

ENERGA SA

Independent Registered Auditor's Opinion

Financial Statements

Director's Report

Registered Auditor's Report on the audit of the financial statements

For the year from 1 January to 31 December 2015

Content:

Independent Registered Auditor's Opinion

prepared by PricewaterhouseCoopers Sp. z o.o.

Financial Statements

prepared by ENERGA SA

Directors' Report

prepared by Management Board of ENERGA SA

Registered Auditor's Report on the audit of the financial statements

prepared by PricewaterhouseCoopers Sp. z o.o.



Independent Registered Auditor's Report

To the Shareholders' Meeting and the Supervisory Board of ENERGA SA

Report on the financial statements

We have audited the accompanying financial statements of ENERGA SA, (hereinafter called "the Company"), Grunwaldzka 472 Street, Gdańsk, which comprise the statement of financial position as at 31 December 2015, the income statement and statement of comprehensive income for the year from 1 January to 31 December 2015, the statement of changes in equity, the statement of cash flows for the financial year and a summary of significant accounting policies and other explanatory notes.

Management and Supervisory Board's Responsibility for the financial statements

The Company's Management Board is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards as adopted by the European Union and the Report on the Company's operations and for the correctness of the books of account in accordance with the applicable regulations. The Company's Management Board is also responsible for internal controls as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Management Board and Supervisory Board are obliged to ensure that the financial statements and the Report on the Company's operations meet the requirements of the Accounting Act of 29 September 1994 ("the Accounting Act" – Journal of Laws of 2013, item 330 as amended).

Auditor's Responsibility

Our responsibility was to perform an audit of the accompanying financial statements and to express an opinion and the report on whether the financial statements present, in all material respects, a true and fair view of the Company's financial position and its financial results in accordance with the regulations and the applicable accounting policies and on the correctness of the accounting records constituting the basis for their preparation.

We conducted our audit in accordance with section 7 of the Accounting Act and International Standards on Auditing as adopted by the National Council of Certified Auditors as the National Standards on Audit and Assurance. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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PricewaterhouseCoopers Sp. z o.o. is entered into the National Court Register (KRS) maintained by the District Court in Warsaw, with the reference number (KRS) 0000044655, and tax identification number (NIP) 526-021-02-28. Share capital amounts to PLN 10,363,900. Headquarters in Warsaw, Al. Armii Ludowej 14



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

Opinion

In our opinion, the accompanying financial statements in all material respects:

- a. give a true and fair view of the Company's financial position as at 31 December 2015 and its financial performance and its cash flows for the year from 1 January to 31 December 2015, in accordance with the International Financial Reporting Standards as adopted by the European Union;
- b. comply in terms of form and content with the applicable laws, including the Decree of the Minister of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions of recognizing as equal information required by the law of other state, which is not a member state ("the Decree" – Journal of Laws of 2014, item 133) and the Company's Memorandum of Association;
- c. have been prepared on the basis of correctly maintained books of account.

Report on Other Legal and Regulatory Requirements

Opinion on the Report on the Company's operations

The information contained in the Report on the Company's operations for the year from 1 January to 31 December 2015 accommodates the requirements of article 49 paragraph 2 of the Accounting Act and the Decree and is consistent with the information contained in the audited financial statements.

Based on the knowledge of the Company and its environment obtained during our audit we have not identified any material misstatements in the Report on the Company's operations.

In the Statement of Corporate Governance, which is a separate part of the Report on the Company's operations, the Company included information in accordance with the scope defined in the Decree. This information complies with the applicable regulations and is consistent with the information contained in the financial statements.

Auditor conducting the audit on behalf of PricewaterhouseCoopers Sp. z o.o., Registered Audit Company No. 144:

Michał Potrykus

Key Registered Auditor
No. 11833

Gdańsk, 14 March 2016

Translation note:

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ENERGA SA

Registered auditor's report on the audit of the financial statements for the year from 1 January to 31 December 2015



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**Registered auditor's report on the audit of the financial statements
for the year from 1 January to 31 December 2015**

**To the General Shareholders' Meeting and the Supervisory Board of
ENERGA SA**

This report contains 10 consecutively numbered pages and consists of:

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ENERGA SA
Registered auditor's report on the audit of the financial statements
for the year from 1 January to 31 December 2015

