



**PGNiG**

Polskie Górnictwo Naftowe  
i Gazownictwo SA

**CONSOLIDATED  
INTERIM REPORT  
FOR THE FIRST QUARTER OF 2012**

# POLISH FINANCIAL SUPERVISION AUTHORITY

## Consolidated Quarterly Report QSr 1 / 2012

quarter / year

(pursuant to Par. 82.2 and Par. 83.1 of the Regulation of the Minister of Finance of February 19th 2009 – Dz. U. No. 33, item 259).

**for issuers of securities in the manufacturing, construction, trade, and services sectors**

for the first quarter of the 2012 financial year covering the **January 1st to March 31st 2012**, containing condensed consolidated financial statements prepared in accordance with the International Financial Reporting Standards in the zloty (PLN), and condensed separate financial statements prepared in accordance with the International Financial Reporting Standards in the zloty (PLN).

May 15th 2012  
(date of release)

<b>POLSKIE GÓRNICtwo NAFTOWE I GAZOWNICTWO S.A.</b>	
(name)	
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(abbreviated name)	(sector according to the WSE's classification)
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## FINANCIAL HIGHLIGHTS

Condensed consolidated financial data	Q1 2012 YTD	Q1 2011 YTD	Q1 2012 YTD	Q1 2011 YTD
	Jan 1–Mar 31 2012	Jan 1–Mar 31 2011	Jan 1–Mar 31 2012	Jan 1–Mar 31 2011
	PLN '000		EUR '000	
I. Sales revenue	8,946,568	7,045,008	2,142,891	1,772,686
II. Operating profit/loss	299,941	1,178,947	71,842	296,650
III. Pre-tax profit/loss	328,941	1,242,409	78,788	312,619
IV. Net profit/loss attributable to owners of the Parent	296,760	1,023,200	71,080	257,461
V. Net profit/loss	297,278	1,024,612	71,204	257,816
VI. Comprehensive income attributable to owners of the Parent	102,973	1,230,896	24,664	309,722
VII. Total comprehensive income	103,491	1,232,308	24,788	310,077
VIII. Net cash provided by/used in operating activities	1,917,948	2,021,061	459,389	508,545
IX. Net cash provided by/used in investing activities	(3,682,134)	(1,080,687)	(881,948)	(271,926)
X. Net cash provided by/used in financing activities	2,425,708	(814,011)	581,008	(204,824)
XI. Total net cash flow	661,522	126,363	158,448	31,796
XII. Net earnings/loss and diluted net earnings/loss per share attributable to owners of the Parent (PLN/EUR)	0.05	0.17	0.01	0.04
	As at	As at	As at	As at
	Mar 31 2012	Dec 31 2011	Mar 31 2012	Dec 31 2011
XIII. Total assets	42,291,566	37,964,374	10,162,333	8,595,448
XIV. Liabilities and provisions for liabilities	17,686,698	13,467,714	4,249,975	3,049,202
XV. Non-current liabilities	8,075,850	5,621,501	1,940,563	1,272,754
XVI. Current liabilities	9,610,848	7,846,213	2,309,412	1,776,448
XVII. Equity	24,604,868	24,496,660	5,912,358	5,546,246
XVIII. Share capital	5,900,000	5,900,000	1,417,724	1,335,809
XIX. Weighted average number of shares ('000)	5,900,000	5,900,000	5,900,000	5,900,000
XX. Book value per share and diluted book value per share (PLN/EUR)	4.17	4.15	1.00	0.94
XXI. Dividend per share declared or paid (PLN/EUR)	-	0.12	-	0.03

Condensed separate financial data	Q1 2012 YTD	Q1 2011 YTD	Q1 2012 YTD	Q1 2011 YTD
	Jan 1–Mar 31 2012	Jan 1–Mar 31 2011	Jan 1–Mar 31 2012	Jan 1–Mar 31 2011
	PLN '000		EUR '000	
I. Sales revenue	7,943,952	6,835,394	1,902,743	1,719,942
II. Operating profit/loss	(297,745)	603,915	(71,316)	151,959
III. Pre-tax profit/loss	(289,345)	642,589	(69,304)	161,690
IV. Net profit/loss	(240,268)	535,025	(57,549)	134,625
V. Comprehensive income	(423,326)	746,441	(101,395)	187,822
VI. Net cash provided by/used in operating activities	827,803	1,212,058	198,276	304,982
VII. Net cash provided by/used in investing activities	(3,472,981)	(663,803)	(831,852)	(167,028)
VIII. Net cash provided by/used in financing activities	2,845,457	(630,580)	681,547	(158,668)
IX. Total net cash flow	200,279	(82,325)	47,971	(20,715)
X. Net earnings/loss and diluted net earnings/loss per ordinary share (PLN/EUR)	(0.04)	0.09	(0.01)	0.02
	As at	As at	As at	As at
	Mar 31 2012	Dec 31 2011	Mar 31 2012	Dec 31 2011
XI. Total assets	31,150,716	28,486,740	7,485,274	6,449,633
XII. Liabilities and provisions for liabilities	11,926,434	8,839,132	2,865,829	2,001,252
XIII. Non-current liabilities	4,127,410	2,019,362	991,784	457,200
XIV. Current liabilities	7,799,024	6,819,770	1,874,045	1,544,052
XV. Equity	19,224,282	19,647,608	4,619,445	4,448,381
XVI. Share capital	5,900,000	5,900,000	1,417,724	1,335,809
XVII. Weighted average number of shares ('000)	5,900,000	5,900,000	5,900,000	5,900,000
XVIII. Book value per share and diluted book value per share (PLN/EUR)	3.26	3.33	0.78	0.75
XIX. Dividend per share declared or paid (PLN/EUR)	-	0.12	-	0.03

