



**Information
to the Condensed
Consolidated Report
of ENERGA Group**

for Q3 2014

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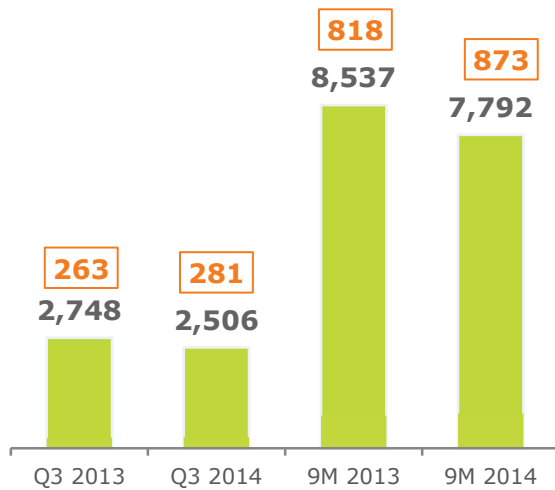
SUMMARY OF THE THIRD QUARTER OF 2014

- 1 The ENERGA Group's revenues exceeded PLN 2.5 bn, which was PLN 242 m less than in the same period last year; Revenues increased in the Generation Segment (by 10 percent) and Distribution Segment (by 2 percent) while the Sales Segment posted a decrease (by 20 percent). The Group's revenues after three quarters of 2014 were PLN 7.8 bn, which was PLN 745 m, or 9 percent, less than in the same period of the previous year.
- 2 The Group generated EBITDA of PLN 551 m, up by PLN 185 m YoY. The Distribution Segment contributed 67%, the Generation Segment 28% and the Sales Segment 8%. Net profit was PLN 218 million.
- 3 The total installed capacity of the ENERGA Group was 1.3 GW. The Group generated 1.3 TWh of electricity: 66 percent of gross energy came from black coal, 16 percent from water, 14 percent from biomass and 5 percent from wind. Electricity production from renewable energy sources was 430 GWh. The Group's distribution company, ENERGA-OPERATOR SA, supplied 5.2 TWh of electricity to 2.9 million customers.
- 4 The Distribution Segment recorded a higher volume of electricity supplies and an increase of the average distribution rate by nearly 3%.
- 5 Generation companies in the ENERGA Group produced slightly less electricity (i.e. 0.2 percent) than in Q3 2013. This was driven by lower generation by the baseload power plant, offset by higher generation by run-of-the-river power plants (mainly due to better hydrologic conditions). The 2013 acquisition of wind farms has impacted electricity production. Electricity additionally generated was 16 GWh. In September of this year, construction of a 1.64 MW photovoltaic farm in Gdańsk and in early October a new heat source was commissioned for production in Elektrownia Ostrołęka.
- 6 The Sales Segment, despite lower revenues, improved its EBITDA margin. The EBITDA of PLN 41 m¹ takes into account the derecognition of restructuring provisions and valuation of actuarial provisions in ENERGA Obsługa i Sprzedaż and lower operating expenses on the one hand as well as the negative effect of the costs associated with the mandatory redemption of 'red' and 'yellow' property rights and the declining effect of discharging the function of an 'ex officio seller' on the other.
- 7 At the end of the third quarter, the SAIDI ratio was 71.4 min./customer and was slightly lower than the year before. The SAIFI ratio (1.1 interruptions) was 17% higher than in Q3 2013.
- 8 In Q3 2014, the Group's capital expenditures were PLN 323 m, with the Distribution Segment contributing the largest part, i.e. PLN 197 m.

¹ The negative EBITDA in Q3 2013 is the effect of a change (effective from the beginning of 2014 and paired with adjustment of comparative data) in presentation of the valuation of provisions for the redemption of certificates of origin of electricity (previously the valuation was partially presented as 'Consolidation exclusions and adjustments').

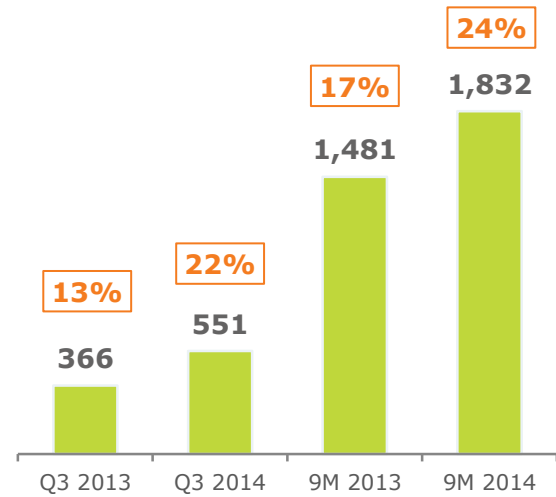
Revenue (PLN m)

□ - Revenue per employee in thous. PLN (year-end headcount)

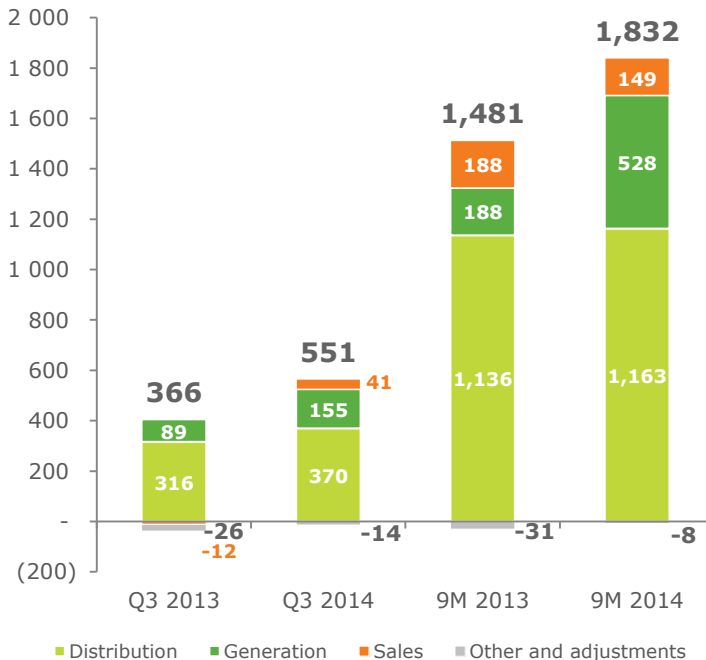


EBITDA (PLN m)

□ - EBITDA margin

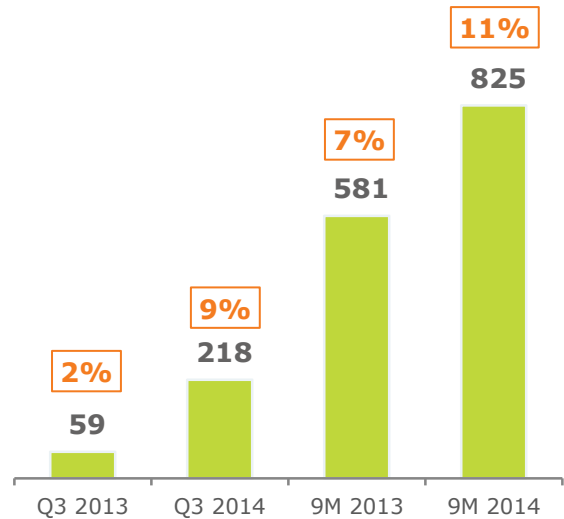


EBITDA by segment (PLN m)



Net profit (PLN m)

□ - Profit margin



The tables below contain consolidated and individual financial highlights during the three months ended 30 September 2014 and 30 September 2013 and balance sheet data as at 30 September 2014 and 31 December 2013.

Consolidated financial highlights of the ENERGA Group

	9 months ended 30 September		9 months ended 30 September	
	2014 (unaudited)	2013 (unaudited, pro forma)	2014 (unaudited)	2013 (unaudited, pro forma)
	in thous. PLN		in thous. EUR	
Sales revenue	7,792,282	8,537,486	1,864,049	2,021,616
Operating profit	1,191,817	912,301	285,103	216,026
Profit before tax	1,039,669	794,646	248,707	188,167
Net profit attributable to equity holders of the Parent Company	808,413	595,405	193,386	140,988
Comprehensive income	749,897	639,587	179,388	151,450
Net cash from operating activities	1,090,201	1,489,573	260,795	352,720
Net cash from investing activities	(800,896)	(2,297,684)	(191,588)	(544,075)
Net cash from financing activities	946,994	1,120,504	11,242	265,327
Net change in cash and cash equivalents	336,299	312,393	80,449	73,972
Earnings per share, basic and diluted (PLN/EUR per share)	1.96	1.45	0.47	0.34
Average weighted number of outstanding common shares used to calculate the basic earnings per share ratio (in thous.)	414,067	414,067	414,067	414,067
	Balance as at		Balance as at	
	30 September 2014 (unaudited)	31 December 2013 (restated)	30 September 2014 (unaudited)	31 December 2013 (restated)
	in thous. PLN		in thous. EUR	
Non-current assets	12,726,357	12,649,536	3,047,864	3,050,139

Current assets	4,772,592	4,435,020	1,142,999	1,069,401
Total assets	17,498,949	17,084,556	4,190,863	4,119,540
Non-current liabilities	7,270,048	6,520,014	1,741,120	1,572,148
Current liabilities	1,844,679	2,516,247	441,786	606,734
Equity	8,384,222	8,048,295	2,007,956	1,940,658
Equity attributable to equity holders of the Parent Company	8,354,388	8,034,479	2,000,811	1,937,326
Share capital	4,521,613	4,521,613	1,082,891	1,090,281
Book value per share (in PLN/EUR per share)*	20.18	19.40	4.83	4.68
Number of common shares at the end of the period (thous.)**	414,067	414,067	414,067	414,067

* Carrying amount, i.e. assets less liabilities, divided by the number of shares.

** Data pertains to the situation after the consolidation of ENERGA SA shares.

Individual financial highlights of ENERGA SA

	9 months ended 30 September		9 months ended 30 September	
	2014 (unaudited)	2013 (unaudited, pro forma)	2014 (unaudited)	2013 (unaudited, pro forma)
	in thous. PLN		in thous. EUR	
Sales revenue	42,009	52,255	10,049	12,374
Operating profit	(46,973)	(60,374)	(11,237)	(14,296)
Profit before tax	687,728	545,312	164,516	129,126
Net profit	683,207	539,972	163,435	127,862
Comprehensive income	664,035	568,258	158,849	134,556
Net cash from operating activities	(74,538)	(54,059)	(17,831)	(12,801)
Net cash from investing activities	323,703	(342,729)	77,435	(81,156)
Net cash from financing activities	56,999	649,063	13,635	153,693

Net change in cash and cash equivalents	306,164	252,275	73,240	59,737
Earnings per share, basic and diluted (PLN/EUR per share)	1.65	1.30	0.39	0.31
Number of outstanding common shares used to calculate earnings per share	414,067	414,067	414,067	414,067
	Balance as at		Balance as at	
	30 September 2014 (unaudited)	31 December 2013	30 September 2014 (unaudited)	31 December 2013
	in thous. PLN		in thous. EUR	
Non-current assets	10,914,328	10,465,281	2,613,897	2,523,457
Current assets	1,417,690	1,099,806	339,526	265,192
Total assets	12,332,018	11,565,087	2,953,423	2,788,649
Non-current liabilities	5,660,153	4,988,638	1,355,563	1,202,893
Current liabilities	361,880	516,431	86,667	124,525
Equity	6,309,986	6,060,018	1,511,193	1,461,231
Share capital	4,521,613	4,521,613	1,082,891	1,090,281
Book value per share (in PLN/EUR per share)*	15.24	14.64	3.65	3.53
Number of common shares at the end of the period (thous.)**	414,067	414,067	414,067	414,067

* Carrying amount, i.e. assets less liabilities, divided by the number of shares.

** Data pertains to the situation after the consolidation of ENERGA SA shares.

The above financial data for the periods ended 30 September 2014 and 30 September 2013 were converted into EUR according to the following rules:

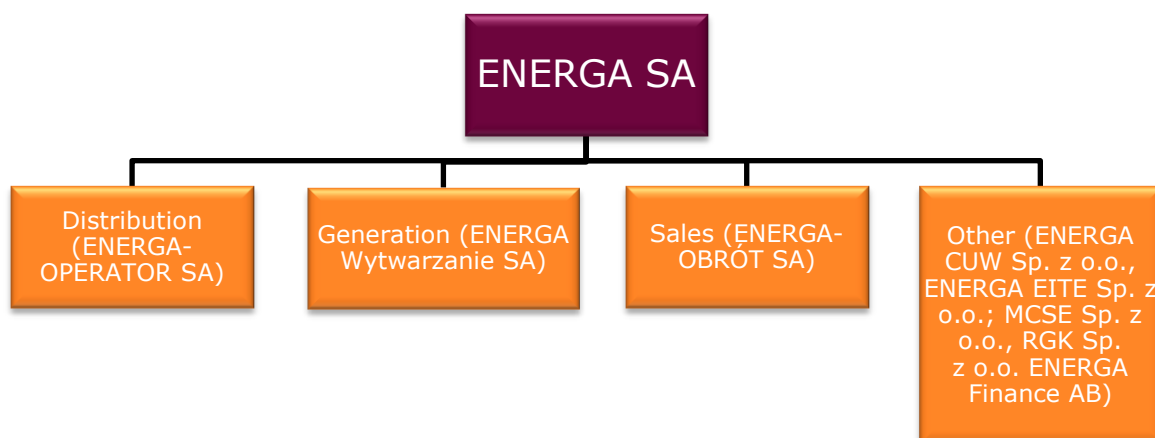
- individual items of the statement of financial position – at the average EUR exchange rate set by the National Bank of Poland (NBP): PLN 4.1755 on 30 September 2014 and PLN 4.1472 on 31 December 2013.
- individual items of the statement of comprehensive income and the cash flow statement – at the exchange 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 4.1803 for the period 1 January-30 September 2014, PLN 4.2231 for 1 January-30 September 2013, 4.1841 for 1 July-30 September 2014 and PLN 4.2415 for 1 July-30 September 2013.
- 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 4.1803 for the period 1 January-30 September 2014, PLN 4.2231 for 1 January-30 September 2013, 4.1841 for 1 July-30 September 2014 and PLN 4.2415 for 1 July-30 September 2013.

1. Description of the organization of the ENERGA Capital Group

As at 30 September 2014, the ENERGA Capital Group ('ENERGA Group', 'Group') was composed of the parent company ENERGA SA ('Company', 'Issuer') and 41 subsidiaries group in three business segments, managed by the direct subsidiaries which are segment leaders. The simplified structure of the ENERGA Capital Group at the end of the third quarter of this year is shown in the chart below:

Fig. 1: Simplified organizational structure of the ENERGA Capital Group



The activity supporting the Group's three principal operational segments is consolidated within the 'Other' Segment managed by ENERGA SA as the Group's holding company. The companies providing support services for the major operational Segments include, among others: ENERGA Centrum Usług Wspólnych Sp. z o.o. providing accounting, HR and administrative support and ENERGA Informatyka i Technologie Sp. z o.o., which is responsible for IT support.

The organization and management of the ENERGA Capital Group is conducted following the internal regulation named Organizational Governance implemented on 17 December 2013, which introduced a clear allocation of responsibility for operational effectiveness and efficiency and for financial performance to individual Segments. ENERGA SA performs strategic and control functions only.

The full composition of the ENERGA Group as at the end of the reporting period, organizational and/or capital ties as well as chronological list of formal and legal changes are included in note no. 2.1 to the Condensed Interim Consolidated Financial Statements of the ENERGA Capital Group for the 9 months ended 30 September 2014.

In line with the principles for preparing consolidated statements in place in the Group, both direct and indirect subsidiaries are consolidated using the full method, while investments in associates are measured using the equity method.

To implement the growth and optimization strategy of the ENERGA Group's structure, Group companies are merged, sold or liquidated. As a result of this effort, as at the publication date of this Report, the number of the Issuer's direct and indirect subsidiaries fell from 56 to 41, as compared to the end of 2013. 16 subsidiaries were removed from the ENERGA Group structures,

while one was purchased (BORA Sp. z o.o.) in Q3 of this year. Also, all the shares in 2 associated companies were sold.

Major changes in the Group's organization in the 9-month period ended 30 September 2014 are as follows:

Fig. 2: Key changes in the organization and structure of the ENERGA Group in 3 quarters of 2014

<p>11 February 2014</p>	<p>Split of EPW Energia Olecko Sp. z o.o. by transferring part of assets of the company's unit, EPW Energia Olecko Sp. z o.o. Branch in Kętrzyn, to EPW 1 Sp. z o.o. (an indirect subsidiary of ENERGA SA). As a result of the split, PGE Polska Grupa Energetyczna SA has become the sole shareholder of EPW Energia Olecko Sp. z o.o. and therefore the original company subject to the split is no longer owned by the ENERGA Group.</p>
<p>28 February 2014</p>	<p>Split of EPW Energia Sp. z o.o. by transferring two parts of the company's assets, i.e. EPW Energia Sp. z o.o. Branch 'Kisielice/Malbork' Wrocławek and EPW Energia Sp. z o.o. Branch 'Galicja' Orzechowce to PGE Energia Natury Sp. z o.o. with its registered office in Warsaw, • EPW Energia Sp. z o.o. Branch 'Pipeline' Pruszcz Gdański, to EPW Parsówek Sp. z o.o. (an indirect subsidiary of ENERGA SA). As a result of the split, the sole shareholder of ENERGA Wytwarzanie Sp. z o.o. has become the sole shareholder of EPW Energia Sp. z o.o.</p>
<p>18 March 2014</p>	<p>Increase of the share capital of ENERGA Wytwarzanie Sp. z o.o. up to the amount of 1 billion 171 million 382 thousand Polish zloty. New shares in the increased share capital were subscribed by ENERGA SA by making a contribution-in-kind in the following form:</p> <ul style="list-style-type: none"> • 100% shares in Elektrownia Ostrołęka SA, • 89.38% shares in ENERGA Elektrownie Ostrołęka SA, • 100% shares in Ekologiczne Materiały Grzewcze Sp. z o.o.
<p>30 April 2014</p>	<p>Merger of ENERGA Invest SA (surviving company) with: EPW 1 Sp. z o.o., EPW 2 Sp. z o.o., EPW 3 Sp. z o.o., EPW Parsówek Sp. z o.o. and AEGIR 5 Sp. z o.o. (acquired companies).</p>
<p>15 May 2014</p>	<p>Sale of ENERGA SA's shares in ZEP-MOT Sp. z o.o., which was the sole shareholder of ZEP-AUTO Sp. z o.o. As a result of this transaction, neither of those companies is now owned by the ENERGA Group.</p>
<p>21 May 2014</p>	<p>Merger of ENERGA Wytwarzanie Sp. z o.o. (surviving company) and EPW Energia Sp. z o.o.</p>
<p>3 June 2014</p>	<p>Transformation of ENERGA Wytwarzanie Sp. z o.o. into a joint stock company.</p>
<p>1 July 2014</p>	<p>Opening of the liquidation of ENERGA Elektrociepłownia Kalisz SA</p>
<p>29 July 2014</p>	<p>Acquisition of a 100% stake in BORA Sp. z o.o. by ENERGA Invest SA.</p>

Apart from the aforementioned major changes, the following actions were taken in individual segments.

In the Generation Segment:

- on 8 January 2014, the process of merging the target companies was completed: AEGIR 1 Sp. z o.o., AEGIR 2 Sp. z o.o. and AEGIR 3 Sp. z o.o., with AEGIR 4 Sp. z o.o.
- on 28 April 2014, ENERGA Wytwarzanie Sp. z o.o. sold the shares in an associated entity Bio-Power Sp. z o.o.
- on 9 May 2014, the capital increase of Ciepło Kaliskie Sp. z o.o. by PLN 6.118 m to PLN 49.375 m was registered. The new shares were taken up for a contribution in kind in the form of an organized part of an enterprise, by ENERGA Elektrociepłownia Kalisz SA. At present, a liquidation procedure of that company is carried out pursuant to a liquidation resolution adopted on 1 July 2014 by the General Meeting of ENERGA Elektrociepłownia Kalisz SA. More details are provided in Chapter 5: 'Material events in the reporting period and after the balance sheet date'.
- on 3 June 2014, upon registration in the National Court Register ('KRS'), the transformation process of ENERGA Wytwarzanie Sp. z o.o. into a joint stock company was completed. The change of the legal form was justified by the significant assets of the company, its high share capital and the considerable scale and scope of business activity.
- On 22 July 2014, the General Meeting of ENERGA Wytwarzanie SA decided to change its registered office to Gdańsk.

