



**INTERIM CONDENSED SEPARATE FINANCIAL
STATEMENTS**

**FOR THE SIX MONTHS ENDED
JUNE 30TH 2013**

PGNiG Management Board:

Vice-President of the
Management Board

Jerzy Kurella

.....

Vice-President of the
Management Board

Jacek Murawski

.....

Vice-President of the
Management Board

Mirosław Szałuba

.....

Warsaw, August 1st 2013

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FINANCIAL HIGHLIGHTS
for the period ended June 30th 2013

	PLN		EUR	
	Jan 1–Jun 30 2013	Jan 1–Jun 30 2012	Jan 1–Jun 30 2013	Jan 1–Jun 30 2012
I. Revenue	14,195	13,168	3,369	3,155
II. Operating profit/(loss)	1,309	(557)	311	(133)
III. Profit/(loss) before tax	1,678	(226)	398	(54)
IV. Net profit/(loss)	1,424	(147)	338	(35)
V. Comprehensive income	1,528	(245)	363	(59)
VI. Net cash flows from operating activities	3,036	37	720	9
VII. Net cash flows from investing activities	(916)	(3,935)	(217)	(943)
VIII. Net cash flows from financing activities	(1,551)	3,679	(368)	881
IX. Total net cash flow	569	(219)	135	(52)
X. Earnings/loss and diluted earnings/loss per ordinary share (PLN/EUR)	0.24	(0.02)	0.06	(0.01)
	As at Jun 30 2013	As at Dec 31 2012	As at Jun 30 2013	As at Dec 31 2012
XI. Total assets	35,962	36,643	8,307	8,963
XII. Liabilities and provisions	13,228	14,669	3,056	3,588
XIII. Non-current liabilities	7,272	7,287	1,680	1,782
XIV. Current liabilities	5,956	7,382	1,376	1,806
XV. Equity	22,734	21,974	5,251	5,375
XVI. Share capital	5,900	5,900	1,363	1,443
XVII. Weighted average number of shares (million)	5,900	5,900	5,900	5,900
XVIII. Book value per share and diluted book value per share (PLN/EUR)	3.85	3.72	0.89	0.91
XIX. Dividend per share declared or paid (PLN/EUR)	-	0.13	-	0.03

Items of the income statement, statement of comprehensive income and statement of cash flows were translated at the EUR exchange rate computed as the arithmetic mean of mid rates quoted by the National Bank of Poland (NBP) for the last day of each calendar month in the given reporting period.

Items of the statement of financial position were translated at the average EUR exchange rate quoted by the NBP at the end of the given reporting period.

Average EUR/PLN exchange rates quoted by the NBP

	Jun 30 2013	Dec 31 2012	Jun 30 2012
Average exchange rate for the period	4.2140	4.1736	4.2246
Exchange rate at end of the period	4.3292	4.0882	4.2613

SEPARATE INCOME STATEMENT
for the period ended June 30th 2013

	Note	Jan 1–Jun 30 2013 unaudited	Jan 1–Jun 30 2012 restated
Revenue	3	14,195,	,13,168,
Raw material and consumables used	4	(8,904)	(9,677)
Employee benefit expense	4	(383)	(400)
Depreciation and amortisation expense		(353)	(274)
Services	4	(3,199)	(2,952)
Work performed by the entity and capitalised		7	5
Other income and expenses	4	(54)	(427)
Total operating expenses		(12,886)	(13,725)
Operating profit/(loss)		1,309	(557)
Finance income	5	649	492,
Finance costs	5	(280)	(161)
Profit/(loss) before tax		1,678	(226)
Income tax	6	(254)	79
Net profit/(loss)		1,424	(147)
Earnings/(loss) and diluted earnings/(loss) per share attributable to holders of ordinary shares (PLN)		0.24	(0.02)

SEPARATE STATEMENT OF COMPREHENSIVE INCOME
for the period ended June 30th 2013

	Note	Jan 1–Jun 30 2013 unaudited	Jan 1–Jun 30 2012 restated
Net profit/(loss)		1,424	(147)
Other comprehensive income that will be reclassified to profit or loss once specific conditions are met			
Exchange differences on translating foreign operations		10	-
Hedge accounting		118	(122)
Deferred tax		(22)	23
Other comprehensive income that will not be reclassified to profit or loss			
Actuarial gains/(losses)		(3)	1
Deferred tax		1	-
Other comprehensive income, net		104	(98)
Total comprehensive income		1,528	(245)

SEPARATE STATEMENT OF FINANCIAL POSITION
as at June 30th 2013

	Note	Jun 30 2013	Dec 31 2012
		unaudited	restated
ASSETS			
Non-current assets			
Property, plant and equipment	8	14,004	14,098
Investment property		2	2
Intangible assets		228	204
Financial assets available for sale	9	8,177	7,263
Other financial assets	10	5,251	5,780
Deferred tax assets		352	397
Other non-current assets		45	47
Total non-current assets		28,059	27,791
Current assets			
Inventories	11	2,433	2,427
Trade and other receivables	12	3,326	5,172
Current tax assets		-	24
Other assets		71	17
Derivative financial instrument assets		340	105
Cash and cash equivalents		1,603	1,034
Non-current assets held for sale		130	73
Total current assets		7,903	8,852
Total assets		35,962	36,643
LIABILITIES AND EQUITY			
Equity			
Share capital		5,900	5,900
Share premium		1,740	1,740
Accumulated other comprehensive income		,37	(66)
Retained earnings		15,057	14,400
Total equity		22,734	21,974
Non-current liabilities			
Borrowings and other debt instruments	13	4,473	4,390
Employee benefit obligations		98	89
Provisions	14	1,481	1,576
Deferred income		569	559
Deferred tax liabilities		608	632
Other non-current liabilities		43	41
Total non-current liabilities		7,272	7,287
Current liabilities			
Trade and other payables	15	2,802	2,763
Borrowings and other debt instruments	13	2,501	3,879
Derivative financial instrument liabilities		237	393
Current tax liabilities		95	-
Employee benefit obligations		98	190
Provisions	14	210	152
Deferred income		13	5
Total current liabilities		5,956	7,382
Total liabilities		13,228	14,669
Total liabilities and equity		35,962	36,643

SEPARATE STATEMENT OF CASH FLOWS
for the period ended June 30th 2013

	Jan 1–Jun 30 2013	Jan 1–Jun 30 2012
	unaudited	restated
Cash flows from operating activities		
Net profit/(loss)	1,424	(147)
Adjustments:		
Depreciation and amortisation expense	353	274
Net foreign exchange gains/(losses)	161	42
Net interest and dividend paid	(358)	(299)
Gain/(loss) on investing activities	(72)	(122)
Current tax expense	254	(80)
Other items, net	(110)	95
Income tax paid/received	(137)	5
Cash flows from operating activities before changes in working capital	1,515	(232)
Change in working capital:		
Change in receivables	2,181	839
Change in inventories	(6)	(260)
Change in employee benefit obligations	(83)	(17)
Change in provisions	65	63
Change in current liabilities	(583)	(304)
Change in other assets	(59)	(56)
Change in deferred income	6	4
Net cash flows from operating activities	3,036	,37
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment and intangible assets	3	140
Purchase of property, plant and equipment and intangible assets	(435)	(420)
Expenditures on exploration and evaluation assets	(323)	(215)
Purchase of shares in related entities	(914)	(791)
Decrease in loans advanced	1,089	30
Increase in loans advanced	(361)	(2,664)
Cash inflow from derivative financial instruments	78	61
Cash outflow on derivative financial instruments	(131)	(151)
Interest received	64	10
Dividends received	1	2
Proceeds from finance lease	4	2
Other items, net	9	61
Net cash flows from investing activities	(916)	(3,935)
Cash flows from financing activities		
Proceeds from borrowings	-	2,085
Proceeds from issue of debt securities	1,804	5,325
Repayment of borrowings	(72)	-
Repayment of debt securities	(3,173)	(3,580)
Cash inflow from derivative financial instruments	83	-
Cash outflow on derivative financial instruments	(65)	-
Interest paid	(133)	(149)
Other items, net	5	(2)
Net cash flows from financing activities	(1,551)	3,679
Net change in cash	569	(219)
Cash and cash equivalents at beginning of the period	1,034	935
Cash and cash equivalents at end of the period	1,603	716
including restricted cash	233	715

SEPARATE STATEMENT OF CHANGES IN EQUITY
for the period ended June 30th 2013

	Accumulated other comprehensive income, including						
	Share capital	Share premium	Exchange differences on translating foreign operations	Hedge accounting	Actuarial gains/(losses)	Retained earnings/(deficit)	Total equity
	(PLNm)						
As at Jan 1 2013 (restated)	5,900	1,740	-	(59)	(7)	14,400	21,974
Payment of dividend to owners	-	-	-	-	-	(767)	(767)
Total comprehensive income	-	-	10	96	(2)	1,424	1,528
Net profit for H1 2013	-	-	-	-	-	1,424	1,424
Other comprehensive income, net, for H1 2013	-	-	10	96	(2)	-	104
As at Jun 30 2013 (unaudited)	5,900	1,740	10	36	(9)	15,057	22,734
As at Jan 1 2012 (restated)	5,900	1,740	9	143	(17)	12,481	20,256
Total comprehensive income	-	-	-	(99)	1	(147)	(245)
Net loss for H1 2012	-	-	-	-	-	(147)	(147)
Other comprehensive income, net, for H1 2012	-	-	-	(99)	1	-	(98)
As at Jun 30 2012 (restated)	5,900	1,740	9	44	(16)	12,334	20,011

NOTES TO THE FINANCIAL STATEMENTS of PGNiG S.A.

as at June 30th 2013

1. GENERAL INFORMATION

1.1. Company name, core business and key registry data

Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna ("PGNiG S.A.", "Company"), registered office at ul. Marcina Kasprzaka 25, Warsaw, Poland, was established as a result of the transformation of the state-owned enterprise Przedsiębiorstwo Państwowe PGNiG into a state-owned stock company pursuant to Art. 6.1 of the Polish Act on Privatisation of State-Owned Enterprises of July 13th 1990 (Dz. U. of 1990, No. 51, item 298, as amended) and the Regulation of the President of the Polish Council of Ministers on the transformation of the state-owned enterprise Polskie Górnictwo Naftowe i Gazownictwo of Warsaw into a state-owned stock company, dated September 30th 1996 (Dz. U. No. 116, item 553). Under the latter Regulation, a Deed of Transformation was drawn up on October 21st 1996.

On October 30th 1996, the Company was entered in the commercial register maintained by the District Court for the Capital City of Warsaw, 16th Commercial Division, under No. RHB 48382. On November 14th 2002, PGNiG S.A. was entered in the Register of Entrepreneurs of the National Court Register under entry No. KRS 0000059492, by virtue of a decision by the District Court for the Capital City of Warsaw, 12th Commercial Division of the National Court Register.

The Company's Industry Identification Number REGON is 012216736 and its Tax Identification Number NIP is 525-000-80-28.

By virtue of a decision of Giełda Papierów Wartościowych w Warszawie S.A. (the Warsaw Stock Exchange) of September 16th 2005, Series A and Series B shares and Series B allotment certificates of PGNiG S.A. were admitted to stock-exchange trading on the main market. Allotment certificates for Series B ordinary bearer shares were first listed for the trading session on September 23rd 2005. On October 18th 2005, Giełda Papierów Wartościowych w Warszawie S.A. approved introduction of Series A and Series B shares of PGNiG S.A. to trading on the main market. The shares were first listed on October 20th 2005.

On January 14th 2013, the Management Board of Polskie Górnictwo Naftowe i Gazownictwo S.A. was served with a decision by the District Court for the Capital City of Warsaw in Warsaw, 12th Commercial Division of the National Court Register, dated December 28th 2012, to register amendments to PGNiG S.A.'s Articles of Association, adopted under Resolution No. 3/XII/2012 of the Extraordinary General Meeting of PGNiG S.A. of December 6th 2012. The amendments were entered in the Register of Entrepreneurs on December 31st 2012.