Items of the income statement, statement of comprehensive income and statement of cash flows have been translated using the EUR exchange rate computed as the arithmetic mean of mid- exchange 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 have been translated using the EUR mid-exchange rate quoted by the NBP for the end of the given reporting period.

### AVERAGE EUR/PLN EXCHANGE RATES QUOTED BY THE NATIONAL BANK OF POLAND

	Mar 31 2012	Dec 31 2011	Mar 31 2011
Average exchange rate for period	4.1750	4.1401	3.9742
Exchange rate at end of period	4.1616	4.4168	4.0119

## I. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED INCOME STATEMENT

	Q1 2012	Q1 2011
	Jan 1–Mar 31 2012	Jan 1–Mar 31 2011
	unaudited	unaudited
	(PLN '000)	
<b>Sales revenue</b>	<b>8,946,568</b>	<b>7,045,008</b>
Raw and other materials used	(6,490,463)	(4,312,093)
Employee benefits	(694,770)	(597,593)
Depreciation and amortisation	(454,823)	(389,689)
Third-party services	(800,710)	(818,910)
Cost of products and services for own needs	151,255	264,832
Other operating expenses, net	(357,116)	(12,608)
<b>Total operating expenses</b>	<b>(8,646,627)</b>	<b>(5,866,061)</b>
<b>Operating profit/loss</b>	<b>299,941</b>	<b>1,178,947</b>
Finance income	93,150	75,334
Finance expenses	(64,009)	(11,683)
Share in net profit/loss of equity-accounted entities	(141)	(189)
<b>Pre-tax profit/loss</b>	<b>328,941</b>	<b>1,242,409</b>
Corporate income tax	(31,663)	(217,797)
<b>Net profit/loss</b>	<b>297,278</b>	<b>1,024,612</b>
Attributable to:		
Owners of the Parent	296,760	1,023,200
Non-controlling interests	518	1,412
Net earnings/loss and diluted net earnings/loss per share attributable to owners of the Parent	0.05	0.17

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Q1 2012	Q1 2011
	Jan 1– Mar 31 2012	Jan 1– Mar 31 2011
	unaudited	unaudited
	(PLN '000)	
<b>Net profit/loss</b>	<b>297,278</b>	<b>1,024,612</b>
Currency translation differences on foreign operations	(18,295)	(5,624)
Valuation of hedging instruments	(216,656)	246,710
Valuation of financial instruments	-	16,648
Deferred tax on other comprehensive income	41,164	(50,038)
Other	-	-
<b>Other comprehensive income, net</b>	<b>(193,787)</b>	<b>207,696</b>
<b>Total comprehensive income</b>	<b>103,491</b>	<b>1,232,308</b>
Attributable to:		
Owners of the Parent	102,973	1,230,896
Non-controlling interests	518	1,412