In the Distribution Segment:

- on 17 February 2014, Zakład Energetyczny Płock-Dystrybucja Zachód Sp. z o.o. w likwidacji (in liquidation) was deleted from the Register of Entrepreneurs of KRS.
- on 27 February 2014, ENERGA-OPERATOR SA sold all of its shares in the companies: ENERGA-OPERATOR Produkcja Sp. z o.o. and Przedsiębiorstwo Wielobranżowe Energetyki 'ELEKTROINSTAL' Sp. z o.o. to an entity from outside the ENERGA Group.
- on 16 April 2014, the company ENERGETYK Sp. z o.o. w likwidacji (in liquidation) was deleted from KRS.

Additionally, on 13 May 2014, ENERGA SA sold the shares it held in an associate SOEN Sp. z o.o. This followed the fulfillment of the suspending condition provided for in the conditional share sale agreement concluded on 1 April 2014.

On 30 September 2014, the Extraordinary General Meeting of Międzynarodowe Centrum Szkolenia Energetyki Sp. z o.o. adopted a resolution to discontinue the liquidation process of the company. The justification for this decision is presented in Chapter 5.

Additionally, in respect to capital changes in the ENERGA Group, notable events include a decision of the General Meeting of ENERGA-OPERATOR SA of 14 April 2014 to increase the company's share capital by PLN 135 m to PLN 1,356,110,400, allocating for this purpose its own funds from the company's supplementary capital item increased by the net profit generated by the company in 2013. The capital increase was registered in KRS on 5 May 2014.

2. Operations of the ENERGA Capital Group

2.1. Description of the Group's operations, by operating segment

At the end of June 2014, the ENERGA Group was the third largest 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 the Group's EBITDA. Among Poland's largest utilities (PGE, TAURON, ENEA), it also held a leading position in terms of the generation percentage of electricity originating from renewable energy sources ('RES') in the total volume of electrical energy generated. The ENERGA Group was the third largest electricity seller in Poland in terms of the volume of electricity sold to end users.

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

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. The leader in this segment is ENERGA Wytwarzanie SA.

Distribution Segment – encompasses activity involving the distribution of electrical energy by the DSO – ENERGA-OPERATOR SA (Segment Leader), as well as activity directly connected to distribution conducted by other companies in this segment.

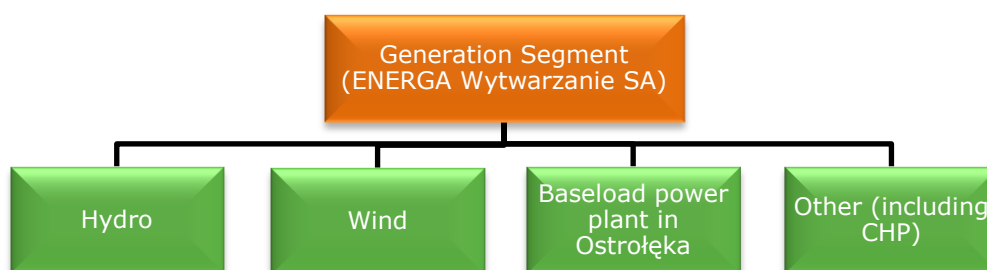
Sales Segment – primarily consists of activity related to the sales of electrical energy and customer service conducted by ENERGA-OBRÓT SA (segment leader) and ENERGA Obsługa i Sprzedaż Sp. z o.o. as well as street and road lighting services provided by ENERGA Oświetlenie Sp. z o.o. This segment also comprises ENERGA-Innowacje, the primary line of business of which is organization and management of development of innovative energy projects.

Distribution Segment is key from the standpoint of building the Group’s operating profitability. Distribution of electricity in Poland is a regulated activity, conducted on the basis of tariffs approved by the President of the Energy Regulatory Office (‘ERO’). The Group has a natural monopoly position in the northern and central part of Poland, where its distribution assets are located, through which it supplies electricity to 2.9 million customers. As at 30 June 2014, the distribution grid consisted of power lines with a total length of over 191 thousand km and covered almost 77 thousand km², i.e. about 25% of the country’s landmass.

Generation Segment operates on the basis of four business lines: the baseload power plant in Ostrołęka, hydro, wind and other (including cogeneration - CHP). At the end of June 2014, the total installed generation capacity in the Group’s power plants was approximately 1.3 GW.

The Group's gross electricity production was 1.3 TWh in Q3 2014 and 3.8 TWh in 9 months of this year. The installed capacity of our power plants relies on diverse energy sources, such as hard coal, hydropower, wind and biomass. In Q3 2014, 66% of the Group’s gross energy production originated from hard coal, 16% from hydro, 14% from biomass and 5% from wind. After 9 months of this year, the Group generated 63% of its gross energy from hard coal, 18% from hydro, 13% from biomass and 6% from wind.

Fig. 3: Structure of the Generation Segment, by energy source



The ENERGA Group owes its leading position in terms of the percentage of electricity from renewable energy sources in the total energy generated, primarily to the generation of energy in hydro power plants and from biomass. Green energy is produced in 46 hydro power plants, 3 wind farms and in biomass-fired installations (mainly in ENERGA Elektrownie Ostrołęka SA).

At the end of September 2014, the Group had the installed capacity of over 0.5 GW in renewable energy sources, with a gross production of 430 GWh of electricity in the third quarter of 2014 and 1.4 GWh in the 9 months of the year.


The **Sales Segment** sells electricity to all segments customers, from industry, through big, medium-sized and small business, to households. The biggest share in terms of volume goes to industrial customers, and households are the most numerous group of customers. At the end of Q3 2014, the ENERGA Group supplied 2.9 million customers, out of which over 2.6 million were G tariff customers.

In the Sales Segment, ENERGA Obsługa i Sprzedaż ('EOiS') is responsible for the administration, payment, billing and collection processes for customers of all of the Group's segments. The third quarter of 2014 saw the continuation of activities aimed at improving the quality of service, while optimizing the operating expenses, which are described in detail in the next section in the part devoted to the Sales Segment.

2.2. Key operational data of the Group

2.2.1 Distribution Segment

Distribution of electricity, by tariff groups



Distribution of electricity, by tariff groups (in GWh)	Q3 2014	Q3 2013	Change	Change (%)	9 months of 2014	9 months of 2013	Change	Change (%)
Tariff Group A (HV)	1,116	1,057	59	6%	3,114	2,924	190	6%
Tariff Group B (MV)	1,808	1,746	62	4%	5,313	5,085	228	4%
Tariff Group C (LV)	1,028	1,047	-19	-2%	3,135	3,144	-8	-0.3%
Tariff Group G (LV)	1,226	1,192	33	3%	3,943	4,013	-70	-2%
Total	5,179	5,043	136	3%	15,505	15,165	340	2%

* Billed sales.

In Q3 2014, the volume of supplied electricity was higher than the one in the same period of 2013, by 3% on average. At the same time, the average distribution rate grew by 3%. For the three quarters of this year, the overall volume of supplied energy increased by 2% annually.


SAIDI and SAIFI ratios

	SAIDI			SAIFI		
	unplanned incl. catastrophic	planned	Total	unplanned incl. catastrophic	planned	Total
	Number of minutes per customer in the relevant period			Disruptions per customer in the relevant period		
Q3 2014	59.8	11.6	71.4	1.0	0.1	1.1
Q3 2013	51.6	20.1	71.7	0.8	0.1	0.9
Change	8.2	-8.5	-0.3	0.2	-	0.2
Change (%)	16%	-42%	-	24%	-28%	17%
9 months of 2014	180.9	47.3	228.2	2.6	0.3	2.9
9 months of 2013	115.0	45.8	160.8	1.9	0.3	2.2
Change	65.9	1.6	67.5	0.7	-	0.7
Change (%)	57%	3%	42%	34%	7%	30%

In Q3 2014, ENERGA-OPERATOR SA reached SAIDI of 71.4 min./cust., which represented a slight decline as compared with the comparable period of the previous year. The SAIFI ratio (1.1 interruptions) was 17% higher than in Q3 2013.

2.2.2 Sales Segment

Sales of electricity by the Sales Segment



Sales of electricity by the Sales Segment (GWh)*	Q3 2014	Q3 2013	Change	Change (%)	9 months of 2014	9 months of 2013	Change	Change (%)
Retail electricity sales	3,960	4,307	-348	-8%	12,087	13,631	-1,544	-11%
Electricity sales on the wholesale market	2,322	3,130	-809	-26%	7,199	9,065	-1,866	-21%
<i>Electricity sales to the balancing market</i>	99	132	-33	-25%	308	599	-291	-49%
<i>Electricity sales to ENERGA-OPERATOR to cover network losses</i>	315	372	-57	-15%	1,037	1,072	-35	-3%
<i>Electricity sales to foreign customers</i>	3	46	-43	-94%	25	187	-161	-86%
<i>Other wholesale</i>	1,905	2,580	-675	-26%	5,829	7,207	-1,379	-19%
Total sale of energy	6,281	7,437	-1,156	-16%	19,286	22,695	-3,410	-15%

* Excluding electricity sold by generators.

In Q3 2014, the volume of electricity sold by the segment decreased by approximately 16% (-1.2 TWh) when compared to Q3 2013. The volumes fell on both retail and wholesale markets. The volume of electricity sold to end users fell by approximately 8% (-0.3 TWh) when compared to Q3 2013. This applied to all the business tariff groups, but the largest deviation was recorded in tariff groups A and B, mainly due to a change in the sales strategy and the decision not to renew unprofitable contracts in these tariff groups. In terms of volume, sales to households (tariff G) in Q3 2014 accounted for 31% of the sales billed to end users by ENERGA-OBRÓT SA (28% in the corresponding period of the previous year). In the period analyzed, the decrease of energy sales was recorded also in the wholesale market (approx. 26%). Electricity trading on the wholesale market aims largely at optimizing the average purchase price of energy to be sold on the retail market.

The leader of the Sales Segment has also completed activities associated with the implementation of the target model of contact channels, which involved creation of a network that would be cost-effective, match customer needs and the changing market environment.

By 30 September 2014, such activities involved:

- opening 20 Partner Outlets (of which 11 in Q3 2014) run and managed by external agents,
- cost optimization of 9 Sales Outlets in terms of employment and space used,
- maximizing the sales and loyalty-oriented functions of the Sales Outlets,
- launching 7 out of 9 planned 'retail island' franchises located in shopping centers in selected cities (Grudziądz, Konin, Włocławek, Gdańsk, Poznań, Katowice i Wrocław),
- completing the preparation of the Call Center (BOK) for consumers and tBOK SOHO to handle the increased phone connections and outsource the handling of incoming calls to an external Contact Center,
- preparing the main website and the mobile site to sell the loyalty and acquisition offering,
- introducing ongoing monitoring of customer attrition and the customer retention policy,
- developing a uniform sales documentation and new standards for respective channels.

There are also projects aimed at improving customer service quality:

- 'Implementation of the Sales Support System in the Sales Segment' with a single CRM & billing environment,
- Developing the infrastructure and new functionalities of 'eBOK 2014',
- Growth and optimization of the Contact Center,
- 'Mystery Shopper' study and 'NPS System' customer relations management system;
- Business continuity project,
- Project to engage segment employees in the implementation of strategic objectives: 'Customer-Oriented Organizational Culture' and 'I Am An ENERGA Customer'.

2.2.3 Generation Segment

Gross production of electricity in the ENERGA Group

Gross production of electricity (GWh)	Q3 2014	Q3 2013	Change	Change (%)	9 months of 2014	9 months of 2013	Change	Change (%)
Power plants - coal-fired	817	847	-31	-4%	2,299	2,277	22	1%
Power plants - biomass co-fired	168	185	-17	-9%	485	507	-23	-4%
CHP plants - coal-fired	19	23	-4	-17%	93	105	-12	-12%
Biomass-fired CHP plants	10	0	10	-	10	0	10	-
Power plants - hydro	194	170	24	14%	670	810	-140	-17%
Pumped-storage plant	5	6	-2	-24%	26	15	11	76%
Power plants - wind	58	42	16	39%	225	42	184	438%
Total production of electricity	1,271	1,274	-3	-0.2%	3,807	3,756	51	1%
<i>incl. RES</i>	<i>430</i>	<i>397</i>	<i>34</i>	<i>8%</i>	<i>1,390</i>	<i>1,359</i>	<i>31</i>	<i>2%</i>

During the third quarter of 2014, the generating companies of the ENERGA Group produced approx. 3 GWh (or 0.2%) less electricity than in the same period of the previous year. The main reason was the drop in the production by the baseload power plant (-48 GWh) offset by higher production of the run-of-the-river hydro power plants (24 GWh) driven mainly by better hydrologic conditions in Q3 2014. The acquisition of wind farms had a positive effect on electricity production levels in Q3 2014 compared to the same period in 2013; they contributed additional 16 GWh of electricity during the quarter.

Production of heat

Gross heat production (TJ)	Q3 2014	Q3 2013	Change	Change (%)	9 months of 2014	9 months of 2013	Change	Change (%)
ENERGA Kogeneracja Sp. z o.o.*	230	253	-24	-9%	1,491	1,734	-243	-14%
ENERGA Elektrownie Ostrołęka SA	182	173	9	5%	1,014	1,038	-24	-2%
Ciepło Kaliskie Sp. z o.o.	2	0	2	-	30	0	30	-
Total gross heat production	414	426	-12	-3%	2,534	2,773	-238	-9%

* EC Kalisz whose property was incorporated into ENERGA Kogeneracja Sp. z o.o. in 2014.

In Q3 2014, heat production fell by approx. 12 TJ (3%) which was driven mainly by the production of heat by ENERGA Kogeneracja being 24 TJ (9%) lower YoY.

Volume and cost* of consumption of key fuels

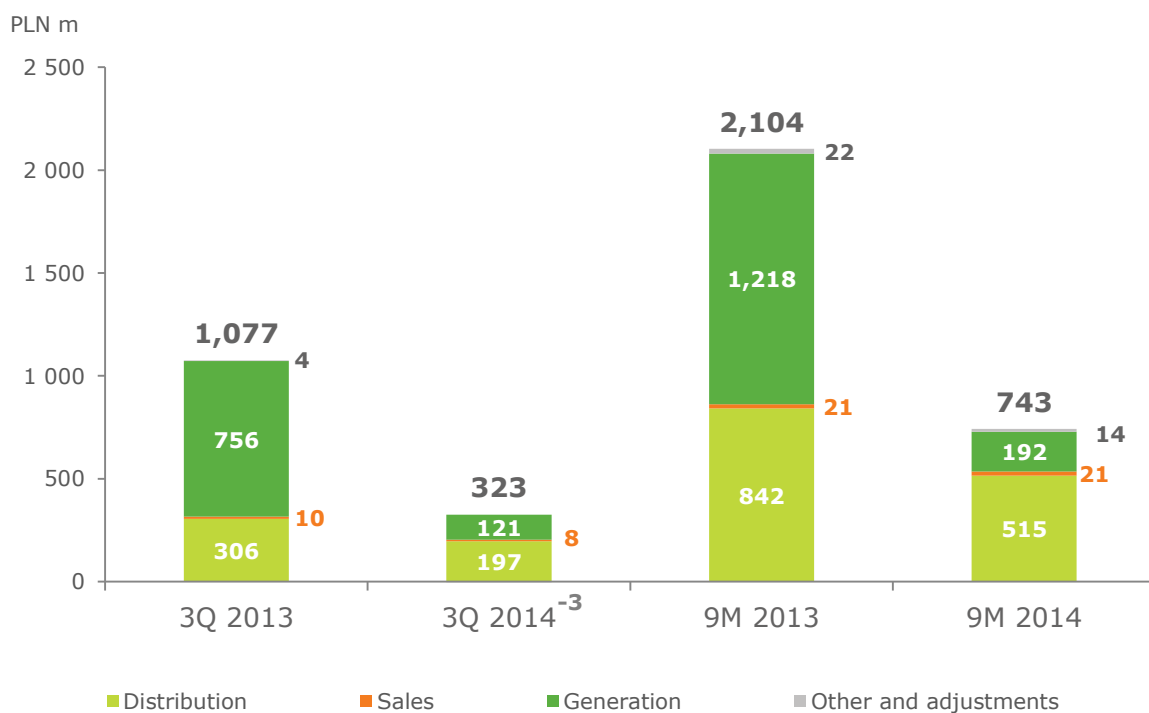
Consumption of fuel	Q3 2014	Q3 2013	Change	Change (%)	9 months of 2014	9 months of 2013	Change	Change (%)
Coal								
Quantity (000s tons)	392.4	433.2	-40.8	-9%	1,184.2	1,208.3	-24.1	-2%
Cost (PLN m)	99.2	125.9	-26.7	-21%	305.2	362.9	-57.7	-16%
Biomass								
Quantity (000s tons)	116.3	114.6	1.8	2%	324.9	343.8	-18.9	-5%
Cost (PLN m)	48.2	50.6	-2.4	-5%	129.7	149.3	-19.6	-13%
Total fuel consumption (PLN m)	147.4	176.5	-29.1	-16%	434.8	512.2	-77.3	-15%

* Including the cost of transportation.

In Q3 2014, the generators from the ENERGA Group consumed approx. 41 thousand tons (9%) of black coal less than the year before. This was associated with a 6% drop in the production of electricity and heat from black coal. In the analyzed period, consumption of biomass increased by approx. 2 thous. tons (2%), driven by a 10 GWh (5%) increase in the production of electricity and heat from biomass firing. The changes in consumption volumes of the individual fuels was accompanied by a decrease in average unit cost [PLN per MWh] of respective fuels (by 17% for coal and 10% for biomass). In Q3, the cost of consumption of key fuels was about PLN 29 m (or 16%) lower than in the comparable period of 2013.

2.3. Implementation of the investment program

Fig. 4: Capital expenditures incurred in three quarters of 2014 and in 2013



During the first three quarters of 2014, the entities comprising the ENERGA Group incurred capital expenditures of PLN 743 m, out of which the Distribution Segment contributed the largest portion of PLN 515 m.

