PGE Polska Grupa Energetyczna S.A.

Interim condensed financial statements prepared in accordance with International Financial Reporting Standards for the 3-month period ended March 31, 2012.

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Interim condensed financial statements in accordance with IFRS for the 3-month period ended March 31, 2012 (in PLN thousand)

STATEMENT OF COMPREHENSIVE INCOME

	Period ended March 31, 2012 (not audited)	Period ended March 31, 2011 (not audited)
Continuing operations		
Revenues from sale of products and merchandise	2,741,159	2,817,033
Revenues from services rendered	67,024	61,402
Revenues from rent	2,117	2,050
Total sales revenues	**2,810,300**	**2,880,485**
Costs of goods sold	(2,724,966)	(2,787,749)
Gross profit on sales	**85,334**	**92,736**
Other operating revenues	40,422	685
Distribution and selling expenses	(3,955)	(4.620)
General and administrative expenses	(28,952)	(29.629)
Other operating expenses	(19,748)	(4.775)
Profit on operating activities	**73,101**	**54,397**
Financial revenues	159,401	93.005
Financial expenses	(34,094)	(50.286)
Gross profit before tax	**198,408**	**97,116**
Corporate income tax	(34,140)	(20.673)
Net profit from continuing operations	**164,268**	**76,443**
Profit from discontinued operations	**-**	**-**
Net profit for the operating period	**164,268**	**76,443**
OTHER COMPREHENSIVE INCOME:		
Valuation of available-for-sale financial assets	472	736
Other comprehensive income for the period, net	**472**	**736**
TOTAL COMPREHENSIVE INCOME	**164,740**	**77,179**
Earnings per share		
– basic earnings per share for the period	0.09	0.04
– basic earnings from continuing operations	0.09	0.04

Interim condensed financial statements in accordance with IFRS for the 3-month period ended March 31, 2012 (in PLN thousand)

STATEMENT OF FINANCIAL POSITION

	As at March 31, 2012 (not audited)	As at December 31, 2011 (audited)	As at March 31, 2011 (not audited) *data restated**
Non-current assets			
Property, plant and equipment	212,072	216,272	228,493
Intangible assets	16,617	17,538	17,783
Loans and receivables	4,449,516	4,783,679	621,328
Shares in subsidiaries	22,590,895	22,587,091	22,463,233
Available-for-sale financial assets	70,557	69,963	2,863
Other long-term assets	16,984	-	-
Deferred tax assets	1,628	4,327	15,254
Total non-current assets	**27,358,269**	**27,678,870**	**23,348,954**
Current assets			
Inventories	79,781	32,467	82,752
Income tax receivables	-	-	8,074
Shares in subsidiaries	217,877	217,877	281,991
Trade receivables	527,476	616,658	516,834
Other loans and financial assets	2,779,804	3,331,624	4,867,824
Available-for-sale short-term financial assets	36,717	39,067	1,656,469
Other current assets	92,380	94,672	640,166
Cash and cash equivalents	2,120,651	1,020,823	144,288
Total current assets	**5,854,686**	**5,353,188**	**8,198,398**
TOTAL ASSETS	**33,212,955**	**33,032,058**	**31,547,352**

*) For information regarding comparative figures please refer to note 6 of these financial statements.

Interim condensed financial statements in accordance with IFRS for the 3-month period ended March 31, 2012 (in PLN thousand)

STATEMENT OF FINANCIAL POSITION

	As at March 31, 2012 (not audited)	As at December 31, 2011 (audited)	As at March 31, 2011 (not audited) *data restated**
Equity			
Share capital	18,697,837	18,697,837	18,697,837
Revaluation reserve	(304)	(776)	(344)
Treasury shares	(229)	(229)	(229)
Reserve capital	8,553,142	8,553,142	6,727,589
Other capital reserves	49,779	49,779	49,779
Retained earnings	4,646,615	4,482,347	3,044,008
Total equity	**31,946,840**	**31,782,100**	**28,518,640**
Long-term liabilities			
Other liabilities	-	-	498,008
Provisions	18,604	18,784	21,126
Total long-term liabilities	**18,604**	**18,784**	**519,134**
Short-term liabilities			
Trade liabilities	416,545	423,573	337,658
Interest-bearing loans, borrowings, bonds and lease	-	-	1,750,097
Other short-term financial liabilities	3,599	4,481	16,925
Liabilities at fair value through profit or loss	6	-	-
Other short-term non-financial liabilities	65,680	45,017	20,201
Income tax liabilities	338,721	318,174	-
Deferred income	31	286	-
Short-term provisions	422,929	439,643	384,697
Total short-term liabilities	**1,247,511**	**1,231,174**	**2,509,578**
Total liabilities	**1,266,115**	**1,249,958**	**3,028,712**
TOTAL LIABILITIES AND EQUITY	**33,212,955**	**33,032,058**	**31,547,352**

*) For information regarding comparative figures please refer to note 6 of these financial statements.

Interim condensed financial statements in accordance with IFRS for the 3-month period ended March 31, 2012 (in PLN thousand)

STATEMENT OF CHANGES IN EQUITY

For the period ended March 31, 2012 (not audited)

	Share capital	Revaluation reserve	Treasury shares	Reserve capital	Other capital reserves	Retained earnings	Total
As at January 1, 2012	**18,697,837**	**(776)**	**(229)**	**8,553,142**	**49,779**	**4,482,347**	**31,782,100**
Profit for the period	-	-	-	-	-	164,268	164,268
Other comprehensive income	-	472	-	-	-	-	472
Total comprehensive income for the period	***-***	***472***	***-***	***-***	***-***	***164,268***	***164,740***
Retained earnings distribution	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-
As at March 31, 2012	**18,697,837**	**(304)**	**(229)**	**8,553,142**	**49,779**	**4,646,615**	**31,946,840**

Interim condensed financial statements in accordance with IFRS for the 3-month period ended March 31, 2012 (in PLN thousand)

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2011

	Share capital	Revaluation reserve	Treasury shares	Reserve capital	Other capital reserves	Retained earnings	Total
As at January 1, 2011	**18,697,837**	**(1,080)**	**(229)**	**6,727,589**	**49,779**	**2,967,565**	**28,441,461**
Profit for the year	-	-	-	-	-	4,556,115	4,556,115
Other comprehensive income	-	304	-	-	-	-	304
Total comprehensive income for the year	***-***	***304***	***-***	***-***	***-***	***4,556,115***	***4,556,419***
Retained earnings distribution	-	-	-	1,825,553	-	(1,825,553)	-
Dividend	-	-	-	-	-	(1,215,780)	(1,215,780)
As at December 31, 2011	**18,697,837**	**(776)**	**(229)**	**8,553,142**	**49,779**	**4,482,347**	**31,782,100**

