



KPMG Audyt Sp. z o.o.
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OPINION OF THE INDEPENDENT AUDITOR

To the General Meeting ENEA S.A.

Opinion on the Separate Financial Statements

We have audited the accompanying separate financial statements of ENEA S.A., with its registered office in Poznań, Górecka Street 1 ("the Company"), which comprise the separate statement of financial position as at 31 December 2013, the separate statement of profit or loss and other comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

Management's and Supervisory Board's Responsibility for the Financial Statements

Management of the Company is responsible for the accuracy of the accounting records and the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and with other applicable regulations and preparation of the report on the Company's activities. Management of the Company is also responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

According to the Accounting Act dated 29 September 1994 (Official Journal from 2013, item 330 with amendments) ("the Accounting Act"), Management of the Company and members of the Supervisory Board are required to ensure that the financial statements and the report on the Company's activities are in compliance with the requirements set forth in the Accounting Act.

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Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and whether the financial statements are derived from properly maintained accounting records based on our audit. We conducted our audit in accordance with section 7 of the Accounting Act, National Standards on Auditing issued by the National Council of Certified Auditors and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements and the accounting records from which they are derived are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the Company, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the accompanying separate financial statements of ENEA S.A. have been prepared and present fairly, in all material respects, the unconsolidated financial position of the Company as at 31 December 2013 and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, are in compliance with the respective regulations and the provisions of the Company's articles of association that apply to the Company's separate financial statements and have been prepared from accounting records, that, in all material respects, have been properly maintained.

Specific Comments on Other Legal and Regulatory Requirements

Report on the Company's Activities

As required under the Accounting Act, we report that the report on the Company's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2009 No. 33, item 259 with amendments) and the information is consistent with the financial statements.

On behalf of KPMG Audyt Sp. z o.o.
Registration No. 458
Chłodna 51
00-867 Warsaw

Signed on the Polish original

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

10 March 2014

ENEA S.A.

Supplementary report
on the audit of the separate
financial statements
Financial Year ended
31 December 2013

The supplementary report contains 9 pages

The supplementary report on the audit
of the separate financial statements
for the financial year ended
31 December 2013

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1. General

1.1. General information about the Company

1.1.1. Company name

ENEA S.A.

1.1.2. Registered office

Górecka 1
60-201 Poznań

1.1.3. Registration in the National Court Register

Registration court:	District Court in Poznań - Nowe Miasto i Wilda, VIII Commercial Department of the National Court Register
Date:	21 May 2001
Registration number:	KRS 0000012483
Share capital as at the end of reporting period:	PLN 441,442,578.00

1.1.4. Management of the Company

The Management Board is responsible for management of the Company.

As at 31 December 2013, the Management Board of the Company was comprised of the following members:

- | | |
|---------------------|---------------------------|
| • Krzysztof Zamasz | – President of the Board, |
| • Dalida Gepfert | – Board Member, |
| • Grzegorz Kinelski | – Board Member, |
| • Paweł Orlof | – Board Member. |

On 11 January 2013 Mr Krzysztof Zborowski resigned from the position of the Member of the Board, effective from 11 January 2013.

On 11 March 2013 the Supervisory Board dismissed Management Board and appointed Mr Krzysztof Zamasz to the position of the President of the Board and Mr Grzegorz Kinelski and Paweł Orlof to the positions of Board Members.

On 9 April 2013 Supervisory Board appointed Mrs Dalida Gepfert to the position of Board Member effective from 23 April 2013.

1.2. Key Certified Auditor and Audit Firm Information

1.2.1. Key Certified Auditor information

Name and surname: Marek Gajdziński
Registration number: 90061

1.2.2. Audit Firm information

Name: KPMG Audyt Sp. z o.o.
Address of registered office: Chłodna 51, 00-867 Warsaw
Registration number: KRS 0000104753
Registration court: District Court for the Capital City of Warsaw in Warsaw,
XII Commercial Department of the National Court Register
NIP number: 526-10-24-841

KPMG Audyt Sp. z o.o. is entered into the register of audit firms, maintained by the National Council of Certified Auditors, under number 458.

1.3. Prior period financial statements

The separate financial statements for the financial year ended 31 December 2012 were audited by KPMG Audyt Sp. z o.o. and received an unqualified opinion.

The separate financial statements were approved at the General Meeting on 24 April 2013 where it was resolved to allocate the net profit for the prior financial year of PLN 522,680,000.00 as follows:

- dividend payment of PLN 0.36 per share, in the total amount of PLN 158,919,328.08,
- transfer of the remaining profit to the reserve capital.

The separate financial statements were submitted to the Registry Court on 30 April 2013.

1.4. Audit scope and responsibilities

This report was prepared for the General Shareholders' Meeting of ENEA S.A. with its registered office in Poznań, Górecka Street 1 and relates to the separate financial statements comprising: the separate statement of financial position as at 31 December 2013, the separate statement of profit or loss and other comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

The audited Company prepares its separate financial statements in accordance with International Financial Reporting Standards as adopted by the European Union on the basis of the decision of Extraordinary Shareholders' Meeting dated on 10 August 2005.