As provided for in its Articles of Association, PGNiG S.A. performs activities aimed at ensuring the energy security of Poland, including:

- 1) ensuring continuity of gas supplies to consumers and maintaining necessary reserves,
- 2) ensuring safe operation of gas networks,
- 3) balancing the gas system, managing operations and capacity of the power equipment connected to the common gas network,
- 4) production of natural gas.

Pursuant to its Articles of Association, the scope of the Company's operations, including production, provision of services and trading, comprises:

- 1) trade of gas fuel through mains,
- 2) natural gas extraction,
- 3) crude oil extraction,
- 4) test drilling and boring,
- 5) construction of transmission pipelines and distribution systems,
- 6) service activities incidental to oil and gas extraction,
- 7) service activities incidental to other extraction and quarrying,
- 8) extraction of chemical and fertiliser minerals,
- 9) other extraction and quarrying n.e.c.,
- 10) manufacture and processing of refined petroleum products,
- 11) production of gas fuels,
- 12) wholesale of chemical products,
- 13) wholesale of other intermediate products,
- 14) retail sale of automotive fuel in specialised stores,

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- 15) wholesale of fuels and related products,
 - 16) construction of plumbing, heating, gas and air conditioning installations,
 - 17) repair and maintenance of machinery,
 - 18) repair of motor vehicles other than motorcycles,
 - 19) transport of gas fuels via pipelines,
 - 20) transport of other products via pipelines,
 - 21) freight transport by road,
 - 22) storage and warehousing of gas fuels,
 - 23) storage and warehousing of other products,
 - 24) manufacture of industrial gases,
 - 25) manufacture of other chemical products n.e.c.,
 - 26) wholesale of waste and scrap,
 - 27) other research and experimental development on natural sciences and engineering,
 - 28) engineering activities and related technical consultancy,
 - 29) other professional, scientific and technical activities n.e.c.,
 - 30) other technical testing and analysis,
 - 31) installation of industrial machinery and equipment,
 - 32) production and supply of steam, hot water and air for air-conditioning systems,
 - 33) other specialised construction activities, n.e.c.,
 - 34) wired telecommunications activities,
 - 35) wireless telecommunications activities other than satellite telecommunications activities,
 - 36) satellite telecommunications activities,
 - 37) other telecommunications activities,
 - 38) production of electricity,
 - 39) distribution of electricity,
 - 40) trade of electricity,
 - 41) renting and leasing of other machinery, equipment and tangible goods n.e.c.,
 - 42) financial leasing,
 - 43) other financial service activities, except insurance and pension funding n.e.c., including debt trading for own account,
 - 44) other activities auxiliary to financial services, except insurance and pension funding,
 - 45) other credit granting,
 - 46) dealing in financial markets on behalf of others (e.g. stock broking) and related activities,
 - 47) securities brokerage,
 - 48) commodity contracts brokerage,
 - 49) other activities auxiliary to insurance and pension funding,
 - 50) administration of financial markets,
 - 51) accounting and book-keeping activities; tax consultancy,
 - 52) activities of head offices and holding companies other than financial holdings,
 - 53) activities of agents involved in the sale of fuels, ores, metals and industrial chemicals,
 - 54) activities of agents involved in the sale of a variety of goods,
 - 55) wholesale of hardware, plumbing and heating equipment and supplies,
 - 56) computer facilities management activities,
 - 57) data processing; hosting and related activities,
 - 58) other information technology and computer service activities,
 - 59) computer programming activities,
 - 60) reproduction of recorded media,
 - 61) repair and maintenance of electronic and optical equipment,
 - 62) repair and maintenance of electrical equipment,
 - 63) wholesale of computers, computer peripheral equipment and software,
 - 64) wholesale of electronic and telecommunications equipment and parts,
 - 65) wholesale of other office machinery and equipment,
 - 66) wholesale of other machinery and equipment,
 - 67) publishing of directories and mailing lists,
 - 68) other software publishing,
 - 69) computer consultancy activities,
 - 70) web portals,
 - 71) other information service activities n.e.c.,
 - 72) renting and leasing of office machinery and equipment (including computers),
 - 73) leasing of intellectual property and similar products, except copyrighted works,
 - 74) repair and maintenance of computers and computer peripheral equipment,
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- 75) repair and maintenance of (tele)communications equipment,
- 76) repair and maintenance of consumer electronics,
- 77) other service activities n.e.c.,
- 78) call centre activities,
- 79) other publishing activities,
- 80) service activities related to printing,
- 81) other printing,
- 82) photocopying, document preparation and other specialised office support activities,
- 83) other human resources provision,
- 84) other business support service activities n.e.c.,
- 85) water collection, treatment and supply,
- 86) non-specialised wholesale,
- 87) library activities,
- 88) archive activities,
- 89) museums activities,
- 90) buying and selling of own real estate,
- 91) operating of real estate on a fee or contract basis,
- 92) renting and operating of own or leased real estate,
- 93) other education n.e.c.,
- 94) renting and leasing of cars and light motor vehicles,
- 95) renting and leasing of other motor vehicles excluding motorcycles,
- 96) tour operator activities,
- 97) hotels and similar accommodation,
- 98) holiday and other short-stay accommodation,
- 99) camping grounds, recreational vehicle parks and trailer parks,
- 100) other accommodation,
- 101) retail sale in non-specialised stores with food, beverages or tobacco predominating,
- 102) other retail sale in non-specialised stores,
- 103) retail trade not in stores, stalls or markets,
- 104) organisation of conventions and trade shows,
- 105) other amusement and recreation activities.

1.2. Duration of the Company

The duration of the Company is indefinite.

1.3. Period covered by these financial statements

These condensed interim separate financial statements present data as at June 30th 2013 and for the period January 1st–June 30th 2013, with comparative financial data for the relevant periods of 2012.

1.4. These financial statements contain aggregated data.

PGNiG SA operates a multiple-unit structure. As at June 30th 2013, it comprised:

- Head Office, based in Warsaw,
 - Trading Branch in Wrocław,
 - Trading Branch in Zabrze,
 - Trading Branch in Tarnów,
 - Trading Branch in Warsaw,
 - Trading Branch in Gdańsk,
 - Trading Branch in Poznań,
 - Odolanów Branch,
 - Sanok Branch,
 - Zielona Góra Branch,
 - Geology and Hydrocarbon Production Branch,
 - Central Measurement and Testing Laboratory in Warsaw,
 - Well Mining Rescue Station in Kraków,
 - Mogilno Underground Gas Storage Cavern Facility Branch in Palędzie Dolne,
 - Wholesale Trading Branch in Warsaw,
- as well as the following foreign branches:
- Operator Branch in Pakistan,
 - Branch in Egypt,
 - Branch in Denmark – in liquidation.

These financial statements of PGNIG SA, covering all of the above entities, have been prepared based on financial data from the integrated accounting books of the Company's Polish branches and two foreign branches, and based on the financial statements of the Operator Branch in Pakistan. As at the balance-sheet date, data from the statement of financial position of the Pakistan Operator Branch was translated into the Polish złoty at the mid-exchange rate for the given currency quoted by the National Bank of Poland (NBP) for the balance-sheet date, while items of the income statement were translated at the exchange rate computed as the arithmetic mean of mid-exchange rates quoted for the last day of each month in the reporting period. The resulting currency translation differences were posted to revaluation capital reserve.

PGNiG SA, as the parent, also prepares consolidated financial statements containing the data of PGNiG SA and its 22 subsidiaries (including three which are parents of their own groups and one indirect subsidiary), one associate and one jointly-controlled entity.

1.5. Composition of the PGNiG Management Board

For changes in the composition of the management and supervisory bodies, see the Interim Consolidated Financial Statements.

1.6. Shareholder structure of PGNIG SA

As at the date of release of these financial statements for H1 2013, the State Treasury was the only shareholder holding 5% or more of the total vote at the General Meeting of PGNiG SA.

PGNiG SA 's shareholder structure was as follows:

Shareholder	Registered office	Number of shares	Ownership interest (%)	Total vote held (%)
<i>As at Jun 30th 2013</i>				
State Treasury	Warsaw	4,271,764,202	72.40%	72.40%
Other shareholders	-	1,628,235,798	27.60%	27.60%
Total	-	5,900,000,000	100.00%	100.00%
<i>As at Dec 31 2012</i>				
State Treasury	Warsaw	4,271,810,954	72.40%	72.40%
Other shareholders	-	1,628,189,046	27.60%	27.60%
Total	-	5,900,000,000	100.00%	100.00%

1.7. Going-concern assumption

These interim financial statements have been prepared based on the assumption that the Company will continue as a going concern for the foreseeable future. As at the date of approval of these financial statements, no circumstances were identified which would indicate any threat to the Company's continuing as a going concern.

1.8. Business combinations of commercial-law companies

In H1 2013, there were no business combinations involving PGNiG SA and other commercial-law companies.

1.9. Comparability of the financial data for the previous period with the financial statements for the reporting period

The aggregate financial statements of PGNiG SA for the current and comparative reporting periods have been prepared using the same accounting policies.

1.10. Corrections made due to any qualifications contained in auditor's opinions issued with respect to the years for which the financial statements and the comparative financial data are presented

The financial statements for H1 2013 were reviewed by PKF Audyt Sp. z o.o., and the financial statements for 2012 were audited by Deloitte Audyt Sp. z o.o. The auditor's opinion and report for 2012 were unqualified. Consequently, the financial statements for H1 2013 and 2012 contain no corrections resulting from such qualifications.

1.11. Approval of the financial statements

These financial statements will be submitted to the PGNiG Management Board for approval on August 14th 2013.

2. ACCOUNTING POLICIES

2.1. Basis of preparation

These financial statements have been prepared in accordance with the historical cost convention, except with respect to financial assets available for sale, financial derivatives measured at fair value, and loans and receivables measured at adjusted cost.

The presentation currency of these financial statements is the Polish złoty (PLN). Unless stated otherwise, all amounts are given in PLN million. Differences, if any, between the totals and the sum of particular items are due to rounding off.

Cash flows from operating activities are presented in accordance with the indirect method.

2.1.1. Compliance statement

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) as at June 30th 2013.

According to IAS 1 'Presentation of Financial Statements', the IFRSs comprise the International Financial Reporting Standards (IFRS), the International Accounting Standards (IAS) and the Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

The scope of information disclosed in these financial statements is consistent with the provisions of the IFRS and the Regulation of the Minister of Finance on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated February 19th 2009 (Dz. U. No. 33, item 259).

2.1.2. Effect of new standards and interpretations on the Company's financial statements

For discussion of the effect of new standards and interpretations on the financial statements see the Interim Consolidated Financial Statements (see Note 2.2. to the Interim Consolidated Financial Statements of the Group).

2.2. Presentation changes in the financial statements

In the financial statements for the reporting period ended June 30th 2013, the Company made changes to comparative financial data relating to the presentation of expenses on:

- employee benefits (for a detailed description see Note 2.5. to the Separate Financial Statements for the year ended December 31st 2012)
- amendments to the accounting policies introduced in 2012 (for a detailed description see Note 2.5. to the Separate Financial Statements for the year ended December 31st 2012)
- adoption of the amended IAS 19 'Employee Benefits' (for a detailed description see the Interim Consolidated Financial Statements for the six months ended June 30th 2013, Note 2.5.).

The comparative data used in these Interim Separate Financial Statements for H1 2013 were restated in accordance with the applicable accounting policies.