Interim condensed financial statements in accordance with IFRS for the 3-month period ended March 31, 2012 (in PLN thousand)

STATEMENT OF CHANGES IN EQUITY

For the period ended March 31, 2011 (not audited)

*(comparable data)**	Share capital	Revaluation reserve	Treasury shares	Reserve capital	Other capital reserves	Retained earnings	Total
As at January 1, 2011	**18,697,837**	**(1,080)**	**(229)**	**6,727,589**	**49,779**	**2,967,565**	**28,441,461**
Profit for the period	-	-	-	-	-	76,443	76,443
Other comprehensive income	-	736	-	-	-	-	736
Total comprehensive income for the period	***-***	***736***	***-***	***-***	***-***	***76,443***	***77,179***
Retained earnings distribution	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-
As at March 31, 2011	**18,697,837**	**(344)**	**(229)**	**6,727,589**	**49,779**	**3,044,008**	**28,518,640**

*) For information regarding comparative figures please refer to note 6 of these financial statements.

Interim condensed financial statements in accordance with IFRS for the 3-month period ended March 31, 2012 (in PLN thousand)

STATEMENT OF CASH FLOWS

	Period ended March 31, 2012 (not audited)	Period ended March 31, 2011 (not audited)
Cash flow from operating activities		
Profit before tax	**198,408**	**97,116**
Adjustments for:		
Depreciation and amortization	4,963	6,190
Interest and dividend, net	(126,029)	(33,990)
Profit/ (loss) on investment activities	(19,978)	(13,924)
Change in receivables	76,076	331,823
Change in inventories	(47,313)	(51,857)
Change in liabilities, excluding loans and bank credits	14,702	(647,666)
Change in prepayments and other non-financial assets	(3,415)	16,821
Change in provisions	(16,894)	9,783
Income tax paid	(11,006)	(12,909)
Other	29,506	-
Net cash from operating activities	**99,020**	**(298,613)**
Cash flow from investing activities		
Disposal of property, plant and equipment and intangible assets	360	-
Purchase of property, plant and equipment and intangible assets	(2,162)	(2,657)
Disposal of financial assets	3,537,916	474,198
Purchase of financial assets	(2,621,845)	(493,811)
Dividends received	3,048	-
Interest received	79,550	-
Loans repaid	647	-
Loans granted	-	-
Net cash from investing activities	**997,514**	**(22,270)**
Cash flow from financing activities		
Proceeds from the issue of shares	-	-
Proceeds from loans, bank credits and issue of bonds	-	2,554,825
Repayment of loans, bank credits, bonds and finance lease	-	(2,326,813)
Dividends paid	-	(2,141)
Interest paid	(1,348)	(19,853)
Net cash flow from financing activities	**(1,348)**	**206,018**
Net change of cash and cash equivalents	**1,095,186**	**(114,865)**
Effect of foreign exchange rate changes	(726)	1,224
Cash and cash equivalents at the beginning of the period	**1,018,204**	**258,383**
Cash and cash equivalents at the end of period, including	**2,113,390**	**143,518**
Restricted cash	-	-

1. General information

PGE Polska Grupa Energetyczna S.A. ("PGE", "PGE S.A.", the "Company") was founded on the basis of the Notary Deed of August 2, 1990 and registered in the District Court in Warsaw, XVI Commercial Department on September 28, 1990. The Company was registered in the National Court Register of the District Court for the capital city of Warsaw, XII Commercial Department, under no. KRS 0000059307.

Company is seated in Warsaw at Mysia 2 Street.

PGE S.A. is the Parent Company of PGE Capital Group ("PGE CG", "PGE Group", "PGE Capital Group") and prepares consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS").

The State Treasury is the controlling shareholder of the Company.

Core operations of the Company comprise:

- activities of central and holding companies, excluding financial holdings,
- activities of financial holdings,
- guidance over effectiveness management,
- rendering of other services related to the above mentioned activities,
- electricity trading.

Business activities are conducted under appropriate concessions.

These interim condensed financial statements have been prepared for the period from January 1, 2012 to March 31, 2012 („financial statements").

2. The composition of the Management Board

As at January 1, 2012 the composition of the Management Board was as follows:

- Mr. Paweł Skowroński – acting as the President of the Management Board
- Mr. Wojciech Ostrowski – the Vice-President of the Management Board,
- Mr. Piotr Szymanek – the Vice-President of the Management Board.

From January 1, 2012 until the date of preparation of the foregoing financial statements, the following changes took place in the composition of the Management:

- On March 1, 2012 the Supervisory Board adopted a resolution on appointment of Mr. Krzysztof Kilian as President of the Management Board/Chief Executive Officer as from March 5, 2012;
- On March 1, 2012 the Supervisory Board adopted a resolution on appointment of Mrs. Bogusława Matuszewska as Vice-President of the Management Board as from March 5, 2012.

As of the day of preparation of the foregoing financial statements, the composition of the Management Board was as follows:

- Mr. Krzysztof Kilian – President of the Management Board,
- Mrs. Bogusława Matuszewska – Vice-President of the Management Board,
- Mr. Wojciech Ostrowski – Vice-President of the Management Board,
- Mr. Paweł Skowroński – Vice-President of the Management Board,
- Mr. Piotr Szymanek – Vice-President of the Management Board.

3. The basis for the preparation of the financial statements

3.1. Statement of compliance

The foregoing financial statements of PGE Polska Grupa Energetyczna S.A. were prepared in accordance with International Accounting Standard 34 Interim financial reporting, in accordance with International Accounting Standards, which regard interim financial reporting as adopted by the European Union, published and effective during the period of preparation of the foregoing financial statements and in the scope required under the Minister of Finance Regulation of February 19, 2009 on current and periodic information provided by issuers of securities and conditions of recognition as equivalent information required by the law of a non-Member State (Official Journal no. 33, item 259) ("Regulation").

IFRS include standards and interpretations accepted by the International Accounting Standards Board ("IASB") and the International Financial Reporting Standards Interpretations Committee (IFRSIC).