<p>Expansion and modernization of the distribution network, including implementation of the Smart Grid.</p>	<p>Construction of a biomass unit at CHP plant in Elbląg (EC Elbląg) with the capacity of 25 MWe and 30 MWt. On 1 July 2014, the unit was put into service.</p>	<p>Addition of heat generation to the power units in Elektrownia Ostrołęka B. The investment was commissioned for production in October 2014.</p>
<p>Construction of the NOx emission reduction installation at Elektrownia Ostrołęka B. The agreement with the contractor has already been signed.</p>	<p>Construction of a ~26 MWe wind farm in Parsówek. Currently the work to prepare the investment project for execution is under way: tenders have been announced to select the supplier of wind turbines and a general contractor. The project is to be completed in 2015.</p>	<p>Construction of a wind farm in Myśliño with the capacity of approx. 20 MWe. Currently, the wind turbine generators are installed and a switching station is built. The production launch of the farm is planned for 2015.</p>
<p>Construction of a photovoltaic power plant in Czerników with the approximate capacity of 4 MWe. The agreement with the general contractor has been signed. The initiative is executed as part of the Smart Toruń project.</p>	<p>Preparation of a project to build a combined cycle plant in Grudziądz with the capacity of approx. 500 MWe. The investment is at the stage of a tender to select the General Contractor. A decision to go ahead with the construction phase is conditional upon satisfaction of the required economic prerequisites.</p>	<p>Construction of a photovoltaic power plant in Gdańsk with the capacity of approx. 2 MWe. On 17 October 2014, the County Building Supervision Inspector in Gdańsk issued a decision with a permission to operate the facility. The power plant has started its operation.</p>
<p>Preparation of a project to build a combined cycle 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. A decision to go ahead with the construction phase is conditional upon satisfaction of the required economic prerequisites.</p>	<p>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. Currently the work associated with obtaining the building permit is under way. A decision to go ahead with the construction phase is conditional upon satisfaction of the required economic prerequisites.</p>	<p>The resource management rationalization project, which involves modernization of Unit 2 in the Ostrołęka B power plant. The agreement with the general contractor has already been signed.</p>

3. Factors and events influencing the financial results

3.1. Macroeconomic situation

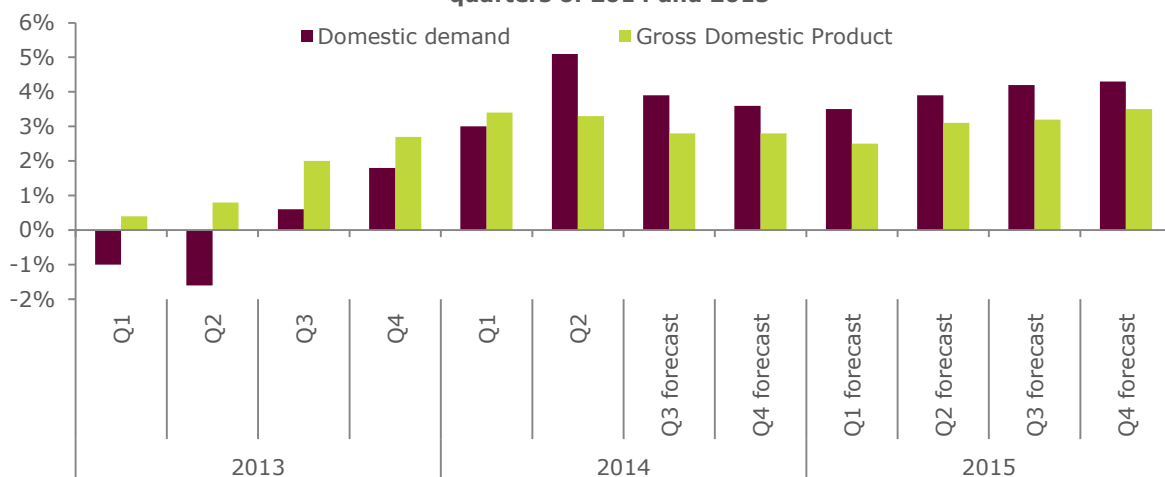
One of the elements that affect ENERGA Group's financial performance is the macroeconomic environment. The first half of 2014 brought about stable economic growth in Poland. In Q2, Polish economy slowed down slightly to 3.3% in annual terms from 3.4% in Q1. The factors contributing to GDP growth included: domestic demand, which reached 5.1% annually (the highest growth recorded for 4 years) and investments, which reached 8.4% YoY. Total consumption was 2.3%

higher than the year before (compared to 2.2% in Q1) and individual consumption increased by 2.8%. At the same time, for the first time since Q4 2010, a negative impact of international demand was observed, with economic sanctions imposed by Russia being among other underlying causes.

The growth of Poland's economy is increasingly linked to the economic standing of the Euro zone and therefore the trading restrictions between the European Union and Russia and weak performance and prospects of the European economy may slow down the recovery of the domestic economy in the coming quarters.

For Q3 2014, analysts from Bank Zachodni WBK expect slower economic growth in Poland, which may drop even below 3% YoY. The average annual national GDP growth forecasts, calculated through aggregation of opinions given by respondents in the NBP Macroeconomic Survey in September assume slow improvement of economic conditions in the coming years. The scenarios assume a 3.1% GDP growth in 2014, which will then increase to 3.3% in 2015 and 3.4% in 2016. The International Monetary Fund has developed similar growth forecasts for Poland, indicating at the same time that the strengthening of Polish economy is driven by strong domestic demand, growing investments and declining unemployment.

Fig. 5: Poland's annual GDP and domestic demand growth rate by quarter and forecast for the next quarters of 2014 and 2015



Source: Proprietary material based on data from the Central Statistical Office and BZ WBK's forecast.

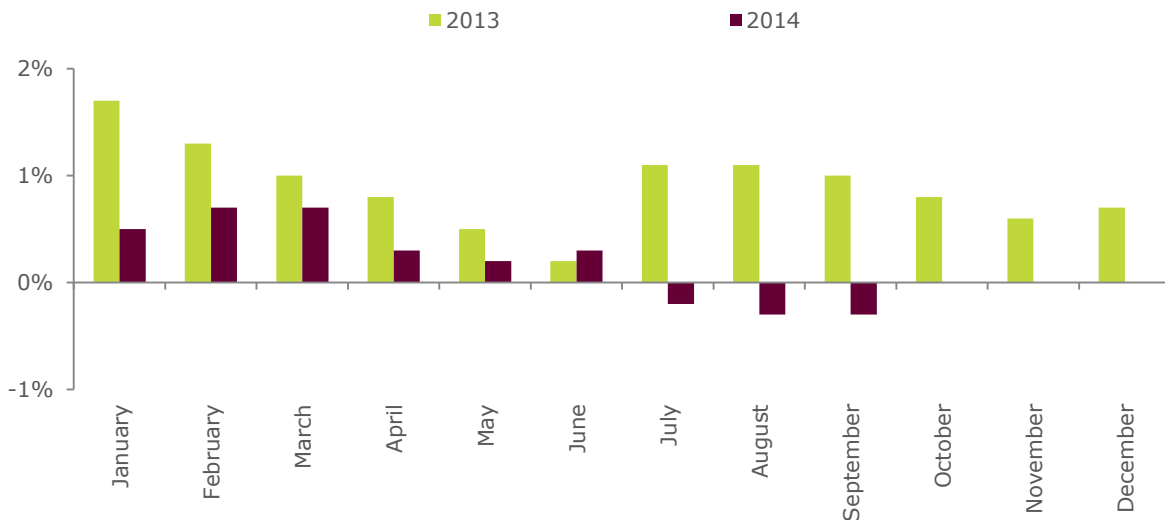
According to the estimates developed in the Ministry of Labor and Social Policy, the unemployment rate registered at the end of September 2014 was 11.5% (i.e. 1.5 percentage points less than at the end of September 2013). Based on monthly data from the labor market and the trends observed in previous years, it is expected that the unemployment rate will be about 12% at the end of the year, which is 1.4 % pp. less than the year before. The gradual improvement of the labor market situation should support consumption growth, which in the coming quarters will be the determining factor for the GDP growth rate in Poland.

The September 2014 PMI indicator published by Markit Economics on behalf of HSBC, at 49.5 points, that is below the neutral threshold of 50 points, confirms the trend of deteriorating conditions in the Polish manufacturing sector in the third quarter of the year. Production volumes were falling at the fastest pace since May 2013 and the number of new orders declined for the fourth month in a row. However, the fact that this indicator increased for the first time since February could mean that the downward trend is slowing down.

The prices of consumer goods and services in September 2014 remained generally flat from the previous month, that is -0.3% YoY. During the three quarters of this year, however, they increased by 0.2% compared to the same period last year. Energy prices were on average 0.1% higher than in August of this year, driven mainly by an increase in prices of fuel and heat. During the first three

quarters of 2014 energy prices, however, remained unchanged compared to the same period of 2013. The results of the September round of the NBP Macroeconomic Survey indicate that CPI in 2014 will be very low (0.2% in the central scenario). In the two following years, inflation should gradually increase: up to 1.2% in 2015 and 2.1% in 2016. The important factors determining inflation forecasts include, among others: stagnation in the Euro zone, lower oil prices, prolonged conflict between Ukraine and Russia and uncertainty associated with the future evolution of prices of food and energy fuels.

Fig. 6: Annual growth of consumer goods and service prices in Poland, respective months of 2013 and 2014



Source: Proprietary material based on data from the Central Statistical Office (GUS).

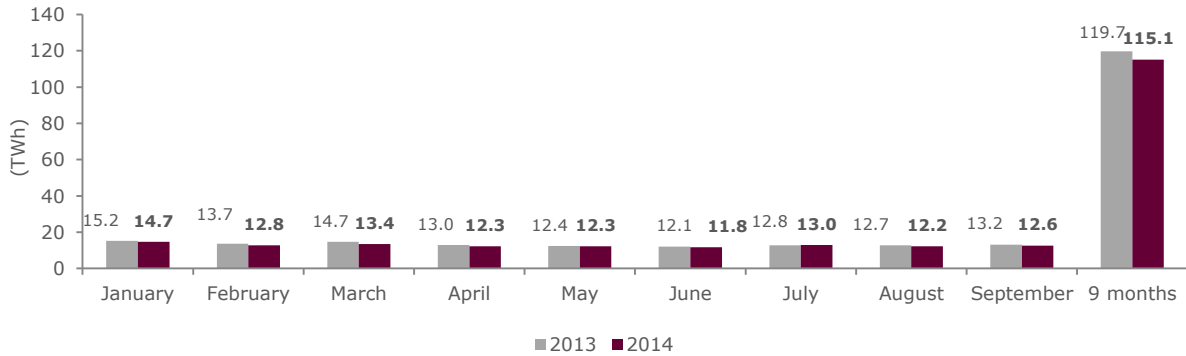
On 8 October 2014, the Monetary Policy Council ('MPC'), recognizing the problem of the slowing economic growth and the low inflation path, made a decision to lower interest rates by an average of 0.50 percentage points. The basic rate of National Bank of Poland (the reference rate) is currently at its historical low, that is at 2%. The Council believes that the macroeconomic data point to a slowdown in economic activity and increase the risk that inflation will remain below target in the medium term. Further action to adjust monetary policy cannot be ruled out if any data, including the November NBP projections, confirm the risk that inflation may remain below target in the medium term.

3.2. Situation in the electricity market

Domestic production of electricity

Production of electricity in Poland, according to the data published by Polskie Sieci Energetyczne ('PSE') after Q3 2014, was 3.9% lower than in the corresponding period last year. The biggest decrease of electricity production compared to the corresponding period of 2013 occurred in March (by 8.6%). In the third quarter, the largest drop in production was recorded in September (by 4.1%).

Fig. 7: Domestic production of electricity in Poland, January-September 2014

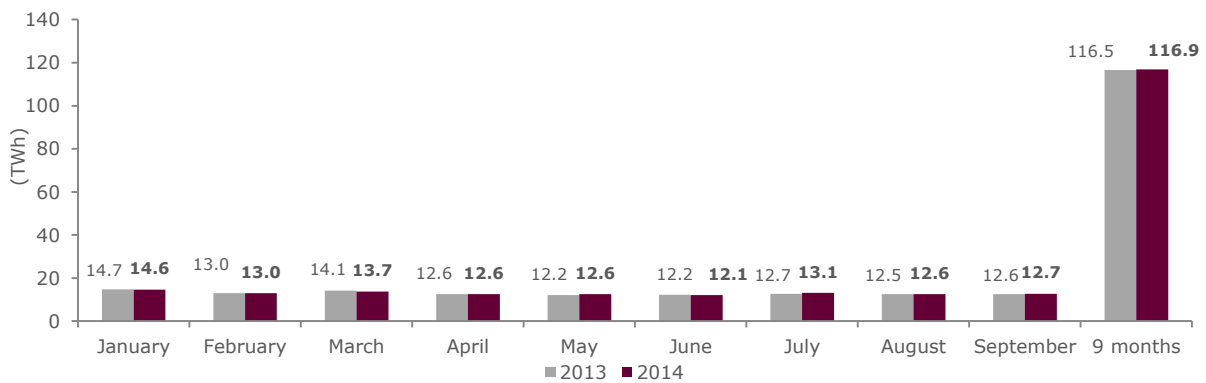


Source: PSE

Domestic consumption of electricity

Domestic consumption of electricity in Poland in the period of January-September 2014 was 0.3% higher than in the same period of the previous year. In Q3 domestic consumption of electricity increased by 1.7% YoY. The highest increase in electricity consumption occurred in July, i.e. by 3.3%.

Fig. 8: Domestic consumption of electricity in Poland, January-September 2014

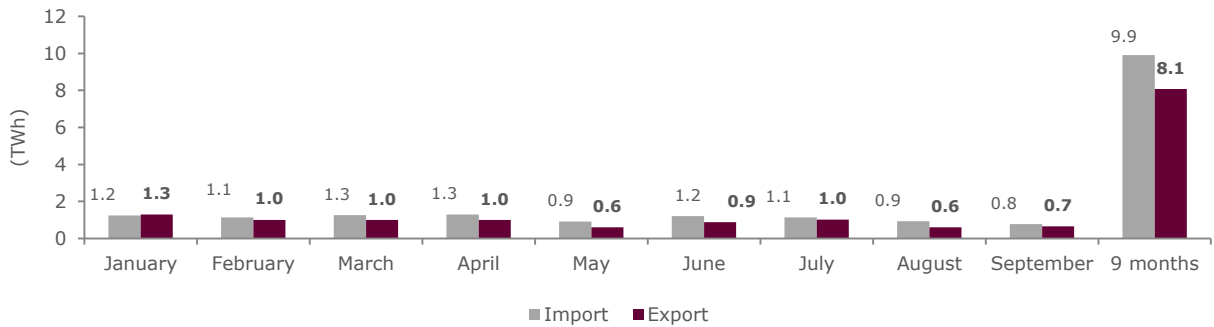


Source: PSE

Inter-system exchange

After 9 months of this year, much higher imports of electricity can be observed (by approx. 18.5%), the volume of which was higher than exports from Poland. This occurrence has been impacted by low energy prices in the neighboring countries. As the individual months are analyzed, we can see that the surplus of exports over imports was recorded in January 2014 only (about 4%) while imports were higher in all other months.

Fig. 9: Monthly volumes of intersystem exchange in Poland, January-September 2014

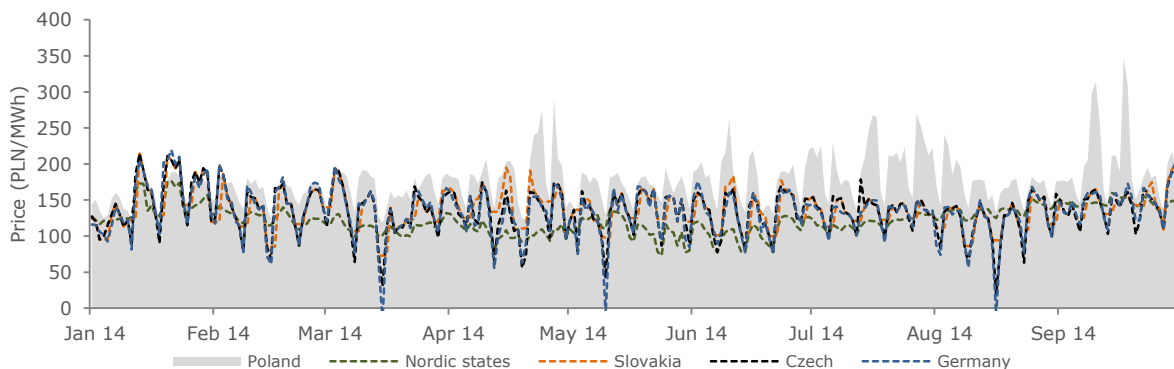


Source: PSE

SPOT electricity market in Poland and in neighboring countries

In order to compare energy prices in Poland to those in the neighboring countries, SPOT market prices were used as reference products. The price level in Poland generally higher than in the neighboring countries. January was an exception when the peak hours in Poland were lower. In this respect the 3 quarter deserves special attention since, especially in peak hours, strong price peaks occurred even above PLN 300/MWh.

Fig. 10: Electricity prices on the SPOT market in Poland and in neighboring countries, January-September 2014

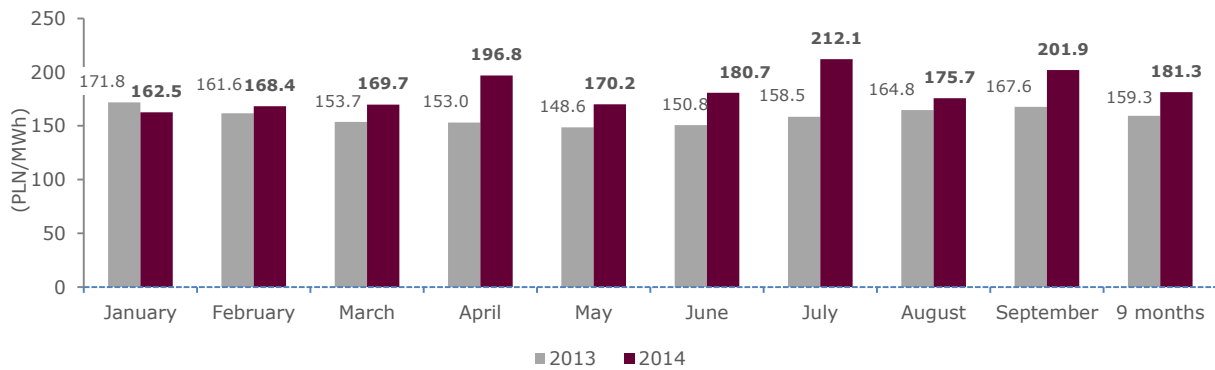


Source: Bloomberg

Electricity Day-Ahead Market (DAM) in Poland

Average prices on the DAM market in January-September 2014 were much higher than the prices from the same period in 2013. Although the prices in January 2013 were over PLN 9/MWh higher than in January 2014, this trend has reversed in the following months.

Fig. 11: Electricity prices on the Day-Ahead Market (DAM), January-September 2014



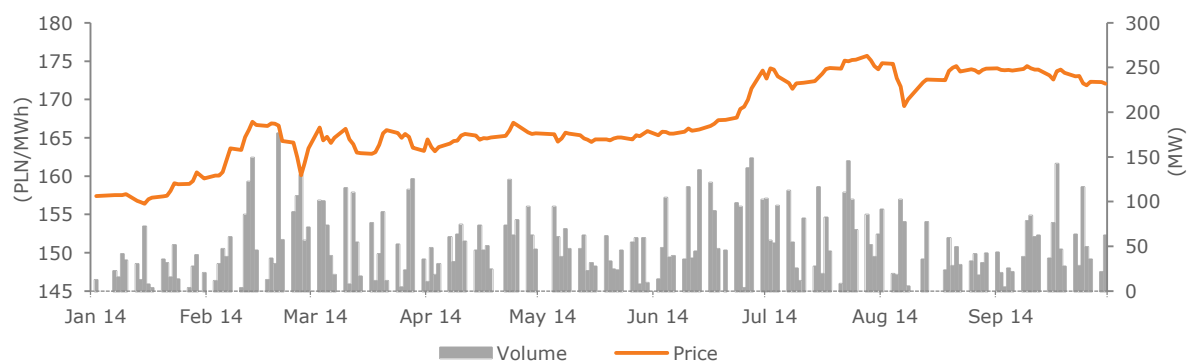
Source: Polish Power Exchange ('TGE')

The price on the Day-Ahead Market in Q3 2014 was highly variable and had a high growth rate. In July of this year, the energy price was the highest, at 212 PLN/MWh. This was driven by high temperatures in July, low output of wind sources as well as stoppages of numerous power units. In August of this year, the price fell by over 17% compared to July, as a result of lower demand for capacity in the National Power System ('KSE') and higher generation from renewable sources. In September of this year, the prices went up again, due to stoppages and renovations of power units, low production of wind energy and temporary shutdown of the cable connecting Poland to Sweden (no option to import cheaper energy to Poland).

Electricity forward market in Poland

To assess the forward market in Poland, the annual forward contract for delivery of base energy in the whole 2015 was used as a reference product. The prices of this product were higher than product prices in the same period of the previous year. At the same time, the high level of prices has shown an upward trend over time.

Fig. 12: Price of a forward contract – base with delivery in 2015, January-September 2014



Source: TGE

When the third quarter is analyzed, one could reach a conclusion that the high prices on the Day-Ahead Market in 2014 drove growth on the forward market. In July, the product reached its maximum (176 PLN/MWh). However the decline in energy prices on the DAM in August 2014 and the falling prices of CO₂ allowances drove down the prices of this product as well.

Property rights market

From 30 May 2014, new instruments are listed on TGE with a yearly term of cogeneration property rights (PMMET-2014, PMGM-2014, P MEC-2014), which was introduced by the 'Co-Generation Act' (Act of 14 March 2014 amending the Energy Law Act and certain other acts) on 30 April 2014.