Consequently, the following adjustments were made to comparative data in the income statement for H1 2012:

Separate income statement	Period before the change	Adjustments ensuring comparability - presentation change - employee benefit obligations	Adjustments ensuring comparability - seismic surveys, licences	Adjustments ensuring comparability - change of IAS 19	Period after the change
Revenue	13,168	-	-	-	13,168
Raw material and consumables used	(9,677)	-	-	-	(9,677)
Employee benefit expense	(401)	(1)	-	2	(400)
Depreciation and amortisation expense	(274)	-	-	-	(274)
Services	(3,020)	-	68	-	(2,952)
Work performed by the entity and capitalised	5	-	-	-	5
Other income and expenses	(428)	1	-	-	(427)
Total operating expenses	(13,795)	-	68	2	(13,725)
Operating (loss)	(627)	-	68	2	(557)
Finance income	492	-	-	-	492
Finance costs	(161)	-	-	-	(161)

(Loss) before tax	(296)	-	68	2	(226)
Income tax	92	-	(13)	-	79
Net (loss)	(204)	-	55	2	(147)
Net loss and diluted net loss per share (PLN)	0.03				0,02

The Company has applied the amended IAS 19 since January 1st 2013. Consequently, the comparative data from the statement of financial position as at December 31st 2012 were changed. Comparative data for the year ended December 31st 2012 was restated as follows:

Separate statement of financial position

	Period before the change	Adjustments ensuring comparability - change of IAS 19	Period after the change
ASSETS			
Total non-current assets	27,789	2	27,791
Deferred tax assets	395	2	397
Total current assets	8,852	-	8,852
Total assets	36,641	2	36,643
LIABILITIES AND EQUITY			
Total equity	21,981	(7)	21,974
Accumulated other comprehensive income	(59)	(7)	(66)
Retained earnings	14,400	-	14,400
Total non-current liabilities	7,278	9	7,287
Employee benefit obligations	81	9	89
Total current liabilities	7,382	-	7,382
Total liabilities	14,660	9	14,669
Total liabilities and equity	36,641	2	36,643

2.3. Accounting policies

The accounting policies followed in the preparation of these Interim Separate Financial Statements are consistent with the policies described in the Interim Consolidated Financial Statements of the PGNiG Group for the six months ended June 30th 2013, prepared in accordance with the IFRS (see Note 2.3. to the Interim Consolidated Financial Statements of the Group).

3. REVENUE

The Company's business activity is conducted primarily on the domestic market (Poland). In H1 2013, revenue from sale of products, merchandise and materials to foreign external customers represented 3.77% (H1 2012: 2.43%) of the total net revenue from sale of products, merchandise and materials to external customers. The Company exports mainly to Switzerland, Germany and France.

	Jan 1 – Jun 30 2013	Jan 1 – Jun 30 2012
Domestic sales	13,660	12,848
High-methane gas	11,935	11,596
Nitrogen-rich gas	777	719
Crude oil	491	325
Helium	16	18
Propane-butane gas	32	31
Natural gasoline	3	4
LNG	29	24
Electricity	4	-
Geophysical and geological services	-	16
Hotel services	-	92
Other services	350	19
Other products	19	4
Merchandise and materials	4	-
Exports	535	320
Crude oil	457	265
Helium	76	48
Design services	-	6
Hotel services	-	1
Other services	1	-
Other products	1	-
Total	14,195	13,168

Most of the Company's non-current assets (other than financial instruments) are located in Poland. The value of non-current assets located abroad as at June 30th 2013 represented 1.37% of the total non-current assets (0.66% as at December 31st 2012).

	Jun 30 2013	Dec 31 2012
Value of non-current assets other than financial instruments located in Poland	14,039	14,150
Value of non-current assets other than financial instruments located abroad	195	154
Total	14,234	14,304

3.1. Key customers

The Company does not have any single external customer which would account for 10% or more of its total revenue.

4. OPERATING EXPENSES

4.1. Raw material and consumables used

	Jan 1 – Jun 30 2013	Jan 1 – Jun 30 2012
Cost of gas sold	(8,839)	(9,614)
Other raw material and consumables used	(65)	(63)
Total	(8,904)	(9,677)

4.2. Employee benefit expense

	Jan 1 – Jun 30 2013	Jan 1 – Jun 30 2012
Salaries and wages	(266)	(284)
Social security contributions	(67)	(75)
including: contributions to the Employee Retirement Scheme	(18)	(18)
Other employee benefit expense	(53)	(59)
Cost of future benefits	3	18
Total	(383)	(400)

4.3. Services

	Jan 1 – Jun 30 2013	Jan 1 – Jun 30 2012
Purchase of transmission and distribution services	(2,531)	(2,585)
Costs of dry wells written off	(81)	(31)
Other services	(587)	(336)
Total	(3,199)	(2,952)

4.4. Other income and expenses

	Jan 1 – Jun 30 2013	Jan 1 – Jun 30 2012
Compensations, penalties, fines, etc. received	53	3
Income from current settlement of deferred income recognised in the statement of financial position	1	1
Interest on receivables related to operating activities	39	23
Other income	7	6
Net exchange differences related to operating activities	34	(124)
Net gains/losses on derivative instruments related to operating activities	(76)	(181)
Net gains/losses on disposal of non-financial non-current assets	(1)	67
Change in products	34	32
Change in impairment losses on property, plant and equipment	77	56
Change in impairment losses on inventories	(55)	(66)
Change in impairment losses on trade and other receivables	37	(3)
Provision for well decommissioning costs	1	(15)
Provision for workforce streamlining and voluntary termination programmes	76	4
Provision for penalty imposed by the Office for Competition and Consumer Protection	-	(60)
Provision for environmental liabilities	3	(4)
Provision for claims under extra-contractual use of land	-	8
Provision for the buy-out price related to energy savings certificates	(76)	-
Other provisions	(67)	(4)
Taxes and charges	(104)	(102)
Value of merchandise and materials sold	(3)	(4)
Property insurance	(12)	(15)
Domestic and international business trips	(5)	(7)
Compensations, penalties, fines, etc. paid	(2)	-
Other costs	(15)	(42)
Total	(54)	(427)

5. FINANCE INCOME AND COSTS

	Jan 1 – Jun 30 2013	Jan 1 – Jun 30 2012
Finance income	649	492
Gain on measurement and realisation of derivative financial instruments	171	72
Interest income	129	155
Dividends and other profit distributions	345	252
Other finance income	4	13
Finance costs	(280)	(161)
Interest expenses	(102)	(86)
Foreign exchange losses	(160)	(65)
Commission fees paid on bank borrowings	(11)	(6)
Costs of guarantees received	(2)	(2)
Other finance costs	(5)	(2)
Finance income, net	369	331

6. INCOME TAX

Note	Jan 1 – Jun 30 2013	Jan 1 – Jun 30 2012
Profit/(loss) before tax	1,678	(226)
Tax rate applicable in the period	19%	19%
Tax calculated at the applicable tax rate	(319)	43
Permanent differences between profit before tax and tax base	65	36
Tax expense in the income statement	(254)	79
Current tax expense	6.1. (255)	-
Deferred tax expense	6.2. 1	79
Effective tax rate	15%	35%

6.1. Income tax disclosed in the income statement

	Jan 1 – Jun 30 2013	Jan 1 – Jun 30 2012
Profit/(loss) before tax	1,678	(226)
Differences between (loss) before tax and tax base (A+B-C-D+E)	(419)	(362)
Taxable revenue not recognised as revenue for accounting purposes (A)	48	98
Tax deductible expenses not recognised as expenses for accounting purposes (B)	(1,188)	(1,055)
Income not recognised as taxable income (C)	549	594
Non-tax deductible expenses (D)	(1,284)	(1,189)
Deductions from income (E)	(14)	-
Income tax base	1,259	(588)
Tax rate applicable in the period	19%	19%
Income tax	(239)	-
Increases, reliefs, exemptions, allowances and reductions in/of income tax	(16)	-
Current tax expense disclosed in tax return for the period	(255)	-
Current tax expense disclosed in the income statement	(255)	-

Current tax expense has been determined using the 19% income tax rate applicable in Poland in the current reporting period.

This rate has not changed relative to the comparative period of 2012.

Foreign branches of PGNiG SA are subject to tax regulations in force in the countries where they conduct their business activities, and the provisions of double tax treaties. Income tax rates applicable in those countries range from 25% to 41%. Because the foreign branches did not earn any income, these rates were not actually applied in determining current tax expense.

6.2. Deferred tax expense

	Jan 1 – Jun 30 2013	Jan 1 – Jun 30 2012
Deferred tax expense disclosed in the separate income statement	1	79
Origination and reversal of deferred tax due to deductible temporary differences	(45)	116
Impairment losses on financial assets, receivables and tangible assets under construction	7	-
Provisions for future liabilities	(4)	8
Costs of FX, interest rate and commodity price risk hedges	(44)	(11)
Tax loss for the period	-	112
Other deductible temporary differences	(4)	7
Recognition and reversal of deferred tax due to taxable temporary differences	46	(37)
Difference between tax and accounting value of non-current assets*	(9)	1
Positive valuation of FX, interest rate and commodity price risk hedges	2	(9)
Accrued interest	47	(24)
Income on tax obligation arising in subsequent month	16	(3)
Other taxable temporary differences	(10)	(2)
Deferred tax expense disclosed in other comprehensive income	(22)	23
Hedge accounting	(22)	23
Total changes	(21)	102

* The item accounts for the accounting policy change described in Note 2.2.

Because only those items which affect current tax expense in Poland have been included in the deferred tax base, the deferred tax has been determined using the 19% rate.

As at June 30th 2013, the deferred tax asset was PLN 352m, and the deferred tax liability was PLN 608 million.

After offsetting the deferred tax asset and liability, the balance of deferred tax at the end of the reporting period was PLN 256m.

In H1 2013, the deferred tax asset fell by PLN 45 million, which had a negative effect on net profit.

The deferred tax liability dropped by PLN 46m, which had a positive effect on net profit.

In the reporting period, the overall effect of the change in deferred tax on net profit was PLN 1m.

7. DIVIDEND PAID AND PROPOSED

Dividend declared in the period

	Jan 1 – Jun 30 2013	Jan 1 – Jun 30 2012
Dividend per share declared (PLN)	0.13	-
Number of shares (million shares)	5,900	5,900
Cash dividend declared (PLNm), including:	767	-
- to the State Treasury	555	-
- to other shareholders	212	-

On June 6th 2012, the Annual General Meeting of PGNiG SA decided to allocate the Company's profit for 2011 for contribution to retained earnings. Accordingly, no dividend was paid for 2011.

On May 22nd 2013, the Annual General Meeting of PGNiG SA adopted a resolution on distribution of the Company's 2012 net profit, whereby it decided to allocate PLN 767 million for payment of dividend.

The dividend was paid out in respect of 5,900,000,000 shares. The dividend per share was PLN 0.13 (thirteen grosz).

The dividend record date and the dividend payment date were set for July 20th 2013 and October 3rd 2013, respectively.

8. PROPERTY, PLANT AND EQUIPMENT

	Jun 30 2013	Dec 31 2012
Land	30	26
Buildings and structures	6,979	6,076
Plant and equipment	2,196	1,414
Vehicles and other	126	121
Total tangible assets	9,331	7,637
Exploration and evaluation assets	1,919	2,151
Other tangible assets under construction	2,754	4,310
Total property, plant and equipment	14,004	14,098

The property, plant and equipment of PGNiG SA include mainly the hydrocarbon production and underground storage facility assets.

