PGE Polska Grupa Energetyczna S.A.

Condensed interim separate financial statements prepared in accordance with International Financial Reporting Standards for the 3-month and 9-month period ended September 30, 2013.

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Interim condensed financial statements in accordance with IFRS for the 3-month period and 9-month period ended September 30, 2013 (in PLN thousand)

STATEMENT OF COMPREHENSIVE INCOME

	Note	3 months ended	9 months ended	3 months ended	9 months ended
		September 30, 2013 (not audited)		September 30, 2012 (not audited) *restated data**	
Revenues from sale of products and merchandise	9	2,951,240	8,802,955	2,360,547	7,239,989
Revenues from services rendered	9	123,391	397,293	134,770	313,111
Revenues from rent	9	2,475	8,058	2,444	7,043
Total sales revenue	**9**	**3,077,106**	**9,208,306**	**2,497,761**	**7,560,143**
Costs of goods sold	9	(2,807,735)	(8,384,872)	(2,348,882)	(7.198.054)
Gross profit on sales		**269,371**	**823,434**	**148,879**	**362,089**
Other operating revenues	9	2,922	8,418	162,006	196.337
Distribution and selling expenses	9	(3,663)	(11,813)	(2,590)	(9.647)
General and administrative expenses	9	(32,113)	(108,323)	(30,961)	(104.467)
Other operating expenses	9	(1,772)	(2,716)	(111)	(21.445)
Profit from operations		**234,745**	**709,000**	**277,223**	**422,867**
Financial revenues	9	70,220	1,536,327	164,336	450.991
Financial expenses	9	(7,756)	(18,284)	(5,812)	(35.438)
Profit before tax		**297,209**	**2,227,043**	**435,747**	**838,420**
Corporate income tax	11	(56,111)	(178,364)	(44,404)	(162.672)
Net profit from continuing operations		**241,098**	**2,048,679**	**391,343**	**675,748**
Net profit for the operating period:		**241,098**	**2,048,679**	**391,343**	**675,748**
OTHER COMPREHENSIVE INCOME:					
Valuation of available-for-sale financial assets		-	-	-	776
Actuarial gains and losses from revaluation of provisions for employee benefits		(21)	(21)	**-**	**-**
Other comprehensive income for the period, net		**(21)**	**(21)**	**-**	**776**
TOTAL COMPREHENSIVE INCOME		**241,077**	**2,048,658**	**391,343**	**676,524**
Earnings per share					
– basic earnings per share for the period		0.13	1.10	0.21	0.36
– basic earnings from continuing operations		0.13	1.10	0.21	0.36

*) 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 and 9-month period ended September 30, 2013 (in PLN thousand)

STATEMENT OF FINANCIAL POSITION

	Note	As at September 30, 2013 (not audited)	As at December 31, 2012 (audited) *restated data**	As at September 30, 2012 (not audited) *restated data**
Non-current assets				
Property, plant and equipment	**13**	199,425	204,953	207,221
Intangible assets		6,506	11,129	19,329
Loans and receivables	**14**	3,241,935	3,627,204	3,715,303
Shares in subsidiaries	**14**	24,360,292	23,106,267	23,106,503
Available-for-sale financial assets	**14**	3,135	3,135	67,644
Other long-term assets		5	-	-
Deferred tax asset	**12**	-	-	-
Total non-current assets		**27,811,298**	**26,952,688**	**27,116,000**
Current assets				
Inventories		318,041	492,218	195,028
Income tax receivables		-	-	-
Shares in subsidiaries	**14**	-	25,477	72
	14	105,160	18,833	1,143
Short-term financial assets at fair value through profit or loss	**14**	820,318	739,589	583,512
Trade receivables	**14**	694,911	1,086,573	778,584
Other loans and financial assets	**14**	36,717	36,717	36,717
Available-for-sale short-term financial assets		6,983	34,583	48,536
Other current assets		1,603,775	960,060	1,283,222
Total current assets		**3,585,905**	**3,394,050**	**2,926,814**
TOTAL ASSETS		**31,397,203**	**30,346,738**	**30,042,814**

*) 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 and 9-month period ended September 30, 2013 (in PLN thousand)

STATEMENT OF FINANCIAL POSITION

	Note	As at September 30, 2013 (not audited)	As at December 31, 2012 (audited) *restated data**	As at September 30, 2012 (not audited) *restated data**
Equity				
Share capital	**15**	18,697,608	18,697,608	18,697,608
Revaluation reserve		-	-	-
Treasury shares		-	-	-
Reserve capital		8,941,152	9,687,596	9,687,596
Other capital reserves		49,779	49,779	49,779
Retained earnings		2,005,762	818,360	723,638
Total equity		**29,694,301**	**29,253,343**	**29,158,621**
Long-term liabilities				
Interest-bearing loans, borrowings, bonds and lease	**19**	1,000,000	-	-
Provisions	**17**	20,594	22,563	18,901
Deferred tax liability	**12**	71,133	66,189	74,260
Total long-term liabilities		**1,091,727**	**88,752**	**93,161**
Short-term liabilities				
Trade liabilities	**19**	281,416	479,787	346,200
Interest-bearing loans, borrowings, bonds and lease	**19**	8,788	142,785	-
Other short-term financial liabilities	**19**	6,017	4,336	7,131
Short-term financial liabilities at fair value through profit or loss		2,039	148	63
Other short-term non-financial liabilities		252,660	44,368	108,269
Income tax liability		4,401	69,615	73,684
Deferred income		36,265	36,172	36,018
Short-term provisions	**17**	19,589	227,432	219,667
Total short-term liabilities		**611,175**	**1,004,643**	**791,032**
Total liabilities		**1,702,902**	**1,093,395**	**884,193**
TOTAL LIABILITIES AND EQUITY		**31,397,203**	**30,346,738**	**30,042,814**

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

(in PLN thousand)

STATEMENT OF CHANGES IN EQUITY

for the period ended September 30, 2013 (not audited)

	Share capital	Revaluation reserve	Treasury shares	Reserve capital	Other capital reserves	Retained earnings	Total
As at January 1, 2013	**18,697,608**	**-**	**-**	**9,687,596**	**49,779**	**818,360**	**29,253,343**
Profit for the period	-	-	-	-	-	2,048,679	2,048,679
Other comprehensive income	-	-	-	-	-	(21)	(21)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**2,048,658**	**2,048,658**
Retained earnings distribution	-	-	-	77,552	-	(77,552)	-
Dividend	-	-	-	(823,996)	-	(783,998)	(1,607,994)
Adjustment of payment from profit	-	-	-	-	-	294	294
As at September 30, 2013	**18,697,608**	**-**	**-**	**8,941,152**	**49,779**	**2,005,762**	**29,694,301**

Interim condensed financial statements in accordance with IFRS for the 3-month period and 9-month period ended September 30, 2013 (in PLN thousand)

STATEMENT OF CHANGES IN EQUITY

for the period ended December 31, 2012

*restated data**	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**	**4,604,006**	**31,903,759**
Profit for the period	-	-	-	-	-	772,171	772,171
Other comprehensive income	-	776	-	-	-	(1,892)	(1,116)
Total comprehensive income for the period	-	**776**	-	-	-	**770,279**	**771,055**
Redemption of Treasury shares	(229)		229	-	-	-	-
Retained earnings distribution	-	-	-	1,134,454	-	(1,134,454)	-
Adividend and adjustment of payment from profit	-	-	-	-	-	(3,421,471)	(3,421,471)
As at December 31, 2012	**18,697,608**	-	-	**9,687,596**	**49,779**	**818,360**	**29,253,343**

*) 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 and 9-month period ended September 30, 2013 (in PLN thousand)

STATEMENT OF CHANGES IN EQUITY

for the period ended September 30, 2012 (not audited)

*restated data**	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**	**4,604,006**	**31,903,759**
Profit for the period	-	-	-	-	-	675,748	675,748
Other comprehensive income	-	776	-	-	-	-	776
Total comprehensive income for the period	**-**	**776**	**-**	**-**	**-**	**675,748**	**676,524**
Retained earnings distribution	(229)	-	229	-	-	-	-
Redemption of Treasury shares	-	-	-	1,134,454	-	(1,134,454)	-
Dividend	-	-	-	-	-	(3,421,662)	(3,421,662)
As at September 30, 2012	**18,697,608**	**-**	**-**	**9,687,596**	**49,779**	**723,638**	**29,158,621**