I. General information about the Company

- a. ENERGA SA ("the Company") has its seat in Gdańsk, Grunwaldzka 472.
- b. The Company was formed on the basis of a Notarial Deed drawn up on 6 December 2006 at the Notary Public's Office of Paweł Błaszczak in Warsaw and registered with Rep. A No. 20821/2006. On 8 January, the Company was entered in the Commercial Register maintained by the District Court in Gdańsk with the reference number 0000271591.
- c. The Company was assigned a tax identification number (NIP) 957-09-57-722 for the purpose of making tax settlements and a REGON number 220353024 for statistical purposes.
- d. As at 31 December 2015 the Company's share capital amounted to PLN 4 522 million and consisted of 414.067.114 shares, with a nominal value of PLN 10,92 each. Total equity as at that date amounted to PLN 6 525 million.
- e. As at 31 December 2015, the Company's shareholders were:

Shareholder's name	Number of shares held	Par value of shares held (PLN)	Type of shares held	Votes (%)
State Treasury	68.398.317	746.909.621,64	ordinary	64,1
	144.928.000	1.582.613.760,00	preference	
Other shareholders	200.740.797	2.192.089.503,24	ordinary	35,9
	414.067.114	4.521.612.884,88		100,0

- f. During the year the Company's operations comprised of holding activities.
- g. During the year and until the date of this Report, the Management Board of the Company comprised of:
 - 1) from 1 January to 29 April 2015:
 - a) Mirosław Bieliński - Chairman of Board,
 - b) Roman Szyszko - Vice- President of the Board,
 - c) Wojciech Topolnicki - Vice- President of the Board,
 - 2) from 29 April to 6 October 2015 :
 - a) Andrzej Tersa - Chairman of Board,
 - b) Seweryn Kędra - Vice- President of the Board,
 - c) Jolanta Szydłowska - Vice- President of the Board,
 - 3) from 6 October to 2 December 2015:
 - a) Andrzej Tersa - Chairman of Board,
 - b) Seweryn Kędra - Vice- President of the Board,
 - c) Jolanta Szydłowska - Vice- President of the Board,
 - d) Waldemar Kamrat - Member of the Supervisory Board of ENERGA SA temporarily delegated to Management Board,
 - 4) from 2 to 7 December 2015 :

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ENERGA SA

Registered auditor's report on the audit of the financial statements for the year from 1 January to 31 December 2015

- a) Andrzej Tersa - Chairman of Board,
 - b) Seweryn Kędra - Vice- President of the Board,
 - c) Jolanta Szydłowska - Vice- President of the Board,
- 5) from 7 December 2015 to 3 January 2016:
- a) Roman Pionkowski - Member of the Supervisory Board of ENERGA SA temporarily delegated to Management Board to act as Chairman of Board,
 - b) Seweryn Kędra - Vice- President of the Board,
- 6) from 4 January 2016 to 1 February 2016:
- a) Dariusz Kaśków - Prezes Zarządu,
 - b) Roman Pionkowski - Vice- President of the Board,
 - c) Mariusz Rędaszka - Vice- President of the Board,
- 7) from 1 February to 26 February 2016 :
- a) Dariusz Kaśków - Prezes Zarządu,
 - b) Grzegorz Ksepko - Vice- President of the Board,
 - c) Roman Pionkowski - Vice- President of the Board,
 - d) Mariusz Rędaszka - Wiceprezes Zarządu ds. Finansowych,
- 8) from 26 February to the date of preparation of financial statements:
- a) Dariusz Kaśków - Prezes Zarządu,
 - b) Grzegorz Ksepko - Vice- President of the Board,
 - c) Mariusz Rędaszka - Vice- President of the Board.



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I. General information about the Company (cont.)

h. The Company has the following related entities:

ENERGA-OPERATOR SA	- subsidiary
ENERGA-OBRÓT SA	- subsidiary
ENERGA Centrum Usług Wspólnych Sp. z o.o.	- subsidiary
ENERGA Wytwarzanie SA	- subsidiary
RGK Sp. z o.o.	- subsidiary
ENERGA Informatyka i Technologie Sp. z o.o.	- subsidiary
ENERGA Finance AB (publ)	- subsidiary
ENSA PGK1 Sp. z o.o.	- subsidiary
ENSA PGK2 Sp. z o.o.	- subsidiary
ENSA PGK3 Sp. z o.o.	- subsidiary
ENSA PGK4 Sp. z o.o.	- subsidiary
ENSA PGK5 Sp. z o.o.	- subsidiary
ENSA PGK6 Sp. z o.o.	- subsidiary
ENSA PGK7 Sp. z o.o.	- subsidiary
ENSA PGK8 Sp. z o.o.	- subsidiary
EOB PGK1 Sp. z o.o.	- subsidiary
EOB PGK2 Sp. z o.o.	- subsidiary

and subsidiaries of the Entities listed above.

i. The Company is an issuer of securities admitted for trading on the Warsaw Stock Exchange. In accordance with the choice of selecting accounting policies permitted by the Accounting Act, the Company has decided to prepare its financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union as of 2013.