8.1 TANGIBLE ASSETS

Jun 30 2013	Land	Buildings and structures	Plant and equipment	Vehicles and other	Total	Exploration and evaluation assets	Other tangible assets under construction	Total property, plant and equipment
Net carrying amount as at Jan 1 2013, net of accumulated depreciation and impairment losses	26	6,076	1,414	121	7,637	2,151	4,310	14,098
Increase	-	11	-	-	11	284	379	673
Decrease	(1)	(314)	(16)	(1)	(331)	(82)	(6)	(419)
Currency translation differences	-	-	-	-	-	2	6	8
Transfers from tangible assets under construction and between groups	3	1,370	891	15	2,279	(456)	(1,934)	(111)
Impairment losses	1	60	(1)	-	60	20	-	79
Depreciation expense for the reporting period	-	(224)	(92)	(9)	(325)	-	-	(325)
Carrying amount as at Jun 30 2013, net of accumulated depreciation and impairment losses	30	6,979	2,196	126	9,331	1,919	2,754	14,004
As at Jan 1 2013								
Gross value	28	10,065	2,783	238	13,114	2,487	4,337	19,937
Accumulated depreciation and impairment losses	(2)	(3,989)	(1,369)	(117)	(5,477)	(335)	(27)	(5,839)
Net carrying amount as at Jan 1 2013	26	6,076	1,414	121	7,637	2,151	4,310	14,098
As at Jun 30th 2013								
Gross value	31	11,124	3,654	246	15,055	2,234	2,726	20,016
Accumulated depreciation and impairment losses	(1)	(4,145)	(1,458)	(120)	(5,724)	(316)	28	(6,012)
Net carrying amount as at Jun 30 2013	30	6,979	2,196	126	9,331	1,919	2,754	14,004

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Dec 31 2012	Land	Buildings and structures	Plant and equipment	Vehicles and other	Total	Exploration and evaluation assets	Other tangible assets under construction	Total property, plant and equipment
Net carrying amount as at Jan 1 2012, net of accumulated depreciation and impairment losses	24	5,236	1,347	113	6,720	1,963	4,353	13,036
Increase	-	358	-	-	358	252	1,498	2,108
Decrease	(1)	(124)	(10)	(1)	(136)	(66)	(50)	(252)
Transfers from tangible assets under construction and between groups	3	1,164	265	28	1,460	(14)	(1,541)	(95)
Impairment losses	-	(175)	(30)	-	(205)	17	50	(138)
Depreciation expense for the reporting period	-	(383)	(158)	(19)	(560)	-	-	(560)
Carrying amount as at Dec 31 2012, net of accumulated depreciation and impairment losses	26	6,076	1,414	121	7,637	2,151	4,310	14,098
As at Jan 1 2012								
Gross value	26	8,705	2,549	222	11,502	2,315	4,430,	18,247
Accumulated depreciation and impairment losses	(2)	(3,469)	(1,202)	(109)	(4,782)	(352)	(77)	(5,211)
Net carrying amount as at Jan 1 2012	24,	5,236	1,347	113	6,720	1,963	4,353	13,036
As at Dec 31 2012								
Gross value	28	10,065	2,783	238	13,114	2,487	4,337	19,937
Accumulated depreciation and impairment losses	(2)	(3,989)	(1,369)	(117)	(5,477)	(335)	(27)	(5,839)
Net carrying amount as at Dec 31 2012	26	6,076	1,414	121	7,637	2,151	4,310	14,098

8.2. Impairment losses on property, plant and equipment

	Land	Buildings and structures	Plant and equipment	Vehicles and other	Total tangible assets	Exploration and evaluation assets	Other tangible assets under construction	Total property, plant and equipment
As at Jan 1 2013	2	621	141	9	773	336	27	1 136
Increase	-	127	19	1	147	19	-	166
Decrease	(1)	(187)	(19)	(1)	(207)	(39)	-	(246)
As at Jun 30th 2013	1	561	141	9	713	316	27	1 056
As at Jan 1 2012	2	446	110	10	568	353	77	998
Increase	1	355	72	3	431	138	15	584
Decrease	(1)	(180)	(42)	(4)	(226)	(155)	(65)	(446)
As at Dec 31 2012	2	621	141	9	773	336	27	1 136

As at the beginning of the period, impairment losses on tangible assets stood at PLN 773m, of which:

- PLN 599m was attributable to impairment losses on assets used directly in hydrocarbon production,
- PLN 1m was attributable to impairment losses on underground gas storage facilities,
- PLN 173m was attributable to impairment losses on other tangible assets.

Impairment losses recognised and reversed in H1 2013 amounted to PLN 147m and PLN 207m, respectively, and included:

- recognition of impairment losses of PLN 145m and reversal of impairment losses of PLN 205m on assets used directly in hydrocarbon production,
- recognition of impairment losses of PLN 2m and reversal of impairment losses of PLN 2m on other tangible assets.

The impairment losses recognised and reversed in particular asset groups followed from a revision of earlier assumptions and indications of impairment, disposal of assets, and re-classification between particular groups.

As at the end of the period, impairment losses on tangible assets stood at PLN 713m, of which:

- PLN 539m was attributable to impairment losses on assets used directly in hydrocarbon production,
- PLN 1m was attributable to impairment losses on underground gas storage facilities,
- PLN 173m was attributable to impairment losses on other tangible assets.

The recoverable amount of the assets corresponds to their value in use. The discount rate used to calculate the value in use of assets used directly in hydrocarbon production in H1 2013 amounted to 11.80% (2012: 11.88%). The applied discount rate for tangible assets under construction in H1 2013 amounted to 12.49% (2012: 12.56%).

9. NON-CURRENT FINANCIAL ASSETS AVAILABLE FOR SALE

	Jun 30 2013	Dec 31 2012
Unlisted shares (gross)	9,833	8,919
Total, gross	9,833	8,919
Unlisted shares (net)*	8,177	7,263
Total, net	8,177	7,263

*Net of impairment losses.

The item "Unlisted shares" includes the Company's interest in POGC Libya BV and its additional contribution to POGC Libya BV's equity. As at June 30th 2013, the Company's equity interest in POGC Libya BV amounted to EUR 65.5m and USD 27.4m (PLN 283.6m and PLN 91.0m, respectively, translated at the exchange rates quoted by the NBP for June 28th 2013). In the Company's accounting books, the value of the shares as at June 30th 2013 was PLN 291.9m, and the value of the additional contribution to equity was PLN 86.2m.

At the end of 2012, POGC Libya BV resumed exploration activities under its licence, which had been suspended due to the outbreak of the civil war in 2011.

In H1 2013, the activities included mobilisation of drilling services and launching of the security system enabling implementation of the planned work. At the end of H1, the company started drilling the first of the three exploration wells that were planned for 2013.

In relation a claim for payment enforced against PGNiG S.A. by Opal Finance Corporation Ltd under a final court order, a court bailiff levied a conservatory attachment (conservatoir beslag) on PGNiG S.A.'s interest in POGC Libya BV on the basis of a court's leave of November 28th 2012. As a result, PGNiG S.A. may not dispose freely of or derive benefits from its interest in POGC Libya BV. However, the attachment does not block the possibility of exercising voting rights attached to the shares held by PGNiG S.A. and has no practical effect on POGC Libya BV's operations. Negotiations to end the dispute between the companies are under way.

The Company has performed a valuation of its interest in POGC Libya BV with the discounted cash flow method. Based on the valuation results, PGNiG SA increased the impairment loss recognised on the assets to PLN 13.7m as at June 30th 2013 (end of 2012: PLN 13.3m).

10. OTHER FINANCIAL ASSETS

	Jun 30 2013	Dec 31 2012
Finance lease receivables (Note 10.1.)	232	44
Loans advanced	5,013	5,729
Amounts receivable for sale of tangible assets	6	7
Total, gross	5,251	5,780
Total, net	5,251	5,780

The item "Loans advanced" includes a loan granted by the Company to PGNiG SPV 1 Sp. z o.o. and taken over by PGNiG TERMIKA SA following the merger of the two companies.

As at June 30th 2013, the outstanding balance of the loan was PLN 1,483.1m (end of 2012: PLN 2,409.1m), including a non-current portion of 1,413.8m (end of 2012: PLN 2,124.5m) and a current portion of PLN 69.3m (end of 2012: PLN 284.6m).

10.1 Finance lease

Agreement between PGNiG SA and Wielkopolska Spółka Gazownictwa Sp. z o.o.

PGNiG SA and its subsidiary, Wielkopolska Spółka Gazownictwa Sp. z o.o. (currently PGNiG SPV4 Sp. z o.o.), executed two lease agreements:

1. On October 27th 2011, the companies concluded an Agreement for the Lease of Gas Pipelines and Land in the Coastal Strip;
2. On March 1st 2013, they concluded an Agreement for the Lease of Gas Pipelines and Land from the Kościan Natural Gas Mine to KGHM Polkowice/Żukowice.

The agreements were executed for a term of 20 years and provide the lessee with an option to purchase the leased assets. In the case of the agreement of October 27th 2011, the value of the leased assets was determined based on a valuation prepared by an independent appraiser, whereas the value of the assets leased under the agreement of March 1st 2013 was measured at initial value, which was equal to their fair value.

Lease payments under the agreements comprise interest and principal. The interest portion is determined on a quarterly basis by reference to the 3M WIBOR rate effective as at the last day of the quarter preceding the quarter for which the lease payment is charged, plus a margin. The interest portion required to determine the monthly lease payments for the land throughout the lease term was set at a fixed rate based on the 3M WIBOR rate effective as at the agreement date.

Proceeds under the lease agreement:

	Jun 30 2013	Jun 30 2012
Interest payment	3	1
Principal payment	4	1
Total	7	2

11. INVENTORIES

	Jun 30 2013	Dec 31 2012
Materials		
at cost, including:	2,478	2,418
- gas fuel	2,250	2,181
at net realisable value, including:	2,419	2,413
- gas fuel	2,196	2,181
Finished products		
at cost	14	13
at net realisable value	14	13
Merchandise		
at cost	-	1
at net realisable value	-	1
Total inventories at cost	2,492	2,431
Total inventories at the lower of cost and net realisable value	2,433	2,427

11.1. Change in inventories in the period

	From Jan 1 – Jun 30 2013	Jan 1 – Dec 31 2012
Inventories at cost, at beginning of the period	2,431	1,901
Purchase	9,855	20,552
Other increases	1	1
Inventories charged to expenses for the period	(9,647)	(19,380)
Sale	(3)	(10)
Other decreases	(145)	(633)
Inventories at cost, at end of the period	2,492	2,431
Impairment loss on inventories	(59)	(4)
Inventories at net realisable value	2,433	2,427

11.2. Impairment losses on inventories

	Jun 30 2013	Dec 31 2012
Balance at beginning of the period	(4)	(3)
Increase in impairment losses	(55)	(127)
Reversal of impairment losses	-	126
Balance at end of the period	(59)	(4)

In H1 2013, the Company recognised an impairment loss of PLN 55m on its inventories of gas, since the value of the gas at cost exceeded its net realisable value.

12. TRADE AND OTHER RECEIVABLES

	Jun 30 2013	Dec 31 2012
Trade receivables from other entities	2 500	4 520
Trade receivables from related entities	10	77
VAT receivable	221	476
Other taxes, customs duties and social security receivable	161	7
Due and payable portion of loans advanced to related entities	519	527
Receivables from equity-accounted associated entities	3	4
Other receivables from related entities	43	98
Receivables from sale of property, plant and equipment	5	-
Receivables from sale of property, plant and equipment, related	-	1
Prepayments for tangible assets under construction	1	3
Prepayments for tangible assets under construction, related	1	1
Dividend receivable	344	11
Receivables under court proceedings	24	19
Finance lease receivables, related	13	3
Other receivables	200	211
Total gross receivables	4,045	5,958
Including gross receivables (including due and payable portion of a loan) from related entities	569	722
Impairment loss on doubtful receivables (Note 12.1)	(719)	(786)
Total net receivables	3,326	5,172
Including:		
Trade receivables from other entities	2,058	4,070
Trade receivables from related entities	10	77
VAT receivable	221	476
Other taxes, customs duties and social security receivable	161	7
Due and payable portion of loans advanced to related entities	486	498
Receivables from equity-accounted associated entities	3	4

Other receivables from related entities	16	15
Receivables from sale of property, plant and equipment	5	-
Receivables from sale of property, plant and equipment, related	-	1
Prepayments for tangible assets under construction	1	3
Prepayments for tangible assets under construction, related	1	1
Dividend receivable	344	10
Finance lease receivables, related	13	-
Other receivables	7	10
Including net receivables (including due and payable portion of a loan) from related entities	873	606

The standard payment period for the receivables in the Company's ordinary course of business is 14 days.