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at Mar 31 2012, end of Q1 2012 unaudited	As at Dec 31 2011, end of previous year audited
	(PLN '000)	
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	31,197,953	28,427,026
Investment property	13,108	7,136
Intangible assets	1,094,427	275,437
Investments in equity-accounted associates	598,249	598,391
Financial assets available for sale	56,434	56,410
Other financial assets	8,506	9,339
Deferred tax assets	1,107,910	963,800
Other non-current assets	93,640	97,814
<b>Total non-current assets</b>	<b>34,170,227</b>	<b>30,435,353</b>
<b>Current assets</b>		
Inventories	1,359,630	2,082,386
Trade and other receivables	3,959,167	3,378,136
Current income tax receivable	139,201	164,462
Prepayments and accrued income	412,557	83,911
Financial assets available for sale	4,143	22,275
Derivative financial instrument assets	75,528	284,629
Cash and cash equivalents	2,164,652	1,504,792
Non-current assets held for sale	6,461	8,430
<b>Total current assets</b>	<b>8,121,339</b>	<b>7,529,021</b>
<b>Total assets</b>	<b>42,291,566</b>	<b>37,964,374</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	5,900,000	5,900,000
Currency translation differences on foreign operations	(41,262)	(22,967)
Share premium account	1,740,093	1,740,093
Other capital reserves	13,973,734	14,149,226
Retained earnings/deficit	3,020,259	2,723,499
<b>Equity attributable to equity holders of the Parent</b>	<b>24,592,824</b>	<b>24,489,851</b>
Equity attributable to non-controlling interests	12,044	6,809
<b>Total equity</b>	<b>24,604,868</b>	<b>24,496,660</b>
<b>Non-current liabilities</b>		
Loans, borrowings and debt securities	3,363,871	1,382,344
Provisions	1,741,061	1,625,802
Deferred income	1,177,082	1,160,067
Deferred tax liabilities	1,776,589	1,433,410
Other non-current liabilities	17,247	19,878
<b>Total non-current liabilities</b>	<b>8,075,850</b>	<b>5,621,501</b>
<b>Current liabilities</b>		
Trade and other payables	3,932,869	3,354,903
Loans, borrowings and debt securities	4,841,368	3,616,633
Derivative financial instrument liabilities	297,688	416,836
Current tax liability	108,649	57,729
Provisions	323,510	305,171
Deferred income	106,764	94,941
<b>Total current liabilities</b>	<b>9,610,848</b>	<b>7,846,213</b>
<b>Total liabilities</b>	<b>17,686,698</b>	<b>13,467,714</b>
<b>Total equity and liabilities</b>	<b>42,291,566</b>	<b>37,964,374</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Q1 2012	Q1 2011
	Jan 1– Mar 31 2012	Jan 1– Mar 31 2011
	unaudited	unaudited
	(PLN '000)	
<b>Cash flows from operating activities</b>		
Net profit/loss	297,278	1,024,612
Adjustments:		
Share in net profit/loss of equity-accounted entities	141	189
Depreciation and amortisation	454,823	389,689
Net foreign exchange gains/losses	(65,872)	(15,282)
Net interest and dividend	40,661	(3,974)
Profit/loss from investing activities	(17,784)	(4,870)
Current income tax	31,663	217,797
Income tax paid	(49,581)	(283,177)
Other items, net	87,932	32,373
<b>Net cash provided by/used in operating activities before changes in working capital</b>	<b>779,261</b>	<b>1,357,357</b>
Change in working capital:		
Change in receivables, net	(268,412)	85,213
Change in inventories	1,097,579	482,745
Change in provisions	4,726	10,484
Change in current liabilities	648,828	381,930
Change in prepayments	(314,523)	(296,158)
Change in deferred income	(29,511)	(510)
<b>Net cash provided by/used in operating activities</b>	<b>1,917,948</b>	<b>2,021,061</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment and intangible assets	5,834	6,689
Proceeds from sale of shares in non-consolidated entities	-	9
Proceeds from sale of short-term securities	17,270	8,044
Acquisition of property, plant and equipment and intangible assets	(906,670)	(1,081,200)
Acquisition of shares in non-consolidated entities	(87)	(13,000)
Acquisition of short-term securities	-	-
Interest received	63	575
Dividend received	-	-
Proceeds from finance lease	-	615
Acquisition of PGNiG Termika SA	(3,016,700)	-
Other items, net	218,156	(2,419)
<b>Net cash provided by/used in investing activities</b>	<b>(3,682,134)</b>	<b>(1,080,687)</b>
<b>Cash flows from financing activities</b>		
Net proceeds from issue of shares, other equity instruments and additional contributions to equity	-	-
Proceeds from loans and borrowings	25,268	165,145
Proceeds from issue of debt securities	6,036,527	199,144
Repayment of loans and borrowings	(263,038)	(61,657)
Redemption of debt securities	(3,283,988)	(1,090,517)
Decrease in finance lease liabilities	(17,114)	(6,818)
Inflows from forward contracts	-	-
Outflows on forward contracts	-	-
Dividend paid	-	-
Interest paid	(68,759)	(18,984)
Other items, net	(3,188)	(324)
<b>Net cash provided by/used in financing activities</b>	<b>2,425,708</b>	<b>(814,011)</b>
<b>Net change in cash</b>	<b>661,522</b>	<b>126,363</b>
Net foreign exchange gains/losses	(1,663)	233
<b>Cash and cash equivalents at beginning of period</b>	<b>1,503,803</b>	<b>1,372,918</b>
<b>Cash and cash equivalents at end of period</b>	<b>2,165,325</b>	<b>1,499,281</b>