The decision to prepare the Company's financial statements in accordance with these standards was made by the General Shareholders' Meeting in their Resolution passed on 18 October 2012.

j. As the parent company of the Group, the Company has also prepared consolidated financial statements according to IFRS as adopted by the European Union as at 14 March 2016. To better understand the Company's financial position and its results of operations as the Parent Company, the financial statements should be read in conjunction with the consolidated financial statements.



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ENERGA SA
Registered auditor's report on the audit of the financial statements
for the year from 1 January to 31 December 2015

II. Information about the audit

- a. The audit of the financial statements for the year from 1 January to 31 December 2015 was conducted by PricewaterhouseCoopers Sp. z o.o. with its seat in Warsaw, Al. Armii Ludowej 14, registered audit company no. 144. The audit was conducted on behalf of the registered audit company under the supervision of the key registered auditor Michał Potrykus (no. 11833).
- b. PricewaterhouseCoopers Sp. z o.o. was appointed registered auditor to the Company by Resolution No. 62/IV/2014 of the Supervisory Board dated 6 November 2014 in accordance with paragraph 16 of the Company's Memorandum of Association.
- c. PricewaterhouseCoopers Sp. z o.o. and the key registered auditor conducting the audit are independent of the audited entity within the meaning of art. 56, clauses 2-4 of the Act dated 7 May 2009 on registered auditors and their self-government, registered audit companies and on public supervision (Journal of Laws of 2015, item 1011).
- d. The audit was conducted in accordance with an agreement dated 23 February 2015, in the following periods:
 - interim audit from 19 October to 13 November 2015;
 - final audit from 14 January to 14 March 2016 (with intervals)



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ENERGA SA
Registered auditor's report on the audit of the financial statements
for the year from 1 January to 31 December 2015

III. The Company's results, financial position and significant items of financial statements

STATEMENT OF FINANCIAL POSITION as at 31 December 2015 (selected lines)

	31.12.2015 PLN mln	31.12.2014 PLN mln *	Change		Structure	
			PLN mln	(%)	31.12.2015 (%)	31.12.2014 (%) *
ASSETS						
Non-current assets	10.865	10.858	7	0,1	86,6	89,6
Current assets	1.678	1.259	419	33,3	13,4	10,4
Total assets	12.543	12.117	426	3,5	100,0	100,0
LIABILITIES AND EQUITY						
Equity	6.525	6.270	255	4,1	52,0	51,8
Long-term liabilities	5.703	5.615	88	1,6	45,5	46,3
Short-term liabilities	315	232	83	35,8	2,5	1,9
Total liabilities and equity	12.543	12.117	426	3,5	100,0	100,0

* - restated

STATEMENT OF PROFIT OR LOSS
for the year from 1 January to 31 December 2015 (selected lines)

	2015 PLN mln	2014 PLN mln	Change		Structure	
			PLN mln	(%)	2015 (%)	2014 (%)
Revenue	60	46	14	30,4	100,0	100,0
Cost of sales	(55)	(56)	1	(1,8)	(91,7)	(121,7)
Gross profit(loss)/ on sales	5	(10)	15	(150,0)	8,3	(21,7)
Net profit	841	650	191	29,4	1.401,7	1.413,0

STATEMENT OF COMPREHENSIVE INCOME
for the year from 1 January to 31 December 2015 (selected lines)

	2015 PLN mln	2014 PLN mln	Change		Structure	
			PLN mln	(%)	2015 (%)	2014 (%)
Net profit	841	650	191	29,4	1.401,7	1.413,0
Other net comprehensive income	10	(26)	36	(138,5)	16,6	(56,5)
Total net comprehensive income	851	624	227	36,4	1.418,3	1.356,5

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ENERGA SA
Registered auditor's report on the audit of the financial statements
for the year from 1 January to 31 December 2015

III. The Company's results, financial position and significant items of financial statements (cont.)

Selected ratios characterising the Company's financial position and results

The following ratios characterise the Company's operating activities, financial results during the year and its financial position as at the balance sheet date compared with previous years:

	2015	2014 *
Profitability ratios		
- return on capital employed	13 %	11 %
Liability ratios		
- gearing	48 %	48 %
- payables turnover	85 days	90 days
	31.12.2015	31.12.2014
Liquidity ratios		
- current ratio	5,3	5,4
- quick ratio	5,3	5,4

* - restated

The above ratios have been calculated on the basis of the financial statements.