The separate financial statements were audited in accordance with the contract dated 27 March 2012 on the basis of the resolution of the Board of Directors dated 20 December 2011 on the appointment of the auditor.

We conducted the audit in accordance with section 7 of the Accounting Act dated 29 September 1994 (Official Journal from 2013, item 330 with amendments) ("the

Accounting Act”), National Standards on Auditing issued by the National Council of Certified Auditors and International Standards on Auditing.

We audited the separate financial statements at the Company during the period from 14 to 18 October 2013, from 3 to 14 February 2014 and on 7 March 2014.

Management of the Company is responsible for the accuracy of the accounting records and the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations and preparation of the report on the Company’s activities.

Our responsibility is to express an opinion and to prepare a supplementary report on the audit of the separate financial statements and whether the financial statements are derived from properly maintained accounting records based on our audit.

Management of the Company submitted a statement dated as at the same date as this report as to the true and fair presentation of the accompanying separate financial statements, which confirmed that there were no undisclosed matters which could significantly influence the information presented in the separate financial statements.

All required statements, explanations and information were provided to us by Management of the Company and all our requests for additional documents and information necessary for expressing our opinion and preparing the report have been fulfilled.

The scope of the work planned and performed has not been limited in any way. The method and scope of our audit is detailed in working papers prepared by us and retained in the offices of the Audit Firm.

The Key Certified Auditor and the Audit Firm fulfill the independence requirements as described in Art. 56 points 3 and 4 of the Act on Certified Auditors and their Self-Governance, Audit Firms authorized to Audit Financial Statements and Public Oversight dated 7 May 2009 (Official Journal from 2009 No. 77, item 649 with amendments).

2. Financial analysis of the Company

2.1. Summary analysis of the separate financial statements

2.1.1. Separate statement of financial position

ASSETS	31.12.2013		31.12.2012	
	PLN '000	% of total	PLN '000	% of total
	Restated *			
Non-current assets				
Property, plant and equipment	36 533	0.3	182 708	1.6
Perpetual usufruct of land	1 562	0.0	1 437	0.0
Intangible assets	2 459	0.0	3 572	0.0
Investment property	16 910	0.1	17 455	0.2
Investments in subsidiaries and associates	8 951 213	69.0	8 820 100	75.9
Deferred tax assets	45 544	0.4	47 795	0.4
Financial assets available for sale	-	-	5	0.0
Financial assets held to maturity	1 674 223	12.9	596 450	5.1
Financial assets measured at fair value through profit or loss	1 860	0.0	1 504	0.0
Total non-current assets	10 730 304	82.7	9 671 026	83.2
Current assets				
Inventories	117 449	0.9	120 160	1.0
Trade and other receivables	978 529	7.5	951 598	8.2
Current income tax receivables	1 341	0.0	4 750	0.0
Financial assets held to maturity	38 109	0.3	79 475	0.7
Financial assets measured at fair value through profit or loss	296 339	2.3	422 173	3.6
Cash and cash equivalents	807 036	6.2	361 401	3.1
Assets classified as held for sale	12 876	0.1	12 876	0.1
Total current assets	2 251 679	17.3	1 952 433	16.8
TOTAL ASSETS	12 981 983	100.0	11 623 459	100.0
	Restated *			
EQUITY AND LIABILITIES				
	31.12.2013		31.12.2012	
	PLN '000	% of total	PLN '000	% of total
Equity				
Share capital	588 018	4.5	588 018	5.1
Share premium	4 627 673	35.7	4 627 673	39.8
Share-based payments reserve	1 144 336	8.8	1 144 336	9.9
Reserve capital	1 569 385	12.1	1 205 625	10.4
Retained earnings	3 226 006	24.9	2 907 999	25.0
Total equity	11 155 418	85.9	10 473 651	90.1
Liabilities				
Loans, borrowings and debt securities	777 130	6.0	-	-
Finance lease liabilities	103	0.0	7 289	0.1
Deferred income from subsidies and connection fees	-	-	29 909	0.3
Employee benefits	61 682	0.5	87 810	0.8
Liabilities due to employee benefits	13 333	0.1	17 084	0.2
Total non-current liabilities	852 248	6.6	142 092	1.2
Trade and other payables	645 479	5.0	712 626	6.1
Finance lease liabilities	1 052	0.0	3 405	0.0
Deferred income from subsidies and connection fees	-	-	2 344	0.0
Liabilities due to employee benefits	24 118	0.2	16 776	0.1
Liabilities due to cash settled share-based payments	292	0.0	306	0.0
Provisions for other liabilities and charges	303 376	2.3	272 259	2.3
Total current liabilities	974 317	7.5	1 007 716	8.7
TOTAL EQUITY AND LIABILITIES	12 981 983	100.0	11 623 459	100.0