Index (type of certificate)	Index value Q1 this year (PLN/MWh)	Index value Q2 this year (PLN/MWh)	Index value Q3 this year (PLN/MWh)	Obligation percentage (%)	Substitution fee (PLN/MWh)
OZEX_A_POLPX (PMOZE_A - green)	215.92	202.09	195.12	13.00	300.03
KMETX (PMMET - 2014 - purple)	-	58.03	60.49	1.10	63.26
KGMX (PMGM-2014 - yellow)	-	-	104.25	23.20	110.00
KECX (PMEC-2014 - red)	-	-	10.42	3.90	11.00
EFX (PMEF - white)	960.6	941.58	-	1.50	1000.00*

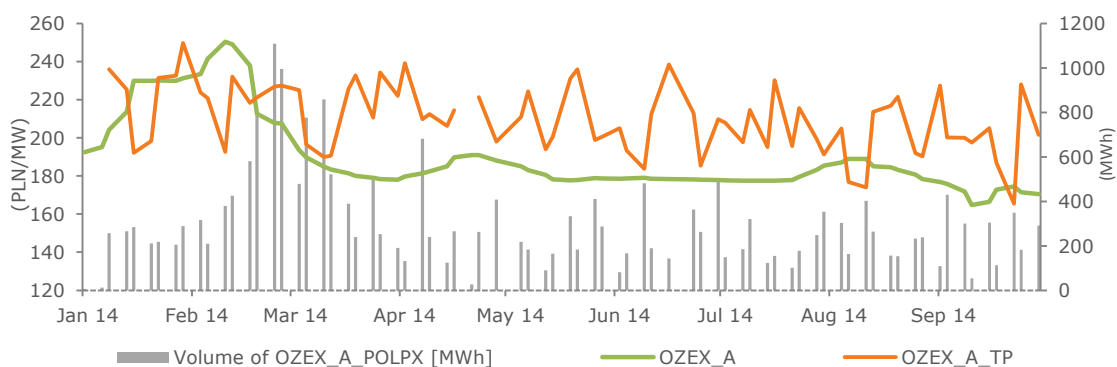
* unit [PLN/toe]

A detailed analysis of products currently listed on the TGE is presented below.

In the case of 'green' property rights, 2014 started with dynamic price hikes. From the first session of the quarter, the OZEX_A index (comprising session transactions) increased by nearly 60 PLN/MWh, up to 250 PLN/MWh in mid-February. This situation was primarily associated with the elapsing deadline for performance of the obligation to obtain and submit for redemption property rights for 2013 and delays in issuance of property rights (in wood biomass burning installations) by the President of the Energy Regulatory Office ('ERO'). The second half of February brought a reversal of the growing trend. Prices were stable throughout the 2nd quarter. Listed prices had an upward trend at the end of April and the OZEX_A index reached its maximum level, that is PLN 191/MWh. From May to the end of September of this year, the market for green certificates stabilized again. Only in September of this year, the prices started falling, which was linked to the issuance, by the President of ERO, an overdue volume of certificates for electricity production in the biomass co-firing process in 2013.

Also, as we compare prices in session transactions (OZEX_A) and off-session quotes (OZEX_A_TP) we can observe much higher prices in off-session transactions.

Fig. 13: Analysis of prices and volumes at TGE trading sessions (PMOZE_A) and off-session (OZEX_A_TP)



Source: TGE

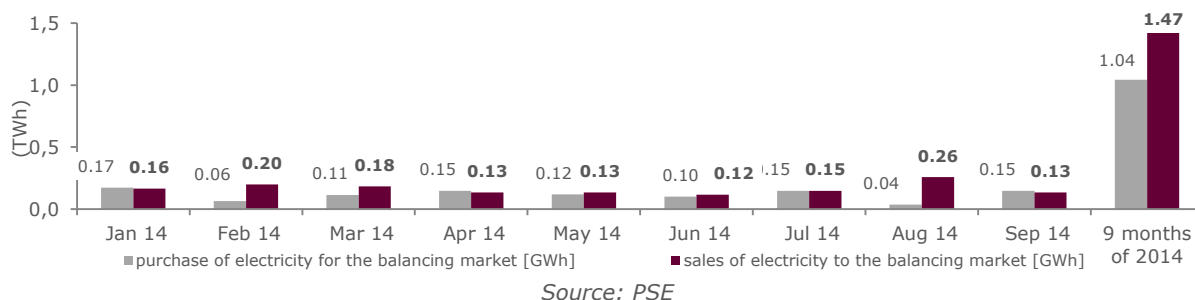
The listing of 'purple' property rights for the production of electricity in 2014 (PMMET-2014) was introduced as late as 30 May of this year. In Q3 2014, the index was very stable, with prices at 59 to 61 PLN/MWh and an average turnover of 2.3 GWh per session. From session to session, the KMETX index increased, nearing the replacement fee level.

According to the framework for 'yellow' (PMGM-2014) and 'red' (PMEC-2014) property rights introduced by the Co-Generation Act, these products are not traded until the end of Q2 of this year. It was at the end of July of this year that the generators received certificates for co-generation in 2014 and exchange trading with the certificates began. However, trading volumes on the session market were low with the average of 2 GWh on PMGM-2014 and 6 GWh on PMEC-2014. Higher volumes were traded on off-session transactions. PMGM and PMEC quotes in session transactions are close to substitution fees.

Balancing Market

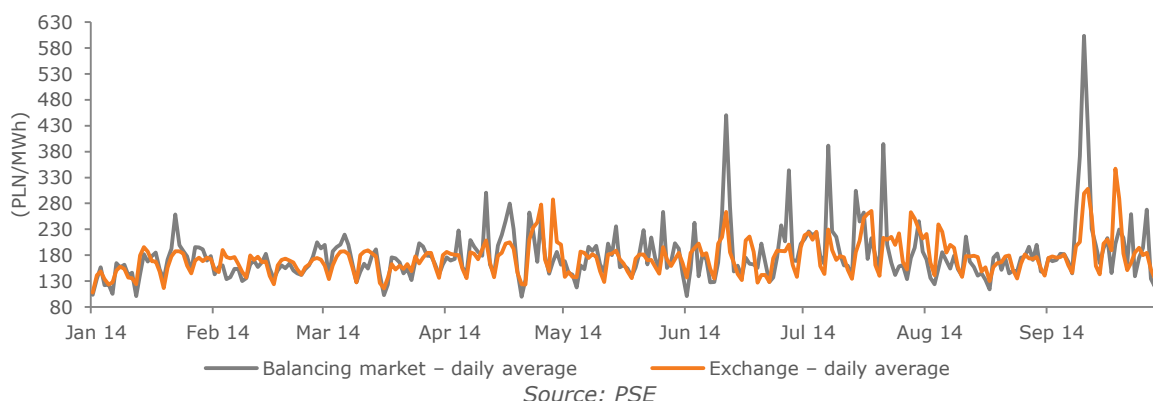
In the period from January to September 2014, approx. 1.5 GWh of energy was delivered to the balancing market and approx. 1 GWh was received. Only in January, April and September, more was received from the market than delivered to the market. We should take note of August, when much more energy was sold than purchased.

Fig. 14: Electricity volumes on the balancing market, January-September 2014



In Q1 2014 stable prices were observed on the balancing market, with levels similar to those quoted on the energy exchange. Only April brought increased price volatility which subsequently (in June and July) resulted in price levels exceeding at times 300 PLN/MWh. Following a temporary stabilization of prices in August, increased volatility was observed from the beginning of September, with prices higher than quoted in the summer months.

Fig. 15: Statement of prices on the balancing market and the SPOT market (Exchange), January - September 2014

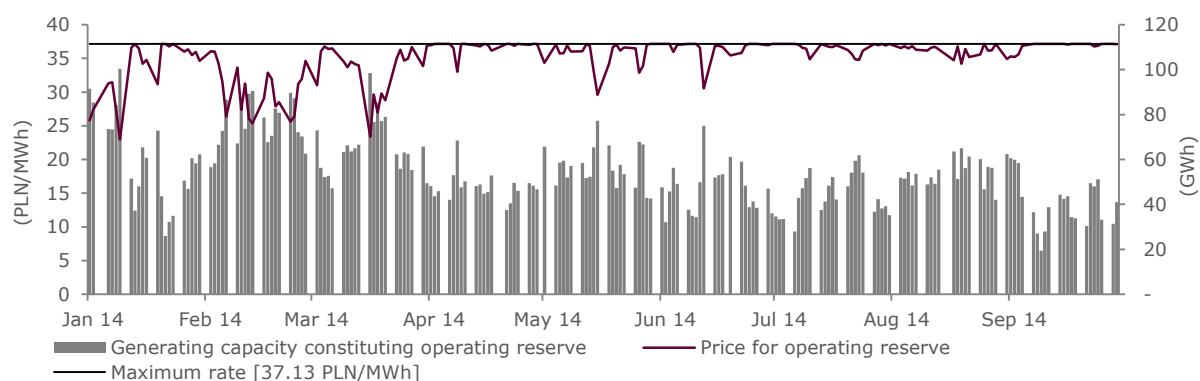


Operating reserve

As of the beginning of 2014, the catalog of system services provided to PSE was expanded to include an operating reserve. The operating reserve is made up by generation units which have free capacity not covered by sales contracts. The units participating in the operating reserve receive a fee for their readiness to work for the operator in peak hours (7-22), which is calculated on the basis of average fixed costs without the cost of depreciation, management and sales, which was 37.13 PLN/MWh in the analyzed 9-month period. In the event of a higher number of units reported as available the price is proportionally reduced.

The chart below presents the prices and generating capacities which make up the aforementioned reserve. The analysis shows that in Q1 of this year (due to the level of capacities submitted by generators to the reserve), the maximum rate was often not achieved. When the second quarter came, the price stabilized at the upper limit. This trend was maintained in Q3, when the average price for reserve power was relatively high (36.4 PLN/MWh).

Fig. 16: Prices and generating capacity constituting operating reserve, January-September 2014



Source: PSE

Emission allowance market

The EUA emission allowance market with delivery in December 2014 was characterized by high volatility, especially in Q1 of this year. The main reason was the final approval of the backloading (i.e. a plan to freeze the auction of some of the existing surplus of CO₂ emission allowances) by the European Parliament (still in December 2013). The volatility was also driven by delays in the delivery of free installation allowances (the settlement obligation for the previous year elapsed on 30 April 2014). The end of Q1 saw declining prices of emission allowances, driven by the fact that some countries, including Poland, have already been allocated the allowances. In Q2 of this year, the CO₂ emission allowance market with the December 2014 delivery was characterized by a medium-term upward trend. This trend was continued also in the third quarter (in July and September). From early September, we could see a decline in prices for this product, driven by an increased number of allowances available on primary market auctions (after the holiday break, according to the current schedule) and recommencement of EUA allowance sales from the 2012 award on EEX (following a suspension of trading, which lasted over 2 years).

Fig. 17: EUA prices (DEC 2014), January - September 2014



Source: Reuters

3.3. Regulatory environment

Below is a list of legal acts which entered into force in Q3 2014 and by the date of preparation of this information, and bills of new legal acts the work on which was continued in the period in question:

1. **Bill on renewable energy sources** adopted by the minutes of decisions of the Council of Ministers no. 14/2014 of 8 April of this year (currently Parliamentary Paper no. 2604): the purpose of the act is to optimize the costs of the existing RES support system and implement Poland's energy policy till 2030. The act comprehensively regulates the mechanisms and instruments supporting energy generation in RES. From the ENERGA Group's perspective, the most important change that the bill introduces is exclusion of water power plants with the

capacity over 5 MW from the support system, which means that, as at today, the impact of this legal act on the Group's activity is negative. During the parliamentary work, the act was resubmitted for broad public consultations, as a result of which numerous reservations were raised concerning the bill. Currently, the parliamentary work focuses on analyzing the submitted comments and a new bill will be developed, most likely in November, which will then be subject to the parliamentary procedure in Poland.

2. **Draft assumptions for the bill of the Water Law** of 28 March 2014: the new bill still emphasizes the need to introduce fees for utilization of inland water for energy purposes, as part of implementation of the Framework Water Directive (2000/60/EC of 23 October 2000) into the Polish law. Introduction of fees, if any, may have negative impact on the profitability of conventional generation installations and water power plants, including the installations of both types operated in the ENERGA Group.
3. **The MP bill of an act amending the construction law and the zoning act** (Parliamentary Paper 758) **and bill of an act amending certain acts in connection with strengthening the tools for landscape protection** (Parliamentary Paper 1525): the bills provide for, among other things, introduction of a number of limitations regarding location of energy-related facilities (RES installations, including wind farms). If the acts introducing the limitations come into force, they may have adverse impact on the operations of the ENERGA Group, both for the wind farms in operation and the investment plans in this respect. The bills are currently subject to legislative process in the parliament, which should, by the end of November 2014, finally decide on the final regulations and their impact on the Group's business.
4. **Bill of the act on the so-called transmission corridors**: the work on the act is aimed at introducing a legal mechanism facilitating execution of investments in construction and modernization of electricity grids in Poland. In June 2014 the oversight over the drafting of the act was moved from the Ministry of Economy to the Ministry of Infrastructure and Development. According to published information, further work on the regulation can be continued as part of the legislative works on the so-called Urban and Construction Code (framework code for public purpose investments). At present, the impact of the new act cannot be assessed, but due to its scope, it may be important for the Distribution Segment.
5. **Bill of the new energy efficiency act** of 12 June 2014 (version 1.16): the purpose of the new efficiency act is to implement the so-called EED Directive (2012/27/EC of 25 October 2012) in the national legislation. The provisions of the existing act will be gradually phased out until 1 April 2016. The consequences of the regulation may apply to the Distribution and Generation Segments in the context of the possibility of obtaining the so-called white certificates, and the Sales Segment, as regards the redemption obligation for such certificates of origin. At present it is not possible to provide an aggregate assessment of the impact of the new regulation on the Group.
6. **Draft act amending the Energy Law Act and the Act on principles of reimbursement of costs incurred by generators in connection with early termination of long-term capacity and electricity offtake agreements** (ZC38): the document will set forth the rules and the method of implementation of smart metering in Poland, specifying, among others how metering information is transferred and exchanged between electricity market participants and setting out the schedule for implementing smart meters in Poland. This act will be an important factor determining development of the Group's Distribution Segment, in particular with respect to the implementation of AMI meters. According to declarations issued by the Ministry of Economy, the new act is to become effective by the end of 2014, however it is currently at a very early stage of legislative process.
7. **Poland's new energy policy until 2050**: the final document will set out development scenarios for the power segment, i.e. the energy mix and the scope of investments in new generating capacity. Public consultations have shown that the presented bill requires improvement in respect to the energy mix development scenarios (high importance of coal, stagnation in RES, possibility of changing the scenario during the implementation of the

policy). The final wording of the new energy policy may affect the Group's investment plan after 2002.

4. Assets and financial standing of the ENERGA Group

4.1. Group's financial results

Description of the rules for preparing the Interim Condensed Consolidated Financial Statements

The Condensed Interim Consolidated Financial Statements of the ENERGA SA Capital Group for the 9 months ended 30 September 2014 were prepared:

- in accordance with the International Accounting Standard 34 'Interim Financial Reporting' as adopted by the European Union;
- on the historical cost basis except for financial instruments measured at fair value through profit or loss and hedging derivatives;
- 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 policies applied to the preparation of the Interim Condensed Consolidated Financial Statements are presented in note 6 to the Condensed Interim Consolidated Financial Statements of the ENERGA SA Group consistent with IAS 34 for the 9 months ended 30 September 2014.

4.1.1. Consolidated profit and loss account

	9 months ended 30 September 2014	9 months ended 30 September 2013	Change	Change (%)
in thous. PLN				
Sales revenue	7,792,282	8,537,486	(745,204)	-9%
Cost of sales	(6,182,148)	(7,081,164)	899,016	13%
Gross profit	1,610,134	1,456,322	153,812	11%
Other operating income	112,068	84,536	27,532	33%
Selling and distribution expenses	(196,949)	(213,519)	16,570	8%
General and administrative expenses	(256,911)	(279,975)	23,064	8%
Other operating expenses	(76,525)	(135,063)	58,538	43%
Operating profit	1,191,817	912,301	279,516	31%

Financial income	84,167	129,611	(45,444)	-35%
Financial costs	(236,158)	(246,753)	10,595	4%
Share of profit (loss) of associates	(157)	(513)	356	69%
Profit before tax	1,039,669	794,646	245,023	31%
Income tax	(212,460)	(208,092)	(4,368)	-2%
Discontinued activity and non-current assets classified as held for sale	(2,466)	(5,807)	3,341	58%
Net profit for the period	824,743	580,747	243,996	42%
EBITDA	1,832,482	1,480,547	351,935	24%

	3 months ended 30 September 2014 (unaudited, pro forma)	3 months ended 30 September 2013 (unaudited, pro forma)	Change	Change (%)
in thous. PLN				
Sales revenue	2,505,776	2,747,942	(242,166)	-9%
Cost of sales	(2,049,815)	(2,334,282)	284,467	12%
Gross profit	455,961	413,660	42,301	10%
Other operating income	47,553	23,852	23,701	99%
Selling and distribution expenses	(75,123)	(75,279)	156	0%
General and administrative expenses	(79,948)	(97,486)	17,538	18%
Other operating expenses	(14,300)	(89,873)	75,573	84%
Operating profit	334,143	174,874	159,269	91%
Financial income	23,940	26,461	(2,521)	-10%
Financial costs	(76,144)	(95,322)	19,178	20%

Share of profit (loss) of associates	-	(116)	116	100%
Profit before tax	281,939	105,897	176,042	166%
Income tax	(64,353)	(43,751)	(20,602)	-47%
Discontinued activity and non-current assets classified as held for sale	681	(3,231)	3,912	121%
Net profit for the period	218,267	58,915	159,352	270%
EBITDA	551,173	366,025	185,148	51%

In Q3 2014 the Group's sales revenues amounted to PLN 2,506 m and were 9%, or PLN 242 m lower than in the same period of 2013. An increase in revenues was recorded in Q3 by the Generation Segment (10%) and Distribution Segment (2%), while the Sales Segment recorded a 20% drop in relation to Q3 2013.

An increase in Elektrownia Ostrołęka's revenues by about PLN 48 m was the largest contributing factor to the increase in Generation Segment's revenues in Q3. This significant change in the performance of Elektrownia Ostrołęka was driven mainly by a 22% increase in the average sale price of electricity from own production as compared to the similar period of 2013.

The 2% increase in the Distribution Segment's revenues vs. Q3 2013 was driven by the contribution of the higher volume of electricity distributed (3%) and an increase in the average rate on the sale of distribution services (3%).

The 20% drop in Sales Segment's revenues in Q3 of this year resulted from lower volumes of electricity sold on the retail and wholesale markets and lower sales prices.

The cost of sales in Q3 2014 was 12%, or PLN 284 m, lower than in the corresponding period of 2013. The lower cost of sales resulted primarily from lower cost of fuel consumption in the Generation Segment (17%) in the analyzed period as well as lower volume of purchased electricity.

Other operating expenses in Q3 of this year were 84% lower than in Q3 2013. The significant decline in operating expenses in the period under analysis was mainly due to the recognition in Q3 2013 of a provision in the amount of PLN 67 m for employment restructuring costs in the Distribution Segment, resulting from reduction of the scope of agreements (in the investment part) between ENERGA-OPERATOR SA and grid maintenance companies.

The Group's EBITDA in Q3 2014 was PLN 551 m, which is 51% more than in the same period of the previous year. The Group's EBITDA was positively affected mainly by the change of the Generation Segment's EBITDA in the PLN 66 m (74%) YoY. This positive change was caused mainly by the improved performance of Elektrownia Ostrołęka and addition of electricity produced by the wind farms purchased in 2013 to the Segment's result. Additionally, the increase of the Sales Segment's EBITDA vs. the similar period of 2013 resulted, among others, from the reversal of restructuring provisions, revaluation of actuarial provisions in ENERGA Obsługa i Sprzedaż Sp. z o.o. and reduction of the Segment's operating expenses.

The Distribution Segment contributed the most (67%) to the Group's EBITDA in Q3 of this year. The contribution of the Sales and Generation Segments to the Group's EBITDA in the period was 8% and 28%, respectively.

The Group's net result in Q3 2014 was PLN 218 m, which is 270% more than in Q3 2013.

The table below shows the Group's EBITDA adjusted for effects of non-recurring events, by Segments, for Q3 2014 and Q3 2013 and additionally for 9 months of 2014 and 9 months of 2013.