*) 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 and 9-month period ended September 30, 2013 (in PLN thousand)

STATEMENT OF CASH FLOWS

	Period ended September 30, 2013 (not audited)	Period ended September 30, 2012 (not audited) *restated data**
Cash flow from operating activities		
Gross profit related to continuing operations	**2,227,043**	**838,420**
Adjustments for:		
Depreciation and amortization	11,637	15,395
Interest and dividend, net	(1,438,618)	(265,622)
Profit/ (loss) on investment activities	(86,775)	(19,986)
Change in receivables	(86,193)	16,389
Change in inventories	174,177	(162,561)
Change in liabilities, excluding loans and bank credits	(47,401)	(27,359)
Change in prepayments and other non-financial assets	27,687	82,789
Change in provisions	(209,745)	(220,128)
Income tax paid	(197,765)	(397,848)
Other	(9,606)	26,176
Net cash from operating activities	**364,441**	**(114,335)**
Cash flow from investing activities		
Disposal of property, plant and equipment and intangible assets	19,347	382
Purchase of property, plant and equipment and intangible assets	(10,625)	(5,453)
Disposal of financial assets	21,046,884	11,086,533
Purchase of financial assets	(21,140,784)	(7,765,547)
Dividends received	975,914	3,485
Interest received	179,988	229,810
Loans repaid	418,773	202,099
Loans granted	(475,746)	(3,000)
Other	1,622	42,649
Net cash from investing activities	**1,015,373**	**3,790,958**
Cash flow from financing activities		
Proceeds from loans, bank credits and issue of bonds	995,054	-
Repayment of loans, bank credits, bonds and finance lease	(142,785)	-
Dividends paid	(1,588,945)	(3,421,662)
Interest paid	(685)	(30)
Other	295	(4,032)
Net cash flow from financing activities	**(737,066)**	**(3,425,724)**
Net change of cash and cash equivalents	**642,748**	**250,899**
Effect of foreign exchange rate changes		
Cash and cash equivalents at the beginning of the period	**959,773**	**1,036,247**
Cash and cash equivalents at the end of the period	**1,602,521**	**1,287,146**

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

1. General information

PGE Polska Grupa Energetyczna S.A. ("Company", "PGE S.A.") 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, Mysia 2 Street.

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

Company's controlling entity is the State Treasury.

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,
- sale of electricity.

Business activities are conducted under appropriate concessions.

These condensed interim separate financial statements have been prepared for the period started January 1, 2013 and ended September 30, 2013 ("financial statements").

2. The composition of the Management Board

As at January 1, 2013 the composition of the Management Board was as follows:

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

On July 17, 2013, Mr. Paweł Smoleń, Vice President of the Management Board for Operations, submitted his decision to resign from his position as from July 19th, 2013.

As at September 30, 2013, the composition of the Management Board was as follows:

- Mr. Krzysztof Kilian – the President of the Management Board,
- Mrs. Bogusława Matuszewska – the Vice-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.

After September 30, 2013 till the day of preparation of these financial statements following changes in composition of the Management Board took place:

- on October 25, 2013 the Supervisory Board adopted a resolution to recall Mrs. Bogusława Matuszewska, the Vice-President of the Management Board and Mr. Wojciech Ostrowski – the Vice-President of the Management Board.

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

- Mr. Krzysztof Kilian – the President of the Management Board,
- Mr. Piotr Szymanek – the Vice-President of the Management Board.

3. The basis for the preparation of the financial statements

3.1 Statement of compliance

These 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 these 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").

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

These financial statements are prepared based on the same accounting policy and methods of computation as compared with the most recent annual financial statements. Financial statements are to be read together with the audited separate financial statements of PGE Polska Grupa Energetyczna S.A. prepared in accordance with IFRS for the year ended December 31, 2012.

3.2 General rules of preparation

These financial statements were prepared under the assumption that the Company will continue to operate as a going concern in the foreseeable future. As at the date of preparation of these 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 obligations resulting from listing of PGE Polska Grupa Energetyczna S.A.'s shares, the Management Board of the Company made a decision to implement the International Financial Reporting Standards ("IFRS") approved by the European Union ("EU"). The first financial statements of PGE Polska Grupa Energetyczna S.A., which included the unconditional statement of compliance with the IFRS adopted by the EU was the financial statement 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:

	September 30, 2013	December 31, 2012	September 30, 2012
USD	3,1227	3,0996	3,1780
EURO	4,2163	4,0882	4,1138

5. New standards and interpretations published, not yet effective

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, 2013:

- IFRS 9 *Financial Instruments* (with amendments) – effective for the periods starting January 1, 2015.
- Amendments to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of interests in other entities* and IAS 27 *Separate financial statements* (issues related to investments in entities) – effective for the periods starting January 1, 2014.

- Amendments to IAS 36 Impairment of Assets (disclosures concerning recoverable amount of non-financial assets) - effective for the periods starting January 1, 2014.
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement (issues concerning novation of financial instruments and continuation of hedge accounting) - effective for the periods starting January 1, 2014.
- IFRIC 21 Levies – effective for the periods starting January 1, 2014.

The following standards, changes in already effective standards and interpretations are approved by the European Union but are not effective as at January 1, 2013:

- Amendments to IAS 32 Financial Instruments: Presentation – effective for the periods starting January 1, 2014.
- IFRS 10 Consolidated Financial Statements – effective for the periods starting January 1, 2014.

  IFRS 11 *Joint Agreements* – effective for the periods starting January 1, 2014.
  IFRS 12 Disclosure of Interests in Other Entities – effective for the periods starting January 1, 2014.
- Amended IAS 27 Separate Financial Statements – effective for the periods starting January 1, 2014.
- Amended IAS 28 Investments in Associates and Joint Ventures – effective for the periods starting January 1, 2014.

The influence of new regulations on future financial statements of the Capital Group

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

Other standards, interpretations and their changes should have no significant impact on future financial statements of the PGE Capital Group in current structure.

6. Restated comparative data

Merger of PGE S.A. and PGE Energia Jądrowa S.A.

The merger of PGE S.A. and PGE Energia Jądrowa S.A. (“acquired company”) was registered on July 31, 2013. The aim of the merger was to simplify the structure of PGE Capital Group, to limit the costs connected with the keeping of the separate entity and to increase the management efficiency of the preparation of the nuclear power plant construction project from the Corporate Centre level.

The merger took place by course of art. 492 § 1 p. 1 in connection with art. 515 § 1 and art. 516 § 5 and 6 of Code of Commercial Companies i.e. through transfer of all assets of the acquired company (i.e. PGE Energia Jądrowa S.A.) to PGE S.A. (merger through takeover) without raising the share capital of PGE S.A. and without the exchange of acquired company’s shares for PGE S.A. shares.

The Company settled the merger through summing of particular items of assets and liabilities of the merged companies and revenues and costs of the merged companies as at the merger date, after prior bringing of values to uniform revaluation methods and making of mutual incorporations.

Changes in applied accounting policies

As described in the financial statements for the year ended December 31, 2012, PGE S.A. changed the principles (accounting policy) concerning valuation of shares and stocks in subsidiaries, jointly controlled entities and associates.

In 2013, the Company changed the principles for the valuation of purchased CO_2 emission rights.

In accordance with the revised accounting policy, part of the rights acquired in order to realize profits from fluctuations in market prices, is recognized as inventories at fair value less costs to sell. Forward contracts concluded for the purchase / sale of CO_2 emission rights are recognized as derivatives hold for trading. The fair value of financial instruments related to trade of CO_2 emission rights (currency and commodity forward contracts) is presented in the statement of financial position as financial instruments at fair value through profit or loss. Changes in the fair value of these instruments, as well as the change in valuation of inventories of emission rights at fair value (for trade) is recognized in a separate position in the note regarding financial income or expenses, accordingly.