The foregoing financial statements should be read in conjunction with the audited financial statements of PGE Polska Grupa Energetyczna S.A. prepared in accordance with International Financial Reporting Standards for the financial year ended December 31, 2011.

3.2. General rules of preparation

The financial statements were prepared were prepared assuming that the Company will continue to operate as a going concern in the foreseeable future. As at the date of preparation of the foregoing financial statements there is no evidence indicating that the Company will not be able to continue its operations as a going concern.

Due to the reporting requirements resulting from the IPO of PGE Polska Grupa Energetyczna S.A., the Management Board of the Company decided to implement the IFRS approved by the European Union (EU). The first financial statements of PGE Polska Grupa Energetyczna S.A., containing an explicit and unreserved statement of compliance with IFRS were the financial statements for the year ended December 31, 2011.

4. Presentation currency

The financial statements are presented in Polish Zloty („PLN") and all amounts are in PLN thousand, unless indicated otherwise.

The following exchange rates were applied to valuation of positions of the statement of financial position:

	March 31, 2012	December 31, 2011	March 31, 2011
USD	3.1191	3.4174	2.8229
EURO	4.1616	4.4168	4.0119

5. New standards and interpretations, published, not effective yet

The following standards, changes in already effective standards and interpretations are not approved by the European Union and are not effective as at January 1, 2012:

- IFRS 9 *Financial Instruments* – effective for the periods starting January 1, 2015;
- IFRS 10 *Consolidated Financial Statements* – effective for the periods starting January 1, 2013;
- IFRS 11 *Joint Agreements* – effective for the periods starting January 1, 2013;
- IFRS 12 *Disclosure of interests in other entities* – effective for the periods starting January 1, 2013;
- IFRS 13 *Fair value measurement* – effective for the periods starting January 1, 2013;
- IFRIC 20 *Stripping costs in the production phase of a surface mine* – effective for periods starting January 1, 2013,
- Amended IAS 19 *Employee benefits* – effective for the periods starting January 1, 2013;
- Amended IAS 27 *Separate financial statements* – effective for the periods starting January 1, 2013;
- Amended IAS 28 *Investments in associates and joint ventures* – effective for the periods starting January 1, 2013;
- Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards* - effective for the periods starting July 1, 2011,
- Amendments to IFRS 9 *Financial Instruments* – effective for the periods starting January 1, 2015,
- Amendments to IAS 1 *Presentation of financial statements*– effective for the periods starting July 1, 2012;
- Amendments to IAS 12 Income Taxes – effective for the periods starting January 1, 2012.

The following changes in already effective standards are approved by the European Union but are not effective as at January 1, 2012:

- Amendments to IFRS 7 *Financial Instruments: Disclosures* – effective for the periods starting July 1, 2011.

The influence of new regulations on future financial statements of the Company

The new IFRS 9 introduces fundamental changes to classifying, presenting and measuring of financial instruments. These changes will possibly have a significant influence on future financial statements of the Company. At the date of preparation of these financial statements IFRS 9 is not yet approved and as a result its impact on the future financial statements of the PGE S.A. is not yet determined.

Amended IAS 19 introduces a new presentation of actuarial gains and losses in the statement of comprehensive income. In accordance with accounting principles applied by the Company, all actuarial gains and losses are recognized in net profit for the period. Amended IAS 19 regulates, that the actuarial gains and losses relating to provisions for post-employment benefits are recognized in other comprehensive income. In the case of significant changes in actuarial assumptions in the following periods, amended IAS 19 might have a significant impact on costs and net financial result presented by the Company. For example as a result of valuation of post-employment benefits for the period ended December 31, 2011, net profit would decrease by PLN 3,160 thousand.

Other standards and their changes should have no significant impact on future financial statements of the Company.

Interim condensed financial statements in accordance with IFRS for the 3-month period ended March 31, 2012 (in PLN thousand)

6. The restatement of comparable data

In 2011, PGE changed the presentation of some assets, revenues and expenses. Changes were intended to present particular economic transactions as well as assets and liabilities of the Company in more reliable and proper way. These changes did not affect the profit shown in the comparable period. Additionally, the Company adjusted the valuation of particular financial instruments and deferred tax.

In connection with the above, the Company transformed the data presented in the comparative condensed statement of the financial position and in the statement on changes in equity as at March 31, 2011 and for the period ended March 31, 2011, as shown in the following tables. Information presented in other notes to these financial statements was appropriately adjusted as well.

STATEMENT OF FINANCIAL POSITION

	As at March 31, 2011 (not audited) *data published*	**Change of presentation principles and adjustment of evaluation**	**As at March 31, 2011 (not audited)** *data restated*
Non-current assets			
Property, plant and equipment	228,493	-	228,493
Intangible assets	17,783	-	17,783
Loans and receivables	621,328	-	621,328
Shares in subsidiaries	-	22,463,233	22,463,233
Available-for-sale financial assets	22,466,096	(22,463,233)	2,863
Deferred tax assets	-	15,254	15,254
Total non-current assets	23,333,700	**15,254**	23,348,954
Current assets			
Inventories	82,752	-	82,752
Income tax receivables	8,074	-	8,074
Shares in subsidiaries		281,991	281,991
Trade receivables	516,834	-	516,834
Other loans and financial assets	4,867,824	-	4,867,824
Available-for-sale short-term financial assets	1,989,133	(332,664)	1,656,469
Other current assets	640,166	-	640,166
Cash and cash equivalents	144,288	-	144,288
Total current assets	**8,249,071**	**(50,673)**	**8,198,398**
TOTAL ASSETS	**31,582,771**	**(35,419)**	**31,547,352**

Interim condensed financial statements in accordance with IFRS for the 3-month period ended March 31, 2012 (in PLN thousand)