12.1. Impairment losses on receivables

	Jun 30 2013	Dec 31 2012
Impairment losses at beginning of the period	(786)	(694)
Increase in impairment losses	(220)	(319)
Reversal of impairment losses	258	202
Use of impairment losses	29	25
Impairment losses at end of the period	(719)	(786)

13 BORROWINGS AND DEBT SECURITIES

	Jun 30 2013	Dec 31 2012
Non-current	4,473	4,390
Borrowings	2,104	2,027
Debt securities	2,369	2,363
Current	2,501	3,879
Borrowings	82	79
Debt securities	2,419	3,800
Total	6,974	8,269

13.1. Borrowings

Jun 30 2013

Currency	Interest rate	Amount in original currency	Carrying amount	including repayable in:		
				up to 1 year	1 – 5 years	over 5 years
EUR	4.064%	497	2,186	82	2,104	-
Total			2,186	82	2,104	-

Dec 31 2012

Currency	Interest rate	Amount in original currency	Carrying amount	including repayable in:		
				up to 1 year	1 – 5 years	over 5 years
EUR	4.064%	515	2,106	79	2,027	-
Total			2,106	79	2,027	-

13.2. Debt securities

Jun 30 2013

Currency	Interest rate	Amount in original currency	Carrying amount	including repayable in:		
				up to 1 year	1 – 5 years	over 5 years
PLN	5.38%	2,464	2,464	95	2,369	-
PLN	4.52%	409	409	409	-	-
PLN	3.7%	98	98	98	-	-
PLN	3.8%	595	595	595	-	-
PLN	3.25%	374	374	374	-	-
PLN	3.31%	19	19	19	-	-
PLN	3.26%	25	25	25	-	-

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PLN	3.28%	20	20	20	-	-
PLN	3.14%	100	100	100	-	-
PLN	3.16%	80	80	80	-	-
PLN	3.15%	100	100	100	-	-
PLN	3.12%	20	20	20	-	-
PLN	3.14%	11	11	11	-	-
PLN	3.13%	35	35	35	-	-
PLN	3.14%	69	69	69	-	-
PLN	3.14%	40	40	40	-	-
PLN	3.13%	50	50	50	-	-
PLN	3.11%	35	35	35	-	-
PLN	3.12%	42	42	42	-	-
PLN	3.12%	10	10	10	-	-
PLN	3.12%	47	47	47	-	-
PLN	3.12%	33	33	33	-	-
PLN	3.12%	50	50	50	-	-
PLN	3.06%	35	35	35	-	-
PLN	3.06%	11	11	11	-	-
	3.06%	16	16	16	-	-
Total			4,788	2,419	2,369	-

Dec 31 2012

Currency	Interest rate	Amount in original currency	Carrying amount	including repayable in:		
				up to 1 year	1 – 5 years	over 5 years
PLN	1M WIBOR+1.15%	118,00	118,00	118,00	-	-
PLN	1M WIBOR+1.15%	182,00	182,00	182,00	-	-
PLN	1M WIBOR+1.15%	148,00	148,00	148,00	-	-
PLN	1M WIBOR+1.15%	229,00	229,00	229,00	-	-
PLN	1M WIBOR+1.15%	103,00	103,00	103,00	-	-
PLN	1M WIBOR+1.15%	159,00	159,00	159,00	-	-
PLN	1M WIBOR+1.15%	116,00	116,00	116,00	-	-

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PLN	1M WIBOR+1.15%	179,00	179,00	179,00	-	-
PLN	1M WIBOR+1.15%	88,00	88,00	88,00	-	-
PLN	1M WIBOR+1.15%	138,00	138,00	138,00	-	-
PLN	1M WIBOR+1.15%	89,00	89,00	89,00	-	-
PLN	1M WIBOR+1.15%	138,00	138,00	138,00	-	-
PLN	1M WIBOR+1.15%	78,00	78,00	78,00	-	-
PLN	1M WIBOR+1.15%	124,00	124,00	124,00	-	-
PLN	1M WIBOR+1.15%	79,00	79,00	79,00	-	-
PLN	1M WIBOR+1.15%	123,00	123,00	123,00	-	-
PLN	1M WIBOR+1.15%	79,00	79,00	79,00	-	-
PLN	1M WIBOR+1.15%	123,00	123,00	123,00	-	-
PLN	6M WIBOR+1.25%	2 494,00	2 494,00	131,00	2,363,00	-
PLN	5.26%	50,00	50,00	50,00	-	-
PLN	5.38%	399,00	399,00	399,00	-	-
PLN	4.51%	328,00	328,00	328,00	-	-
PLN	4.48%	291,00	291,00	291,00	-	-
PLN	4.52%	96,00	96,00	96,00	-	-
PLN	5.09%	8,00	8,00	8,00	-	-
PLN	5.03%	11,00	11,00	11,00	-	-
PLN	4.95%	15,00	15,00	15,00	-	-
PLN	4.88%	20,00	20,00	20,00	-	-
PLN	4.72%	8,00	8,00	8,00	-	-
PLN	4.67%	50,00	50,00	50,00	-	-
PLN	4.65%	30,00	30,00	30,00	-	-
PLN	4.60%	20,00	20,00	20,00	-	-
PLN	4.61%	10,00	10,00	10,00	-	-
PLN	4.58%	40,00	40,00	40,00	-	-
Total			6,163	3,800	2,363	-

The Company had access to credit facilities, which are presented in the note below.

13.3. Obtained credit facilities and amounts available under the facilities

	Jun 30 2013	Dec 31 2012
Credit facilities obtained	320	280
	320	280

No amounts were drawn under the credit facilities as at June 30th 2013, but their availability contributes to the Company's security in terms of meeting its current liabilities.

13.4. Maturity of finance lease liabilities (disclosed in the statement of financial position)

As at June 30th 2013, the Company carried no liabilities under finance leases.

14 PROVISIONS

	Provision for well decommissioning costs	Provision for penalty imposed by the Office for Competition and Consumer Protection	Provision for environmental liabilities	Provision for claims under extra-contractual use of land	Provision for energy savings certificates	Other	Total
As at Jan 1 2013	1,538	60	46	16	-	68	1,728
Provisions recognised during the year	48	-	-	-	76	10	134
Provisions used	(149)	-	(4)	-	-	(19)	(172)
Currency translation differences	-	-	-	-	-	1	1
As at Jun 30th 2013	1,437	60	42	16	76	60	1,691
Non-current	1 418	-	41	-	-	22	1 481
Current	19	60	1	16	76	38	210
As at Jun 30th 2013	1,437	60	42	16	76	60	1,691
Non-current	1,513	-	41	-	-	22	1,576
Current	25	60	5	16	-	46	152
As at Dec 31 2012	1,538	60	46	16	-	68	1,728

With respect to costs of abandonment of wells, in H1 2013 the discount rate adopted to calculate the provision for well decommissioning costs was 1.70%, as the resultant of the 4.24% rate of return on assets and the inflation rate assumed at the NBP's continuous inflation target of 2.50% (as at the end of 2012, the adopted discount rate was 1.20%, as the resultant of 3.73% and 2.50%, respectively).

Long-term provisions are discounted at the rate of 1.20%.

14.1. Actuarial income statement for the provision for length-of-service awards and retirement severance pays

	Jun 30 2013	Dec 31 2012
Length-of-service awards		
Value of obligation shown in the statement of financial position at beginning of the period	47	67
Interest expense	-	1
Current service cost	1	2
Benefits paid	(6)	(19)
Actuarial gain/(loss)	6	(4)
Gain/(loss) due to curtailments or settlements	5	-
Value of obligation shown in the statement of financial position at end of the period	53	47
Retirement severance payments		
Value of obligation shown in the statement of financial position at beginning of the period	56	49
Current service cost	1	10
Interest expense	-	1
Actuarial gain/(loss)	3	1
Benefits paid	(3)	(6)
Past service cost	-	1
Gain/(loss) due to curtailments or settlements	5	-
Value of obligation shown in the statement of financial position at end of the period	62	56
Total value of obligation shown in the statement of financial position at end of the period	115	103

15. TRADE AND OTHER PAYABLES

	Jun 30 2013	Dec 31 2012
Trade payables to other entities	824	337
Trade payables to related entities	209	711
VAT payable	490	1 224
Other taxes, customs duties and social security payable	245	79
Dividend payable to owner	767	-
Amounts payable under purchase of non-financial non-current assets	21	94
Amounts payable under purchase of non-financial non-current assets to related entities	23	50
Amounts payable under purchase of exploration and evaluation assets	7	28
Amounts payable under purchase of exploration and evaluation assets to related entities	27	48
Additional contribution to equity payable under a relevant resolution	26	85
Amounts payable to equity-accounted associated and jointly-controlled entities	6	-
Other amounts payable to related entities	5	3
Accruals and deferred income and prepaid deliveries	94	74
Other	58	30
Total	2,802	2,763
	296	898

16 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT POLICY

16.1. Financial instruments by category (net carrying amounts)

June 30 2013

Classes of financial instruments	Financial assets available for sale	Financial assets measured at fair value through profit or loss	Loans and receivables	Financial liabilities measured at fair value through profit or loss	Financial liabilities at amortised cost	Hedge derivatives	Assets and liabilities excluded from the scope of IAS 39	Total
Total financial assets	8,177	188	9,784	-	-	153	13	18 315
Unlisted shares	8,177	-	-	-	-	-	-	8,177
Trade and other receivables*	-	-	2,930	-	-	-	13	2,943
Derivative financial instrument assets	-	188	-	-	-	153	-	341
Cash and cash equivalents	-	-	1,603	-	-	-	-	1,603
Other financial assets	-	-	5,251	-	-	-	-	5,251
Total financial liabilities	-	-	-	214	9,084	23	-	9,321
Borrowings	-	-	-	-	2,187	-	-	2,187
Debt securities	-	-	-	-	4,787	-	-	4,787
Other non-current liabilities, trade and other payables**	-	-	-	-	2,110	-	-	2,110
Derivative financial instrument liabilities	-	-	-	214	-	23	-	237

*Does not include VAT receivable or other taxes, customs duties and social security receivable.

**Does not include VAT payable or other taxes, customs duties and social security payable.

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Dec 31 2012

Classes of financial instruments	Financial assets available for sale	Financial assets measured at fair value through profit or loss	Loans and receivables	Financial liabilities measured at fair value through profit or loss	Financial liabilities at amortised cost	Hedge derivatives	Assets and liabilities excluded from the scope of IAS 39	Total
Total financial assets	7,263	88	11,500	-	-	17	3	18,871
Unlisted shares	7,263	-	-	-	-	-	-	7,263
Trade and other receivables*	-	-	4,686	-	-	-	3	4,689
Derivative financial instrument assets	-	88	-	-	-	17	-	105
Cash and cash equivalents	-	-	1,034	-	-	-	-	1,034
Other financial assets	-	-	5,780	-	-	-	-	5,780
Total financial liabilities	-	-	-	317	9,769	76	-	10,162
Borrowings	-	-	-	-	2,106	-	-	2,106
Debt securities	-	-	-	-	6,163	-	-	6,163
Other non-current liabilities, trade and other payables**	-	-	-	-	1,500	-	-	1,500
Derivative financial instrument liabilities	-	-	-	317	-	76	-	393

*Does not include VAT receivable or other taxes, customs duties and social security receivable.

**Does not include VAT payable or other taxes, customs duties and social security payable.

16.2. Fair value of financial instruments

	Jun 30 2013		Dec 31 2012	
	Carrying amount	Carrying amount	Carrying amount	Fair value
Total financial assets	18,315	10,138	18,871	11,608
Unlisted shares*	8,177	-	7,263	-
Trade and other receivables**	2,943	2,943	4,689	4,689
Derivative financial instrument assets***	341	341	105	105
Cash and cash equivalents**	1,603	1,603	1,034	1,034
Other financial assets**	5,251	5,251	5,780	5,780
Total financial liabilities	9,321	9,321	10,162	10,162
Borrowings**	2,187	2,187	2,106	2,106
Debt securities**	4,787	4,787	6,163	6,163
Trade payables**	2,110	2,110	1,500	1,500
Derivative financial instrument liabilities***	237	237	393	393

*The Company is unable to make a reliable estimate of the fair value of its shareholdings in unlisted companies, classified as financial assets available for sale. In its annual statement of financial position, such assets are measured at cost less impairment losses.