9 months of 2014 (thous. PLN)	Distribution	Sales	Generation	Other and adjustments	All operations
EBITDA	1,163,339	148,558	528,104	(7,519)	1,832,482
Impairment allowances for property, plant and equipment and intangible assets	-	-	10,449	632	11,081
Surplus of headcount restructuring (income)/expenses	5,825	(26,615)	5,588	5,123	(10,079)
Reversal of the additional provision for CO ₂ emissions pertaining to unobtained free allowances	-	-	(35,800)	-	(35,800)
Gains from bargain purchases arising from the acquisition of related companies	-	-	-	(943)	(943)
Adjusted EBITDA	1,169,164	121,943	508,341	(2,707)	1,796,741
9 months of 2013 (thous. PLN)	Distribution	Sales	Generation	Other and adjustments	All operations
EBITDA	1,136,068	187,563	187,750	(30,834)	1,480,547
Impairment allowances for property, plant and equipment and intangible assets	168	-	123,704	(41)	123,831
Surplus of headcount restructuring (income)/expenses	65,278	141	(2,832)	(262)	62,325
Gains from bargain purchases arising from the acquisition of related companies	-	-	-	(17,907)	(17,907)
Adjusted EBITDA	1,201,514	187,704	308,622	(49,044)	1,648,796
Q3 2014 (thous. PLN)	Distribution	Sales	Generation	Other and adjustments	All operations
EBITDA	369,565	41,380	154,614	(14,386)	551,173
Impairment allowances for property, plant and equipment and intangible assets	-	-	(45)	(1,141)	(1,186)
Surplus of headcount restructuring (income)/expenses	(1,414)	(16,624)	(3,491)	3,536	(17,993)
Gains from bargain purchases arising from the acquisition of related companies	-	-	-	(943)	(943)

Adjusted EBITDA	368,151	24,756	151,078	(12,934)	531,051
Q3 2013 (thous. PLN)	Distribution	Sales	Generation	Other and adjustments	All operations
EBITDA (pro forma)	315,728	(11,935)	88,625	(26,393)	366,025
Impairment allowances for property, plant and equipment and intangible assets	-	-	115	(39)	76
Surplus of headcount restructuring (income)/expenses	64,026	(23)	(761)	29	63,271
Gains from bargain purchases arising from the acquisition of related companies	-	-	-	(6,113)	(6,113)
Adjusted EBITDA	379,754	(11,958)	87,979	(32,516)	423,259

4.1.2. Consolidated Statement of Financial Position

in thous. PLN	As at 30 September 2014	As at 31 December 2013	Change	Change (%)
ASSETS				
Non-current assets				
Property, plant and equipment	11,868,707	11,760,776	107,931	1%
Investment property	16,112	15,189	923	6%
Intangible assets	385,139	398,677	(13,538)	-3%
Goodwill	156,773	156,773	-	-
Deferred tax assets	215,347	245,086	(29,739)	-12%
Hedging derivatives	9,284	13,017	(3,733)	-29%
Other non-current financial assets	15,602	17,727	(2,125)	-12%
Other non-current assets	59,393	42,291	17,102	40%
	12,726,357	12,649,536	76,821	1%
Current assets				
Inventories	311,618	302,043	9,575	3%
Current tax receivables	40,611	43,427	(2,816)	-6%
Trade receivables	1,404,607	1,469,543	(64,936)	-4%
Deposits	42	4,121	(4,079)	-99%
Other current financial assets	25,830	8,891	16,939	191%
Cash and cash equivalents	2,700,365	2,352,305	348,060	15%
Other current assets	256,264	145,574	110,690	76%
Assets classified as held for sale	33,255	109,116	(75,861)	-70%
	4,772,592	4,435,020	337,572	8%

TOTAL ASSETS	17,498,949	17,084,556	414,393	2%
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the Parent				
Share capital	4,521,613	4,521,613	-	-
Exchange gains resulting from conversion of a foreign entity	(1,629)	(2,310)	681	29%
Reserve capital	447,192	447,192	-	-
Supplementary capital	606,472	521,490	84,982	16%
Cash flow hedge reserve	(7,288)	26,539	(33,827)	-127%
Retained earnings	2,788,028	2,519,955	268,073	11%
Non-controlling interest	29,834	13,816	16,018	116%
Total equity	8,384,222	8,048,295	335,927	4%
Non-current liabilities				
Loans and borrowings	2,426,464	1,811,548	614,916	34%
Bonds issued	3,127,989	3,119,453	8,536	-
Non-current provisions	621,206	549,499	71,707	13%
Deferred tax liabilities	547,917	544,001	3,916	1%
Deferred income and non-current grants	516,070	489,234	26,836	5%
Other non-current financial liabilities	28,094	4,873	23,221	477%
Other non-current liabilities	2,308	1,406	902	64%
	7,270,048	6,520,014	750,034	12%
Current liabilities				
Trade liabilities	502,080	889,902	(387,822)	-44%
Other financial liabilities	95,735	234,725	(138,990)	-59%
Current loans and borrowings	320,422	274,177	46,245	17%
Bonds issued	61,787	70,584	(8,797)	-12%
Current income tax liability	20,882	6,838	14,044	205%
Deferred income and government grants	38,126	32,048	6,078	19%
Accrued liabilities	85,442	126,813	(41,371)	-33%
Provisions	326,415	444,108	(117,693)	-27%
Other current liabilities	365,101	355,733	9,368	3%
Liability related directly to assets classified as held for sale	28,689	81,319	(52,630)	-65%
	1,844,679	2,516,247	(671,568)	-27%
Total liabilities	9,114,727	9,036,261	78,466	1%
TOTAL EQUITY AND LIABILITIES	17,498,949	17,084,556	414,393	2%

As at 30 September 2014, total assets of the ENERGA Group reached PLN 17,499 m and were 2%, or PLN 414 m, higher than on 31 December 2013.

The significant increase of almost PLN 108 m (1%) compared to 31 December 2013, was recorded in property, plant and equipment. This change resulted from higher capital expenditures less depreciation.

The PLN 338 m increase in current assets (8%) in the analyzed period compared to the end of December 2013 resulted from a PLN 348 m increase in cash, while other current assets increased by PLN 111 m. In the same period, trade receivables dropped by PLN 65 m and assets classified as held for sale by PLN 76 m. The decline in the value of assets classified as held for sale occurred in connection with absence of real interest of potential purchases for some of the companies from the Distribution Segment previously held for sale and suspension of the Group's active efforts to sell the shares in such companies. Moreover, in Q3 the Generation Segment launched the process of selling one of its subsidiaries.

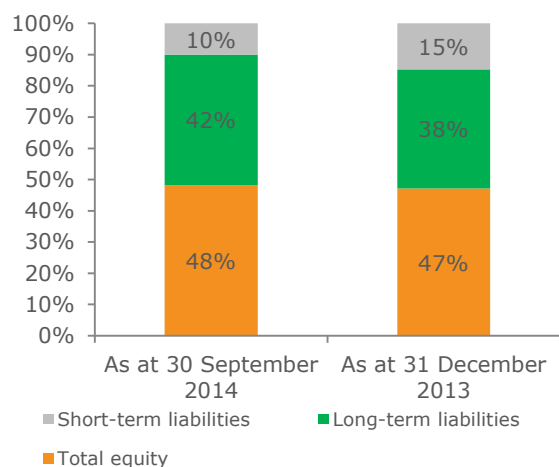
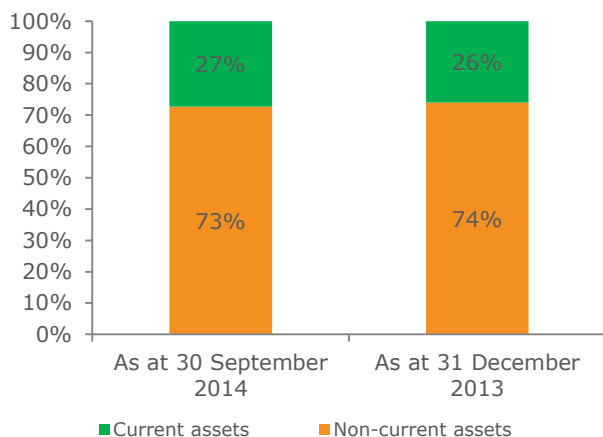
At the liabilities side, a significant change occurred in long-term assets, where the balance of long-term liabilities increased by PLN 750 m (12%) as compared to December 2013. The change in long-term liabilities was affected by a change of PLN 615 m (34%) in the balance of outstanding loans and borrowings. Moreover, the current part of loans and borrowings increased by PLN 46 m (17%). The change in both short- and long-term loans and borrowings was caused by a disbursement of additional tranches of the loan from international financial institutions (EIB, EBRD) to finance investment projects in the Distribution Segment.

The Group's net debt (calculated as the sum of liabilities under loans and borrowings and long- and short-term debt securities less cash and cash equivalents) increased by PLN 313 m reaching PLN 3,236 m.

The balance of short-term and long-term provisions fell by PLN 46 m compared to 31 December 2013 predominantly as a result of a reversal of provisions for litigation and recognition of utilization of the provisions for gas emissions.

The equity of the ENERGA Group equity increased by PLN 336 m, mainly due to the positive result after three quarters of the year, offset by the dividend distributed to shareholders. As at 30 September 2014, equity covered 48% of the Group's assets, while the same ratio at the end of December 2013 was 47%.

Consolidated Statement of Financial Position	As at 30 September 2014	As at 31 December 2013
ASSETS		
Non-current assets	73%	74%
Current assets	27%	26%
TOTAL ASSETS	100%	100%
Consolidated Statement of Financial Position		
	As at 30 September 2014	As at 31 December 2013
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Parent Company	48%	47%
Non-controlling interest	0%	0%
Total equity	48%	47%
Non-current liabilities	42%	38%
Current liabilities	10%	15%
Total liabilities	52%	53%
TOTAL EQUITY AND LIABILITIES	100%	100%
Financial liabilities	34%	31%
Net financial liabilities	18%	17%
Net debt-to-EBITDA ratio	1.40	1.49
Current liquidity ratio	2.59	1.76



4.1.3. Consolidated Cash Flow Statement

	As at 30 September 2014	As at 30 September 2013	Change	Change (%)
in thous. PLN				
Net cash flow from operating activities	1,090,201	1,489,573	(399,372)	-27%
Net cash flow from investing activities	(800,896)	(2,297,684)	1,496,788	65%
Net cash flow from financing activities	46,994	1,120,504	(1,073,510)	-96%
Net increase / (decrease) in cash and cash equivalents	336,299	312,393	23,906	8%
Cash and cash equivalents at the end of the period	2,687,012	2,341,766	345,246	15%

As at 30 September 2014, the balance of the Group's cash was PLN 2,687 m and was PLN 345 m (or 15%) more than the cash balance one year earlier.

The total net cash flows from the Group's operating, investing and financing activities in three quarters of 2014 were positive at PLN 336 m, compared to the positive cash flows of PLN 312 m in the same period of the previous year.

Cash flow from operating activities fell by PLN 399 m (27%) compared to three quarters of the previous year. The decline in cash flows from operating activities was caused mainly by the reduced balance of the Group's liabilities vs. the end of 2013 (an opposite trend was recorded in the same period of the previous year).

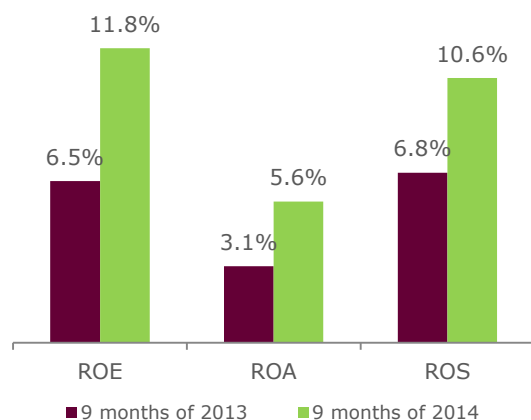
Net cash flow on investing activity in 3 quarters of 2014 grew by PLN 1,497 m (65%) on an annual basis, which was affected mainly by lower capital expenditures for the Group's distribution network and reduction of expenditures for acquisition of subsidiaries (in the same period of 2013, the Group purchased shares in the wind assets DONG Energy Wind Power A/S and Iberdrola Renewables Polska Sp. z o.o.).

In this period, cash flows from financing activities were positive at PLN 47 m, which was PLN 1,074 m (96%) less than in 3 quarters of 2013. In 3 quarters of 2014, financing from the European Investment Bank and the European Bank for Reconstruction and Development in the total amount of PLN 890 m, while in the same period of the previous year, one could see the impact of the first

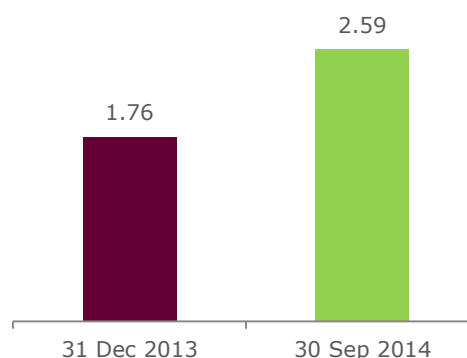
issue of the Eurobond tranche of EUR 500 m. In 2014, the Group paid out interest on that issue for the first time, which increased the amounts of interest paid, compared to the same period in 2013.

4.1.4. Selected economic ratios

Profitability ratios*



Current liquidity ratio



* last 12 months

4.2. Operating segments

4.2.1. DISTRIBUTION

in thous. PLN	Q3 2014	Q3 2013	Change	Change (%)
Revenues	941,968	920,156	21,812	2%
EBITDA	369,565	315,728	53,837	17%
<i>of which depreciation:</i>	171,750	156,734	15,016	10%
EBIT	197,815	158,994	38,821	24%
Net profit	130,010	91,701	38,309	42%
CAPEX	196,904	305,976	-109,072	-36%

in thous. PLN	9 months of 2014	9 months of 2013	Change	Change (%)
Revenues	2,925,925	2,799,063	126,862	5%
EBITDA	1,163,339	1,136,068	27,271	2%
<i>of which depreciation:</i>	516,562	479,664	36,898	8%
EBIT	646,777	656,404	-9,627	-1%
Net profit	441,099	450,527	-9,428	-2%
CAPEX	515,258	842,322	-327,064	-39%

in thous. PLN	As at 30 September 2014	As at 31 December 2013	Change	Change (%)
Cash	1,178,408	606,098	572,310	94%
Financial debt	3,661,060	2,917,002	744,058	26%
Headcount at the end of the period (people)	5,556	6,079	-523	-9%

In Q3 2014, the Distribution Segment contributed approx. 67% to ENERGA Group's EBITDA (86% in the comparative period).

In Q3 2014, sales revenues of the Distribution Segment were more than 2% higher than in the same period of the previous year. The increase in revenues was driven by both: higher volume of electricity in distribution (almost 3%) as well as higher average rate of distribution services (3%). In Q3, revenues from connection fees were PLN 11 m, or 51% less than in the same period of 2013, which was associated with a reduction of connection rates.

EBITDA increased by 17% YoY to PLN 370 m and EBIT dropped by almost PLN 39 m (24% YoY). The operating result of PLN 198 m was significantly impacted by the increase of the distribution margin by nearly PLN 17 m, increase of operating expenses (including negative impact of PLN 9 m of the discount rate cut on the amount of costs associated with actuarial provisions) and depreciation, which was PLN 15 m higher. Additionally, in Q3 2013, ENERGA-OPERATOR SA recognized a provision for employment restructuring costs in the Distribution Segment in the amount of PLN 67 m, resulting from reduction of the scope of agreements (in the investment part) between ENERGA-OPERATOR SA and grid maintenance companies.

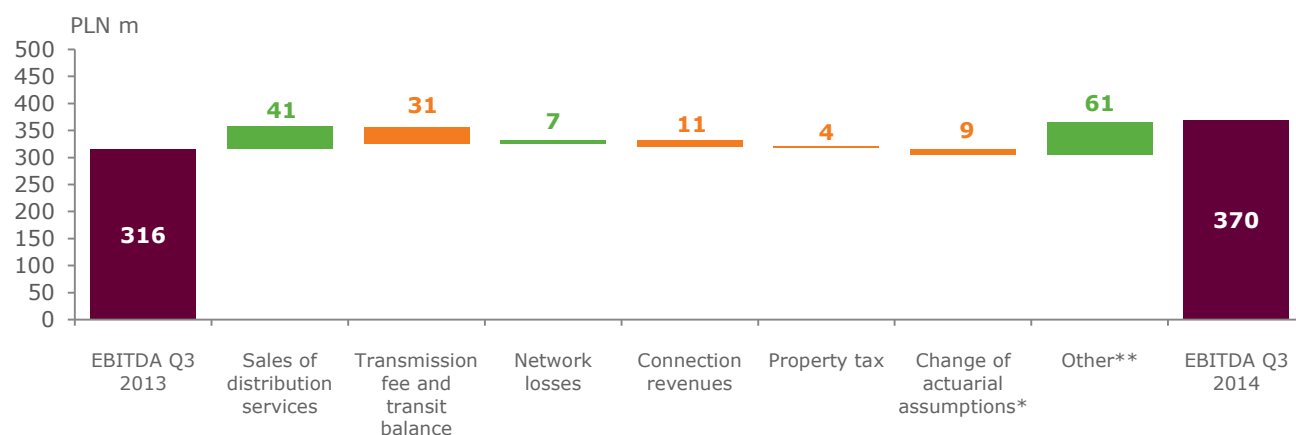
Net profit in Q3 2014 was higher than in the same quarter the year before by nearly PLN 38 m. The balance of financing activity remained unchanged.

Capital expenditures of the Distribution Segment, at PLN 197 m, were PLN 109 m lower than in the comparable period of the previous year. The lower expenditures in the quarter resulted among others from a much slower rate of connection of customers to the grid (lower demand), increased efficiency of investment and a changed delivery timetable of AMI meters.

Compared to 31 December 2013, the Segment's financial debt increased by PLN 744 m following an issue of long-term bonds in the total amount of PLN 890 m in Q2 2014, which was subscribed to by ENERGA SA. In Q3 of this year, there were no new bond issues in the Segment. Cash balance was 94% higher than as at 31 December 2013. As a result, net debt increased by almost PLN 172 m from the end of December 2013.

In Q3 2014, the Distribution Segment continued the implementation of employment restructuring processes, as a result of which headcount has fallen by 523 people since 31 December 2013.

EBITDA Bridge of the Distribution Segment



* effect of the declining discount rate on the level of costs associated with actuarial provisions.

** in Q3 2013, ENERGA-OPERATOR SA recognized a provision for employment restructuring costs in the Distribution Segment in the amount of PLN 67 m, resulting from reduction of the scope of agreements (in the investments part) between ENERGA-OPERATOR SA and grid maintenance companies.

4.2.2. SALES

in thous. PLN	Q3 2014	Q3 2013	Change	Change (%)
Revenues	1,335,292	1,667,038	-331,746	-20%
EBITDA	41,380	-11,935	53,315	447%
<i>of which depreciation:</i>	7,268	6,545	723	11%
EBIT	34,112	-18,480	52,592	285%
Net profit	32,607	-12,949	45,556	352%
CAPEX	8,020	10,009	-1,989	-20%

in thous. PLN	9 months of 2014	9 months of 2013	Change	Change (%)
Revenues	4,187,558	5,250,107	-1,062,549	-20%
EBITDA	148,558	187,563	-39,005	-21%
<i>of which depreciation:</i>	21,966	19,666	2,300	12%
EBIT	126,592	167,897	-41,305	-25%
Net profit	121,490	157,843	-36,353	-23%
CAPEX	20,654	21,446	-792	-4%

in thous. PLN	As at 30 September 2014	As at 30 September 2013	Change	Change (%)
Cash	95,119	456,995	-361,876	-79%
Financial debt	71,395	1,768	69,627	3938%
Headcount at the end of the period (people)	1,089	1,303	-214	-16%

In Q3 2014, the Sales Segment earned EBITDA of almost PLN 41 m, i.e. about 8% of the ENERGA Group's EBITDA, compared to the negative contribution (-3%) to the Group's EBITDA in Q3 2013. The negative EBITDA in Q3 2013 resulted from a change (effective from the beginning of 2014 and correction of comparative data) in the presentation of the measurement of provisions for the obligation to redeem certificates of origin (previously, the measurement was presented partially as Exclusions and consolidation adjustments).

The Sales Segment's revenues in Q3 2014 were lower (by 20%) than in Q3 2013 and stood at PLN 1,335 m. The lower revenues resulted from lower volumes of electricity sales to end users, on the wholesale market and lower sales prices. In Q3 of this year, the volume of electricity sold by the Sales Segment to end users decreased by approximately 8% (0.35 TWh) when compared to the same period of the previous year. The decrease occurred across all the business tariff groups, where the largest deviation was recorded in tariff groups A and B, mainly due to a change in the sales strategy and the decision not to renew unprofitable contracts in these tariff groups.