It was not the purpose of the audit to present the Company in the context of the results of operations and ratios achieved. A detailed interpretation of the ratios requires an in-depth analysis of the Company's operations and its circumstances.

Our audit did not cover detailed comparative data constituting the basis for calculating the ratios for the previous years.



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III. The Company's results, financial position and significant items of financial statements (cont.)

The financial statements do not take into account the effects of inflation. The consumer price index (on a December to December basis) amounted to -0,5% in the audited year (-1,0% in 2014).

The comparability of the financial statements for 2014 and 2015 and thus the information content of the financial ratios for these years, may be limited due to the impact of presentation changes relating to investment units in ENERGA Trading SFIO fund.

The following comments are based on information obtained during the audit of the financial statements.

- At the end of the financial year, the Company's total assets amounted to PLN 12 543 million. Total assets increased by PLN 426 million i.e. by 3,5% during the year. This increase was financed mainly by net profit of PLN 841 million, an increase in long term debt of PLN 77 million, and increase in current portions of long term debt of PLN 38 million. At the same time, the Company paid out dividend of PLN 596 million.
- The gearing ratio has not changed and remained at the level of 48%. The payables turnover ratio decreased from 90 days to 85 days, respectively.
- In 2015 dividend income amounted to PLN 914 million and increased by PLN 173 million i.e. by 23,3% as compared to the previous financial year.
- The Company's liquidity has changed. The current and quick ratios In the audited year amounted to 5,3 (2014: 5,4) as at the end of the audited period and decreased due to changes in the structure of assets and liabilities.
- Other comprehensive income amounted to PLN 10 million. The increase by PLN 36 million as compared to the prior year was mainly due to impact of valuation of derivatives.

The financial statements have been prepared on the assumption that the Company will continue in operation as a going concern.



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ENERGA SA
Registered auditor's report on the audit of the financial statements
for the year from 1 January to 31 December 2015

IV. The independent registered auditor's statement

- a. The Management Board of the Company provided all the information, explanations, and representations requested in the course of the audit and provided a representation letter confirming the completeness of the data included in the accounting records and the disclosure of all contingent liabilities and post balance-sheet events which occurred up to the date on which that letter was signed.
- b. The scope of the audit was not limited.
- c. The financial statements of the Company for the year from 1 January to 31 December 2014 were approved by Resolution No. 4 passed by the General Shareholders' Meeting on 29 April 2015 and filed with the National Court Register in Gdańsk on 6 May 2015.
- d. We have assessed the operation of the accounting system. Our assessment covered in particular:
 - the accuracy of the documentation relating to business transactions;
 - the fairness, accuracy and verifiability of the books of account, including computerised books of account;
 - the methods used for controlling access to data and the computerised data processing system;
 - the safeguarding of the accounting documentation, books of account, and financial statements.

This assessment, together with our verification of individual items of the financial statements, provides the basis for expressing an overall and comprehensive opinion on these financial statements. The audit was not intended to provide a comprehensive opinion on the operations of the said system.

- e. The notes to the financial statements present all significant information required by IFRS as adopted by the European Union.
- f. The information in the Directors' Report for the year ended 31 December 2015 has been prepared in accordance with the provisions of the Decree of the Minister of Finance dated 19 February 2009 concerning the publication of current and periodic information by issuers of securities and the conditions of acceptance as equal information required by the law of other state, which is not a member state (Journal of Laws of 2014, item 133) and is consistent with that presented in the financial statements.



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ENERGA SA
Registered auditor's report on the audit of the financial statements
for the year from 1 January to 31 December 2015

V. Final information

This report has been prepared in connection with our audit of the financial statements of ENERGA SA, Grunwaldzka 472 street, Gdańsk. The financial statements were signed by the Company's Management Board and the person entrusted with maintaining the books of account on 14 March 2016.

This report should be read in conjunction with the Independent Registered Auditor's unqualified Opinion to the General Shareholders' Meeting and the Supervisory Board of ENERGA SA dated 14 March 2016, concerning the said financial statements. The opinion on the financial statements expresses a general conclusion drawn from the audit and involves assessing the materiality of individual audit findings rather than being a sum of all the evaluations of individual financial statement components. This assessment takes account of the impact of the facts noted on the truth and fairness of the financial statements as a whole.

Person conducting the audit on behalf of PricewaterhouseCoopers Sp. z o.o. , Registered Audit Company No. 144:

Michał Potrykus

Key Registered Auditor
No. 11833

Gdańsk, 14 March 2016



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