** The disclosed values of financial instruments are equal or nearly equal to their respective fair values. The values disclosed in the table above are deemed identical to the respective fair values.

*** At fair value.

16.3. Fair value hierarchy

	Jun 30 2013	Dec 31 2012
Classes of financial instruments	level 2	level 2
Derivative financial instrument assets	341	105
Derivative financial instrument liabilities	237	393

17 CONTINGENT ASSETS AND LIABILITIES

17.1. Contingent receivables

	Jun 30 2013	Dec 31 2012
From related entities:		
under promissory notes received	14,411	13,763
Total contingent receivables from related entities	14,411	13,763
From other entities:		
under guarantees and sureties received	177	306
under promissory notes received	131	149
Total contingent receivables from other entities	308	455
Total contingent assets	14,719	14,218

17.2. Contingent liabilities

	Jun 30 2013	Dec 31 2012
To other entities		
under guarantees and sureties issued*	10,813	9,539
under promissory notes issued	117	117
other contingent liabilities	1,108	1,118
Total contingent liabilities to other entities	12,038	10,774
Total contingent liabilities	12,038	10,774

* Contingent liabilities in foreign currencies were translated into the złoty at the exchange rates quoted by the National Bank of Poland respectively for June 28th 2013 and December 31st 2012.

17.3. Other contingent liabilities

Real estate tax

PGNiG SA assessed the risk of claims being filed against it in relation to real estate tax on extraction workings as low.

The related liability, if any, including interest, which is not past due and is not recognised in the financial statements, is PLN 180.9m as at June 30th 2013 (as at the end of 2012: PLN 160.2m).

However, taking into consideration the ruling issued by the Polish Constitutional Tribunal on September 13th 2011, there is no doubt that extraction workings, understood as space within land properties or in rock masses, do not qualify as structures and therefore may not be subject to real estate tax on structures, either on their own (as workings in the physical sense) or together with the installations located inside them (as extraction workings in the broader sense).

Pursuant to the ruling (court docket No. P 33/09) concerning imposition of real estate tax on extraction workings, extraction workings are not structures within the meaning of the Polish Building Law (and consequently within the meaning of the Local Taxes and Charges Act). Based on the grounds for the ruling, extraction workings are considered to be space within land properties or in rock masses, created as a result of performance of extraction work, and boreholes (wells) are to be treated as a special type of extraction workings (c.f. ruling of the Provincial Administrative Court of Wrocław of January 31st 2006, court docket No. I SA/Wr 1064/04, and ruling of the Supreme Administrative Court of September 20th 2007, court docket No. II FSK 1016/06).

Therefore, extraction workings understood in this way may not be subject to real estate tax, either as such or with the installations located inside them. However, in its ruling the Polish Constitutional Tribunal has concluded that there are no plausible arguments against the possibility of recognising facilities located in extraction workings as structures, and that it is within the powers of tax authorities and administrative courts to resolve the matter. At the same time the judging panel made a reservation that only the following may be considered structures within the meaning of the Local Taxes and Charges Act:

1. structures explicitly enumerated as such in the Polish Building Law,
2. installations described in Art. 3.9 of the Polish Building Law, which ensure the possibility of using a structure for the purpose for which it is intended, subject to the reservation that extraction workings as such are not structures.

It should be noted that it is extremely difficult to identify in wells any structures which are explicitly named as such in the Polish Building Law, therefore the risk that real estate tax could be imposed on any installations located inside the wells is low.

18 OFF-BALANCE SHEET LIABILITIES

18.1. Operating lease liabilities

	Jun 30 2013	Dec 31 2012
Up to 1 year	10	11
From 1 to 5 years	6	10
Over 5 years	-	-
Total	16	21

18.2. Investment commitments under executed agreements (not yet disclosed in the statement of financial position)

	Jun 30 2013	Dec 31 2012
Commitments under executed agreements	3,778	6,598
Completion of agreements as at the balance-sheet date	(2,519)	(3,653)
Contractual liabilities maturing subsequently to the balance-sheet date	1,259	2,945

19 RELATED ENTITIES

PGNiG S.A. holds shares in companies carrying production and service activities. As at June 30th 2013, PGNiG SA had 50 related entities, including:

- 25 subsidiaries,
- 15 indirectly related companies,
- 2 jointly-controlled companies, and
- 8 associated companies.

19.1. Related parties as at June 30th 2013

Company name	Based in	% ownership interest of PGNiG SA	
PGNiG SA (Parent)	Poland		
Direct subsidiaries of PGNiG SA		Jun 30 2013	Jun 30 2012
GEOFIZYKA Kraków S.A.	Poland	100.00%	100.00%
GEOFIZYKA Toruń S.A.	Poland	100.00%	100.00%
Exalo Drilling S.A.	Poland	100.00%	-
PGNiG Upstream International AS	Norway	100.00%	100.00%
Polish Oil And Gas Company – Libya B.V.	The Netherlands	100.00%	100.00%
INVESTGAS S.A.	Poland	100.00%	100.00%
Dolnośląska Spółka Gazownictwa Sp. z o.o.	Poland	100.00%	100.00%
Górnośląska Spółka Gazownictwa Sp. z o.o.	Poland	100.00%	100.00%
Karpacka Spółka Gazownictwa Sp. z o.o.	Poland	100.00%	100.00%
GK Mazowiecka Spółka Gazownictwa ¹⁾	Poland	100.00%	100.00%
Pomorska Spółka Gazownictwa Sp. z o.o.	Poland	100.00%	100.00%
Wielkopolska Spółka Gazownictwa Sp. z o.o.	Poland	100.00%	100.00%
Geovita S.A.	Poland	100.00%	100.00%
PGNiG Technologie S.A.	Poland	100.00%	100.00%
PGNiG Energia S.A.	Poland	100.00%	100.00%
GK PGNiG Sales&Trading GmbH ²⁾	Germany	100.00%	100.00%
PGNiG Finance AB	Sweden	100.00%	100.00%
PGNiG Termika S.A. ³⁾	Poland	100.00%	99.89%
Operator Systemu Magazynowania Sp. z o.o.	Poland	100.00%	100.00%
PGNiG Serwis Sp. z o.o.	Poland	100.00%	100.00%

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Biuro Studiów i Projektów Gazownictwa Gazoprojekt S.A. ⁵⁾	Poland	75.00%	75.00%
NYSAGAZ Sp. z o.o.	Poland	66.28%	66.28%
BUD-GAZ P.P.U.H. Sp. z o.o. w likwidacji (in liquidation)	Poland	100.00%	100.00%
Polskie Elektrownie Gazowe Sp. z o.o.	Poland	100.00%	100.00%
PGNiGSPV4 Sp. z o.o.	Poland	100.00%	100.00%
PGNiG SA's indirectly related companies			
Poszukiwania Nafty i Gazu Jasło S.A. ⁶⁾	Poland	-	100.00%
GK Poszukiwania Nafty i Gazu Kraków ^{6), 7)}	Poland	-	100.00%
Poszukiwania Nafty i Gazu NAFTA S.A. ⁶⁾	Poland	-	100.00%
Poszukiwania Naftowe Diament Sp. z o.o. ⁶⁾	Poland	-	100.00%
Zakład Robót Górniczych Krosno Sp. z o.o. ⁶⁾	Poland	-	100.00%
Oil Tech International F.Z.E.	UAE	100.00%	100.00%
Zakład Gospodarki Mieszkaniowej Sp. z o.o.	Poland	100.00%	100.00%
Biogazownia Ostrowiec Sp. z o.o. w likwidacji (in liquidation)	Poland	100.00%	100.00%
Powiśle Park Sp. z o.o.	Poland	100.00%	100.00%
Poltava Services LLC	Ukraine	99.00%	99.00%
CHEMKOP Sp. z o.o.	Poland	85.51%	85.00%
GAZ Sp. z o.o.	Poland	80.00%	80.00%
PT Geofizyka Toruń Indonezja LLC w likwidacji (in liquidation)	Indonesia	55.00%	55.00%
XOOL GmbH	Germany	100.00%	100.00%
NAFT-STAL Sp. z o.o. w upadłości likwidacyjnej (in bankruptcy by liquidation)	Poland	67.40%	67.40%
Elektrociepłownia Stalowa Wola S.A.	Poland	50.00%	50.00%
Al. Masharig – Geofizyka Toruń Limited Company w likwidacji (in liquidation)	Saudi Arabia	50.00%	50.00%
Gazobudowa Kraków Sp. z o.o.	Poland	47.20%	47.20%
Przedsiębiorstwo Badawczo-Uslugowe Petromin Sp. z o.o. w likwidacji (in liquidation)	Poland	40.00%	40.00%
Geotermia Sp. z o.o.	Poland	25.00%	25.00%
Companies jointly controlled by PGNiG SA			
SGT EUROPOL GAZ S.A. ⁸⁾	Poland	49.74%	49.74%
InterTransGas GmbH	Germany	50.00%	50.00%
Associated companies			
GAS-TRADING S.A.	Poland	43.41%	43.41%
Sahara Petroleum Technology LLC in liquidation	Oman	49.00%	49.00%
PFK GASKON S.A.	Poland	45.94%	45.94%
GAZOMONTAŻ S.A.	Poland	45.18%	45.18%
ZRUG Sp. z o.o. (of Poznań)	Poland	40.06%	40.06%
ZWUG INTERGAZ Sp. z o.o.	Poland	38.30%	38.30%
Dewon ZSA	Ukraine	36.38%	36.38%
ZRUG TORUŃ S.A. w upadłości likwidacyjnej (in bankruptcy by liquidation)	Poland	25.24%	25.24%

²⁾ The Mazowiecka Spółka Gazownictwa Group comprises Mazowiecka Spółka Gazownictwa Sp. z o.o. and its subsidiary Powiśle Park Sp. z o.o.

²⁾ The PGNiG Sales & Trading Group comprises PGNiG Sales & Trading GmbH and its subsidiary XOOL GmbH.

³⁾ On December 31st 2012, PGNiG Termika S.A. and PGNiG SPV1 Sp. z o.o. merged; the surviving company, PGNiG Termika S.A., became a subsidiary of PGNiG SA.

⁴⁾ PGNiG SA's interest in the share capital of PGNiG Termika. PGNiG SA's share in total vote is 99.99%.

⁵⁾ On June 13th 2013, an agreement was concluded for the transfer of ownership of 21,000 shares in BSiPG Gazoprojekt S.A. from PGNiG SA onto PGNiG Technologie SA. PGNiG SA's direct interest in the share capital of BSiPG Gazoprojekt S.A. fell to 22.50%, while its indirect interest through PGNiG Technologie S.A. is 52.50%.

⁶⁾ A company consolidated in Exalo Drilling S.A.'s consolidated financial statements.

⁷⁾ The Poszukiwania Nafty i Gazu Kraków Group comprises Poszukiwania Nafty i Gazu Kraków S.A. and its subsidiaries: Oil Tech International - F.Z.E. and Poltava Services LLC.

⁸⁾ Including a 48.00% direct interest and a 1.74% interest held indirectly through GAS-TRADING S.A.