Comparative data restatement

Therefore, the Company restated the data presented in the comparative statement of financial position for the period ended September 30, 2013 (change of valuation of shares) and for the period ended December 31, 2012 (valuation of CO_2 emission rights) as well as in the comparative statement of comprehensive income. This restatement is presented in the following tables. Information presented in other notes to these financial statements has also been restated accordingly.

Interim condensed financial statements in accordance with IFRS for the 3-month period and 9-month period ended September 30, 2013 (in PLN thousand)

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED SEPTEMBER 30, 2012

	PGE S.A.	Energia Jądrowa S.A.	Adjustment resulting from pooling of interests method	Change in CO_2 valuation	TOTAL Aggregate data presented as comparative date
Revenues from sale of products and merchandise	7,289,470	-	-	(49,481)	7,239,989
Revenues from services rendered	313,316	259	(464)	-	313,111
Revenues from rent	6,325	739	(21)	-	7,043
Total sales revenue	**7,609,111**	**998**	**(485)**	**(49,481)**	**7,560,143**
Costs of goods sold	(7,247,087)	(224)	7	49,250	(7,198,054)
Gross profit on sales	**362,024**	**774**	**(478)**	**(231)**	**362,089**
Other operating revenues	196,323	14	-	-	196,337
Distribution and selling expenses	(9,647)	-	-	-	(9,647)
General and administrative expenses	(93,595)	(11,343)	471	-	(104,467)
Other operating expenses	(21,196)	(256)	7	-	(21,445)
Profit from operations	**433,909**	**(10,811)**	**-**	**(231)**	**422,867**
Financial revenues	450,539	284	-	168	450,991
Financial expenses	(35,472)	(29)	-	63	(35,438)
Profit before tax	**848,976**	**(10,556)**	**-**	**-**	**838,420**
Corporate income tax	(164,235)	1,563	-	-	(162.672)
Net profit from continuing operations	684,741	(8,993)	-	-	675,748
Net profit for the operating period	**684,741**	**(8,993)**	**-**	**-**	**675,748**
OTHER COMPREHENSIVE INCOME:					
Valuation of available-for-sale financial assets	776	-	-	-	776
Other comprehensive income for the period, net	**776**	**-**	**-**	**-**	**776**
TOTAL COMPREHENSIVE INCOME	**685,517**	**(8,993)**	**-**	**-**	**676,524**

Interim condensed financial statements in accordance with IFRS for the 3-month period and 9-month period ended September 30, 2013 (in PLN thousand)

STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2012

	PGE S.A.	Energia Jądrowa S.A.	Adjustments resulting from the merger	Change in valuation of shares	TOTAL Aggregate data presented as comparative date
Non-current assets					
Property, plant and equipment	205,841	1,380	-	-	207,221
Intangible assets	15,348	3,981	-	-	19,329
Loans and receivables	3,715,303	-	-	-	3,715,303
Shares in subsidiaries	22,974,566	56,611	(113,500)	188,826	23,106,503
Available-for-sale financial assets	67,644	-	-	-	67,644
Other long-term liabilities	-	-	-	-	-
Deferred tax assets	-	2,091	(2,091)	-	-
Total non-current assets	**26,978,702**	**64,063**	**(115,591)**	**188,826**	**27,116,000**
Current assets					
Inventories	195,028	-	-		195,028
Income tax receivables	-	-	-	-	-
Shares in subsidiaries	72	-	-	-	72
Financial assets at fair value through profit or loss	1,143	-	-	-	1,143
Trade liabilities	583,177	389	(54)	-	583,512
Loans and financial assets	778,559	25	-	-	778,584
Financial assets classified as held for sale	36,717	-	-	-	36,717
Other short-term assets	47,493	1,043	-	-	48,536
Cash and cash equivalents	1,272,270	10,952	-	-	1,283,222
Total current assets	**2,914,459**	**12,409**	**(54)**	**-**	**2,926,814**
TOTAL ASSETS	**29,893,161**	**76,472**	**(115,645)**	**188,826**	**30,042,814**

Interim condensed financial statements in accordance with IFRS for the 3-month period and 9-month period ended September 30, 2013 (in PLN thousand)

	PGE S.A.	Energia Jądrowa S.A.	Adjustments resulting from the merger	Change in valuation of shares	TOTAL Aggregate data presented as comparative date
Equity					
Share capital	18,697,608	103,500	(103,500)	-	18,697,608
Reserve capital	9,687,596	-	-	-	9,687,596
Other capital reserves	49,779	10,000	(10,000)	-	49,779
Retained earnings	(73,769)	(31,385)	-	153,044	47,890
Net profit/loss	684,741	(8,993)	-	-	675,748
Total equity	**29.045.955**	**73,122**	**(113,500)**	**153,044**	**29,158,621**
Long-term liabilities					
Provisions	18,663	238	-	-	18,901
Deferred tax liabilities	38,522	-	(44)	35,782	74,260
Total long-term liabilities	**57,185**	**238**	**(44)**	**35,782**	**93,161**
Short-term liabilities					
Trade liabilities	345,952	266	(18)	-	346,200
Other financial liabilities	4,661	2,506	(36)	-	7,131
Liabilities at fair value through profit or loss	63	-	-	-	63
Other short-term non-financial liabilities	107,994	275	-	-	108,269
Income tax liabilities	75,731	-	(2,047)	-	73,684
Deferred income	36,018	-		-	36,018
Short-term provisions	219,602	65	-	-	219,667
Total short-term liabilities	**790,021**	**3,112**	**(2,101)**	**-**	**791,032**
Total liabilities	**847,206**	**3,350**	**(2,145)**	**35,782**	**884,193**
TOTAL LIABILITIES AND EQUITY	**29,893,161**	**76,472**	**(115,645)**	**188,826**	**30,042,814**

Interim condensed financial statements in accordance with IFRS for the 3-month period and 9-month period ended September 30, 2013 (in PLN thousand)

STATEMENT OF CASH FLOWS AS AT SEPTEMBER 30, 2012

	PGE S.A.	Energia Jądrowa S.A.	Adjustments resulting from the merger	TOTAL Aggregate data presented as comparative date
Cash flow from operating activities				
Gross profit related to continuing operations	**848,976**	**(10,556)**	**-**	**838,420**
Adjustments for:				
Depreciation and amortization	14,568	827	-	15,395
Interest and dividend, net	(265,339)	(284)	-	(265,622)
Profit/ (loss) on investment activities	(19,985)	-	-	(19,986)
Change in receivables	15,811	524	54	16,389
Change in inventories	(162,561)	-	-	(162,561)
Change in liabilities, excluding loans and bank credits	(19,797)	(7,508)	(54)	(27,359)
Change in prepayments and other non-financial assets	81,693	1,096	-	82,789
Change in provisions	(220,163)	35	-	(220,128)
Income tax paid	(397,848)	-	-	(397,848)
Other	26,177	-	-	26,176
Net cash from operating activities	**(98,468)**	**(15,866)**	**-**	**(114,335)**
Cash flow from investing activities				
Disposal of property, plant and equipment and intangible assets	382	**-**	**-**	382
Purchase of property, plant and equipment and intangible assets	(3,945)	(1.509)	-	(5,453)
Disposal of financial assets	11,086,533	-	-	11,086,533
Purchase of financial assets	(7,775,547)	-	10,000	(7,765,547)
Dividends received	3,485	-	-	3,485
Interest received	229,526	284	-	229,810
Loans repaid	202,099	-	-	202,099
Loans granted	(3,000)	-	-	(3,000)
Other	42,649	-	-	42,649
Net cash from investing activities	**3,782,182**	**(1,225)**	**10.000**	**3,790,958**
Cash flow from financing activities				
Proceeds from loans, bank credits and issue of bonds	-	10.000	(10,000)	-
Dividends paid	(3,421,662)	-	-	(3,421,662)
Interest paid	(30)	-	-	(30)
Other	(4,032)	-	-	(4,032)
Net cash flow from financing activities	**(3,425,724)**	**10,000**	**(10.000)**	**(3,425,724)**
Net change of cash and cash equivalents	**257,990**	**(7,091)**	**-**	**250,899**
Effect of foreign exchange rate changes				
Cash and cash equivalents at the beginning of the period		**18,043**	**-**	**1,036,247**
Cash and cash equivalents at the end of the period		**10,952**	**-**	**1,287,146**