STATEMENT OF FINANCIAL POSITION

	As at March 31, 2011 (not audited) *data published*	Change of presentation principles and adjustment of evaluation	As at March 31, 2011 (not audited) *data restated**
Equity			
Share capital	18,697,837	-	18,697,837
Revaluation reserve	(344)	-	(344)
Treasury shares	(229)	-	(229)
Reserve capital	6,727,589	-	6,727,589
Other capital reserves	49,779	-	49,779
Retained earnings	3,058,899	(14,891)	3,044,008
Total equity	**28,533,531**	**(14,891)**	**28,518,640**
Long-term liabilities			
Other liabilities	498,008	-	498,008
Provision for deferred income tax	20,528	(20,528)	-
Provisions	21,126	-	21,126
Total long-term liabilities	**539,662**	**(20,528)**	**519,134**
Short-term liabilities			
Trade liabilities	337,658	-	337,658
Interest-bearing loans, borrowings, bonds and lease	1,750,097	-	1,750,097
Other short-term financial liabilities	16,925	-	16,925
Other short-term non-financial liabilities	20,201	-	20,201
Income tax liabilities	-	-	-
Deferred income	-	-	-
Short-term provisions	384,697	-	384,697
Total short-term liabilities	**2,509,578**	**-**	**2,509,578**
Total liabilities	**3,049,240**	**(20,528)**	**3,028,712**
TOTAL LIABILITIES AND EQUITY	**31,582,771**	**(35,419)**	**31,547,352**

7. Change of estimates

In the period covered by the financial statements, no significant changes of estimates occurred, that would have influence on values presented in the financial statements. The company revaluated the value of provisions presented in the statement of financial situation.

Interim condensed financial statements in accordance with IFRS for the 3-month period ended March 31, 2012 (in PLN thousand)

8. Revenues and expenses

8.1. Costs by kind and functions

	3-month period ended March 31, 2012	3-month period ended March 31, 2011 *data restated*
Costs by kind		
Depreciation/ amortization	4,963	6,188
Materials and energy	830	719
External services	8,897	9407
Taxes and charges	2,481	2,140
Personnel expenses	16,195	15,632
Other cost by kind	20,867	20,501
Total costs by kind	**54,233**	**54,587**
Distribution and selling expenses	(3,955)	(4,620)
General and administrative expenses	(28,952)	(29,629)
Cost of merchandise and materials sold	2,703,640	2,767,411
Cost of goods sold	**2,724,966**	**2,787,749**

8.2. Other operating revenues

	3-month period ended March 31, 2012	3-month period ended March 31, 2011
Reversal of revaluation write offs on receivables	21	-
Provisions reversed	20,837	670
Compensations, penalties and fines received	18,883	3
Grants received	453	-
Taxes refunded	225	-
Court fees refunded	-	4
Other	3	8
Total other operating revenues	**40,422**	**685**

Revenues from provisions reversed mainly relate to dispute with Alpiq Holding, described in note 15.2 to the financial statements.

Compensations, penalties and fines received mainly result from claims by the Company towards contractors on hard coal trading market. Due to the character of the claims, the receivables were subject to revaluation write off, disclosed in other operating expenses.

Interim condensed financial statements in accordance with IFRS for the 3-month period ended March 31, 2012 (in PLN thousand)

8.3. Other operating expenses

	3-month period ended March 31, 2012	3-month period ended March 31, 2011
Creation of revaluation write offs on receivables	18,745	-
Provisions created	-	4,555
Compensations paid	-	1
Donations granted	1,000	36
Court fees paid	1	8
Redemption of receivables	-	78
Liquidation of non-current assets	-	33
Other	2	64
Total other operating expenses	**19,748**	**4,775**

8.4. Financial revenues

	3-month period ended March 31, 2012	3-month period ended March 31, 2011
Financial revenues from financial instruments	**156,996**	**92,792**
Dividends	-	-
Interest revenue	135,991	63,654
Revaluation/ reversal of revaluation write offs	-	10
Profit on disposal of investments	19,980	6,399
Foreign exchange gains	1,025	22,729
Other financial revenues	**3,430**	**213**
Discount rate adjustment	-	-
Provisions reversed	3,417	-
Interest on state receivables	13	-
Other	-	213
Total financial revenues	**160,426**	**93,005**

Profit on disposal of investment relates to sale of the minority stake in Towarowa Giełda Energii S.A.

Interim condensed financial statements in accordance with IFRS for the 3-month period ended March 31, 2012 (in PLN thousand)

8.5. Financial expenses

	3-month period ended March 31, 2012	3-month period ended March 31, 2011
Financial expenses from financial instruments	**30,451**	**44,899**
Interest expenses	1,290	28,056
Revaluation	6	-
Creation of revaluation write offs	-	-
Foreign exchange losses	29,155	16,843
Other financial expenses	**4,668**	**5,387**
Interest expenses including effect of discount unwinding	4,668	4,429
Provisions created	-	-
Interest relating to state liabilities	-	19
Other	-	939
Total financial expenses	**35,119**	**50,286**

9. Impairment allowances of assets – recognition and reversal

	3-month period ended March 31, 2012	3-month period ended March 31, 2011
Impairment allowances of inventories		
- recognition	1,330	-
- reversal	-	162

The impairment allowances of inventories presented by the Company mainly relate to evaluation of greenhouse gases emission rights.

10. Income tax

Income tax disclosed in the statement of comprehensive income	3-month period ended March 31, 2012	3-month period ended March 31, 2011
Current income tax	31,552	8,966
Deferred income tax	2,588	11,707
Total	**34,140**	**20,673**

Moreover, the Company disclosed in the financial statements a deferred tax provision of PLN 110 thousand in other comprehensive income in the period ended March 31, 2012 and a deferred tax provision of PLN 173 thousand in other comprehensive income in the period ended March 31, 2011.

Interim condensed financial statements in accordance with IFRS for the 3-month period ended March 31, 2012 (in PLN thousand)

11. Financial assets

	Carrying amount					
	March 31, 2012			December 31, 2011		
Selected categories and classes of financial assets:	**Long-term**	**Short-term**	**Total**	**Long-term**	**Short-term**	**Total**
Loans and receivables, including:						
(i) Trade receivables	-	527,476	**527,476**	-	616,658	**616,658**
(ii) Deposits	-	2,132,166	**2,132,166**	-	2,101,027	**2,101,027**
(iii) Other financial loans and receivables	4,449,516	647,638	**5,097,154**	4,783,679	1,230,597	**6,014,276**
▪ Bonds, bill and notes receivable acquired	4,445,248	436,141	**4,881,389**	4,778,714	1,023,019	**5,801,733**
▪ Originated loans	4,268	184,906	**189,174**	4,965	194,110	**199,075**
▪ Other financial receivables	-	26,591	**26,591**	-	13,468	**13,468**
Total loans and receivables:	**4,449,516**	**3,307,280**	**7,756,796**	**4,783,679**	**3,948,282**	**8,731,961**
Shares in subsidiaries	**22,590,895**	**217,877**	**22,808,773**	**22,587,091**	**217,877**	**22,804,968**
Available-for-sale financial assets, including:						
(i) Shares in entities not quoted on active markets	67,644	36,717	**104,361**	67,634	39,067	**106,701**
(ii) Shares quoted on active markets	2,913	-	**2,913**	2,329	-	**2,329**
Total available-for-sale financial assets:	**70,557**	**36,717**	**107,274**	**69,963**	**39,067**	**109,030**

Interim condensed financial statements in accordance with IFRS for the 3-month period ended March 31, 2012 (in PLN thousand)

11.1. Trade receivables

Trade receivables relate mainly to the sale of electricity and coal to related parties of the PGE Capital Group. As at March 31, 2012 the balance of three biggest customers, i.e. PGE Obrót S.A., PGE Górnictwo i Energetyka Konwencjonalna S.A. and PGE Dystrybucja S.A. accounted for 87% of the balance of trade receivables.