19.2. Related-party transactions

Related party	Balance as at	Sales to related parties	Purchases from related parties	Dividends received	Finance income from related parties	Finance costs from related parties
Entities consolidated using the full consolidation method and equity-accounted entities	Jun 30 2013	342	3,148	343	169	76
	Jun 30 2012	355	2,896	249	189	30
Associates	Jun 30 2013	17	-	-	-	-
	Jun 30 2012	13	-	-	-	-
Other, non-consolidated entities	Jun 30 2013	3	5	1	7	-
	Jun 30 2012	5	4	3	4	-
Related entities – total	Jun 30 2013	362	3,153	344	176	76
	Jun 30 2012	373	2 900	252	193	30

	Balance as at	Receivables from related parties, gross	Receivables from related parties, net	Loans to related parties, gross	Loans to related parties, net	Trade and other payables to related parties	Amounts payable under borrowings and debt securities to related parties
Entities consolidated using the full consolidation method and equity-accounted entities	Jun 30 2013	617	616	5,317	5,317	264	3,033
	Jun 30 2012	339	339	5,804	5,804	284	2,788
Associates	Jun 30 2013	3	3	-	-	6	-
	Jun 30 2012	-	-	-	-	-	-
Other, non-consolidated entities	Jun 30 2013	28	1	214	182	26	-
	Jun 30 2012	86	1	105	75	85	-
Related entities – total	Jun 30 2013	648	619	5,531	5,499	296	3,033
	Jun 30 2012	425	340	5,909	5,879	369	2,788

In H1 2013, the Company did not enter into any material transactions with related parties otherwise than on arm's length terms.

The Company prepares documentation for related-party transactions in accordance with Art. 9a of the Corporate Income Tax Act. The procedure is applied each time the PGNiG Group entities execute agreements (including framework agreements), annexes to agreements, orders (detailed agreements) or orders placed under framework agreements with related entities - if the total amounts payable/receivable (to/from one contractor under one agreement) or their equivalent in the złoty exceed in a calendar year the equivalent of EUR 100 thousand in the case of transactions involving merchandise or EUR 30 thousand in the case of transactions involving rendering of services, sale or provision of intangible assets.

19.3. Transactions with entities in which the State Treasury holds equity interests

With respect to the required detail of presentation for transactions entered into with parties related through the State Treasury, the Company applies the exemption provided for in paragraphs 25-27 of IAS 24. As there are no special transactions with such entities, the Company is authorised to present the minimum scope of information required in accordance with the revised IAS 24 (presented below).

The main transactions with entities in which the State Treasury holds equity interests are executed in the course of the Company's day-to-day operations, i.e. natural gas trading and sale of crude oil.

In H1 2013, the Company generated the highest turnovers with the following entities in which the State Treasury holds (directly or indirectly) equity interests: Polski Koncern Naftowy ORLEN S.A., Zakłady Azotowe PUŁAWY S.A., Zakłady Chemiczne POLICE S.A., PGE Górnictwo i Energetyka Konwencjonalna S.A., Zakłady Azotowe w Tarnowie-Mościcach S.A., Operator Gazociągów Przesyłowych GAZ-SYSTEM S.A., KGHM Polska Miedź S.A., Grupa LOTOS S.A., Krośnieńskie Huty Szkła KROSNO S.A. w upadłości (in bankruptcy) and Zakłady Chemiczne RUDNIKI S.A.

In H1 2012, the Group generated the highest turnovers with the following entities in which the State Treasury holds (directly or indirectly) equity interests: Polski Koncern Naftowy ORLEN S.A., Zakłady Azotowe PUŁAWY S.A., Zakłady Chemiczne POLICE S.A., PGE Górnictwo i Energetyka Konwencjonalna S.A., Zakłady Azotowe w Tarnowie - Mościcach S.A., Operator Gazociągów Przesyłowych GAZ-SYSTEM S.A., KGHM Polska Miedź S.A. Grupa LOTOS S.A., Krośnieńskie Huty Szkła KROSNO S.A. w upadłości (in bankruptcy) and Huta Cynku Miasteczko Śląskie S.A.

19.4. Remuneration paid and loans and other similar benefits granted to members of management and supervisory bodies

PLN '000	Jan 1 – Jun 30 2013	Jan 1 – Jun 30 2012
Remuneration paid to management staff	1,540	1,450
Remuneration paid to supervisory staff	187	177
Total	1,727	1,627

In H1 2013, the members of the Company's management and supervisory bodies did not receive loans or any other benefits from the Company Social Benefits Fund.

In H1 2013, the Company did not enter into any other material transactions with members of its management or supervisory bodies, their spouses, persons related to them through blood or marriage up to the second degree in the kinship line, persons related through adoption, custody or guardianship to a member of the Company's management or supervisory bodies, or companies in which such persons are major shareholders.

19.5. Joint ventures

In H1 2013, PGNiG SA conducted joint operations with other entities in licence areas awarded to PGNiG S.A., FX Energy Poland Sp. z o.o., and San Leon Energy PLC (the company acquired licence interests from the former partner, Aurelian Oil & Gas PLC).

Under the licences awarded to PGNiG SA, work continued in the following areas:

- "Płotki" – under the agreement for joint operations dated May 12th 2000; licence interests: PGNiG SA (operator) – 51%, FX Energy Poland Sp. z o.o. – 49%,
- "Płotki" – "PTZ" (the Extended Zaniemyśl Area) – under the operating agreement dated October 26th 2005; licence interests: PGNiG SA (operator) – 51%, FX Energy Poland Sp. z o.o. – 24.5%, Calenergy Resources Poland Sp. z o.o. – 24.5%,

- “Poznań” – under the agreement for joint operations dated June 1st 2004; licence interests: PGNiG SA (operator) – 51%, FX Energy Poland Sp. z o.o. – 49%,
- “Bieszczady” – under the agreement for joint operations dated June 1st 2007; licence interests: PGNiG SA (operator) – 51%, Eurogas Polska Sp. z o.o. – 24%, and Energia Bieszczady Sp. z o.o. – 25%
- “Sieraków” – under the agreement for joint operations dated June 22nd 2009; licence interests: PGNiG SA (operator) – 51%, Orlen Upstream Sp. z o.o. – 49%,

In H1 2013, production continued from the Roszków field in the “Płotki” area, and from the Zaniemyśl field in the “Płotki” – “PTZ” area. In the “Płotki” area, the work on acquisition of the Donatowo-Rusocin 3D seismic survey was completed and the processing of the survey commenced. In the “Płotki” – “PTZ” area, reinterpretation of the Kaleje-Zaniemyśl 3D seismic survey was commenced and completed to select the best location for the Zaniemyśl-4 or Zaniemyśl-3k production well. Based on the results of the reinterpretation, there is no rationale for drilling of the Zaniemyśl-4 well. As a result, design and analytical work was commenced on two project options, i.e. the drilling of the Zaniemyśl-3k horizontal well or a workover of the Zaniemyśl-3 well.

In the “Poznań” licence area, in H1 2013, the Winna Góra field was brought onstream and gas production continued from the Środa Wielkopolska, Kromolice and Kromolice S fields. Work continued on the development of the Lisewo natural gas field, while the development of the Komorze 3K field commenced. Hydraulic fracturing was performed in the Pławce-2 (tight gas) exploration well and the process of initiating production was started. Drilling of the Mieczewo-1k exploration well was also completed, resulting in gas flow with a significant presence of formation water. Based on the geological and field analyses, as well as economic analyses, a decision was made to abandon the well. In addition, the processing of the Miłosław 3D seismic survey was completed and work began on its interpretation. Interpretation of the Taczanów 3D seismic survey was completed.

EuroGas Polska Sp. z o.o., registered office at ul. Górnośląska 3, 43-200 Pszczyna
Energia Bieszczady Sp. z o.o., registered office at ul. Śniadeckich 17, 00-654 Warsaw

In H1 2013, PGNiG SA continued business relationship with EuroGas Polska Sp. z o.o. and Energia Bieszczady Sp. z o.o. in the “Bieszczady” license area under the Agreement for Joint Operations of June 1st 2007. Interests in the project: PGNiG SA (operator) – 51%, EuroGas Polska Sp. z o.o. – 24%, and Energia Bieszczady Sp. z o.o. – 25%. In the “Bieszczady” area, processing of seismic profiles in the Jaśliska-Baligród zone and reprocessing of the Kostarowce-Zahutyń 2D archive seismic profiles continued. Also, Niebieszczyński-1 well was temporarily secured until a decision is made on further well tests.

Orlen Upstream Sp. z o.o., registered office at ul. Przyokopowa 31, 01-208 Warsaw, Poland

In H1 2013, PGNiG SA continued business relationship with Orlen Upstream Sp. z o.o. in the “Sieraków” area under the agreement for joint operations of June 22nd 2009. Interests in the project: PGNiG SA (operator) – 51%, Orlen Upstream Sp. z o.o. – 49%. In H1 2013, in the “Sieraków” area, the Sieraków-3 borehole was drilled. Based on the initial testing of the well, a decision to secure the well for further tests was made.

Under licences awarded to **FX Energy Poland Sp. z o.o.**, work was performed in the following areas:

- “Warszawa-Południe” (blocks 254 and 255) – under the agreement for joint operations dated May 26th 2011; licence interests: FX Energy Poland Sp. z o.o. (operator) – 51%, PGNiG SA – 49%;
- “Ostrowiec” – under the agreement for joint operations dated February 27th 2009; licence interests: FX Energy Poland Sp. z o.o. (operator) – 51%, PGNiG SA – 49%;
- “Kutno” – under the agreement for joint operations dated September 30th 2010; licence interests: FX Energy Poland Sp. z o.o. (operator) – 50%, PGNiG SA – 50%.

In H1 2013, in the "Warszawa-Południe" area, FX Energy Poland Sp. z o.o. performed its own geological interpretation of the Potycz – Boglewice – Grójec area to select an area for the development of a 3D survey. The company also applied to the Ministry of Environment to amend its licence for block 254 (abandonment of a part of the licence area).

Analytical work was completed for the "Ostrowiec" area. In the "Kutno" area the results of the drilling of the Kutno-2 well were being documented. FX Energy Poland Sp. z o.o. made a decision to abandon the licences covering the "Ostrowiec" and „Kutno" areas.

San Leon Energy PLC, registered office at 43 Grosvenor Street, W1K 3HL, London, UK

Energia Karpaty Zachodnie Sp. z o.o. Sp. k. (subsidiary of San Leon Energy PLC), registered office at ul. Mokotowska 1, 00-640 Warsaw, Poland

Energia Karpaty Wschodnie Sp. z o.o. Sp. k. (subsidiary of San Leon Energy PLC), registered office at ul. Mokotowska 1, 00-640 Warsaw, Poland

- Under licences awarded to San Leon Energy PLC, work was performed in the following areas:
- "Karpaty Zachodnie" - under the agreement for joint operations dated December 17th 2009, concluded with Energia Karpaty Zachodnie Sp. z o.o. Sp. k. (subsidiary of San Leon Energy PLC); licence interests: Energia Karpaty Zachodnie Sp. z o.o. Sp. k. (operator) – 60%, PGNiG SA – 40%
- "Karpaty Wschodnie" - under the agreement for joint operations dated December 17th 2009, concluded with Energia Karpaty Wschodnie Sp. z o.o. Sp. k. (subsidiary of San Leon Energy PLC); licence interests: Energia Karpaty Wschodnie Sp. z o.o. Sp. k. (operator) – 80%, PGNiG SA – 20%.
- In H1 2013, in "Karpaty Zachodnie" area, the Budzów–Cieszyn–Bestwina–Bielsko-Biała 2D seismic profiles were reprocessed.
- In "Karpaty Wschodnie" area, geological and geophysical materials of Mszana Dolna – Jordanów were analysed for the possibility of commencing drilling works. As a result, a decision not to proceed with the drilling of an exploration well was made and a request to amend the Mszana Dolna license (abandonment of a part of the licensed area) was filed with the Ministry of Environment.
- **Tauron Polska Energia S.A.**, registered office at ul. Ks. Piotra Ściegiennego 3, 40-114 Katowice, Poland
- **KGHM Polska Miedź S.A.**, registered office at ul. M. Skłodowskiej–Curie 48, 59-301 Lubin, Poland
- **PGE Polska Grupa Energetyczna S.A.**, registered office at ul. Mysia 2, 00-496 Warsaw, Poland
- **ENEA S.A.**, registered office at ul. Górecka 1, 60-201 Poznań, Poland.