Interim condensed financial statements in accordance with IFRS for the 3-month period and 9-month period ended September 30, 2013 (in PLN thousand)

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2012

	PGE S.A.	Energia Jądrowa S.A.	Adjustments resulting from the merger	Change in CO_2 valuation	TOTAL Aggregate data presented as comparative date
Non-current assets					
Property, plant and equipment	203,673	1,280	-	-	204,953
Intangible assets	6,687	4,442	-	-	11,129
Loans and receivables	3,627,204	-	-	-	3,627,204
Shares in subsidiaries	23,163,156	56,611	(113,500)	-	23,106,267
Available-for-sale financial assets	3,135	-	-	-	3,135
Other long-term liabilities	-	-	-	-	-
Deferred tax assets	-	53	(53)	-	-
Total non-current assets	**27,003,855**	**62,386**	**(113,553)**	**-**	**26,952,688**
Current assets					
Inventories	505,525	-	-	(13,307)	492,218
Income tax receivables	-	2,483	(2,483)	-	
Shares in subsidiaries	25,477	-	-	-	25,477
Financial assets at fair value through profit or loss	5,526	-	-	13,307	18,833
Trade receivables	739,279	535	(225)	-	739,589
Loans and receivables	1,086,546	27	-	-	1,086,573
Assets classified as held for sale	36,717	-	-	-	36,717
Other short-term assets	34,351	235	(3)	-	34,583
Cash and cash equivalents	953,282	6,778	-	-	960,060
				-	
Total current assets	**3,386,703**	**10,058**	**(2,711)**	**-**	**3,394,050**
TOTAL ASSETS	**30,390,558**	**72,444**	**(116,264)**	**-**	**30,346,738**

Interim condensed financial statements in accordance with IFRS for the 3-month period and 9-month period ended September 30, 2013 (in PLN thousand)

	PGE S.A.	Energia Jądrowa S.A.	Adjustments resulting from the merger	Change in CO_2 valuation	TOTAL Aggregate data presented as comparative date
Equity					
Share capital	18,697,608	113,500	(113,500)	-	18,697,608
Reserve capital	9,687,596	-	-	-	9,687,596
Other capital reserves	49,779	-	-	-	49,779
Retained earnings	77,553	(31,364)	-	-	46,189
Net profit/loss	783,998	(11,827)	-	-	772,171
Total equity	**29,296,534**	**70,309**	**(113,500)**	**-**	**29,253,343**
Long-term liabilities					
Provisions	22,201	362	-	-	22,563
Deferred tax liabilities	66,242	-	(53)	-	66,189
Total long-term liabilities	**88,443**	**362**	**(53)**	**-**	**88,752**
Short-term liabilities					
Trade liabilities	478,992	932	(137)	-	479,787
Other financial liabilities	4,048	376	(88)	-	4,336
Liabilities at fair value through profit or loss	148	-	-	-	148
Interest-bearing loans, borrowings, bonds and lease	142,785	-	-	-	142,785
Other short-term non-financial liabilities	46,657	197	(2,486)	-	44,368
Income tax liabilities	69,615	-	-	-	69,615
Deferred income	36,172	-	-	-	36,172
Short-term provisions	227,164	268	-	-	227,432
Total short-term liabilities	**1,005,581**	**1,773**	**(2,711)**	**-**	**1,004,643**
Total liabilities	**1,094,024**	**2,135**	**(2,764)**	**-**	**1,093,395**
TOTAL LIABILITIES AND EQUITY	**30,390,558**	**72,444**	**(116,264)**	**-**	**30,346,738**

7. Change of estimates

In the period covered by the financial statements no significant changes to estimates influencing the figures presented in the financial statement took place. As it is presented in note 17 the Company updated the value of provisions presented in the statement of financial position.

8. Methods applied in determining fair values of financial instruments recognized in the statement of financial position at fair value (fair value hierarchy)

Financial instruments not quoted on active markets, for which the fair value can be estimated reliably

Fair value of instruments not quoted on active markets is measured by the Group with the use of an appropriate valuation method as long as a reliable measurement is possible with the use of prices from the most recent transactions conducted under standard market rules; a comparison with prices from other instruments' active markets, which are essentially identical; analysis of discounted cash flows and other methods/techniques for measurement commonly used in the market, suitable for the particular nature and characteristics of a measured financial instrument and the situation of the issuer (drawer).

Inventories

The Company owns greenhouse gases emission rights, part of which is acquired in order to realize gains from market prices fluctuations. This part of emission rights is recognized in inventories at fair value less costs to sell, cost is determined using specific identification of individual inventory items. Fair value is determined based on market quotations on Polish Power Exchange (Level 1).

Derivative instruments

The Group measures derivative instruments at fair value using valuation models for financial instruments based on generally available exchange rates, interest rates, forward and volatility curves for currencies and commodities quoted on active markets. Fair value of derivatives is based on discounted future flows related to contracted transactions as a difference between term price and translation price. Forward rates of exchange are not modeled as a separate risk factor, but they are a result of spot rate and forward interest rate for foreign currency in relation to PLN.

Derivative instruments are presented as assets, when their valuation is positive and as liabilities, when their valuation is negative. Gains and losses resulting from changes in fair value of derivative instruments, are recognized in a reporting year profit or loss.

In the position of financial assets measured at fair value through profit and loss the Company recognizes financial instruments related to the trade of greenhouse gases emission rights – foreign currency and commodity forward – (Level 2).

In the position of financial assets measured at fair value through profit and loss the Company recognizes foreign currency forward – (Level 2).

Shares and stocks

Shares and stocks in subsidiaries, non-quoted on active markets, are presented in a separate caption of statement of financial position. In accordance with accounting policy, these assets are valued according to IAS 27 at acquisition cost less impairment losses, thus are excluded from the scope of IFRS 13.

Interim condensed financial statements in accordance with IFRS for the 3-month period and 9-month period ended September 30, 2013 (in PLN thousand)

Fair value hierarchy

	As at September 30, 2013		As at December 31, 2012	
	Level 1	**Level 2**	**Level 1**	**Level 2**
Inventories	**292,092**	**-**	**194,207**	**-**
Financial assets	**-**	**105,160**		**18,833**
- commodity forward	-	101,796		13,307
- foreign currency forward	-	3,364		5,526
Financial liabilities	**-**	**2,039**		**148**
- foreign currency forward	-	2,039		148

During the reporting period and comparative period there were no reclassifications of financial instruments between Level 1 and Level 2 of fair value hierarchy.

Interim condensed financial statements in accordance with IFRS for the 3-month period and 9-month period ended September 30, 2013 (in PLN thousand)

9. Revenues and expenses

9.1 Sales revenues

	3-month period ended	9-month period ended	3-month period ended	9-month period ended
	September 30, 2013 (not audited)		September 30, 2012 (not audited) *restated data*	
Revenues from sale of products and merchandise	2,951,240	8,802,955	2,360,547	7,239,989
Revenues from services rendered	123,391	397,293	134,871	313,316
Revenues from rent	2,475	8,058	2,110	6,325
Total sales revenue	**3,077,106**	**9,208,306**	**2,497,528**	**7,559,630**

The increase of revenues from sale of products and merchandise in reference to the comparative period is the result of the volume increase of electricity sold and volume increase of carbon dioxide emission rights.

9.2 Costs by type and functions

	3-month period ended	9-month period ended	3-month period ended	9-month period ended
	September 30, 2013 (not audited)		September 30, 2012 (not audited) *restated data*	
Cost by type				
Depreciation/amortization	3,747	11,637	5,053	15,395
Materials and energy	967	3,219	1,095	2,869
External services	14,049	35,355	8,754	35,491
Taxes and charges	2,550	7,632	2,218	6,866
Personnel expenses	17,638	63,011	17,316	54,423
Other costs by type	13,098	56,687	16,926	56,547
Total costs by type	**52,049**	**177,541**	**51,362**	**171,591**
Change in inventories	(4,291)	-	-	-
Cost of products and services for the entity's own needs	-	(753)	(150)	(194)
Distribution and selling expenses	(3,663)	(11,813)	(2,590)	(9,647)
General and administrative expenses	(32,112)	(108,323)	(30,961)	(104,467)
Cost of merchandise and materials sold	2,795,753	8,328,220	2,331,221	7,140,771
Cost of goods sold	**2,807,736**	**8,384,872**	**2,348,882**	**7,198,054**

The increase of cost of merchandise and materials sold in reference to the comparative period is the result of costs increase related to higher volume of electricity sold and higher volume of carbon dioxide emission rights sold.