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to owners of the Parent					Equity attributable to non-controlling interests	Total equity	
	Share capital	Currency translation differences on foreign operations	Share premium account	Other capital reserves	Retained earnings/deficit			Total
	(PLN '000)							
<b>As at Jan 1 2012</b>	<b>5,900,000</b>	<b>(22,967)</b>	<b>1,740,093</b>	<b>14,149,226</b>	<b>2,723,499</b>	<b>24,489,851</b>	<b>6,809</b>	<b>24,496,660</b>
Transfers	-	-	-	-	-	-	-	-
Payment of dividend to owners	-	-	-	-	-	-	-	-
Net profit/loss for Q1 2012	-	-	-	-	296,760	<b>296,760</b>	518	<b>297,278</b>
Other comprehensive income, net, for Q1 2012	-	(18,295)	-	(175,492)	-	<b>(193,787)</b>	-	<b>(193,787)</b>
Changes within the Group	-	-	-	-	-	-	4,717	<b>4,717</b>
<b>As at Mar 31 2012 (unaudited)</b>	<b>5,900,000</b>	<b>(41,262)</b>	<b>1,740,093</b>	<b>13,973,734</b>	<b>3,020,259</b>	<b>24,592,824</b>	<b>12,044</b>	<b>24,604,868</b>
<b>As at Jan 1 2011</b>	<b>5,900,000</b>	<b>(57,320)</b>	<b>1,740,093</b>	<b>12,268,163</b>	<b>3,655,110</b>	<b>23,506,046</b>	<b>13,424</b>	<b>23,519,470</b>
Transfers	-	-	-	-	-	-	-	-
Payment of dividend to shareholders	-	-	-	-	-	-	-	-
Net profit/loss for Q1 2011	-	-	-	-	1,023,200	<b>1,023,200</b>	1,412	<b>1,024,612</b>
Net other comprehensive income for Q1 2011	-	(5,624)	-	213,320	-	<b>207,696</b>	-	<b>207,696</b>
Changes within the Group	-	-	-	-	-	-	-	-
<b>As at Mar 31 2011 (unaudited)</b>	<b>5,900,000</b>	<b>(62,944)</b>	<b>1,740,093</b>	<b>12,481,483</b>	<b>4,678,310</b>	<b>24,736,942</b>	<b>14,836</b>	<b>24,751,778</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. Deferred tax

Deferred tax assets and liabilities	Deferred tax assets	Deferred tax liabilities
<b>As at Jan 1 2012</b>	<b>963,800</b>	<b>1,433,410</b>
a) increase	162,449	394,759
b) decrease	(18,339)	(51,580)
<b>As at Mar 31 2012</b>	<b>1,107,910</b>	<b>1,776,589</b>
<b>As at Jan 1 2011</b>	<b>774,904</b>	<b>1,386,513</b>
a) increase	480,541	79,745
b) decrease	(291,645)	(32,848)
<b>As at Dec 31 2011</b>	<b>963,800</b>	<b>1,433,410</b>

### 2. Impairment losses

Impairment losses on assets	Property, plant and equipment and intangible assets	Investment property	Other financial assets	Investments in equity-accounted associates	Non-current financial assets available for sale	Inventories	Current receivables	Current portion of non-current loans	Current financial assets available for sale	Total
<b>As at Jan 1 2012</b>	<b>1,054,427</b>	<b>26</b>	<b>318</b>	<b>930,863</b>	<b>37,817</b>	<b>19,977</b>	<b>755,263</b>	<b>28,822</b>	<b>-</b>	<b>2,827,513</b>
a) increase	5,378	-	-	-	-	27	82,305	(885)	-	74,270
b) transfer	-	-	-	-	(82)	-	-	-	82	-
c) decrease	(32,212)	-	(29)	(12,555)	(2)	(599)	(70,037)	(924)	-	(103,803)
d) changes within the Group	23,017	-	-	-	-	170	1,556	-	-	24,743
<b>As at Mar 31 2012</b>	<b>1,027,593</b>	<b>26</b>	<b>289</b>	<b>918,308</b>	<b>37,733</b>	<b>19,575</b>	<b>769,087</b>	<b>27,013</b>	<b>82</b>	<b>2,822,723</b>
<b>As at Jan 1 2011</b>	<b>1,196,698</b>	<b>4</b>	<b>239</b>	<b>956,555</b>	<b>52,760</b>	<b>14,244</b>	<b>1,061,042</b>	<b>22,372</b>	<b>-</b>	<b>3,303,914</b>
a) increase	157,264	22	95	(1)	575	8,209	101,516	5,046	-	272,726
b) transfer	-	-	(16)	-	(1,360)	-	16	-	1,360	-
c) decrease	(299,535)	-	-	(25,691)	(14,158)	(2,476)	(407,311)	1,404	(1,360)	(749,127)
<b>As at Dec 31 2011</b>	<b>1,054,427</b>	<b>26</b>	<b>318</b>	<b>930,863</b>	<b>37,817</b>	<b>19,977</b>	<b>755,263</b>	<b>28,822</b>	<b>-</b>	<b>2,827,513</b>