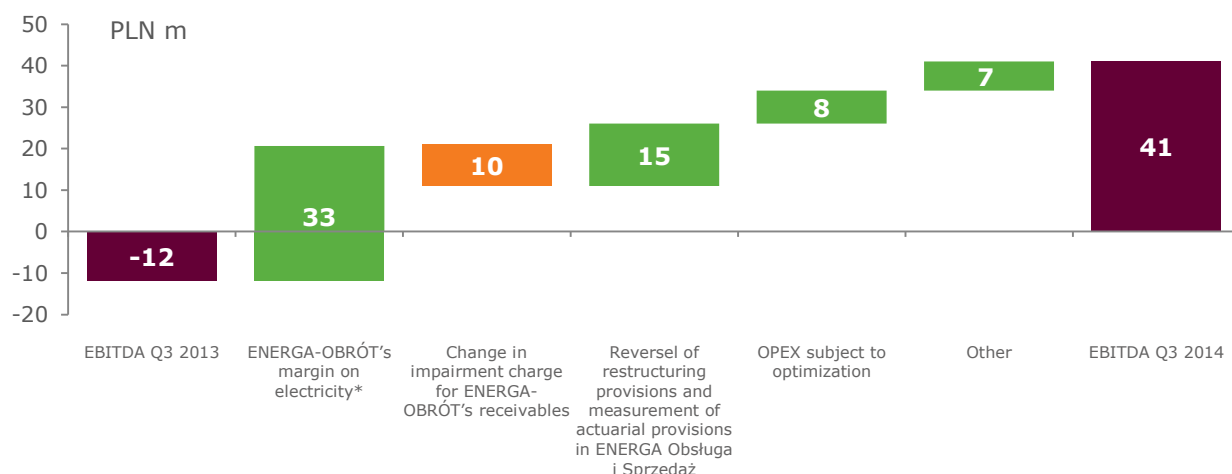
In Q3 2014, the average electricity selling prices to end users decreased by approximately 6% compared to Q3 2013. A drop in the average selling prices was recorded in all tariff groups, having taken into account the decision made by the ERO President to reduce tariff G by approx. 4% starting from July 2013 and another 6% from January of this year. In the wholesale market the average sales prices were approx. 9% lower than those in the comparable period of the year before.

As of 30 April 2014, the obligation to redeem 'red' and 'yellow' property rights was reinstated, which adversely affected the Segment's results. In Q3 2014, the Segment incurred PLN 38.6 m of costs associated with this new obligation.

Another factor that had negative impact on the Segment's results was the purchase of electricity as part of ENERGA-OBRÓT SA's function of an *ex officio seller*. The adverse effect of this factor on the Segment's results decreases gradually from quarter to quarter in 2014 and its contribution was the lowest in Q3 2014, due to market electricity prices in that quarter being higher than in the previous quarters. In Q3 2014 ENERGA-OBRÓT SA recorded a 32% increase of the volume of energy purchased under the *ex officio seller* function as compared to Q3 2013. Electricity purchased under the *ex officio seller* function represented 14% of the entire electricity purchase volume in Q3 2014, as compared to 9% in Q3 2013. ENERGA-OBRÓT SA, as an *ex officio seller*, is obligated to purchase energy generated in renewable sources (on the request of the RES generator) in the area of ENERGA-OPERATOR SA's operations. This purchase takes place at the average electricity sales price in the competitive market in the previous calendar year.

At the end of Q3 2014, the Segment's headcount was 1,089 and was 214 (or 16%) less than on 31 December 2013. The decline in headcount has been driven mainly by the restructuring activities taken in the Segment.

EBITDA Bridge of the Sales Segment



*Including PLN 29 m resulted from a change in the presentation of the measurement of provisions for the obligation to redeem certificates of origin (previously, the measurement was presented partially as Exclusions and consolidation adjustments).

4.2.3. GENERATION

in thous. PLN	Q3 2014	Q3 2013	Change	Change (%)
Revenues	419,821	383,327	36,494	10%
EBITDA	154,614	88,625	65,989	74%
<i>of which depreciation:</i>	<i>35,204</i>	<i>29,854</i>	<i>5,350</i>	<i>18%</i>
EBIT	119,410	58,771	60,639	103%
Net profit	82,023	34,803	47,220	136%
CAPEX	121,453	756,387	-634,934	-84%

in thous. PLN	9 months of 2014	9 months of 2013	Change	Change (%)
Revenues	1,319,564	1,117,746	201,818	18%
EBITDA	528,104	187,750	340,354	181%
<i>of which depreciation:</i>	<i>103,174</i>	<i>75,899</i>	<i>27,275</i>	<i>36%</i>
EBIT	424,930	111,851	313,079	280%
Net profit	298,933	73,203	225,730	308%
CAPEX	192,369	1,218,226	-1,025,857	-84%

in thous. PLN	As at 30 September 2014	As at 31 December 2013	Change	Change (%)
Cash	298,535	448,330	-149,795	-33%
Financial debt	1,436,576	1,555,834	-119,258	-8%
Headcount at the end of the period (people)	1,643	1,641	2	0.1%

The table below presents a breakdown of EBITDA of the Generation Segment by business lines. This table includes individual data plus the management cost charge for managing the Generation Segment and consolidation adjustments.

Generation Segment EBITDA

EBITDA (thous. PLN)	Q3	Q3	Change	Change (%)	9 months	9 months	Change	Change (%)
	2014	2013			2014	2013		
Hydro*	55,352	66,329	-10,977	-17%	229,177	309,368	-80,190	-26%
Wind*	10,134	9,869	264	3%	60,097	9,869	50,228	509%
Elektrownia Ostrołęka*	73,829	-5,031	78,861	-1,567%	225,686	-156,534	382,220	244%
Other and adjustments*	15,299	17,458	-2,159	-12%	13,143	25,047	-11,903	-48%
Total Generation	154,614	88,625	65,989	74%	528,104	187,750	340,354	181%

* Data include individual data plus the management cost charge for managing the Generation Segment and consolidation adjustments

The Generation Segment's contribution to total EBITDA of the ENERGA Group amounted to 28% in Q3 2014. The YoY EBITDA growth was PLN 66 million and was largely caused by the improvement in the performance of the Power Plant business line in Ostrołęka.

Elektrownia Ostrołęka contributed the most to the Generation Segment's EBITDA (48%). Thanks to acquisition of three wind farms in 2013, in the structure of the Generation Segment's EBITDA, a

new item associated with production of electricity using wind appeared (7% in the Segment's EBITDA for Q3 2014).

In Q3 2014, revenues from the Segment's sales were 10% higher than in Q3 of the previous year. The Ostrołęka Power Plant business line contributed the most to the increase in revenues (PLN 48 m). The negative factor affecting sales revenues of the Generation Segment in Q3 2014 compared to the same period in the previous year was mainly the lower revenues of the hydro business line (by PLN 23 m). This was partially offset by higher revenues earned on wind generation (PLN 7 m).

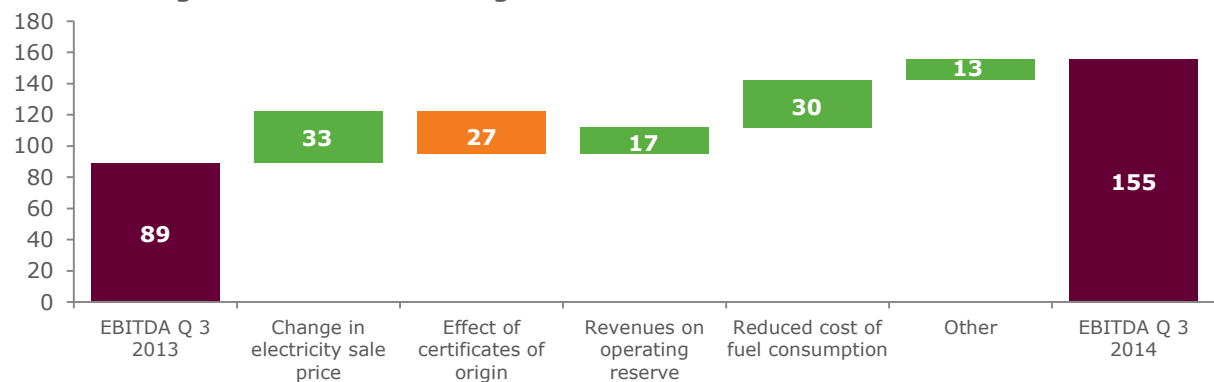
The costs of fuel consumption in the Generation Segment in Q3 2014 dropped YoY by 16%, i.e. PLN 29 m. The decrease in fuel consumption costs results from lower unit costs of coal and biomass consumption and a lower volume of coal used in Q3 of this year (a YoY decline of 9%).

The net profit earned by the Generation Segment in Q3 2014 was affected by the costs of service of the financial debt incurred to purchase the wind farms in 2013.

In the analyzed period, the Segment's capital expenditures were PLN 635 m lower compared to Q3 2013, when capital expenditures included, among others, the acquisition of wind assets from IBERDROLA Renovables Energía S.A.U. on 31 July 2013.

Compared with 31 December 2013, the debt of the Generation Segment fell by PLN 119 m (8%) following the repayment of some liabilities by the Segment Leader, that is ENERGA Wytwarzanie.

EBITDA Bridge of the Generation Segment



Hydro

HYDRO in thous. PLN	Q3 2014	Q3 2013	Change	Change (%)	9 months of 2014	9 months of 2013	Change	Change (%)
Revenues	81,101	103,946	-22,845	-22%	303,035	373,095	-70,060	-19%
EBITDA	55,352	66,329	-10,977	-17%	229,177	309,368	-80,190	-26%
EBIT	48,359	59,523	-11,163	-19%	208,586	289,672	-81,086	-28%
CAPEX	6,955	11,729	-4,773	-41%	19,161	27,427	-8,266	-30%

The contribution of hydro power plants to total EBITDA of the Generation Segment in Q3 2014 was 36%. EBITDA generated in hydro power plants declined by 17% compared to Q3 2013. Despite the increased electricity generation in hydro power plants (YoY increase of 14% due to hydrologic conditions better than those in the comparable period of the previous year). Both sales revenues and EBITDA fell on the year over year basis. This was a consequence of good performance in Q3 2013, associated with the sale of certificates of origin at better prices than those on the generation date.

Wind

Wind in thous. PLN	Q3 2014	Q3 2013	Change	Change (%)	9 months of 2014	9 months of 2013	Change	Change (%)
Revenues	20,129	12,966	7,163	55%	92,343	12,966	79,377	612%
EBITDA	10,134	9,869	264	3%	60,097	9,869	50,228	509%
EBIT	417	1,396	-980	-70%	30,592	1,396	29,196	2091%
CAPEX	55,013	730,037	-675,024	-92%	57,336	1,032,515	-975,179	-94%

The share of the wind power plants business line in the Generation Segment's total EBITDA was 7% in Q3 2014. The wind farms were purchased at the end of June and in July 2013 and have been recognized in the results of ENERGA Group's Generation Segment starting from Q3 2013. Revenues generated by ENERGA Group's wind assets in Q3 2014 were over PLN 20 m. EBITDA of ENERGA Group's wind farms was over PLN 10 m.

The improved performance of this business line in Q3 were caused by, among others, a 39% improvement in wind energy generation (16.3 GWh), which was offset, among others, by recognizing the cost of managing the segment in Q3 2014 results and restatement of assets in Q3 2013.

The Segment's capital expenditures were PLN 675 m lower compared to the same period in 2013, when capital expenditures included, among others, the acquisition of wind assets from IBERDROLA Renovables Energía S.A.U. on 31 July 2013. The expenditures incurred in Q3 2014 applied mainly to the Myślino wind farm.

Ostrołęka Power Plant

Ostrołęka Power Plant in thous. PLN	Q3 2014	Q3 2013	Change	Change (%)	9 months of 2014	9 months of 2013	Change	Change (%)
Revenues	291,905	243,896	48,009	20%	815,960	629,871	186,089	30%
EBITDA	73,829	-5,031	78,861	1567%	225,686	-156,534	382,220	244%
EBIT	61,352	-16,509	77,861	472%	188,271	-192,875	381,146	198%
CAPEX	20,519	5,152	15,367	298%	33,208	62,780	-29,572	-47%

Contribution of the Ostrołęka Power Plant to the Generation Segment's total EBITDA in Q3 2014 was 48%. In Q3 of this year, sales revenues of the Ostrołęka Power Plant business line improved over those in the same period of the previous year by PLN 48 m (20%).

The increase in revenues was driven mainly by better results on the sales of electricity (average price of electricity from own production was 22% in Q3 than in the same period of the previous year) and by the sale of the inventory of property rights (green certificates) at prices higher than those on the generation date (this applied mainly to the inventory of property rights on account of biomass co-burning due for 2013, which were awarded in 2014). The additional positive impact was exerted by higher revenues on regulatory system services (PLN 14.6 m).

The performance also improved as a result of the reduction of operating expenses incurred by the Ostrołęka Power Plant, including the fuel consumption cost, which fell in Q3 2014 by 19% YoY, that is PLN 32 m, and a lower cost of repairs and renovations.

Capital expenditures were up by PLN 15.4 m. Expenditures in Q3 of this year pertained to the construction of a heat source in ENERGA Elektrownie Ostrołęka.

Other and adjustments

Other and adjustments in thous. PLN	Q3 2014	Q3 2013	Change	Change (%)	9 months of 2014	9 months of 2013	Change	Change (%)
Revenues	26,685	22,518	4,167	19%	108,225	101,814	6,411	6%
EBITDA	15,299	17,458	-2,159	-12%	13,143	25,047	-11,903	-48%
EBIT	9,282	14,361	-5,078	-35%	-2,520	13,657	-16,177	-118%
CAPEX	38,965	9,469	29,496	311%	82,664	95,504	-12,840	-13%

The Other category comprises the Generation Segment's CHP assets, companies providing services to the Generation Segment and special purpose vehicles executing investment projects in the area of construction of new generation sources in the ENERGA Group. Consolidation adjustments are also recognized here.

The capital expenditures in the Other and adjustments line item comprise additionally capital expenditures made by the special purpose vehicles of the Generation Segment, including the wind farm construction projects executed in the ENERGA Group (currently in the preparation phase).

4.3. Projected financial results

ENERGA SA's Management Board has not published forecast stand-alone or consolidated financial results for the 2014 financial year.

4.4. Financial and market risk management

Implementing the provisions of the ENERGA Group Financial Policy, the Group companies 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 Group companies finance their operating or investing activity with debt liabilities bearing interest at a floating or fixed interest rate. Interest rates are 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 respect to liabilities denominated in EUR, the ENERGA Group has contracted financial debt under issued fixed-coupon Eurobonds.

In connection with implementation of hedge accounting, the ENERGA Group also identifies interest rate risk related to the concluded CCIRS hedging transaction, which however has no effect on the Group's financial result.

According to the interest rate risk policy, risk of variation in interest rates is mitigated by maintaining a portion of debt with fixed interest rate. As part of those plans, in Q2 2014, IRS transactions were concluded to hedge the risk of the WIBOR 3M interest rate, which is used as the base for the company's debts in PLN.

Foreign exchange risk

In the financial area the FX risk is associated with incurring and servicing ENERGA Group's debt liabilities in foreign currencies, mainly under the EMTN Eurobond Issue Program. Additionally, selected ENERGA Group companies had foreign currency surpluses resulting from their operating activity or investing activity. The ENERGA Group monitors the foreign exchange risk and manages it primarily through contracted CCIRS hedge transactions and implemented hedge accounting.

Credit risk

Credit risk is associated with 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 ENERGA Group cooperates are monitored regularly.

Credit risk is also incurred in the case of funds involved in participation units in the ENERGA Trading SFIO fund dedicated to the ENERGA Group. 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 internally by the fund manager.

Liquidity risk

Risk of loss of financial liquidity – associated with the possibility of losing the ability to pay liabilities on time or losing possible benefits resulting from over-liquidity.

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 projected 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 the Group's debt in ENERGA SA, this entity conducts ongoing monitoring of fulfillment of the covenants and their forecasts in long-term periods, which makes it possible to define the ENERGA Group's capability to incur debt, determines its investment capacity and affects its ability to pay liabilities on time in longer time horizon.

To efficiently manage the liquidity of Group companies, the ENERGA Group uses the mechanism of issuing short-term bonds offered by the issuer – a Group company – only to other Group companies. The procedure is coordinated by ENERGA SA, which makes it possible to optimize the entire process in terms of its organization. Moreover, ENERGA SA has concluded loan agreements with several financial institutions, which represent an immediate liquidity reserve in case of any liquidity needs. When cash surplus is needed, the recently established ENERGA Trading SFIO mutual fund offers the possibility to retire units at any time, thus allowing for an unlimited and immediate access to the funds.

5. Material events in the reporting period and after the balance sheet date

5.1. Distribution of ENERGA SA's net profit for 2013

In accordance with the content of Current Report No. 24/2014 of 20 May 2014, the Company announced that the Annual General Meeting of ENERGA SA held on the date of the Current Report, adopted a resolution on distribution of net profit for the financial year covering the period from 1 January to 31 December 2013 in the amount of PLN 499,048,758.09, with the following allocation: dividend for shareholders – PLN 414,067,114.00, i.e. PLN 1.00 per share (approx. 83% of net profit), and for reserve capital – PLN 84,981,644.09 (approx. 17% of net profit). The number of shares covered by the dividend was 414,067,114. The dividend date was set at 27 May 2014 and the dividend payment date at 10 June 2014.

5.2. Annual General Meeting of ENERGA SA of 20 May 2014

In Current Report No. 20/2014 of 23 April 2014, the Company published information on convening the Annual General Meeting of ENERGA SA ('AGM') to be held on 20 May 2014. In the next current report the Company also published the content of AGM resolutions and in Current Report No. 25/2014 of 21 May 2014 published the results of voting on individual resolutions adopted at the AGM. Then, on 26 May 2014, ENERGA SA announced in Current Report No. 27/2014, that at the Company's AGM the only shareholder holding at least 5% of votes was the State Treasury, entitled to 358,254,317 votes from the shares held, constituting 90.6% in the total number of votes participating in the AGM, and corresponding to 64.09% of the total number of votes in the Company.

5.3. Sale of ENERGA SA shares by ENERGA Wytwarzanie SA subsidiary

On 12 June 2014, the Company announced (Current Report No. 31/2014) that on this day the subsidiary, ENERGA Wytwarzanie SA, sold 3,190 shares of ENERGA SA at the average purchase price of PLN 20.36 per share, i.e. for the total amount of PLN 64,935.89. The Company's shares sold by ENERGA Wytwarzanie SA with the par value of PLN 10.92 each, constituted 0.00077% of ENERGA SA's share capital and entitled the holder to 3,190 votes at the Company's General Meeting. Following the share sale transaction, ENERGA Wytwarzanie SA holds no stake in the Company.

5.4. Dissolution of an indirect subsidiary of ENERGA SA

The Extraordinary General Meeting of an indirect subsidiary, ENERGA Elektrociepłownia Kalisz SA, on 1 July 2014 adopted resolutions on dissolution of the company and opening its liquidation and establishing a liquidator, Paweł Błażyński. ENERGA reported this fact in its Current Report No. 33/2014 of 3 July 2014. ENERGA Elektrociepłownia Kalisz SA is a fully owned subsidiary of ENERGA Kogeneracja Sp. z o.o., which in turn is a fully owned subsidiary of the Issuer's direct subsidiary ENERGA Wytwarzanie SA. The company's production assets and real properties were sold in full to ENERGA Kogeneracja Sp. z o.o., and an organized part of its enterprise was transferred to ENERGA SA's indirect subsidiary – Ciepło Kaliskie Sp. z o.o. The process of dissolution of the company results from the consolidation of individual operating Segments and is aimed at simplification of the structure and limitation of the number of entities in the ENERGA Group.

5.5. Discontinuation of liquidation process of ENERGA SA's subsidiary

In its Current Report No. 38/2014 of 3 October 2014, ENERGA SA published information that, as of 30 September 2014, the Extraordinary General Meeting of ENERGA SA's fully owned subsidiary Międzynarodowe Centrum Szkolenia Energetyki Sp. z o.o. w likwidacji ruled to discontinue the liquidation process of that company.

This decision is justified by the need to improve the transformation process of that company: that is its simultaneous liquidation and merger, in performance of the resolution adopted by the Supervisory Board of ENERGA SA on 29 September 2014 on the merger of ENERGA SA's subsidiaries following the procedure set forth in Article 492 § 1 item 1 of the Code of Commercial Companies, that is by transferring all the assets of the acquired company, that is Międzynarodowe Centrum Szkolenia Energetyki Sp. z o.o. to the acquiring company RGK Sp. z o.o., while increasing the share capital of RGK. The planned merger is associated with the sale of ENERGA Group's assets that are difficult to sell within the framework of a single dedicated company RGK.