Interim condensed financial statements in accordance with IFRS for the 3-month period and 9-month period ended September 30, 2013 (in PLN thousand)

9.3 Other operating revenues

	9-month period ended September 30, 2013	9-month period ended September 30, 2012 *restated data*
Profit on disposal of property, plant and equipment	2,598	14
Reversal of impairment allowance for receivables	1,059	21
Provisions reversed	3,320	173,812
Compensations, penalties and fines received	10	20,194
Grants received	820	1,921
Taxes refunded	71	225
Court fees refunded	469	15
Liabilities released	2	-
Other	69	135
Total other operating revenues	**8,418**	**196,337**

The revenues on provisions reversal are related mainly to the litigation with Alpiq Holding, described in Note 18.2 of these financial statements.

Compensation, penalties and fines accrued result mainly from the Company's claims toward third parties on the coal market. Due to their character, the claims were covered by impairment allowance, recognized in other operating expenses.

9.4 Other operating expenses

	9-month period ended September 30, 2013	9-month period ended September 30, 2012 *restated data*
Impairment allowance raised for receivables	75	20,149
Loss on disposal of non-current assets	-	43
Compensations paid	150	-
Donations granted	1,350	1,200
Court fees paid	735	6
Forgiveness of receivables	390	
Scrapping of non-current assets	8	2
Other	8	45
Total other operating expenses	**2,716**	**21,445**

Interim condensed financial statements in accordance with IFRS for the 3-month period and 9-month period ended September 30, 2013 (in PLN thousand)

9.5 Financial revenues

	9-month period ended September 30, 2013	9-month period ended September 30, 2012 *restated data*
Financial revenue from financial instruments	**1,532,225**	**408,780**
Dividends	1,278,989	437
Interest income	206,294	383,127
Revaluation / Reversal of impairment allowance	33,666	1,311
including revaluation of instruments related to carbon dioxide emission rights	*33,640*	*1,310*
Profit on disposal of investments	844	22,898
Exchange gains	12,219	1,007
Other	213	
Other financial revenues	**4,102**	**42,211**
Provision reversed	4,102	37,901
Interest on statutory receivables	-	13
Other	-	4,297
Total financial revenues	**1,536,327**	**450,991**

Revenues from dividends relate mainly to PGE Obrót S.A. (PLN 1,184,455 thousands) and PGE Dystrybucja S.A. (PLN 94,115 thousands).

Part of the dividend from PGE Obrót S.A. of PLN 303,075 thousands was distributed to PGE S.A. in kind of 16,865,600 shares of PGE Górnictwo i Energetyka Konwencjonalna S.A.

Moreover, during the reporting period the Company recognizes interest income mainly on bonds issued by subsidiaries and on deposits. Profit on disposal of investments in the comparative period relates mainly to disposal of minority interest of Towarowa Giełda Energii S.A. (Polish Power Exchange) shares.

9.6 Financial expenses

	9-month period ended September 30, 2013	9-month period ended September 30, 2012 *restated data*
Financial expenses from financial instruments	**16,540**	**34,394**
Interest expenses	9,551	4,423
Revaluation	-	380
Impairment allowance	12	208
Exchange losses	1,157	29,383
Other	5,820	
Other financial expenses	**1,744**	**1,044**
Interest expenses (including the effect of discount unwinding)	724	909
Interest paid relating to statutory liabilities	18	-
Other	1,002	135
Total financial expenses	**18,284**	**35,438**

Interim condensed financial statements in accordance with IFRS for the 3-month period and 9-month period ended September 30, 2013 (in PLN thousand)

9.7 Revaluation of transactions related to CO_2 emission rights

As described in note 6 of the foregoing financial statements in "financial instruments revaluation" in financial revenues and costs the Company recognizes result of transactions related to carbon dioxide emission rights on so called trading portfolio. The impact of particular items related to carbon dioxide emission rights on financial revenues and expenses is presented below.

	9 months ended September 30, 2013	9 months ended September 30, 2012
Financial revenues		
Commodity forward valuation	101,796	-
Foreign currency forward valuation	3,512	1,142
Profit on sale of carbon dioxide emission rights outside the PGE CG	1,963	239
Impairment allowance of commodity spot	555	-
Financial expenses		
Commodity spot valuation	(66,622)	-
Foreign currency forward valuation	(7,564)	(63)
Impairment allowance of commodity spot	-	(8)
Loss on sale of carbon dioxide emission rights outside the PGE CG	-	-
Financial revenues/ (expenses) related to carbon dioxide trading portfolio	**33,640**	**1,310**

10. Impairment allowances of assets – recognition and reversal

	9 months ended September 30, 2013	9 months ended September 30, 2012 *restated data*
Impairment allowances of inventories		
- impairment allowance raised	-	9
- impairment allowance reversed	372	-

Allowance of inventories recognized by the Company relates primarily to valuation of greenhouse gas emission rights.

11. Income tax

Income tax disclosed in the statement of comprehensive income	9 months ended September 30, 2013	9 months ended September 30, 2012 *restated data*
Current income tax	173,420	121,567
Deferred income tax	4,944	41,105
Total	**178,364**	**162,672**

Moreover, the Company recognized in other comprehensive income a reversal of deferred tax asset of PLN 182 thousand in the period ended September 30, 2012.

Interim condensed financial statements in accordance with IFRS for the 3-month period and 9-month period ended September 30, 2013 (in PLN thousand)

12. Deferred tax asset and liability

Components of deferred tax asset	As at September 30, 2013	As at December 31, 2012 *restated data*
Current period costs not realized for tax purpose	-	180
Provisions for employee benefits	4,299	4,585
Accruals for employee bonuses	1,950	2,968
Difference between tax value and carrying amount of financial liabilities	2,057	55
Difference between tax value and carrying amount of inventories	12,658	106
Payroll and other employee benefits	896	-
Other provisions	36	643
Provision for energy origin units	17	
Other	1,082	238
Gross deferred tax asset	**22,995**	**8,775**
Revaluation write off on tax asset	**-**	**-**
Net deferred tax asset	**22,995**	**8,775**

Components of deferred tax liability	As at September 30, 2013	As at December 31, 2012 *restated data*
Difference between tax value and carrying amount of property, plant and equipment	25,376	26,307
Accrued interest on deposits, loans granted, bonds and receivables	48,177	47,607
Difference between tax value and carrying amount of other financial assets	19,980	1,050
Other	595	-
Deferred tax liability	**94,128**	**74,964**

After compensation of balances the Company's deferred tax is presented as:		
deferred tax asset	**-**	**-**
deferred tax liability	**71,133**	**66,189**

13. Property, plant and equipment

In the reporting period the Company has not made any significant acquisition or disposal of property, plant and equipment.