### 3. Provisions

	Provision for length-of-service awards and retirement severance pays	Provision for the employment streamlining and voluntary termination programme	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	Central Restructuring Fund	Provision for potential liabilities to the PBG S.A.-led consortium	Other	Total
<b>As at Jan 1 2012</b>	<b>320,192</b>	<b>37,486</b>	<b>1,237,584</b>	-	<b>117,915</b>	<b>61,651</b>	<b>19,590</b>	<b>21,773</b>	<b>114,782</b>	<b>1,930,973</b>
a) increase	1,746	27	4,199	-	3,450	8,299	-	-	17,843	35,564
b) transfer	-	-	-	-	-	-	-	-	-	-
c) decrease	(6,164)	(11,241)	(4,985)	-	(1,370)	(718)	(1,078)	-	(1,850)	(27,406)
d) changes within the Group	44,978	-	-	-	-	-	-	-	80,462	125,440
<b>As at Mar 31 2012</b>	<b>360,752</b>	<b>26,272</b>	<b>1,236,798</b>	-	<b>119,995</b>	<b>69,232</b>	<b>18,512</b>	<b>21,773</b>	<b>211,237</b>	<b>2,064,571</b>
<b>As at Jan 1 2011</b>	<b>327,415</b>	-	<b>1,117,441</b>	<b>179</b>	<b>134,284</b>	<b>79,964</b>	<b>21,292</b>	-	<b>110,236</b>	<b>1,790,811</b>
a) increase	33,025	37,486	132,408	-	1,869	15,771	5,000	21,773	118,583	365,915
b) transfer	-	-	-	-	-	-	-	-	-	-
c) decrease	(40,248)	-	(12,265)	(179)	(18,238)	(34,084)	(6,702)	-	(114,037)	(225,753)
<b>As at Dec 31 2011</b>	<b>320,192</b>	<b>37,486</b>	<b>1,237,584</b>	-	<b>117,915</b>	<b>61,651</b>	<b>19,590</b>	<b>21,773</b>	<b>114,782</b>	<b>1,930,973</b>

### 4. Sales revenue

	Jan 1–Mar 31 2012	Jan 1–Mar 31 2011
High-methane gas	6,990,285	6,013,916
Nitrogen-rich gas	435,176	402,192
Crude oil	340,784	270,585
Helium	32,552	13,503
Propane-butane gas	17,765	15,588
Natural gasoline	2,201	944
LNG	12,730	8,661
Electricity	311,084	79
Heat	376,210	242
Certificates of origin for electricity	64,547	-
Geophysical and geological services	109,003	100,467
Exploration services	128,555	105,508
Materials and goods for resale	4,335	4,292
Other sales of products and services	121,341	109,031
<b>Total</b>	<b>8,946,568</b>	<b>7,045,008</b>

## 5. Operating expenses

Raw and other materials used	Jan 1–Mar 31 2012	Jan 1–Mar 31 2011
Cost of gas sold	(5,886,300)	(4,154,611)
Other raw and other materials used	(192,546)	(157,482)
Other fuels for electricity and heat generation	(411,617)	-
<b>Total</b>	<b>(6,490,463)</b>	<b>(4,312,093)</b>

Third-party services	Jan 1–Mar 31 2012	Jan 1–Mar 31 2011
Purchases of transmission services from OGP Gaz-System S.A.	(417,653)	(414,951)
Costs of dry wells written off	(58,639)	(86,161)
Other third-party services	(324,418)	(317,798)
<b>Total</b>	<b>(800,710)</b>	<b>(818,910)</b>

## 6. Income tax

	Jan 1–Mar 31 2012	Jan 1–Mar 31 2011
Profit/loss before tax (consolidated)	328,941	1,242,409
Tax rate applicable in the period	19%	19%
Tax calculated at the applicable tax rate	(62,499)	(236,058)
Permanent differences between pre-tax profit/loss and tax base	30,836	18,261
<b>Tax expense in the consolidated income statement</b>	<b>(31,663)</b>	<b>(217,797)</b>
Current income tax	(124,573)	(231,077)
Deferred income tax	92,910	13,280
Effective tax rate	9.63%	17.53%

Lower effective tax rate in Q1 2012 was attributable mainly to a considerable increase in deferred tax assets at subsidiary PGNiG Norway AS. Inclusion of the deferred tax recognised by PGNiG Norway AS in the consolidated income statement significantly lowered the tax expense, and consequently resulted in a material decrease in the effective tax rate after the first quarter of 2012. The tax expense was additionally reduced as a result of recognition of deferred tax assets on tax loss by the Parent.

## 7. Property, plant and equipment by categories

	As at Mar 31 2012, end of Q1 2012	As at Dec 31 2011, end of previous year
Land	66,721	57,506
Buildings and structures	15,438,782	14,662,532
Plant and equipment	4,022,220	2,480,291
Vehicles and other	1,145,715	1,020,759
<b>Total tangible assets</b>	<b>20,673,438</b>	<b>18,221,088</b>
Tangible assets under construction	10,524,515	10,205,938
<b>Total property, plant and equipment</b>	<b>31,197,953</b>	<b>28,427,026</b>

## 8. Derivative financial instruments

The table below presents the banks with which the Parent has signed ISDA (International Swaps and Derivatives Association) agreements or Polish Master Agreements, prepared in accordance with the guidelines of the Polish Banks Association (PMA).