11.2. Loans and receivables, including acquired bonds, bills and notes

As at March 31, 2012	Long-term	Short-term
Bonds issued by PGE Górnictwo i Energetyka Konwencjonalna S.A.	4,141,741	180,121
Bonds issued by PGE Energia Odnawialna S.A.	-	256,020
Bonds issued by Autostrada Wielkopolska S.A.	303,507	-
Loan granted - PGE Systemy S.A.	4,268	2,798
Loan granted - Vattenfall AB	-	179,714
Loan granted - PGE Inwest sp. z o.o.	-	2,394
Deposits	-	26,438
Other	-	153
Total	**4,449,516**	**647,638**

Bonds issued by PGE Górnictwo i Energetyka Konwencjonalna S.A.

PGE S.A. acquires bonds issued by companies of the PGE Capital Group. The funds obtained from issue of bonds are used to finance investments, repay financial liabilities secured by assignment of long-term power and electricity sales agreements and to finance the current activities. The bonds bear interest based on WIBOR (1M, 3M, 6M) plus a margin.

Prepayment (loan) granted to Vattenfall AB

In periods before the balance sheet date the Company made prepayments for transmission services to Vattenfall Aktiebolag („VAB"). These prepayments were related to an execution of Restructuring Agreement signed by PGE S.A. and VAB on May 28, 2003 and were associated with a purchase of SwePol Link AB shares as well as a construction and exploitation of a permanent electricity link between Polish and Swedish electric system. Taking into consideration the character of transactions mentioned above, in the financial statements prepared in accordance with IFRS a part of the prepayments made is presented as the cost of purchase of shares in an associate and the other part is presented as a loan.

Prepayments were being cleared in course of executing the above mentioned contract, which expired in August 2010. During the reporting period works with the objective of settling the issues of prepayments outstanding after expiry of the VAB contract were carried out at the Company. As at the date of preparation of these financial statements there is no certainty as to successful completion of the Company's efforts with respect to extension of cooperation; therefore there is an uncertainty as to recovery of amounts involved. The Company assumes that the issue of continuing cooperation will be resolved successfully, and that the nominal values of prepayment will be cleared or returned.

Interim condensed financial statements in accordance with IFRS for the 3-month period ended March 31, 2012 (in PLN thousand)

11.3. Shares in subsidiaries

As at March 31, 2012	Long-term	Short-term
Shares in subsidiaries		
PGE Górnictwo i Energetyka Konwencjonalna S.A.	14,482,982	-
PGE Obrót S.A.	6,632,840	-
PGE Dystrybucja S.A.	946,977	-
PGE Energia Odnawialna S.A.	323,616	-
PGE Energia Jądrowa S.A.	103,500	-
PGE EJ 1 sp. z o.o.	54,390	-
PWE Gubin sp. z o.o.*	25,452	-
Electra Deutschland GmbH	13,990	-
PGE Serwis sp. z o.o in liquidation	-	3,800
PGE Systemy S.A.	4,500	-
Electra Bohemia s.r.o./Czech Republic/	1,598	-
PGE Inwest sp. z o.o.	1,050	-
Exatel S.A.	-	214,005
PGE Inwest sp. z o.o. II S.K.A. in liquidation	-	-
Total	**22,590,895**	**217,877**

** on April 16, 2012 the change of name to PGE Gubin sp. z o.o. was registered in the National Court Register.*

As at March 31, 2012 shares in Exatel S.A. are presented as short-term. Disposal of the shares is projected in accordance with the approved strategy of PGE that assumes inter alia focusing on core activities and disposal of non-core assets.

As at the date of preparation of the financial statements PGE Polska Grupa Energetyczna S.A. is in the course of preparing an optimal method of disposal of shares held in Exatel S.A. Transaction is planned for the second half of 2012.

11.4. Shares in entities not quoted on active markets

As at March 31, 2012	Long-term	Short-term
Shares in jointly controlled entities		
Energopomiar Sp. z o.o.	3,134	-
Shares in associates		
Swe-Pol Link AB	-	36,717
Shares in other entities		
Pracownicze Towarzystwo Emerytalne "Nowy Świat" S.A.	-	-
AWSA Holland II	64,500	-
Foundation „PGE Energia z serca”	10	-
Total	**67,644**	**36,717**

Additionally, the Company owns Sygnity S.A. shares, which are disclosed in the value resulting from the current listing on the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.).

Interim condensed financial statements in accordance with IFRS for the 3-month period ended March 31, 2012 (in PLN thousand)

12. Share capital

	As at March 31, 2012	As at December 31, 2011
Number of Series A ordinary shares with a nominal value of PLN 10 each	1,470,576,500	1,470,576,500
Number of Series B ordinary shares with a nominal value of PLN 10 each	259,513,500	259,513,500
Number of Series C ordinary shares with a nominal value of PLN 10 each	73,241,482	73,241,482
Number of Series D ordinary shares with a nominal value of PLN 10 each	66,452,245	66,452,245
Total number of shares	**1,869,783,727**	**1,869,783,727**

During the reporting period the share capital of the Company did not change.

All shares of the Company, except for the shares purchased for redemption, have been paid.

Ownership structure of the Company at the beginning and at the end of the reporting period is presented below.

	State Treasury	Other shareholders	Total
As at January 1, 2012	**69.29%**	**30.71%**	**100.00%**
As at March 31, 2012	**61.89%**	**38.11%**	**100.00%**

The ownership structure as at balance sheet dates was determined on the basis of information available to the Company.