Interim condensed financial statements in accordance with IFRS for the 3-month period and 9-month period ended September 30, 2013 (in PLN thousand)

14. Financial assets

	Carrying amount					
	September 30, 2013			December 31, 2012 *restated data*		
Categories and classes of financial assets:	**Long-term**	**Short-term**	**Total**	**Long-term**	**Short-term**	**Total**
Loans and receivables, including:						
(ii) Deposits and investments	-	820,318	820,318	-	739,589	739,589
(iii) Other financial loans and receivables	3,241,935	694,911	3,936,846	3,627,204	1,086,574	4,713,778
▪ Bonds, bill and notes receivable acquired	3,241,935	586,545	3,828,480	3,627,204	1,032,429	4,659,633
▪ Originated loans	-	57,348	57,348	-	-	-
▪ Other financial receivables	-	51,018	51,018	-	54,145	54,145
Total loans and receivables:	**3,241,935**	**1,515,229**	**4,757,164**	**3,627,204**	**1,826,162**	**5,453,366**
Shares in subsidiaries	**24.360.292**	**-**	**24,360,292**	**23,106,267**	**25,477**	**23,131,744**
Financial assets at fair value through profit or loss	-	**105,160**	**105,160**	**-**	**18,833**	**18,833**
Available-for-sale financial assets, including:						
(i) Shares in entities not quoted on active markets	3,135	36,717	39,852	3,135	36,717	39.852
(ii) Shares quoted on active markets	**3,135**	**36,717**	**39,852**	**3,135**	**36,717**	**39.852**
Cash and cash equivalents	-	**1,603,775**	**1,603,775**	**-**	**960,060**	**960,060**

Interim condensed financial statements in accordance with IFRS for the 3-month period and 9-month period ended September 30, 2013 (in PLN thousand)

14.1 Trade receivables

Trade receivables relate primarily to the sale of electricity and coal to related parties of the PGE Capital Group. As at September 30, 2013 the balance of three biggest customers, i.e. PGE Obrót S.A., PGE Górnictwo i Energetyka Konwencjonalna S.A. and PGE Dystrybucja S.A. constitute 71% of the balance of trade receivables.

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14.1 Loans and receivables, including acquired bonds, bill and notes

As at September 30, 2013	Long-term	Short-term
Bonds issued by PGE Górnictwo i Energetyka Konwencjonalna S.A.	2,043,107	457,128
Bonds issued by PGE Energia Odnawialna S.A.	648,705	129,351
Bonds issued by Autostrada Wielkopolska S.A.	355,123	-
Bonds issued by PGE Energia Natury Omikron sp. z o.o.	145,000	50
Bonds issued by PGE Energia Natury Kappa sp. z o.o.	50,000	16
Loan granted to Energia Natury PEW sp. zo.o.	-	22,400
Loan granted to Energia Natury sp z o.o.	-	18,791
Loan granted to PGE EJ1 S.A.		12,096
Loan granted to Energia Natury SA	-	2,171
Loan granted to Energia Olecko sp. z o.o.	-	1,890
Security deposits	-	42,921
Other	-	8,097
Total	**3,241,935**	**694,911**

PGE S.A. acquires bonds issued by companies of the PGE Capital Group. The funds obtained from issuing 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.

Interim condensed financial statements in accordance with IFRS for the 3-month period and 9-month period ended September 30, 2013 (in PLN thousand)

14.2 Shares in subsidiaries

As at September 30, 2013	Long-term
PGE Górnictwo i Energetyka Konwencjonalna S.A.	14,786,198
PGE Obrót S.A.	6,653,224
PGE Dystrybucja S.A.	949,758
PGE Energia Odnawialna S.A.	414,989
Exatel S.A.	427 885
PGE Energia Natury S.A.	421,252
EPW Energia S.A.	394,503
PGE Systemy S.A.	125 002
PGE EJ 1 sp. z o.o.	111,001
PGE Energia Natury Bukowo sp. z o.o	28,029
PGE Dom Maklerski S.A.	16,501
PGE Energia Natury Karnice sp. z o.o.	15,515
PGE Trading GmbH	13,990
EPW Energia Olecko sp. z o.o.	1,385
PGE Inwest sp. z o.o.	1,050
Fundacja PGE Energia z serca	10
Total	**24,360,292**

In 2013 PGE S.A. acquired companies from Dong Group and Iberdrola Group (companies Energia Natury and EPW Energia), operating wind farms and developing portfolios of wind farms in Poland. Details of the acquisitions are described in Note 21.3 to the foregoing financial statements.

13.4 Shares in entities not quoted on active markets

As at September 30, 2013	Long-term	Short-term
Shares in jointly controlled entities		
Energopomiar Sp. z o.o.	3,135	-
Shares in associates		
Swe-Pol Link AB	-	36,717
Total	**3,135**	**36,717**

Interim condensed financial statements in accordance with IFRS for the 3-month period and 9-month period ended September 30, 2013 (in PLN thousand)

15. Share capital

	As at September 30, 2013	As at December 31, 2012
Number of Series A ordinary Shares with a nominal value of 10 PLN each	1,470,576,500	1,470,576,500
Number of Series B ordinary Shares with a nominal value of 10 PLN each	259,513,500	259,513,500
Number of Series C ordinary Shares with a nominal value of 10 PLN each	73,228,888	73,228,888
Number of Series D ordinary Shares with a nominal value of 10 PLN each	66,441,941	66,441,941
Total	**1,869,760,829**	**1,869,760,829**

All shares of the Company are paid up..

Ownership structure of the Company in the reporting period is presented below:

	State Treasury	Other Shareholders	Total
As at January 1, 2013	**61.89%**	**38.11%**	**100.00%**
As at September 30, 2013	**61.89%**	**38.11%**	**100.00%**

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

After the balance sheet data until the date of these financial statements the value of the share capital of the Company has not changed.

15.1 Earnings per share

Basic earnings per share shall be calculated by dividing profit or loss 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 profit or loss 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 and 9-month period ended September 30, 2013 (in PLN thousand)

16. Dividends paid and dividends declared

	Dividends paid or declared from the profit for the period/ year ended		
	September 30, 2013	December 31, 2012	December 31, 2011
Cash dividends from ordinary Shares			
Dividend from reserve capital	-	823,996	-
Dividend paid from retained earnings	-	783,998	3,421,662
Total cash dividends from ordinary shares	**-**	**1,607,994**	**3,421,662**
Cash dividends per share (in PLN)	-	0,86	1,83

Dividend from the profit for 2012

On June 27, 2013 the Ordinary General Meeting of PGE S.A. adopted the resolution to allocate Company's net profit for 2012 of PLN 783,998 thousand and part of reserve capital of PLN 823,996 thousand for dividend payment for shareholders of total PLN 1,607.994 thousand, that is PLN 0.86 per share.

The Ordinary General Meeting decided to allocate retained earnings of PLN 77,552 thousand, which result from change of accounting policy and actuary losses, to reserve capital.

The Ordinary General Meeting set the dividend day for September 5, 2013 and dividend payment day for September 26, 2013.

Dividend from the profit for the period ended September 30, 2013

During the reporting period and till the date of preparation of these financial statements the Company made no advance payments of dividends.

(in PLN thousand)

17. Provisions

Period ended September 30, 2013	Post-employment benefits	Provisions for jubilee benefits	Provisions for third parties claims	Provisions for employee claims, including provisions for bonuses	Provisions for certificates of origin held for redemption	Other provisions	Total
As at January 1, 2013	**20,391**	**4,177**	**206,158**	**15,638**	**206**	**3,425**	**249,995**
Current service costs	306	235	-	-	-	-	541
Actuarial gains and losses excluding discount rate adjustment	30	-	-	-	-	-	30
Benefits paid	(2,193)	(579)	-	-	-	-	(2,772)
Costs of past employment	-	-	-	-	-	-	-
Discount rate adjustment	(9)	-	-	-	-	-	(9)
Interest costs	610	113	-	-	-	-	723
Raised during the year	-	-	-	16,350	92	1,060	17,502
Reversed	(59)	(395)	(7,422)		(206)	(1,379)	(9,461)
Used	-	-	(196,269)	(20,030)		(67)	(216,366)
As at September 30, 2013	**19,076**	**3,551**	**2,467**	**11,958**	**92**	**3,039**	**40,183**
Short-term as at September 30, 2013	1,299	734	2,467	11,958	92	3,039	19,589
Long-term as at September 30, 2013	17,777	2,817	-	-	-	-	20,594

(in PLN thousand)

Period ended December 31, 2012 *restated data*	**Post-employment benefits**	**Provisions for jubilee benefits**	**Provisions for third parties claims**	**Provisions for employee claims, including provisions for bonuses**	**Provisions for certificates of origin held for redemption**	**Other provisions**	**Total**
As at January 1, 2012	**17,704**	**3,529**	**410,799**	**10,520**	**225**	**15,918**	**458,695**
Costs of present employment	376	420	-	-	-	-	796
Actuarial gains and losses excluding discount rate adjustment	(781)	630	-	-	-	-	(151)
Benefits paid	(1,260)	(1,005)	-	-	-	-	(2,265)
Costs of past employment	-	-	-	-	-	-	-
Discount rate adjustment	3,122	421	-	-	-	-	3,543
Interest costs	998	182		-	-	-	1,180
Created during the year	-	-	-	21,464	206	2,382	24,052
Reversed	-	-	(204,641)	-	(225)	(13,218)	(218,084)
Used	-	-	-	(16,346)	-	(1,657)	(18,003)
Other changes	232	-	-	-	-	-	232
As at December 31, 2012	**20,391**	**4,177**	**206,158**	**15,638**	**206**	**3,425**	**249,995**
Short-term as at December 31, 2012	1,284	721	206,158	15,638	206	3,425	227,432
Long-term as at December 31, 2012	19,107	3,456	-	-	-	-	22,563

17.1 Provisions for post employments benefits and jubilee benefits

The amount of provisions disclosed in the financial statements results from the forecast valuation prepared by the 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 entity recognizes a provision for future obligations relevant to jubilee awards in order to assign costs to the periods they refer to. The value of the provision for jubilee benefits recognized in the financial statements is based on the forecast valuation prepared by an independent actuary.

