufacture or sale of such fuels, or (ii) in relation to electricity: transmission or distribution and generation or sale of such energy
WACC	Weighted Average Cost of Capital
WIBOR	Warsaw Interbank Offered Rate
WSE	Warsaw Stock Exchange S.A.
y/y	Year to year