On February 29, 2012 the State Treasury sold 7.01% shares of the Company.

In accordance with a notification received from the State Treasury, as a result of the mentioned transaction the shareholding in the Company owned by the State Treasury amounts to 61.89%.

After the balance sheet date until the date of preparation of these financial statements the value of the share capital did not change.

Treasury shares

As a consequence of PGE S.A. merger with PGE GiE S.A. and PGE Energia S.A., PGE S.A. acquired 22,898 treasury shares for the amount of PLN 579 thousand. The value of one share resulted from a valuation made for the merger. The purpose of the acquisition was the redemption of shares. Treasury shares shall be redeemed pursuant to a resolution of the general meeting of shareholders, through decrease of the share capital.

12.1. Earnings per share

Basic earnings per share shall be calculated by dividing net profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

An entity shall calculate diluted earnings per share by dividing net profit attributable to ordinary equity holders of the Company (after deduction of interest on redeemable convertible preference shares) by the weighted average number of shares outstanding during the period (adjusted by the number of dilutive options or dilutive redeemable convertible preference shares).

Interim condensed financial statements in accordance with IFRS for the 3-month period ended March 31, 2012 (in PLN thousand)

13. Dividends paid and dividends declared

	Dividends paid from the profit for the period/year ended		
	March 31, 2012	December 31, 2011	December 31, 2010
Cash dividends from ordinary Shares			
Dividend paid from retained earnings	-	-	1,215,345
Dividend paid from other reserve capital	-	-	-
Total cash dividends from ordinary shares	**-**	**-**	**1,215,345**
Cash dividends per share (in PLN)	-	**-**	**0.65**

Dividend from the profit for 2011

These financial statements were prepared before profit distribution for the year ended December 31, 2011 and approval of the amount of the dividend.

The Management Board of the Company recommends a dividend at a level of 50% of the net profit attributable to the equity holders of the parent, reported in the consolidated financial statements for the year ended December 31, 2011. After deduction of treasury shares, the dividend would amount to PLN 2,468,084 thousand (PLN 1.32 per share).

Dividend from the profit for the period ended March 31, 2012

During the reporting period and until the date of preparation of these financial statements, the Company did not make any interim dividend payments.

Interim condensed financial statements in accordance with IFRS for the 3-month period ended March 31, 2012 (in PLN thousand)

14. Provisions

Period ended March 31, 2012	Post-employment benefits	Provisions	Provisions for third parties claims	Provisions for employee claims	Provisions for certificates of origin held for redemption	Other provisions	Total
As at January 1, 2012	**17,658**	**3,411**	**410,799**	**10,520**	**225**	**15,814**	**458,427**
Costs of present employment/ benefits paid	(173)	(134)	-	-	-	-	(307)
Actuarial gains and losses excluding discount rate adjustment	-	-	-	-	-	-	-
Costs of past employment	19	-	-	-	-	-	19
Discount rate adjustments	-	-	-	-	-	-	-
Interest expenses	254	49	4,365	-	-	-	4,668
Created during the period	-	-	-	4,863	36	568	5,467
Reversed	-	-	(23,608)	-	(225)	(793)	(24,626)
Used	-	-	-	(2,116)	-	-	(2,116)
Other changes	-	-	-	-	-	-	-
As at March 31, 2012	**17,758**	**3,326**	**391,556**	**13,267**	**36**	**15,590**	**441,533**
Short-term as at March 31, 2012	**1,577**	**903**	**391,556**	**13,267**	**36**	**15,590**	**422,929**
Long-term as at March 31, 2012	**16,181**	**2,423**	**-**	**-**	**-**	**-**	**18,604**

Interim condensed financial statements in accordance with IFRS for the 3-month period ended March 31, 2012 (in PLN thousand)

Period ended December 31, 2011	Post-employment benefits	Provisions	Provisions for third parties claims	Provisions for employee claims, including for bonuses	Provisions for certificates of origin held for redemption	Other provisions	Total
As at January 1, 2011	**20,303**	**3,458**	**350,054**	**8,066**	**-**	**14,159**	**396,040**
Costs of present employment	1,257	927	-	-	-	-	2,184
Actuarial gains and losses excluding discount rate adjustment	(2,412)	(473)	-	-	-	-	(2,885)
Benefits paid	(2,284)	(656)	-	-	-	-	(2,940)
Costs of past employment	76	-	-	-	-	-	76
Discount rate adjustments	(397)	(43)	-	-	-	-	(440)
Interest expenses	1,115	198	17,361	-	-	-	18,674
Created during the period	-	-	43,384	19,273	225	3,356	66,238
Reversed	-	-	-	(1,579)	-	(1,270)	(2,849)
Used	-	-	-	(15,240)	-	(431)	(15,671)
Other changes	-	-	-	-	-	-	-
As at December 31, 2011	**17,658**	**3,411**	**410,799**	**10,520**	**225**	**15,814**	**458,427**
Short-term as at December 31, 201	**1,480**	**805**	**410,799**	**10,520**	**225**	**15,814**	**439,643**
Long-term as at December 31, 2011	**16,178**	**2,606**	**-**	**-**	**-**	**-**	**18,784**

14.1. Provisions for post-employments benefits and jubilee benefits

The value of the provisions for post-employment benefits is based on the valuation made by an independent actuary.

According to the corporate system of remuneration the employees of the Company are entitled to jubilee awards. These awards are paid after an employee has worked a specified period of time. The amount of awards paid depends on the period of employment and the average remuneration of the employee. The Company recognizes a provision for future obligations relevant to jubilee awards in order to assign costs to the periods they refer to. The value of these provisions shown in the financial statements is measured by an independent actuary.

14.2. Provisions for third-party claims

Provision for dispute related to the contract with ATEL (currently Alpiq Holding AG)

Company revised the provision for the contractual claim from ATEL (presently Alpiq Holding (AG). As at March 31, 2012 the provision amounted to EUR 79 million including interest due. The provision including interest calculated using the average rates of exchange of the National Bank of Poland amounted to PLN 389,089 thousand. The dispute is described in note 15.2 of these financial statements

Provision for claims relating to damage resulted from the failure of the CSTE system

The Company raised a provision for claims from contractors relating to damage resulted from the failure of the CSTE (Central System of Trading Electricity), which is provided to PGE Group companies. As at March 31, 2012 the provision amounted to PLN 2,467 thousand

14.3. Provisions for employee claims

The Company raised provisions for remuneration including annual and quarterly bonuses for employees and others employed under civil law contracts for management, to which rights were obtained by March 31, 2012. Bonus entitlements result from remuneration regulations and contracts of employment.