17.2 Provisions for third-party claims

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 September 30, 2013 the provision amounted to PLN 2,467 thousand.

17.3 Provisions for employee bonuses and other benefits

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 as at September 30, 2013. Bonus entitlements result from remuneration regulations and contracts of employment.

17.4 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 current or previous periods, 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.

17.5 Other provisions

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 year and in previous years.

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18. Legal claims and contingent liabilities and receivables

18.1 Contingent liabilities

Contingent liabilities	As at September 30, 2013	As at December 31, 2012
Collaterals for repayment of bank guarantees granted	23,264	22,469
Other contingent liabilities	869	869
Total contingent liabilities	**24,133**	**23,338**

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 as at September 30, 2013 is limited to a total amount of PLN 23,264 thousand. The guarantees expire in the period 2013-2015.

18.2 Legal and court issues

Dispute PGE – ATEL (currently Alpiq Holding AG)

Since 2009 PGE Polska Grupa Energetyczna S.A. was a party to arbitration proceedings with the company Alpiq. The proceeding was held before the Arbitration Tribunal in Vienna. The subject of the arbitration proceeding was the claim of Alpiq, raised against PGE, resulting from the default on an electricity supply agreement signed on 28 October 1997. Claims submitted by Alpiq and changed on October 4, 2010 amounted to approximately EUR 155 million. After exchange of last post-hearing briefs Alpiq ultimately requested PGE to pay EUR 168 million plus interest. The arbitration proceeding was held in written form and was based on the exchange of pleadings between the parties and presentation to the Tribunal of evidence by witnesses, experts and statements by the parties.

On September 12, 2012, the Arbitration Tribunal issued a final judgment in this case and obliged PGE to pay to Alpiq EUR 43,204 thousand plus interest due.

PGE S.A. and Alpiq reached agreement on execution of the judgment. According to the agreement, PGE S.A. will pay the above amount plus interest until the verdict date, reduced by the proceeding cost judged from Alpiq for PGE S.A., in two installments. First part in amount of EUR 22,898 thousand was paid on April 15, 2013 and the remaining amount is to be paid by the end of 2013 and at the balance sheet date is recognized in other liabilities.

18.3 Other contingent liabilities

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 September 30, 2013 the estimated value of the promise amounts to PLN 15.2 billion.

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 year remuneration. Taking into consideration the nature of disputes, it is considered that the amount of claims is immaterial for the Company.

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Case of compensation regarding the conversion of shares

Former shareholders of PGE Górnictwo i Energetyka S.A. file request with the courts for calling PGE Polska Grupa Energetyczna S.A. to set conciliatory hearing for payment of compensation due to alleged incorrect determination of exchange parity of shares of PGE Górnictwo i Energetyka S.A. for shares of PGE Polska Grupa Energetyczna S.A. in the Consolidation Process that took place in 2010. Aggregate value of claims resulting from summons to a conciliation hearing filed by the former shareholders of PGE Górnictwo i Energetyka S.A. exceeds PLN 5 million.

Irrespective of the above, summons to a conciliation hearing were also filed by Socrates Investment S.A. – a company which purchased claims from former shareholders of PGE Górnictwo i Energetyka S.A. Socrates Investment S.A. requests from PGE Polska Grupa Energetyczna S.A. a compensation in aggregate amount of PLN 370,954 thousand for the damage suffered in connection with incorrect (in company's opinion) determination of exchange parity in merger process of PGE Górnictwo i Energetyka S.A and PGE Polska Grupa Energetyczna S.A.

PGE finds the demands of Socrates Investment S.A. and of other shareholders undocumented and fully groundless. In the given cases PGE S.A. will not conclude any settlements. Thus, there is a risk that Socrates Investment S.A. and other shareholders will file petitions for payment of the abovementioned amounts by PGE. The Company did not raise a provision for the above claims.

18.4 Contingent receivables and other contingent assets

As at September 30, 2013, the Company did not report any material contingent receivables.

19. Financial liabilities

Financial liabilities at amortized cost (as at September 30, 2013)	Long-term	Short-term	Total
Bonds issued	1,000,000	8,788	1,008,788
Trade liabilities	-	281,416	281,416
Other financial liabilities	-	6,017	6,017
Total	**1,000,000**	**296,221**	**1,296,221**

Trade liabilities relate mainly to transactions on the electricity market and purchase of hard coal.

As at September 30, 2013 PGE Polska Grupa Energetyczna S.A. held a possibility to issue bonds within 3 programmes: the programme addressed to external investors for the maximum amount of PLN 10 billion, the programme addressed to Polish capital market investors for the maximum amount of PLN 5 billion and the programme addressed to PGE Group companies for the maximum amount of PLN 5 billion. On June 27, 2013 PGE Polska Grupa Energetyczna S.A. issued bonds under the programme addressed to Polish capital market investors in the amount of PLN 1 billion. The maturity date of the issued bonds is June 27, 2018.

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20. Information on related parties

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

20.1 Subsidiaries in the PGE Capital Group

	Sales to subsidiaries	Purchases from subsidiaries	Trade receivables from subsidiaries	Trade liabilities towards subsidiaries
Jan 1 - Sep 30 2013	7,341,844	699,101	594,046	24,722
Jan 1 - Sep 30 2012 *restated data*	6,800,833	1,033,220	513,359	68,321

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 September 30, 2013 the Company held bonds issued by the subsidiaries with a carrying value of PLN 3,473,357 thousand and loans granted to subsidiaries in amount of PLN 57,348 thousand recognised in financial loans and receivables.

20.2 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. The Company identifies 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	Purchases from State Treasury entities	Trade receivables from State Treasury entities	Trade liabilities towards State Treasury entities
Jan 1 - Sep 30 2013	1,546,664	1,081,043	194,261	131,652
Jan 1 - Sep 30 2012	358,346	1,212,236	44,370	170,576

The most important 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 Towarowa Giełda Energii S.A. Due to the fact that this entity only deals with the organization of trading, purchases and sales through it are not treated as transactions with related parties.

The increase of sales value in comparison to the comparative period is the result of higher volume of electricity sold.

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20.3 Key management personnel remuneration

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

	9 months ended September 30, 2013	9 months ended September 30, 2012
Remuneration to Management Board and Supervisory Board Members	5,086	5,342
Post-employment benefits	1,157	851
Total remuneration paid to key management	**6,243**	**6,193**

	9 months ended September 30, 2013	9 months ended September 30, 2012
Management Board	6,024	5,941
Supervisory Board	219	252
Total	**6,243**	**6,193**

The above data present remuneration costs paid to key management recognized in the reporting period. For the period ended September 30, 2012 remuneration costs include also an appropriate part of provisions for bonuses, to which the management members are entitled on the basis of the contracts signed. The final amount of bonuses and premiums will depend, among others, on the results generated by the Company and PGE Capital Group.

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.