Bank	Agreement/ transaction types
ABN Amro	ISDA/all transactions
BH	PMA/all transactions
Barclays Bank plc	ISDA/all transactions
BNP Paribas	ISDA/all transactions
BRE BANK S.A.	PMA/all (excluding commodity transactions)
BZ WBK S.A.	PMA/all transactions
CA-CIB	ISDA/all transactions
Credit Suisse	ISDA/all transactions
DB Polska S.A.	PMA/currency transactions
DB AG	ISDA/all transactions
Goldman Sachs	ISDA/all transactions
HSBC Bank Polska S.A.	PMA/all (excluding commodity transactions)
ING Bank NV.	ISDA/all transactions
Mitsubishi UFJ Securities Int. plc	ISDA/all transactions
Morgan Stanley	ISDA/currency transactions
Millennium Bank S.A.	PMA/currency transactions
Natixis	ISDA/all transactions
Nordea Bank Finland plc	ISDA/all transactions
PBP S.A.	PMA/all (excluding commodity transactions)
Pekao SA	PMA/all (excluding commodity transactions)
PKO BP S.A.	PMA/all (excluding commodity transactions)
SG Bank	ISDA/all transactions
SMBC Capital Markets, Inc.	ISDA/currency transactions

In the period January 1st–March 31st 2012, the following derivative transactions were concluded:

- purchase of currency call options,
- sale of currency forward;
- purchase of currency forward;
- purchase of cross currency basis swap;
- sale of cross currency basis swap;
- zero-cost risk reversal strategy based on symmetrical commodity options.

All derivative transactions executed by the Parent are hedges of commodity, currency and interest rate risk exposures. The volume of hedging transactions does not exceed the value of the hedged items in any of the periods.

All eligible transactions concluded in the period January 1st–March 31st 2012 are covered by hedge accounting.

Furthermore, in that period the Parent was party to CCIRS transactions, entered into both in Q1 2012 and earlier, which are not covered by hedge accounting. This is due to the fact that the valuation of both the hedged item and the hedge (the derivative transaction) is reflected in the income statement, which produces the same effect as if hedge accounting was applied.

The table below presents the Company's unsettled derivative transactions as at March 31st 2012.

Hedged item	Value of hedging instrument	Currency of hedging instrument	Type of hedge	Date of hedging transaction	Maturity date	Exercise price (exercise price range)	Hedged risk	Fair value measurement of the hedge (+) positive (-) negative
Loan	930,000,000.00	NOK	CCIRS	2010-12-09	2014-01-15	0.5056	currency and interest rate risk	(50,319)
Loan	1,596,000,000.00	NOK	CCIRS	2010-12-13	2014-01-15	0.5052	currency and interest rate risk	(84,690)
Loan	674,000,000.00	NOK	CCIRS	2010-12-14	2014-01-15	0.5040	currency and interest rate risk	(36,928)
Loan	700,000,000.00	NOK	CCIRS	2010-12-15	2014-01-15	0.5054	currency and interest rate risk	(36,864)
Loan	100,000,000.00	NOK	CCIRS	2011-10-28	2014-01-15	0.5616	currency and interest rate risk	626
Loan	110,000,000.00	NOK	CCIRS	2011-11-21	2014-01-15	0.5673	currency and interest rate risk	894
Loan	450,000,000.00	NOK	CCIRS	2011-12-02	2014-01-15	0.5743	currency and interest rate risk	8,218
Loan	100,000,000.00	EUR	CCIRS	2012-02-15	2017-02-14	4.1800	currency and interest rate risk	(8,764)
Loan	100,000,000.00	EUR	CCIRS	2012-02-21	2017-02-14	4.1800	currency and interest rate risk	(8,859)
Loan	40,000,000.00	NOK	CCIRS	2012-02-22	2014-01-15	0.5575	currency and interest rate risk	276
Loan	50,000,000.00	EUR	CCIRS	2012-02-28	2017-02-14	4.1600	currency and interest rate risk	(3,767)
Loan	50,000,000.00	EUR	CCIRS	2012-03-08	2017-02-14	4.1300	currency and interest rate risk	(2,061)
Loan	100,000,000.00	EUR	CCIRS	2012-03-14	2017-02-14	4.1400	currency and interest rate risk	(5,447)
Loan	50,000,000.00	EUR	CCIRS	2012-03-14	2017-02-14	4.1550	currency and interest rate risk	(3,294)
Loan	95,000,000.00	NOK	CCIRS	2012-03-14	2014-01-15	0.5489	currency and interest rate risk	(117)
Loan	50,000,000.00	EUR	CCIRS	2012-03-16	2017-02-14	4.1350	currency and interest rate risk	(1,593)
Loan	201,306,000	NOK	FWD	2012-01-12	2012-12-28	0.5913	currency risk	7,120
Payments for gas	10,000,000	USD	FWD	2011-10-25	2012-04-20	3.1900	currency risk	(638)
Payments for gas	10,000,000	USD	FWD	2011-10-27	2012-04-10	3.1595	currency risk	(377)
Payments for gas	10,000,000	USD	FWD	2011-10-27	2012-04-10	3.1516	currency risk	(298)
Payments for gas	10,000,000	USD	FWD	2011-10-27	2012-04-20	3.1460	currency risk	(200)
Payments for gas	10,000,000	USD	FWD	2011-12-22	2012-05-18	3.4415	currency risk	(3,037)
Payments for gas	10,000,000	USD	FWD	2011-12-27	2012-04-10	3.4061	currency risk	(2,843)
Payments for gas	10,000,000	USD	FWD	2011-12-27	2012-04-20	3.4090	currency risk	(2,823)
Payments for gas	5,000,000	EUR	FWD	2012-02-20	2012-07-20	4.2396	currency risk	(156)
Payments for gas	5,000,000	EUR	FWD	2012-02-20	2012-07-10	4.2350	currency risk	(155)
Payments for gas	10,000,000	USD	FWD	2012-02-21	2012-05-10	3.1781	currency risk	(448)
Payments for gas	10,000,000	USD	FWD	2012-02-21	2012-05-18	3.1865	currency risk	(503)
Payments for gas	10,000,000	USD	FWD	2012-02-22	2012-05-10	3.1875	currency risk	(542)
Payments for gas	10,000,000	USD	FWD	2012-02-22	2012-05-18	3.1950	currency risk	(587)
Payments for gas	8,000,000	EUR	FWD	2012-01-16	2012-05-18	4.4572	currency risk	(2,179)
Payments for gas	10,000,000	USD	FWD	2012-02-23	2012-07-20	3.1940	currency risk	(368)
Payments for gas	10,000,000	USD	FWD	2012-02-24	2012-08-20	3.1718	currency risk	(74)
Payments for gas	10,000,000	USD	FWD	2012-02-24	2012-08-10	3.1717	currency risk	(94)
Payments for gas	10,000,000	USD	FWD	2012-02-24	2012-08-10	3.1630	currency risk	(8)