14.4. Provision for energy origin units held for redemption

The Company creates provision for the amount of certificates of energy origin related to sales in the reporting period, in amount of certificates not redeemed till the balance sheet date. In accordance with applicable regulations it is necessary to create a provision, which results from the obligation to redeem the certificates of energy origin and specific replacement fee for them.

14.5. Other provisions

Provisions for costs of transmission services

The provision relates to the costs of transmission services provided by Vattenfall AB in amount of PLN 12,515 thousand.

Provisions for unused holiday

The provision for unused holiday is raised in the amount of the future remuneration associated with unused holiday leaves, to which employees has acquired the right in the past period and in previous years.

Interim condensed financial statements in accordance with IFRS for the 3-month period ended March 31, 2012 (in PLN thousand)

15. Legal claims and contingent liabilities and receivables

Contingent liabilities	As at March 31, 2012	As at December 31, 2011
Collaterals for repayment of bank guarantees granted	15,854	16,617
Other contingent liabilities	-	-
Total contingent liabilities	**15,854**	**16,617**

Presented below are the most significant legal claims and other contingent liabilities in the PGE Group.

15.1. Surety for the obligations of Electra Deutschland

PGE Polska Grupa Energetyczna S.A. provided a surety for repayment of bank guarantees for the obligations of Electra Deutschland GmbH to foreign third parties. The liability of the Company is limited to a total amount of PLN 15,854 thousand. The guarantee expires in the first quarter of 2013.

15.2. Risk related to PGE - ATEL (presently Alpiq Holding AG) dispute

Risk related to PGE - ATEL (presently Alpiq Holding AG) dispute)

Since 2009 PGE Polska Grupa Energetyczna S.A. is a party to arbitration proceedings with the company Atel. The proceeding is held before the Court of Arbitration in Vienna. The subject of the arbitration proceeding is the claim of Atel, raised against PGE, resulting from the lack of realization of an electricity supply agreement signed on October 28, 1997. Claims submitted by Atel in a supplemented (rephrased) lawsuit from October 4, 2010 amounted to EUR 155 million. The arbitration proceeding was held in writing and involved the exchange of pleadings between the parties and presenting evidence in form of written statements of witnesses, experts and the parties themselves in front of the Court.

The final hearing, which summarized the outcomes of proceedings in writing, was held from September 12, 2011 till September 16, 2011 in Vienna. During the hearing witnesses from both parties and experts were heard. After the hearing, the Court of Arbitration did not issue any verdict. The arbiters determined the dates for submitting the post hearing briefs for November 16, 2011 (first round, which was postponed to November 22, 2011 at the request of both parties) and January 17, 2012 (second round). Each party submitted required letters in due time. The amount of the new claim submitted by Alpiq is approx. EUR 168 million. Despite the fact that an additional date of a final hearing was set for February 18, 2012, it did not take place.

On the basis of available data, to its best knowledge, PGE S.A. made a reasonable estimation of claims which can be reasonably considered justified by the Arbitration Tribunal. The Company established a provision for the claim thus estimated, in the amount exceeding EUR 93 million (including the main amount of EUR 79 million). At the present stage of arbitration proceedings, it is not possible to foresee the outcome or to determine the final amount of indemnity.

15.3. Promise referring to ensure financing of new investments in Group companies

Due to planned strategic investments in PGE Group companies, the Company committed in the form of promise to group companies, to ensure financing of planned investments. The promises relate to specific investments and may be used only for such purposes. As at March 31, 2012 the estimated value of the promise amounts to PLN 15.2 billion.

15.4. Employee claims

There are claims against the Company filed by former employees, who demand re-employment or compensation. In principle, the compensation amounts up to the value of a yearly remuneration. Taking into consideration the nature of disputes, it is considered that the amount of claims is immaterial for the Company.

Interim condensed financial statements in accordance with IFRS for the 3-month period ended March 31, 2012 (in PLN thousand)

15.5. Contingent receivables and other contingent assets

As at March 31, 2012, the Company did not report any material contingent receivables.

Excise tax reimbursement

In 2009, the Company filed a motion related to an excess payment of the excise tax on imports and Intra-Community purchase of electric energy in the period from January 2006 to February 2009. The Company states that the excess payment results from discrepancies between the Polish and Community law. As the day of preparation of the foregoing financial statements, the issue was not settled. The total amount of the claims amounts to PLN 54 million plus interest due.

Subsidy from PAED

In May 2011, an agreement was signed with the Polish Agency for Enterprise Development ("PAED") for co-financing of a training and consultancy project for PGE Group employees. During 2012-2013, the Company expects to receive about PLN 5,434 thousand in subsidies. The value of subsidies may be reduced or be subject to refund if there is non-compliance with the requirements strictly prescribed by the agreement. The Agreement for the PAED is secured by a bill of exchange submitted by the Company and certified by a notary public, for an amount of PLN 6,684 thousand.

16. Financial liabilities

Financial liabilities at amortized cost (as at March 31, 2012)	**Long-term**	**Short-term**	**Total**
Interest bearing loans and credits	-	-	**-**
Bonds issued	-	-	-
Trade liabilities	-	416,545	416,545
Other financial liabilities	-	3,599	3,599
Total	**-**	**420,144**	**420,144**

Cash flows from bonds issued by the Company were as follows:

	3-month period ended March 31, 2012	**3-month period ended March 31, 2011**
Issue	-	2,165,999
Buy-out	-	2,278,584

In the first quarter of 2012 PGE Polska Grupa Energetyczna S.A. held a possibility to issue bonds within three programmes: the programme for outside purchasers in the maximum amount of PLN 10 billion, programme for the investors on the Polish capital market in the amount of PLN 5 billion and the programme for entities in the PGE Capital Group in the amount of PLN 5 billion.

Interim condensed financial statements in accordance with IFRS for the 3-month period ended March 31, 2012 (in PLN thousand)

17. Information on related entities

Transactions with related entities are concluded using current market prices of provided goods, products and services based on the cost of manufacturing.