On July 4th 2012, PGNiG SA entered into a framework agreement concerning shale oil and gas exploration and production in the Wejherowo licence area with four other Polish companies: Tauron Polska Energia S.A., KGHM Polska Miedź S.A., PGE Polska Grupa Energetyczna S.A. and Enea S.A. Under the agreement, joint work will be conducted on a part of the Wejherowo licence area held by PGNiG, and specifically in the Kochanowo, Częstkowo and Tępcz zones, where preliminary surveys and analyses have confirmed the presence of unconventional gas deposits. The joint effort will cover about 160 sq km in the Wejherowo licence area. Expenditure on the Kochanowo-Częstkowo-Tępcz (KCT) project is estimated at up to PLN 1.7 bn.. PGNiG SA will be the licence operator throughout the exploration and appraisal phase.

19.6.Foreign operations

The note is described in detail in Note 38.8. to the Group's Interim Consolidated Financial Statements.

20 OTHER IMPORTANT INFORMATION

20.1. Restructuring process

In H1 2013, the Programme for Workforce Streamlining and Redundancy Payments to the Employees of the PGNiG Group for 2009–2011 (Stage 3) (the “Programme”), adopted by the Extraordinary General Meeting of PGNiG SA on December 11th 2008, was continued. Introduced in January 2009, the Programme operates on a stand-by basis and requires all the participating companies to follow a uniform procedure. Any decisions regarding the Programme’s implementation can only be made if justified by the scope of planned restructuring involving workforce downsizing and/or job shedding.

Given that none of the Parties terminated the Programme by September 30th 2011, it will remain in force in the coming years and expire on December 31st 2015, unless one of the Parties to the Programme (the PGNiG Management Board or the Social Partner) terminates the Programme prior to that date.

The costs of redundancy payments to which laid-off employees are entitled under the Programme are covered from the Central Restructuring Fund, which is at the disposal of the General Meeting of PGNiG SA, or with other funds accumulated for that purpose by the entities participating in the Programme.

The following events related to the implementation of the Workforce Streamlining Programme occurred during the reporting period:

1. PGNiG SA paid a total of PLN 7.6m out of the Central Restructuring Fund as one-off redundancy payments to former employees of PGNiG Technologie SA.
2. On June 26th 2013, the Extraordinary General Meeting of PGNiG S.A. approved the use of the Central Restructuring Fund to cover one-off redundancy payments to:
 - a) former employees of Geofizyka Kraków S.A., for a total amount of PLN 2.4m;
 - b) former employees of PNiG Jasło S.A. (currently Exalo Drilling S.A.), for a total amount of PLN 0.9m.
3. The following entities requested to use the Central Restructuring Fund to cover the cost of one-off redundancy payments:
 - a) Exalo Drilling S.A. – for payments to former employees, for a total amount of PLN 2.3m;
 - b) BUD-GAZ Sp. z o.o. w likwidacji (in liquidation) – for payments to former employees, for a total amount of PLN 1.9m.

20.2. Contracts for supplies of gas fuel and crude oil

In H1 2013, the Company did not execute any material long-term contracts for the sale of gas fuel and crude oil.

20.3. Contracts for purchases of gas fuel

In H1 2013, PGNiG SA purchased gas mainly under the agreements and contracts discussed below, namely the long-term contract for imports of gas from Russia and medium-term and short-term agreements for supplies of gas from European suppliers:

- Contract with OOO Gazprom Export for sale of natural gas to the Republic of Poland, dated September 25th 1996, which remains in force until 2022.
- Agreement with VNG-Verbundnetz Gas AG for sale of Lasów natural gas, dated August 17th 2006, effective until October 1st 2016.
- Framework agreement with Vitol S.A., dated September 30th 2009, under which the Individual Transaction of May 13th 2011 was effected in H1 2013; the Individual Transaction involves natural gas supplies to a cross-border terminal on the Polish-Czech border in the

Cieszyn area, in a total quantity of approximately 550m cubic metres per year, in the period from October 1st 2011 to October 1st 2014.

PGNiG SA supplies gas to different regions of Poland under the following agreements and contracts:

- Agreement on integrated gas supply services, executed between PGNiG SA and Severomoravská plynárenská a.s., dated March 27th 2008. By way of an annex, the agreement has been extended until December 31st 2013.
- Agreement for supplies of natural gas executed with NAK Naftogaz Ukrainy, dated October 26th 2004, in force until 2020. Gas imported under the agreement is supplied to consumers in the Hrubieszów area (on January 1st 2011, NAK Naftogaz Ukrainy suspended the supplies and currently steps are being taken to terminate the agreement).

In H1 2013, PGNiG SA purchased domestically produced nitrogen-rich gas (types Ls and Lw) from entities outside the PGNiG Group under the following agreements:

1. Natural gas supplies agreement between PGNiG SA and FX Energy Poland Sp. z o.o., dated December 8th 2005 (gas from the Zaniemyśl field).
2. Natural gas supplies agreement between PGNiG SA and Calenergy Resources Poland Sp. z o.o., dated December 8th 2005 (gas from the Zaniemyśl field).
3. Natural gas supplies agreement between PGNiG SA and DPV Service Sp. z o.o., dated January 13th 2009 (gas from the Antonin field). According to the notice of October 31st 2012 (ref. no. L.dz. 71/A-1/2012), natural gas production from the Antonin field was suspended on November 1st 2012 for economic reasons.
4. Natural gas supplies agreement between PGNiG SA and FX Energy Poland Sp. z o.o., dated June 19th 2009 (gas from the Roszków field).
5. Natural gas supplies agreement between PGNiG SA and FX Energy Poland Sp. z o.o., dated December 8th 2010 (gas from the Kromolice - Środa Wielkopolska - Kromolice S field).
6. Natural gas supplies agreement between PGNiG SA and FX Energy Poland Sp. z o.o., dated June 4th 2012 (gas from the Winna Góra field).

All the agreements listed above will remain in force until the fields are depleted.

New agreements:

1. In H1 2013, PGNiG S.A. executed the following contracts and agreements:
 - with PGNiG Sales&Trading GmbH (PST):
Under Framework Agreement on EFET terms between PGNiG and PGNiG Sales & Trading, dated October 27th 2011, the parties enter into short-term agreements for natural gas supplies. In H1 2013, PGNiG S.A. purchased natural gas in a total amount of 4,435,638.5 MWh from PST.
 - with OSM sp. z o.o.:
On June 6th 2013, based on a framework storage services agreement (July 1st 2013 – May 31st 2014), the parties entered into a short-term agreement for storage services.
 - with FX Energy Poland Sp. z o.o.: on June 18th 2013, the parties entered into a gas sale agreement (Lisewo field).
2. On June 28th 2013 PGNiG S.A. obtained the approval of the Minister of the State Treasury for entering into short-term agreements for purchase of natural gas in the period from July 1st 2013 to January 1st 2014. The approval granted by the Minister of the State Treasury will allow the Company to use the more liquid European market, respond promptly to declines in prices on the spot market, select the most advantageous bids among the potential suppliers,

and will additionally have positive influence on the Company's financial position and its position on the market.

Amendments to the existing contracts

On March 20th 2013, PGNiG S.A. and OOO Gazprom Export executed an annex to Contract No. 2102-14/RZ-1/25/96 of September 25th 1996 for sale of natural gas to the Republic of Poland. Under the annex, the parties agreed on an option to increase the daily offtake at the Vysokoye cross-border point to 15 million cubic metres, with the annual contracted volumes remaining unchanged. The annex provided that the option to offtake the increased amounts of natural gas was applicable over five consecutive days from the moment when the parties agree upon the beginning of the offtake of such increased amounts.

20.5. Additional contributions to equity of PI GAZOTECH Sp. z o.o.

The note is described in detail in Note 42.1. to the Group's Interim Consolidated Financial Statements.

20.5. Proceedings before the President of the Polish Office of Competition and Consumer Protection (UOKiK)

The note is described in detail in Note 42.2. to the Group's Interim Consolidated Financial Statements.

21 EVENTS SUBSEQUENT TO THE BALANCE-SHEET DATE

1. On July 1st 2013, the Company acquired 209,064,231 shares, with a par value of PLN 50 per share and total value of PLN 10,453m, in the increased share capital of PGNIG SPV 4 Sp. z o.o. (subsidiary). The shares carry no preference and were delivered to PGNiG at a price equal to their par value.

The shares were acquired following the acquisition by PGNIG SPV 4 sp. z o.o., under Art. 492.1.1 of the Commercial Companies Code, of all assets of the PGNiG Group distribution companies (listed below):

- Dolnośląska Spółka Gazownictwa sp. z o.o.,
- Górnośląska Spółka Gazownictwa sp. z o.o.,
- Karpacka Spółka Gazownictwa sp. z o.o.,
- Mazowiecka Spółka Gazownictwa sp. z o.o.,
- Pomorska Spółka Gazownictwa sp. z o.o.
- Wielkopolska Spółki Gazownictwa sp. z o.o.

PGNiG had held 100% equity interests in the companies listed above.

2. PGNiG S.A. issued notes under a short-term note issuance programme dated December 1st 2010.

The notes were issued to wholly-owned subsidiaries of PGNiG SA, in which the Company held 100% of the total vote:

- 250 notes with a total value of PLN 25m, issued on July 1st 2013, due on September 2nd 2013, yielding 3.07% per annum, were acquired by Pomorska Spółka Gazownictwa Sp. z o.o.;
- 350 notes with a total value of PLN 35m, issued on July 5th 2013, due on July 19th 2013, yielding 3.04% per annum, were acquired by PGNIG SPV4 Sp. z o.o.;
- 200 notes with a total value of PLN 20m, issued on July 11th 2013, due on August 6th 2013, yielding 2.92% per annum, were acquired by PGNIG SPV4 Sp. z o.o.;

- 470 notes with a total value of PLN 47m, issued on July 15th 2013, due on August 12th 2013, yielding 2.92% per annum, were acquired by PGNiG SPV4 Sp. z o.o.;
 - 1,000 notes with a total value of PLN 100m, issued on July 16th 2013, due on July 30th 2013, yielding 2.90% per annum, were acquired by PGNiG SPV4 Sp. z o.o.;
 - 400 notes with a total value of PLN 40m, issued on July 22nd 2013, due on August 19th 2013, yielding 2.94% per annum, were acquired by PGNiG SPV4 Sp. z o.o.;
 - Issue of July 25th 2013:
 - 150 notes with a total value of PLN 15m, due on August 8th 2013, yielding 2.90% per annum, were acquired by PGNiG SPV4 Sp. z o.o.;
 - 200 notes with a total value of PLN 20m, due on August 22nd 2013, yielding 2.92% per annum, were acquired by PGNiG SPV4 Sp. z o.o.;
 - 500 notes with a total value of PLN 50m, due on August 26th 2013, yielding 2.93% per annum, were acquired by PGNiG SPV4 Sp. z o.o.;
 - 100 notes with a total value of PLN 10m, issued on July 26th 2013, due on August 16th 2013, yielding 2.91% per annum, were acquired by PGNiG SPV4 Sp. z o.o.;
 - 1,150 notes with a total value of PLN 115m, issued on July 30th 2013, due on August 13th 2013, yielding 2.90% per annum, were acquired by PGNiG SPV4 Sp. z o.o.
3. On July 23rd 2013, the District Court for the Capital City of Warsaw in Warsaw entered the merger of PGNiG SA with PGNiG Energia S.A. into the Register of Entrepreneurs. The merger of PGNiG SA and PGNiG Energia S.A. was effected under Art. 492.1.1 of the Commercial Companies Code, through the transfer, by way of universal succession, of all assets of the target company to the acquiring company, as the sole shareholder of the target company, and dissolution of the target company without a liquidation procedure (merger through acquisition), pursuant to Art. 515.1 of the Commercial Companies Code, i.e. without increasing the share capital of the acquiring company.