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Hedged item	Value of hedging instrument	Currency of hedging instrument	Type of hedge	Date of hedging transaction	Maturity date	Exercise price (exercise price range)	Hedged risk	Fair value measurement of the hedge (+) positive (-) negative
Payments for gas	10,000,000	USD	FWD	2012-02-24	2012-08-20	3.1663	currency risk	(20)
Payments for gas	4,000,000	EUR	FWD	2012-02-28	2012-08-20	4.2204	currency risk	(8)
Payments for gas	4,000,000	EUR	FWD	2012-02-28	2012-08-10	4.2159	currency risk	(1)
Payments for gas	10,000,000	USD	FWD	2012-02-29	2012-09-10	3.1379	currency risk	312
Payments for gas	10,000,000	USD	FWD	2012-02-29	2012-09-10	3.1317	currency risk	373
Payments for gas	10,000,000	USD	FWD	2012-02-29	2012-09-10	3.1275	currency risk	414
Payments for gas	10,000,000	USD	FWD	2012-02-29	2012-09-20	3.1318	currency risk	402
Payments for gas	5,000,000	EUR	FWD	2012-03-02	2012-09-10	4.1951	currency risk	151
Payments for gas	5,000,000	EUR	FWD	2012-03-02	2012-09-10	4.1935	currency risk	159
Payments for gas	5,000,000	EUR	FWD	2012-03-08	2012-06-08	4.1675	currency risk	123
Payments for gas	4,000,000	EUR	FWD	2012-03-08	2012-06-20	4.1738	currency risk	92
Payments for gas	10,000,000	USD	FWD	2012-03-08	2012-06-20	3.1404	currency risk	72
Payments for gas	10,000,000	USD	FWD	2012-03-08	2012-06-08	3.1370	currency risk	61
Payments for gas	10,000,000	USD	FWD	2012-03-13	2012-05-10	3.1467	currency risk	(136)
Payments for gas	10,000,000	USD	FWD	2012-03-13	2012-06-08	3.1596	currency risk	(163)
Payments for gas	10,000,000	USD	FWD	2012-03-13	2012-06-20	3.1645	currency risk	(167)
Payments for gas	6,000,000	EUR	FWD	2012-03-13	2012-07-10	4.1638	currency risk	236
Payments for gas	10,000,000	USD	FWD	2012-01-18	2012-05-10	3.4282	currency risk	(2,937)
Payments for gas	4,000,000	EUR	FWD	2012-03-19	2012-05-18	4.1479	currency risk	140
Payments for gas	3,000,000	EUR	FWD	2012-03-19	2012-06-20	4.1473	currency risk	148
Payments for gas	10,000,000	USD	FWD	2012-03-19	2012-06-20	3.1460	currency risk	16
Payments for gas	10,000,000	USD	FWD	2012-03-19	2012-06-08	3.1371	currency risk	60
Payments for gas	10,000,000	USD	FWD	2012-03-23	2012-09-10	3.1875	currency risk	(174)
Payments for gas	10,000,000	USD	FWD	2012-03-23	2012-09-20	3.1910	currency risk	(177)
Payments for gas	10,000,000	USD	FWD	2012-03-23	2012-09-20	3.1884	currency risk	(152)
Payments for gas	7,000,000	EUR	FWD	2012-03-27	2012-07-20	4.1820	currency risk	179
Payments for gas	10,000,000	USD	FWD	2012-03-27	2012-09-20	3.1448	currency risk	275
Payments for gas	5,000,000	EUR	FWD	2012-03-27	2012-08-20	4.1983	currency risk	99
Payments for gas	5,000,000	EUR	FWD	2012-03-27	2012-08-10	4.1920	currency risk	116
Payments for gas	10,000,000	USD	FWD	2012-03-30	2012-09-20	3.1747	currency risk	(18)
Payments for gas	10,000,000	USD	FWD	2012-03-30	2012-09-10	3.1750	currency risk	(51)
Payments for gas	5,000,000	EUR	FWD	2012-03-30	2012-09-20	4.2333	currency risk	(14)
Payments for gas	10,000,000	USD	FWD	2012-01-20	2012-05-10	3.3649	currency risk	(2,307)
Payments for gas	10,000,000	USD	FWD	2012-01-20	2012-05-18	3.3795	currency risk	(2,421)
Payments for gas	10,000,000	USD	FWD	2012-01-23	2012-06-08	3.3383	currency risk	(1,934)