As of 20 October 2014, the District Court Gdańsk North in Gdańsk, the 7th Economic Division of the National Court Register, registered the discontinuation of the company's liquidation, and deleted the phrase 'w likwidacji' from the company's registered name. The current name of the subsidiary is: Międzynarodowe Centrum Szkolenia Energetyki Sp. z o.o. This information was published by ENERGA SA in its Current Report No. 40/2014 of 21 October 2014.

5.6. Fitch Ratings upholds ENERGA's ratings

On 7 October 2014 the Fitch Ratings rating agency ('Agency') confirmed the Company's long-term ratings in the foreign and national currency at 'BBB' with a stable outlook, and the 'BBB' rating for the bonds issued by the subsidiary ENERGA Finance AB (publ). The Agency stated that the affirmation of the ratings reflected the high share of the regulated distribution business in the Group's EBITDA, which reduces business risk and ensures predictability of cash flows. The Company published this information in its Current Report No. 39/2014 of 7 October 2014.

5.7. The 2014-2022 Investment Program update

On 6 of November 2014 the Supervisory Board approved the Multiyear Strategic Investments Plan of the ENERGA Group for the years 2014-2022 ('Investment Program'). The adopted document is an update of the Investment Program for 2013-2021, disclosed in the current report dated 13 September 2013. The assumptions and priorities of the ENERGA Group Strategy remained in force.

A yearly mode of Investment Program updating is the Company's constant practice, communicated by the Management Board earlier on. This year's Program amendment results from the growth plan filed with the Energy Regulatory Office by ENERGA-OPERATOR taking into account the European Union and domestic regulations concerning the Polish power sector.

The current 2014-2022 Investment Program envisages total basic and additional growth investment outlays of the ENERGA Group in the amount of PLN 18.2 bn. The previous Program for the years 2013-2021 was about PLN 1.5 bn higher and entailed PLN 1.1 bn expenditures for taking over the wind assets from Dong and Iberdrola as well as for the acquisition of the Ciepło Kaliskie company.

As a result of the Program update the total value of basic investments will amount to about PLN 11.8 bn, with the highest share of the Distribution Segment (PLN 9.8). The size of outlays has decreased ca. 20% vs. the previous Program. Due to the investment execution efficiency improvement, the assumed objectives will require reduced expenditures.

10% of basic investments outlays, i.e. around PLN 1.3 bn, has been designated for the Generation Segment. The expenditures of about PLN 0.4 bn have been allocated to the Sales Segment. The remaining PLN 0.2 bn of basic investment outlays will be spent mostly for IT.

A new item of additional growth investments building the value of the ENERGA Group has been introduced to the Investment Program. Its total of ca. PLN 6.4 bn can be spent between 2015-2022 for i.a. RES generation units, acquisitions and R&D projects (at present the Group runs a number of R&D projects both in the segments and in ENERGA SA). The execution of additional investments will depend on regulatory and market conditions.

5.8. Information on material agreements and transactions concluded with related entities

In the ENERGA Group, material agreements are those, which:

- are concluded outside of the ordinary course of business, including agreements to acquire shares in other entities,
- agreements concluded in the ordinary course of business whose value exceeds 10% of the Company's equity or agreements which are material for the Group's activity, regardless of their value, including electricity transmission agreements, 'intervention work' agreements, agreements on fuel supply by entities from outside the Group, and
- financing arrangements.

5.8.1 Update of the estimate value of ENERGA Group's agreements with PSE SA

On 27 May 2014, the Company's subsidiary ENERGA Elektrownie Ostrołęka SA ('EEO') conveyed information on the annual update of the estimated value of the electricity distribution agreement of 23 February 2012 concluded with PSE SA, as a result of which the Issuer has updated the

estimated value of agreements between ENERGA Group entities and the PSE S.A. capital group. The estimated net value of the aforementioned agreement in the period of 5 years amounted to approx. PLN 3 bn, and its revaluation resulted from the following reasons:

- increased revenues for electric energy produced under the 'must-run' mode in connection with a drop in market prices of electricity,
- increased payment for the operational reserve from the beginning of 2014, following from the introduction of the 'capacity mechanism'.

Accordingly, the total estimated 5-year turnover of the ENERGA Group with PSE has grown to a net amount of PLN 7.4 bn, which ENERGA SA reported in Current Report No. 28/2014 of 27 May 2014.

5.8.2 Execution of an amending agreement between ENERGA SA and Pekao SA

In accordance with Current Report No. 32/2014 of 25 June 2014, ENERGA SA entered into an amendment agreement to the loan agreement with Bank Polska Kasa Opieki S.A. with its registered office in Warsaw ('Pekao S.A.') of 13 October 2011 ('Agreement'), under which the renewable loan limit under the Agreement was increased from PLN 200 m to PLN 500 m and the repayment date of the final installment was changed from 12 October 2016 to 29 May 2020. The amendment agreement was the biggest, in terms of value, among all agreements entered into by the ENERGA Group with Pekao S.A. over the past 12 months, and as a result of its conclusion the total estimate turnover of the ENERGA Group with Pekao S.A. increased to a net amount of about PLN 886 m.

5.8.3 Signing of an Amendment Letter to the material agreement with the European Investment Bank

On 30 September 2014, ENERGA SA together with its subsidiary ENERGA-OPERATOR SA signed an Amendment Letter to the Finance Contract with the European Investment Bank ('EIB') of 16 December 2009, which the Company announced in its Current Report No. 37/2014 of 1 October 2014. The loan in the original amount of PLN 1,050 million was granted to finance capital expenditures of the ENERGA Group related to the expansion and modernization of distribution grid. The Amendment Letter changes some of the material clauses of the contract, including primarily the elimination of financial covenants and introduction of a rating loss clause. Signing of the Amendment Letter does not increase the available financing amount or extend the term of financing.

5.8.4 Signing of a loan agreement with the Nordic Investment Bank

On 27 October 2014, ENERGA SA signed a 12-year loan agreement in the amount of PLN 67.5 m with the Nordic Investment Bank. The loan will be used to finance the construction of a 20MW wind farm in Myślino.

5.8.5 Guarantees and sureties

In Q3 2014, the situation of the ENERGA Group in respect to guarantees and sureties did not change materially as compared to the situation as at 30 June 2014.

5.8.6 Transactions with related entities

Transactions within the ENERGA Capital Group are generally concluded on an arm's length basis. 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 2014.

6. Shares and shareholding structure

6.1. ENERGA SA's shareholding structure

Issuer's shares by series and types

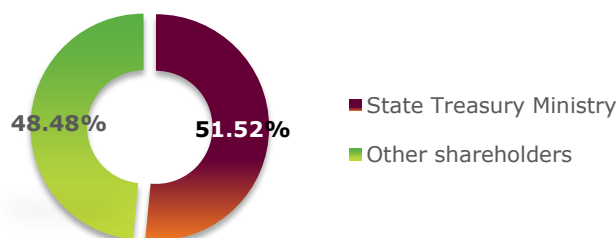
Series	Type of action	Shares	(%)	Votes	(%)
AA	ordinary bearer shares	269,139,114	65.00	269,139,114	48.15
BB	registered preferred shares*	144,928,000	35.00	289,856,000	51.85
TOTAL		414,067,114	100.00	558,995,114	100.00

* One preferred share entitles its holder to two votes at the General Meeting. The owner of these shares is the State Treasury.

On 27 January 2014, State Treasury Minister informed the Company that as a result of return transfer of 6,286,317 series AA ordinary bearer shares of the Company outside the regulated market by one of stabilizing managers (stabilization activities were completed in December 2013), the State Treasury's shareholding in ENERGA SA increased. The State Treasury holds 144,928,000 series BB registered shares preferred in terms of voting at the General Meeting in such a way that one share entitles the holder to 2 votes at the General Meeting.

Shareholding structure of ENERGA as at 27 January 2014 and the date of preparing this Information Company's shareholding structure

Shareholder's name	Shares	(%)	Votes	(%)
State Treasury*	213,326,317	51.52	358,254,317	64.09
Others	200,740,797	48.48	200,740,797	35.91
TOTAL	414,067,114	100.00	558,995,114	100.00



6.2. Company listings on the Warsaw Stock Exchange

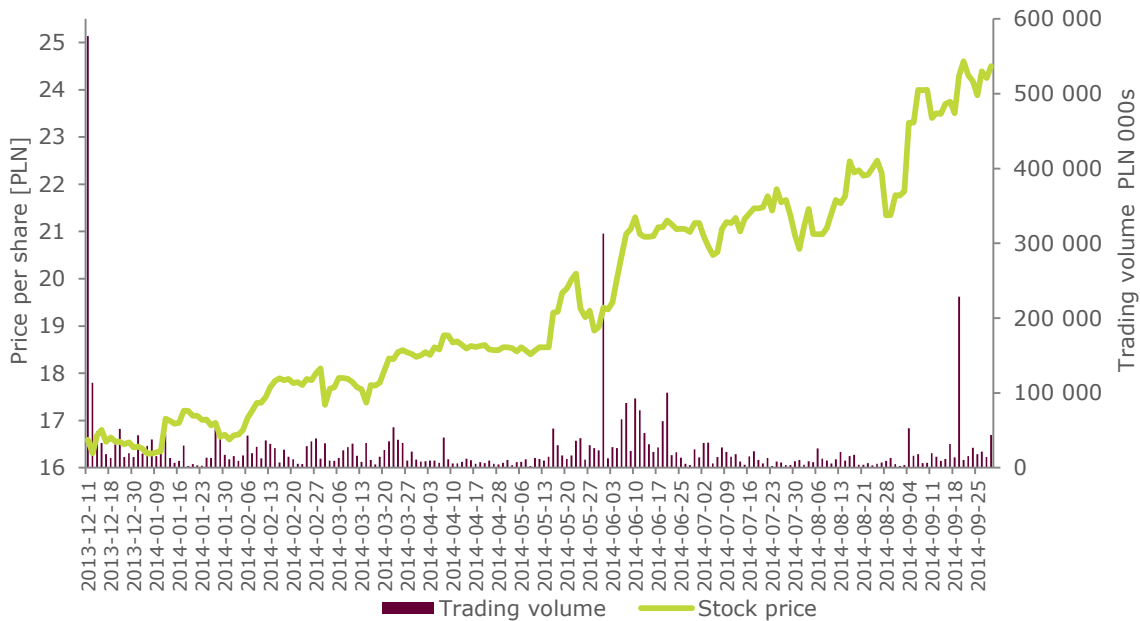
Data for ENERGA in Q3 2014 or as at 30 September 2014

Data	Value
Issue price	PLN 17.00
Number of shares	414,067,114
3 quart. 2014 Min.	PLN 15.51
3 quart. 2014 Max.	PLN 24.45
Stock price at the end of the period	PLN 24.00
Minimum at closing in Q3 2014	PLN 20.00
Maximum at closing in Q3 2014	PLN 24.10
Average turnover	PLN 16,819 thous.
Average trading volume	760,391
Average number of trades	2,051

Source: Proprietary material based on data from www.gpwinfostrefa.pl.

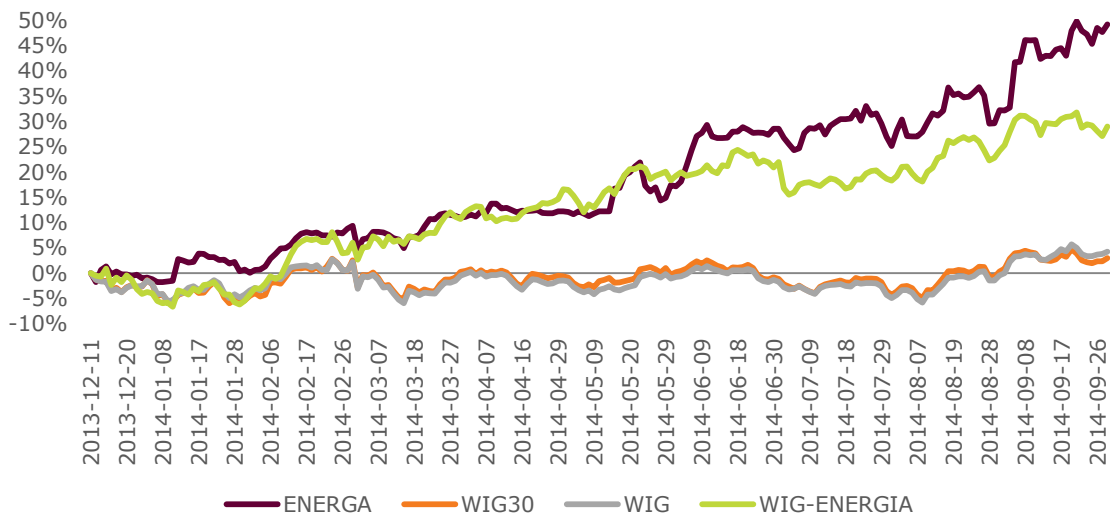
In the period from 1 January to 30 September 2014, the ENERGA SA stock price increased from PLN 15.95 to PLN 24.00, i.e. by PLN 8.05 (or 50%). On 7 January 2014, the Company stock price reached the minimum of the three quarters of 2014 at PLN 15.51, with the session closing price of PLN 15.80. The highest price was recorded on 22 September, with Company's stock trading at PLN 24.10. The upward trend was maintained in Q3 2014, when the Company's stock price increased from PLN 20.68 to PLN 24.00 at the end of the period. This represented an increase of about 16% from the price in the beginning of July.

Fig. 18: ENERGA SA stock prices from first listing (11 December 2013) to 30 September 2014



Source: Proprietary material based on data from gpwinfstrefa.pl

Fig. 19: Changes in ENERGA SA stock prices in comparison with changes in WIG30, WIG and WIG-ENERGIA indices



Source: Proprietary material based on data from gpwinfstrefa.pl

As at 30 September 2014, the Company comprised the following stock market indices:

- **WIG30** – price index (meaning that only prices of concluded transactions are taken into account in its calculation) launched on 23 September 2013, comprising (30) companies with the highest position in the ranking determined on the basis of the data after the last session of

January, April, July and October. The ranking is calculated on the basis of the trading volume for the past 12 months and the value of shares in free float as at the ranking date.

- **MSCI-Poland** – an index which is an important factor for foreign funds investing in Polish equities. Equities of a company may be eligible for the index if they have the required market capitalization and adequate liquidity.
- **WIG** - an index comprised of all companies listed on the Main Market of the Warsaw Stock Exchange ('WSE'), which meet the base criteria for participation in the indices.
- **WIG-Energia** – a sectoral index, which is comprised of companies which participate in the WIG index and are at the same time categorized as 'power sector' companies.
- **WIG-Poland** – an index comprised only of shares of domestic companies listed on the Main Market of WSE, which meet the base criteria for participation in the indices.
- **FTSE All World** – international index, comprised of shares of medium and large companies from the FTSE Global Equity Index Series. It is calculated for mature and emerging markets and forms the basis for investment products such as e.g. derivatives and the tracking passive fund portfolios. In addition to MSCI-Poland, this index is also an important measure for foreign funds investing in Polish equities.

Since 2 June 2014, the Company's shares are included in the MSCI-Poland index. Moreover, following the decision adopted by the Management Board of the Warsaw Stock Exchange on 12 May, after the session of 20 June, ENERGA SA shares were included in the WIG30 index, which followed from a quarterly revision of the index, in which the list of its participants is changed and the shares of individual member stocks are structured. In Q3, following a semi-annual index revision, after the session of 19 September 2014 the shares of ENERGA were included in the international FTSE All World index.

6.3. Recommendations for the shares in the Company

During the three quarters of this year, the analysts of brokerage houses and investment banks issued the following recommendations for ENERGA SA shares:

Recommendations issued for the shares of ENERGA

Date	Institution	Recommendation	Target price	Listing on the date of issuing the recommendation
25 Sep 2014	J.P. Morgan	Neutral	PLN 23.40	PLN 23.68
18 Sep 2014	Dom Maklerski BZ WBK	Buy	PLN 28.00	PLN 23.00
8 Sep 2014	Bank of American Merrill Lynch	Buy	PLN 26.00	PLN 22.81
14 Aug 2014	UBS	Neutral	PLN 21.00	PLN 21.10
16 July 2014	DM Citi Handlowy	Neutral	PLN 19.80	PLN 20.77
27 Jun 2014	Trigon Dom Maklerski	Buy	PLN 25.50	PLN 20.55
23 Jun 2014	J.P. Morgan	Overweigh	PLN 23.00	PLN 20.73
16 Jun 2014	Wood&Co	Hold	PLN 21.90	PLN 20.40
5 Jun 2014	UBS	Buy	PLN 21.00	PLN 20.00
4 Jun 2014	Ipopema	Hold	PLN 20.60	PLN 17.40
25 May 2014	mDom Maklerski	Hold	PLN 19.90	PLN 18.85
14 Apr 2014	DB Securities	Hold	PLN 18.40	PLN 18.17
4 Apr 2014	UniCredit	Buy	PLN 21.80	PLN 17.85
10 Mar 2014	PKO Dom Maklerski	Buy	PLN 18.80	PLN 17.50
6 Mar 2014	mDom Maklerski	Accumulate	PLN 19.90	PLN 17.20
7 Feb 2014	Dom Maklerski Citi Handlowy	Buy	PLN 19.00	PLN 16.55
23 Jan 2014	mDom Maklerski	Buy	PLN 19.90	PLN 16.60
17 Jan 2014	PKO Dom Maklerski	Buy	PLN 18.20	PLN 16.71
13 Jan 2014	UniCredit	Buy	PLN 17.90	PLN 16.54
13 Jan 2014	BofA Merrill Lynch	Buy	PLN 18.00	PLN 16.54
13 Jan 2014	UBS	Buy	PLN 17.50	PLN 16.54
13 Jan 2014	J.P. Morgan	Overweigh	PLN 19.00	PLN 16.54

6.4. Ratings

By the date of this Information, the ratings awarded to ENERGA have not changed, while in October Fitch confirmed the previous ratings, which is described in more detail in Section 5.6.

	Moody's	Fitch
Company's long-term rating	Baa1	BBB
Rating outlook	Stable	Stable
Rating date	23 December 2011	19 January 2012
Last change of rating		12 October 2012
Last confirmation of rating	16 December 2013	7 October 2014

6.5. Shares held by executive and supervisory personnel

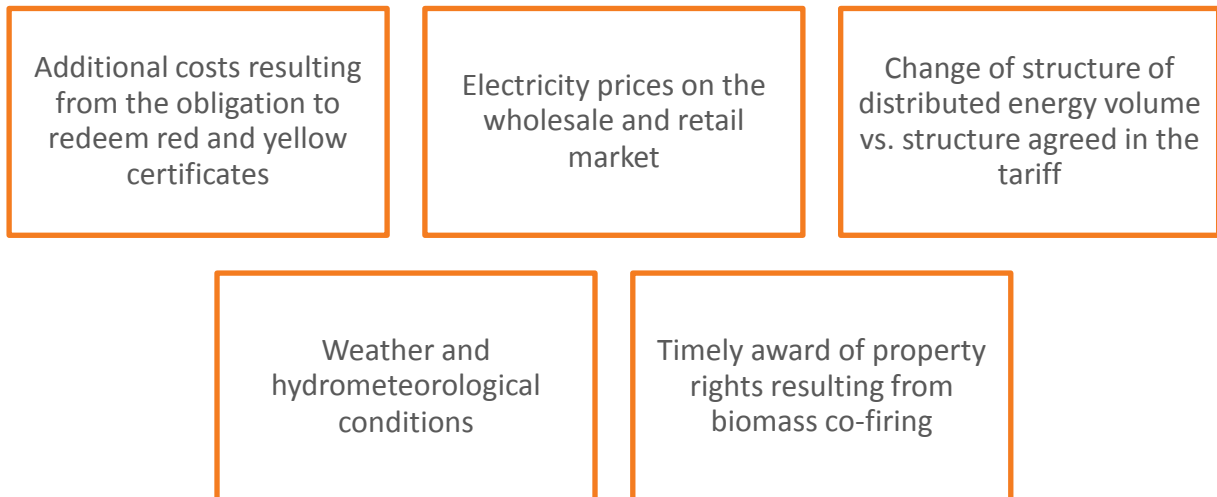
Number of Company shares/shares in related entities held by persons discharging management functions as at the date of this Information

Full name	ENERGA shares		Shares in entities related to ENERGA	
	Number of shares	Par value in PLN	Number of shares	Par value in PLN
as at the date of this Information				
Mirosław Bieliński	2,500	27,300	0	0
Roman Szyszko	0	0	0	0
Wojciech Topolnicki	0	0	0	0

As at 30 September 2014 and the date of this Information, the persons discharging supervisory functions held no shares in the Company and no shares in related entities.

