

**INDEPENDENT AUDITORS' REVIEW REPORT  
ON THE INTERIM FINANCIAL STATEMENTS**



KPMG Audyt Sp. z o.o.  
ul. Chłodna 51  
00-867 Warszawa  
Poland

Telefon +48 22 528 11 00  
Fax +48 22 528 10 09  
E-mail kpmg@kpmg.pl  
Internet www.kpmg.pl

*This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.*

**INDEPENDENT AUDITORS' REPORT  
ON REVIEW OF THE INTERIM  
FINANCIAL INFORMATION OF  
PGE POLSKA GRUPA ENERGETYCZNA S.A. GROUP  
FOR THE PERIOD  
FROM 1 JANUARY 2011 TO 30 JUNE 2011**

To the Shareholders of PGE Polska Grupa Energetyczna S.A.

*Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of PGE Polska Grupa Energetyczna S.A. Group ("PGE Group"), with its registered office in Warsaw, Mysia 2 as at 30 June 2011, the condensed consolidated income statements, statements of comprehensive income, changes in equity and cash flows for 6 month period then ended and selected explanatory notes ("the condensed consolidated interim financial information").

Management is responsible for the preparation and presentation of these condensed consolidated interim financial information in accordance with the International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these condensed consolidated interim financial information, based on our review.

*Scope of Review*

We conducted our review in accordance with the national standard on auditing no. 3 *General principles of review of the financial statements/condensed financial statements and conducting of other assurance services* and the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2011 is not prepared, in all material respects, in accordance with IAS 34.

### *Emphasis of matter*

Without qualifying our report, we draw attention:

- 1) to the fact that, as described in Note 21.1 of the explanatory notes to the condensed consolidated interim financial information, the estimates of compensation related to early termination of long-term agreements for the sale of electric power and energy and recognition related revenues and receivables prepared by the PGE Group were based on the PGE Group's interpretation of regulations dated 29 June 2007, the Act on rules of covering producer's costs related to early termination of long-term agreements for the sale of electric power and energy (Official Journal, No. 130, item 905, year 2007) ("the LTC Act") and on a number of significant assumptions, some of which are outside the control of the PGE Group.

An unfavourable outcome for the PGE Group of the dispute with the President of the Energy Regulation Office with respect to the interpretation of the LTC Act and changes in assumptions used may significantly impact the estimates and as a consequence may lead to changes in the financial position and results of the PGE Group. The final outcome of the dispute with the President of the Energy Regulation Office cannot be determined as at the date of this report;

- 2) the information presented in Note 15.3 of the explanatory notes to the condensed consolidated interim financial information, in which the Management Board describes the court proceeding resulting from the disputed registration of the merger of 12 companies with PGE Elektrownia Bełchatów S.A. (currently PGE Górnictwo i Energetyka Konwencjonalna S.A.). On 11 May 2011 the District Court upheld the decision to register the merger. The plaintiff to the proceeding has submitted an appeal to this decision. As at the date of this report, it is not possible to determine the outcome of the appeal proceedings. The condensed consolidated interim financial information do not reflect the consequences of a possible change in the District Court's decision on the registration of the companies' merger.

- 3) to the information presented in Note 10 of the explanatory notes to the condensed consolidated interim financial information of PGE Polska Grupa Energetyczna S.A. Group in which the Management Board of the parent company describes the uncertainty relating to future settlement of prepayments made by the parent company resulting from the execution of the agreement described in the above mentioned Note.

On behalf of KPMG Audyt Sp. z o.o.  
registration number 458  
ul. Chłodna 51, 00-867 Warsaw

*Signed on the Polish original*

.....  
Certified Auditor No. 90116  
Renata Dobersztyn-Hamerska

*Signed on the Polish original*

.....  
Certified Auditor No. 90061  
Marek Gajdziński

30 August 2011  
Warsaw