21. Significant events during the reporting period and subsequent events

21.1 Framework agreement on the exploration for and extraction of shale gas

On 4 July 2012 PGE S.A signed a framework agreement on the exploration for and extraction of shale gas. The parties to the Agreement are PGE Polska Grupa Energetyczna S.A., Polskie Górnictwo Naftowe i Gazownictwo S.A. ("PGNiG"), ENEA S.A., KGHM Polska Miedź S.A. and TAURON Polska Energia S.A.

The subject of cooperation of the Parties based on the Agreement will be the exploration, evaluation and extraction of shale gas in geological formations for which concessions have been granted for the exploration and evaluation of deposits of crude oil and natural gas in relation to the Wejherowo concession held by PGNiG (the "Wejherowo Concession"). With respect to the Wejherowo Concession, there will be close cooperation involving an area of approximately 160 km2. The Agreement also provides for preferential treatment of the Parties with regards to the possibility of cooperation in relation to the remaining area of the Wejherowo Concession (with the exception of a situation where PGNiG on its own engages in exploration, evaluation or extraction of shale gas and excluding the area in the vicinity of Opalino and Lubocino where PGNiG is already conducting exploratory work).

Estimated expenditures on exploration, evaluation and extraction with respect to the first three zones (the Kochanowo, Częstkowo and Tępcz pads) are projected to be in the amount of PLN 1.72 billion. Details regarding the terms of cooperation, including a detailed project budget and timeline, the shares of the parties in financing the expenditures arising from the agreed-on budget, shares in the project's profits and the principles of responsibility, including contractual penalties in the case of the failure, in particular by PGNiG, to fulfill certain obligations resulting from the agreement, will be determined by the parties by February 4, 2013 (in accordance with the annex to the agreement). Should such specific arrangements not be forthcoming, the agreement may be terminated by each of the parties. If within three months after reaching such arrangements the parties have not received all of the required corporate approvals, or if by December 31, 2013 (in accordance with the annex to the agreement) the required antimonopoly clearances have not been received, the Agreement will expire.

21.2 Signing of a Letter of Intent with KGHM Polska Miedź S.A., Tauron Polska Energia S.A. and ENEA S.A. on joint participation in preparation, construction and exploitation of the first Polish nuclear power plant

On September 5, 2012 PGE S.A. signed a Letter of Intent regarding participation in preparation, construction and exploitation of the nuclear power plant (“Project”). The parties of the Letter of Intent are: PGE Polska Grupa Energetyczna S.A., KGHM Polska Miedź S.A., Tauron Polska Energia S.A. and ENEA S.A. (jointly “Parties").

On September 23, 2013, as a result of works concerning implementation of a draft purchase agreement with regard to shares in special purpose company for construction and operating of the nuclear power plant, the Parties initialed a Partner's Agreement (“the Partner's Agreement”). In this way Parties declared that the initialed document constitutes a draft of a future Partner's Agreement settled by the Parties, which will be signed if necessary corporate approvals are obtained by all Parties.

The Partner's Agreement obligates its parties to conclude the Purchase Agreement with regard to shares in PGE EJ1 sp. z o.o. – a special purpose company for construction and operating of the nuclear power plant (“The Purchase Agreement”). According to the Partner Agreement, PGE S.A. shall sell 438,000 of shares for the benefit of other parties of the Partner Agreement, which constitutes 30% in a share capital of PGE EJ1 sp. z o.o. As a consequence PGE shall have 70% in a share capital of PGE EJ1 sp. z o.o. Shares shall be purchased in the following way: - KGHM Polska Miedź S.A. shall purchase 146,000 shares, which constitutes 10% in share capital of PGE EJ1 sp. z. o.o., - Tauron Polska Energia S.A. shall purchase 146,000 shares, which constitutes 10% in share capital of PGE EJ1 sp. z. o.o., - ENEA S.A. shall purchase 146,000 shares, which constitutes 10% in share capital of PGE EJ1 sp. z. o.o.

PGE S.A. and each partner shall be obliged to conclude the Purchase Agreement after fulfilling two conditions precedent: - obtaining unconditional approval of the President of the Polish Office of Competition and Consumer Protection on concentration; - adoption of the Polish Nuclear Energy Programme in 2013, in a form of a resolution of the Council of Ministers.

21.3 Acquisition of wind farms

Acquisition of companies from Dong group

On June 28, 2013 PGE S.A. and Energa Hydro sp. z o.o. (subsidiary of Energa S.A.) concluded with Dong Energy Wind Power A/S („DONG Energy") acquisition agreement of shares in companies operating wind farms and developing portfolios of wind farms in Poland. Concluding of above-mentioned agreement results from conditional agreement concluded on February 19, 2013 and a further approval for concentration issued by the President of the Office of Competition and Consumer Protection dated June 4, 2013.

On the grounds of the concluded agreement with Dong Energy, PGE S.A. acquired operating wind farms in Karnice of 30 MW installed capacity and Jagniatkowo of 30.5 MW installed capacity with contracted off-take of electricity and certificates, respectively for Karnice wind farm until end of 2020 and for Jagniatkowo wind farm until end of 2017. Additionally, PGE S.A. acquired a portfolio of projects of total 555 MW potential planned capacity.

The value of acquired shares in companies from Dong group falling on PGE S.A. amounted to PLN 464 million. Moreover, according to the agreement PGE S.A. paid off intercompany liabilities of the acquired companies of PLN 246 million, as presented in Note 13.2 to the foregoing financial statements.

Acquisition of shares in Iberdrola Renewables Polska Sp. z o.o.

On July 31, 2013 PGE Polska Grupa Energetyczna S.A. and Energa Hydro sp. z o.o. concluded respectively with Iberdrola Renovables Energía, S.A.U. and European Bank for Reconstruction and Development two agreements for the acquisition of 100% shares in Iberdrola Renewables Polska Sp. z o.o. - a company operating wind farms in Poland.

Conclusion of the above-mentioned agreements results from the conditional agreements concluded with Iberdrola (on February 26, 2013) and with EBRD (on June 21, 2013) followed by approval for concentration issued by the President of the Office of Competition and Consumer Protection (dated June 4, 2013).

On the grounds of the concluded agreements with Iberdrola and EBRD, PGE S.A. acquired three operating wind farms with total installed capacity of 70.5 MW with contracted off-take of electricity and certificates until 2029.

Additionally, PGE acquired two projects in the advanced stage of development of 36 MW.

Transaction value (Enterprise Value) for Iberdrola Renewables Polska Sp. z o.o. assets acquired by PGE S.A. amounts to PLN 366 million and represents 32.7% equity share of the entity.

21.4 Letter of intent related to Opole Power Plant

On June 27, 2013 PGE S.A. together with Kompania Węglowa S.A. concluded a letter of intent concerning the cooperation on development of Opole Power Plant by two new units, in which both parties obligated to, among others, analyze economical and legal aspects of a long term agreement on hard coal supplies for Opole Power Plant.

On August 13, 2013 an agreement for hard coal supplies, in the period 2018 – 2038 was concluded. The parties of the agreement are: PGE Górnictwo i Energetyka Konwencjonalna S.A. i Kompania Węglowa S.A.

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21.5 Merger of PGE S.A. with PGE Energia Jądrowa S.A.

On April 23, 2013 the Management Board of PGE S.A. made a decision on merger of PGE S.A. with its subsidiary PGE Energia Jądrowa S.A. (the "acquired company"). The aim of the merger is to simplify the structure of PGE Capital Group, to limit the costs connected with the keeping of the separate entity and to increase the management efficiency of the preparation of the nuclear power plant construction project from the Corporate Centre level. The merger was registered on July 31, 2013.

The merger took place by course of art. 492 § 1 p. 1 in connection with art. 515 § 1 and art. 516 § 5 and 6 of Code of Commercial Companies i.e. through transfer of all assets of the acquired company (i.e. PGE Energia Jądrowa S.A.) to PGE S.A. (merger through takeover) without raising the share capital of PGE S.A. and without the exchange of acquired company's shares for PGE S.A. shares.

Warsaw, November 12, 2013

Signatures of the Members of the Management Board of PGE Polska Grupa Energetyczna

Krzysztof Kilian	*Piotr Szymanek*
President of the Management Board	*Vice-President of the Management Board*