* Restatements of comparative figures are presented in Note 3 of the separate financial statements

2.1.2. Separate statement of profit or loss and other comprehensive income

	1.01.2013 - 31.12.2013 zł '000	% of total sales	1.01.2012 - 31.12.2012 zł '000 Restated *	% of total sales
PROFIT OR LOSS				
Net sales revenue				
Sales revenue	5 155 991	104.1	5 953 337	103.4
Excise tax	(204 217)	4.1	(193 998)	3.4
	4 951 774	100.0	5 759 339	100.0
Operating expenses				
Other operating revenue	59 331	1.2	11 344	0.2
Depreciation/amortization	(17 873)	0.4	(16 878)	0.3
Costs of employee benefits	(52 215)	1.1	(64 324)	1.1
Consumption of materials and supplies and costs of goods sold	(3 702)	0.1	(4 199)	0.1
Energy purchase for sale	(2 995 827)	60.5	(3 727 174)	64.7
Transmission and distribution services	(1 518 682)	30.7	(1 595 649)	27.7
Other external services	(175 312)	3.5	(197 601)	3.4
Taxes and charges	(9 333)	0.2	(8 486)	0.2
Profit/(loss) on sale and liquidation of property, plant and equipment	(495)	0.0	1 786	0.0
Impairment loss on property, plant and equipment	(11 363)	0.2	-	-
Other operating expenses	(15 947)	0.3	(42 838)	0.7
	(4 741 418)	96.9	(5 644 019)	98.3
Profit on sales	210 356	4.3	115 320	2.0
Financial expenses	(21 293)	0.4	(37 719)	0.7
Financial revenue	92 720	1.9	99 583	1.7
Dividend income	605 676	12.2	362 091	6.3
			-	-
Profit before income tax	887 459	17.9	539 275	9.4
Income tax	(53 994)	1.1	(34 138)	0.6
Profit for the period	833 465	16.8	505 137	8.8
OTHER COMPREHENSIVE INCOME				
<i>Items that are or may be reclassified to profit or loss</i>				
Net change in fair value of available-for-sale financial assets transferred to profit or loss	-	-	(12 245)	0.2
Income tax	-	-	256	0.0
<i>Items that will not be reclassified to profit or loss</i>				
Defined benefit plan actuarial gains/(losses)	8 915	0.2	(8 349)	0.1
Income tax	(1 694)	0.0	1 586	0.0
Other comprehensive income for the period, net of income tax	7 221	0.1	(18 752)	0.3
Total comprehensive income for the period	840 686	17.0	486 385	8.4

* Restatements of comparative figures are presented in Note 3 of the separate financial statements

2.2. Selected financial ratios

	2013	2012	2011
1. Return on sales			
$\frac{\text{profit for the period} \times 100\%}{\text{revenue}}$	16.8%	8.8%	6.3%
2. Return on equity			
$\frac{\text{profit for the period} \times 100\%}{\text{equity} - \text{profit for the period}}$	8.1%	5.1%	3.6%
3. Debtors' days			
$\frac{\text{average trade receivables (gross)} \times 365 \text{ days}}{\text{revenue}}$	51 days	43 days	42 days
4. Debt ratio			
$\frac{\text{liabilities} \times 100\%}{\text{equity and liabilities}}$	14.1%	9.9%	9.3%
5. Current ratio			
$\frac{\text{current assets}}{\text{current liabilities}}$	2.3	1.9	2.5

- Revenue includes revenue from sales of finished products, merchandise and raw materials.
- Average trade receivables represent the average of trade receivables at the beginning and at the end of the period, with no deduction made for allowances.

3. Detailed report

3.1. Accounting system

The Company maintains current documentation describing the applied accounting principles adopted by the Management Board to the extent required by Art. 10 of the Accounting Act.

During the audit of the separate financial statements, we tested, on a sample basis, the operation of the accounting system.

On the basis of the work performed, we have not identified any material irregularities in the accounting system, which have not been corrected and that could have a material effect on the separate financial statements. Our audit was not conducted for the purpose of expressing a comprehensive opinion on the operation of the accounting system.

The Company performed a physical verification of its assets in accordance with the requirements and time frame specified in Art. 26 of the Accounting Act, and reconciled and recorded the result thereof in the accounting records.

3.2. Notes to the separate financial statements

All information included in the notes to the separate financial statements, comprising of a summary of significant accounting policies and other explanatory notes, is, in all material respects, presented accurately and completely. This information should be read in conjunction with the separate financial statements.

3.3. Report on the Company's activities

The report on the Company's activities includes, in all material respects, information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2009 No 33, item 259 with amendments) and the information is consistent with the separate financial statements.

On behalf of KPMG Audyt Sp. z o.o.
Registration No. 458
Chłodna 51
00-867 Warsaw

Signed on the Polish original

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

10 March 2014