7. ENERGA Group performance drivers in the next quarter and later

In the opinion of the ENERGA SA Management Board, the following factors may impact the results and activity of the Company and the ENERGA Group in the perspective of at least one quarter of 2014:



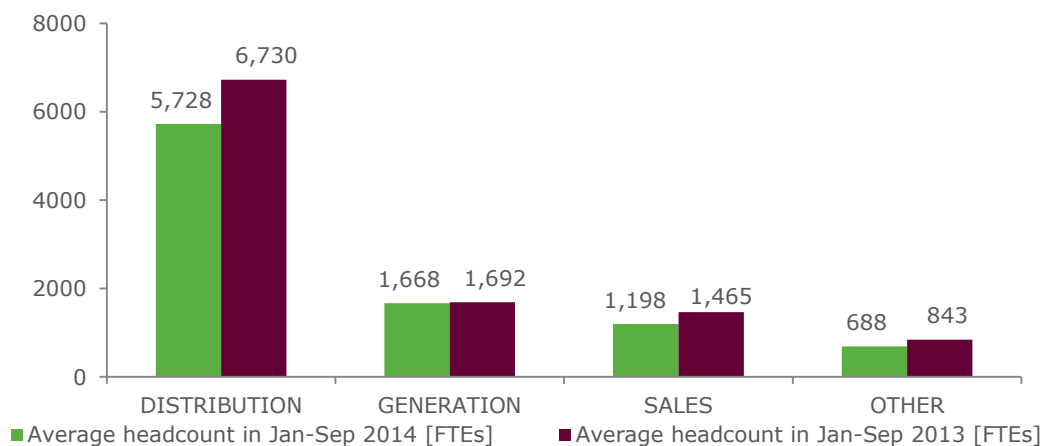
8. Other information of importance for evaluating the personnel, assets and financial standing of the ENERGA Group

8.1. Headcount in the Group

As at 30 September 2014, total headcount in the ENERGA Group was 8,921, compared to 10,441 at the end of Q3 2013.

The average headcount (FTEs) in the ENERGA Group in the January-September 2014 period was 9,282 FTEs, compared to 10,730 FTEs in the same period of 2013. The chart below presents the average headcount by segment*.

Fig. 20: Average headcount in the ENERGA Group in the period of January-September 2014 and 2013 (FTEs)



* Data from Group companies by Segment, in accordance with the Resolution of the ENERGA SA Management Board of 20 January 2014.

In the period from 1 January to 30 September 2014, the headcount in the ENERGA Group decreased by 1,520 persons, that is by almost 15%. The decrease in headcount occurred in all operating segments. The largest decrease was recorded in the electricity Distribution Segment: 1,000 people, or 15% of the segment's headcount. This reduction was driven mainly by the continuing employment restructuring process and the sale of companies, which were not associated

through relevant processes with the Distribution Segment. Headcount reduction was also carried out in the Sales Segment – by 383 persons, or 26%. A change in the headcount in the Other segment resulted from the sale or liquidation of certain companies classified in that segment and reorganization carried out in other companies.

8.2. Research and development in the ENERGA Group

ENERGA Group entities undertake research and development activities in order to ensure competitiveness and innovation of the Group to benefit its customers, the economy and the Group itself.

The Group is currently looking for solutions to boost its competence in demand management and in monitoring and controlling energy consumption. As a result of the last two commercial campaigns conducted by ENERGA-OBRÓT, demand for electricity at peak times has been reduced in half. The company has rewarded its customers for limiting power consumption in peak hours.

Smart metering ('AMI'), which has been implemented by the Distribution Segment for several years now, is a useful tool to support demand management, network optimization and reduction of energy losses; it also allows the customers to monitor their energy consumption and thus reduce related costs. ENERGA-OPERATOR has installed more than 400 thousand meters so far and the number of remote reading of AMI meters for billing purposes has exceeded 1.5 million. The specific benefits ensuing from the implementation of AMI have been proven by a study conducted in Kalisz. The customers covered by the study reduced total electricity consumption by 2-4% and consumption in peak hours by 5-14%. The Group also carries out pilot projects for the implementation of other elements of smart distribution networks. An integrated and coordinated power system, featuring the full functionality of a Smart Energy Network, is built in Toruń.

In the third quarter of the year, ENERGA Wytwarzanie put into operation the largest photovoltaic farm in Poland. It will not provide any major contribution to the Group's energy generation volumes or to its consolidated results, but it will allow the Group to develop competence in this respect.

The ENERGA Group has also undertaken cooperation with Intel, the global leader in computing innovation. The agreement provided for solutions to support management of demand for energy; work is also under way on tools, such as smartphone or tablet applications, which can be used to manage household appliances. In August 2014, the Group also signed a cooperation agreement with AGH University of Science and Technology in Cracow ('AGH'). The plans include implementation of joint projects in the Energy Center and education of future AGH graduates in alignment with the Group's profile.

8.3. ENERGA-OBRÓT as 'ex officio seller'

According to the Energy Law, ENERGA-OBRÓT as a RES generator is obligated to purchase the electricity generated from RES from the generator connected to the network in the geographic area where it conducts activity as the so-called ex officio seller, at the price equal to the average electricity sales price at the competitive market in the previous calendar year, announced by the President of Energy Regulatory Office. As a consequence, if at the time of purchase the electricity market price is lower than the price of the ERO President, the competitive position of ENERGA-OBRÓT may be weakened or the company may be forced to resell the energy with a loss. Since ENERGA-OBRÓT is an entity purchasing a significant amount of electricity from RES in Poland, it is exposed to unfavorable relations between the price announced by the President of Energy Regulatory Office and the market price of electricity. Continuation of this situation or its further occurrence in the future may have unfavorable impact on the competitive position and margins earned on sale of electricity to end users, which may ultimately have a negative effect on the financial standing and growth prospects of the ENERGA Group.

8.4. Collective disputes and agreements

Trade unions have a strong position in the Polish energy sector, due to the headcount size and the union membership ratios and strategic importance of this sector for the economy. As at 30 September 2014, approx. 58.5% of our employees belonged to trade unions and there were 30 inter-company trade union organizations active in more than one entity in the Group. Most organizations belong or are affiliated with the following three trade unions and trade union federations which have representation rights on the national level: NSZZ Solidarność, Trade Union of Engineers and Technicians and the Trade Union College.

The Group companies and trade unions are also parties to collective bargaining agreements that guarantee a specific level of employee benefits. The ability of Group companies to terminate their collective labor agreements is limited due to their provisions.

On 8 May, a joint representation of MOZ NZSS 'Solidarność' and MZZ Pracowników Energetyki Płockiej submitted the following requests to the employer, ZEP-Centrum Handlowe Sp. z o.o.:

- consider trade union organizations as parties in decision-making on setting basic salaries and the bonus fund for employees;
- by 14 May 2014, pay to each company employee the overdue bonus in the amount of 20% of their basic salary;
- as of 1 January 2014, raise basic salary of each company employee by PLN 500 gross.

A collective dispute started. The negotiations ended on 28 May 2014 by signing a discrepancy report. Currently, the dispute is in the process of mediation, which will be held in the coming months.

On 20 May 2014, the Intercompany Organization of Mazowsze Region NSZZ 'Solidarność' in ENERGA Elektrownie Ostrołęka SA, operating at ENERGA Serwis Sp. z o.o. issued requests to the employer (ENERGA Serwis) to grant a one-time bonus of PLN 2000 to each employee taken over from EEO. Since no agreement was reached, a collective dispute began. The dispute was registered with Regional Labor Inspectorate in Warsaw on 29 May 2014 (registered on 4 June 2014). The parties did not reach an agreement and completed the negotiations phase on 5 June 2014 by signing a discrepancy report. On 9 July 2014, the first meeting of the Employer (ENERGA Serwis), the unions and the mediator was held.

In March, April and May of this year, the employer Ciepło Kaliskie Sp. z o.o. held a series of negotiation meetings with the trade unions in order to make arrangements and conclude an agreement in connection with the transfer of an organized part of the enterprise of ENERGA Elektrociepłownia Kalisz SA to Ciepło Kaliskie. On 28 May 2014, the parties concluded an Agreement to confirm, guarantee and determine rights of the employees assigned to that part of the enterprise.

In July of this year, a number of meetings was held with the unions in connection with the plans to carry out group layoffs in MCSE Sp. z o.o. in liquidation. The agreement between the employer and the trade unions stipulates that the group layoffs will occur by 31 October 2014 and no more than 25 employees will be let go by the company. The employees whose employment agreements will terminate following the group layoff are entitled to benefits, severance and compensation specified in the generally applicable provisions of law. They also acquire the right to additional benefits specified in the agreement, according to seniority.

On 2 September 2014, the employer ENERGA-OPERATOR Branch in Płock received demands from MOZ NSZZ 'Solidarność' operating in the ENERGA-OPERATOR Branch in Płock to:

- introduce a 5% salary growth rate in 2014, while honoring the previous basic salary raises;
- perform the provisions of art. 21 sec. 2 of the Social Contract - sign an agreement determining the usage of funds for salaries and payroll in 2014;
- pay a bonus in the gross amount of PLN 1,200 to each employee from the incentive fund;
- pay to each employee a monthly discretionary bonus of 10% of their basic salary, starting in September 2014.

In a letter of 22 September 2014, the employer reported the dispute to the State Labor Inspectorate; currently it is at the negotiations stage.

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

As at 30 September 2014, the ENERGA Group was a party to 5,244 court procedures; their total value did not exceed 10% of ENERGA SA's equity. The Group was the plaintiff in 2,525 cases where the aggregated value of the subject matter of the dispute was approx. PLN 89 m. The Group was the defendant in 2,715 cases where the aggregated amount of the disputed matters was approx. PLN 398 m.

At the end of Q3 2014, the overall amount of claims for placing power devices on other parties' property without the necessary legal title, awarded by a legally valid judgment, was approx. PLN 8 m in 1,433 cases. The value of the dispute in court cases is approx. PLN 225 m, while the amount of pending court cases is slightly over PLN 248 m. On the basis of the available data regarding the currently pending procedures, we assume that the amount to be paid after the foregoing disputes are resolved may be PLN 66 m, with a reservation that that amount may change if new court cases related to placement of electric power devices on third party's real properties without the legal title are commenced against ENERGA-OPERATOR.

In a case brought by a shareholder FORTA Sp. z o.o. with its registered office in Jasin, the judgment of the District Court in Gdansk issued on 26 March 2014 to dismiss the suit to rule invalidity or repeal resolution No. 24 adopted by the Extraordinary General Meeting of Energa SA on 3 September 2013 to specify series of Company's shares and amend the Company's Articles of Association and to discontinue the proceedings in the part pertaining to the request to repeal Resolution No. 23 adopted by the Extraordinary General Meeting of Energa SA on 3 September 2013 to reduce the Company's share capital (Current Report No. 12/2014) became final on 22 August 2014, which was announced by the Company's Management Board in the Current Report No. 35/2014.

On 27 October 2014, the Regional Court in Warsaw announced its judgment in the case brought by ENERGA-OPERATOR SA with its registered office in Gdańsk Branch in Płock against PKN Orlen SA ('PKN') with its registered office in Płock, in which awarded to ENERGA-OPERATOR the entire amount pursued in the suit, i.e. PLN 46.2 m with interest from 30 June 2004 to 30 September 2014, i.e. PLN 105.7 m (interest calculated as at 28 October 2014). The judgment is not final. The history of the case has been described in detail in the Company's Prospectus approved by the Polish Financial Supervision Authority ('KNF') on 15 November 2013. The dispute arose in July 2003 when PSE S.A. (formerly: PSE-Operator S.A.) raised a claim against ENERGA-OPERATOR (formerly: Zakład Energetyczny Płock S.A.) for payment of PLN 62.5 m for transmission services. In response to the action ENERGA-OPERATOR sued PKN ORLEN S.A. and then raised a claim against PKN with the Regional Court in Warsaw to pay PLN 46.2 of system fee. In August 2013, the parties signed an agreement on the terms of the settlement with PSE, under which ENERGA-OPERATOR paid for PLN 95.5 m to PSE (of which the principal of PLN 62.5 m and statutory interest of PLN 33 m). In February 2014 a court settlement was signed on the terms and conditions set forth in the agreement (more information in note 22 to the Condensed Consolidated Financial Statements of the ENERGA Capital Group for 3 quarters of 2014).

Signatures of ENERGA SA Management Board Members

Mirosław Bieliński

President of the ENERGA SA Management Board

Roman Szyszko

Executive Vice-President of the ENERGA SA Management Board, Chief Financial Officer

Wojciech Topolnicki

Executive Vice-President of the ENERGA SA Management Board, Growth Strategy and Investments

Glossary of terms and abbreviations

AGH (from Polish: <i>Akademia Górniczo-Hutnicza</i>)	University of Science and Technology in Cracow
AMI (Advanced Metering Infrastructure); AMR (automatic meter reading)	Advanced metering structure (smart meters) comprising the telemetry technology entailing automatic collection of data from electricity meters and transmitting them to the main database for billing
BASE	Contract for the supply of 1MWh during every hour of the day
Biomass	Solid or liquid, biodegradable substances of plant or animal origin, originating from products, waste and remnants of agricultural and forestry production, the industry processing their products, and also a portion of other biodegradable waste, and especially 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	The Catalyst bond market is run on the transaction 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 ERO President pursuant to art. 9I of the Energy Law confirming the generation of electrical energy in highly-efficient cogeneration generated in: (i) a cogeneration unit fired with gaseous fuels or with the total installed electrical capacity at source being under 1 MW (known as a yellow certificate), (ii) a cogeneration unit fired with methane released and drained in the course of underground mining activity in hard coal mines that are active, that are being shut down or that have been shut down or with gas obtained by processing biomass (known as a purple certificate), or (iii) some other cogeneration unit (known as a 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)
CIRS, CCIRS	Currency Interest Rate Swap or Cross-Currency Interest Rate Swap transactions, under which payments will be made on the basis of variable interest rates, for the set period of time and in the set frequency, in two different currencies
CO ₂	Carbon dioxide
Cofiring	Generation of electricity or heat using a process of simultaneous and joint combustion of biomass or biogas with other fuels in a single device; a portion of the energy generated in this manner may be deemed to be energy generated in a renewable energy source
Co-Generation, CHP	Technological process of simultaneous combustion of heat and electrical or mechanical energy in the course of the very same technological process
Covenants	Contractual clauses providing safeguards
Distribution System Operator, DSO	Utility dealing with the distribution of gaseous fuels or electrical energy, responsible for grid operation in the gaseous distribution system or in the electrical energy distribution system, the current and long-term operational safety of this system, the operation, maintenance, refurbishment and required expansion of the distribution grid, including connections with other gaseous systems or other electrical energy systems
EBITDA (Earnings before interest, taxes, depreciation and amortization)	ENERGA SA defines and calculates EBITDA as operating profit /(loss) (calculated as the net profit /(loss) on continuing operations for the financial period/year, adjusted by (i) income tax, (ii) the share of profit of the associate, (iii) financial income and (iv) expenses) adjusted by depreciation (posted to profit and loss account). EBITDA has not been defined by IFRS and it should not be treated as an alternative for measures and categories consistent with IFRS. In addition, EBITDA does not have a single definition. The method of calculating EBITDA by other companies may significantly differ from the method in which ENERGA SA calculates it. As a result, EBITDA presented herein cannot be compared to EBITDA presented by other companies
EBIT (Earnings before interest and taxes)	Operating profit

EEX (European Energy Exchange)	Electricity Exchange in Germany
EGM	Extraordinary General Meeting
ENERGA Capital Group, ENERGA Group, Group	Capital Group dealing with the generation, supply and distribution of electrical and thermal energy. It also conducts activity related to street lighting, design, procurement of materials, grid-related services, specialized transport, hotel and IT services
ENERGA SA, Company	Parent company in the ENERGA Capital Group
EMTN (Euro Medium Term Notes)	Program to issue Euro Medium Term Notes
ERO	Energy Regulatory Office
EUA (European Union Allowance)	Emission allowances
EUR	Euro, currency used in countries belonging to the European Union's Eurozone
EU	European Union
GDP	Gross Domestic Product
GUS (from Polish: <i>Główny Urząd Statystyczny</i>)	Central Statistical Office in Poland
GW	Gigawatt, unit of power in the International System of Units, 1 GW = 109 W
GWe	Gigawatt of electrical power
KNF (from Polish: <i>Komisja Nadzoru Finansowego</i>)	Polish Financial Supervision Commission, which is a regulator of the financial system in Poland
KRS (from Polish: <i>Krajowy Rehestr Sądowy</i>)	National Court Register
KSE (from Polish: <i>Krajowe Sieci Elektroenergetyczne</i>)	National Power System, a collection of devices used to generate, transmit, distribute, store and use electricity, connected together in a functional system supporting continuous and uninterrupted supply of electricity in Poland
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
MPC	Monetary Policy Council
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, central bank in Poland
<i>Off-peak</i>	Contract for the supply of 1MWh of energy in low demand hours from 0:00-7:00 and 22:00-24:00
OZEX_A	Volume-weighted average price using all transactions pertaining to the PMOZE_A contract on an exchange session
PEAK	Contract for the supply of 1MWh of energy during every peak hour 7:00-22:00
PGE	PGE Polska Grupa Energetyczna SA
PKN	Polski Koncern Naftowy Orlen S.A. with its registered seat in Płock
PLN	Polish zloty, national currency
PMI	Industrial economic activity index computed by Markit in cooperation with HSBC
PMOZE_A	Property rights to certificates of origin for electrical energy generated in RES whose period of generation, as specified in the certificate of origin, commenced after 1 March 2009
Property rights	Negotiable rights constituting a commodity arising from certificates of origin for energy generated from renewable energy sources and cogeneration
PSE	Polskie Sieci Elektroenergetyczne Spółka Akcyjna with its registered office in Warsaw, entered in the register of entrepreneurs of the National Court Register under file number KRS 0000197596; company designated by ERO President decision No. DPE-47-58(5)/4988/2007/BT of 24 December 2007 to be the electrical power transmission system operator in the Republic of Poland for the period from 1 January 2008 until 1 July 2014
Renewable Energy Sources, RES	In the process of conversion a source using the energy of the wind, solar

	radiation, geothermal energy, waves, currents and marine tides, run of rivers and energy obtained from biomass, garbage dump biogas as well as biogas ensuing from waste removal or treatment processes or the degeneration of stored plant and animal remains
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SFIO	Specialized Open-end Mutual Funds
Smart Grid	Electric power system intelligently integrating the actions of all the participants in the processes of generation, transmission, distribution and usage to deliver electricity in an economical, reliable and safe manner. It entails comprehensive energy solutions making it possible to combine, facilitate reciprocal communication and control in an optimum way elements of power grids that have been diverse to date
SPOT	Day-Ahead Market (DAM) – energy market operating in the 'day ahead' time interval (DA) providing for energy supply on day D
STM	State Treasury Ministry
Tariff G	Tariff group for individual customers – households
Tariff group	Group of customers off-taking electrical energy or heat or using electricity or heat supply services with respect to which a single set of prices or fee rates along with their terms and conditions are applicable
TGE (from Polish: <i>Towarowa Gielda Energii</i>) Polish Power Exchange	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
Toe	Tonne of oil equivalent, which is the unit of fuel used to compare different fossil fuels which are measured in different units that are often not comparable
TWh	Terawatt hour, a multiple unit of electrical energy in the International System of Units. 1 TWh is 109 kWh
Transmission System Operator, Electrical power TSO, TSO	Utility dealing with the transmission of gaseous fuels or electrical energy, responsible for grid operation in the gaseous transmission system or in the electrical energy transmission system, the current and long-term operational safety of this system, the operation, maintenance, refurbishment and required expansion of the transmission grid, including connections with other gaseous systems or other electrical energy systems
WACC	Weighted average cost of capital
WIBOR	Warsaw Interbank Offered Rate
WSE	Warsaw Stock Exchange S.A.
YoY	Year to year