The State Treasury is the dominant shareholder of PGE Polska Grupa Energetyczna S.A. and as a result in accordance with IAS 24 *Related Party Disclosures*, State Treasury companies are recognized as related entities. Company recognises in detail the transactions with the subsidiaries of the State Treasury. The total value of transactions with such entities is presented in the tables below in item “other related entities”.

17.1. Subsidiaries in the PGE Capital Group

	Sales to subsidiaries	Purchase from subsidiaries	Trade receivables from subsidiaries	Trade liabilities towards subsidiaries
Jan 1-Mar 31, 2012	2,535,308	484,390	473,999	139,082
Jan 1-Mar 31, 2011	2,646,349	454,216	484,410	81,377

Sales to subsidiaries in the PGE Capital Group relates mainly to coal and electricity. Purchases from subsidiaries in the PGE Capital Group relates mainly to electricity.

Moreover, as at March 31, 2012 the Company owned bonds issued by subsidiaries disclosed as loans and receivables of a carrying value of PLN 4,577,881 thousand.

17.2. Associates

	Sales to associates	Purchase from associates	Trade receivables from associates	Trade liabilities towards associates
Jan 1-Mar 31, 2012	-	-	-	-
Jan 1-Mar 31, 2011	19	78	15	48

17.3. Transactions with State Treasury entities

The State Treasury is the dominant shareholder of PGE Polska Grupa Energetyczna S.A. and as a result in accordance with IAS 24 *Related Party Disclosures*, State Treasury companies are recognized as related entities. PGE Group entities identify in detail transactions with almost 40 of the biggest State Treasury related companies. The total value of transactions with such entities is presented in the table below.

	Sale to State Treasury entities	Purchase from State Treasury entities	Trade receivables from State Treasury entities	Trade liabilities towards State Treasury entities
Jan 1-Mar 31, 2012	45,636	544,513	9,793	193,414
Jan 1-Mar 31, 2011	42,502	589,813	6,311	207,201

The largest transactions with State Treasury entities refer to transactions on the electricity market with PSE Operator S.A. and purchase of coal from Polish mines. Furthermore, the Company made significant transactions on the energy market through the Polish Power Exchange (TGE). Due to the fact that this entity only deals with the organization of trading, purchases and sales through TGE are not treated as transactions with related parties.

Interim condensed financial statements in accordance with IFRS for the 3-month period ended March 31, 2012 (in PLN thousand)

17.4. Key management personnel remuneration

The key management comprises of the Management Board and Supervisory Board of PGE Polska Grupa Energetyczna S.A.

	3-month period ended March 31, 2012	3-month period ended March 31, 2011
Remuneration for the period of performing duties in Management Board and Supervisory Board	1,072	376
Jubilee and retirement benefits	-	-
Post-employment benefits	285	75
Total remuneration paid to key management	**1,357**	**451**

	3-month period ended March 31, 2012	3-month period ended March 31, 2011
Management Board	1,264	358
Supervisory Board	93	93
Total	**1,357**	**451**

Members of the Management Board are employed on the basis of civil law contracts for management (Management contracts). The mentioned remuneration is included in other costs by type in the statement of comprehensive income.

Data in the above tables present key management personnel remuneration recognised in the given period by the Company. The appropriate part of provisions raised for the rewards, to which the members of the Management Board are entitled pursuant to the contracts, was also included in the remuneration for the period ended March 31, 2012. The final amount of the bonuses or rewards will depend on, inter alia, results achieved by the Company and the PGE Capital Group.

18. Significant events during the reporting period and subsequent events

18.1. Establishment of PGE Dom Maklerski S.A.

On February 1, 2012 PGE Dom Maklerski S.A. (a brokerage house) was established. Until the date of this report, the company has not been registered in the National Court Register.

18.2. Letter of intent with regard to the shale gas

In the first quarter of 2012 PGE Polska Grupa Energetyczna S.A. signed a letter of intent with Polskie Górnictwo Naftowe i Gazownictwo S.A. on joint research and extraction of shale gas. The terms of the cooperation and its legal form shall be agreed during further negotiations.

18.3. Verdict in case of purchase of Energa S.A.

On September 29, 2010, the Management Board of PGE Polska Grupa Energetyczna S.A. concluded with the State Treasury, represented by the Minister of the State Treasury, agreement on sales of shares of Energa S.A., seated in Gdańsk ("Agreement"). The subject of the agreement is to acquire 4,183,285,486 shares of the Company, representing 84.19% of its share capital. The purchase price of all shares representing 84.19% of share capital of the Company is PLN 7,529,913 thousand.

To become effective, the transaction needed the consent to a concentration of capital by PGE S.A. from the President of the Office of Competition and Consumer ("the President of the Office") (condition precedent). On January 13, 2011, the President of the Office for Competition and Consumer Protection issued a Decision preventing PGE S.A. from buying shares of Energa S.A.

Therefore, on January 18, 2011 PGE S.A. entered into an annex to the Agreement of sale of Energa S.A. shares, with the seller. Under that Annex, the term of Agreement was set as 12 months of the effective date, whereby the State Treasury and PGE S.A. decided to withhold the term of Agreement until a valid and binding closing of court proceedings concerning appeal against the Decision.

On January 28, 2011, the Regional Court in Warsaw, Competition and Consumer Protection Court, received an appeal filed through intermediation of the President of the Office by PGE S.A. against the Decision of the President of the Office for Competition and Consumer Protection. In its appeal, the Company requests that the said decision be replaced in its entirety by another Decision to the effect of permitting concentration of PGE S.A. with Energa S.A., or that the former decision be revoked.

According to the information held by PGE S.A., in mid-February 2011, the President of the Office forwarded the Company's appeal to the Competition and Consumer Protection Court in Warsaw, thus waiving its right to self-assess the decision.

On May 14, 2012 the Regional Court in Warsaw – the Court of Competition and Consumer Protection, passed a judgement that dismissed the appeal made by PGE Polska Grupa Energetyczna S.A. against the decision of the President of the Office of Competition and Consumer Protection of January 13, 2011, prohibiting the execution of the concentration involving the taking control over Energa S.A. by PGE Polska Grupa Energetyczna S.A. claiming that there are no grounds to acknowledge the said appeal. The judgement is not final and binding.

Warsaw, May 14, 2012

Signatures of the Members of the Management Board of PGE Polska Grupa Energetyczna S.A.

Bogusława Matuszewska	*Wojciech Ostrowski*
Vice-President of the Management Board	*Vice-President of the Management Board*