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Hedged item	Value of hedging instrument	Currency of hedging instrument	Type of hedge	Date of hedging transaction	Maturity date	Exercise price (exercise price range)	Hedged risk	Fair value measurement of the hedge (+) positive (-) negative
Payments for gas	10,000,000	USD	FWD	2012-01-23	2012-06-20	3.3379	currency risk	(1,883)
Payments for gas	10,000,000	USD	FWD	2012-01-26	2012-06-08	3.2680	currency risk	(1,237)
Payments for gas	10,000,000	USD	FWD	2012-01-26	2012-06-20	3.2755	currency risk	(1,266)
Payments for gas	10,000,000	USD	FWD	2012-01-26	2012-07-10	3.2842	currency risk	(1,290)
Payments for gas	10,000,000	USD	FWD	2012-01-26	2012-07-20	3.2820	currency risk	(1,236)
Payments for gas	10,000,000	USD	FWD	2012-02-01	2012-04-10	3.2231	currency risk	(1,012)
Payments for gas	10,000,000	USD	FWD	2012-02-01	2012-04-20	3.2297	currency risk	(1,034)
Payments for gas	4,000,000	EUR	FWD	2012-02-01	2012-04-10	4.2323	currency risk	(272)
Payments for gas	5,000,000	EUR	FWD	2012-02-01	2012-04-20	4.2371	currency risk	(332)
Payments for gas	10,000,000	USD	FWD	2012-02-01	2012-04-10	3.2086	currency risk	(868)
Payments for gas	10,000,000	USD	FWD	2012-02-01	2012-04-20	3.2118	currency risk	(856)
Payments for gas	10,000,000	USD	FWD	2012-02-07	2012-06-20	3.2183	currency risk	(699)
Payments for gas	10,000,000	USD	FWD	2012-02-07	2012-06-08	3.2114	currency risk	(676)
Payments for gas	10,000,000	USD	FWD	2012-02-07	2012-06-08	3.2087	currency risk	(650)
Payments for gas	10,000,000	USD	FWD	2012-02-07	2012-06-20	3.2150	currency risk	(667)
Payments for gas	10,000,000	USD	FWD	2012-02-17	2012-06-08	3.2174	currency risk	(736)
Payments for gas	5,000,000	EUR	FWD	2012-01-13	2012-04-10	4.4529	currency risk	(1,437)
Payments for gas	10,000,000	USD	FWD	2012-02-17	2012-06-20	3.2122	currency risk	(639)
Payments for gas	10,000,000	USD	FWD	2012-02-20	2012-05-10	3.1942	currency risk	(609)
Payments for gas	10,000,000	USD	FWD	2012-02-20	2012-05-18	3.1960	currency risk	(597)
Payments for gas	6,000,000	EUR	FWD	2012-02-20	2012-05-18	4.2211	currency risk	(226)
Payments for gas	7,000,000	EUR	FWD	2012-02-20	2012-05-10	4.2129	currency risk	(233)
Payments for gas	10,000,000	USD	FWD	2012-02-20	2012-06-20	3.1987	currency risk	(505)
Payments for gas	10,000,000	USD	FWD	2012-02-20	2012-07-10	3.2005	currency risk	(463)
Payments for gas	6,000,000	EUR	FWD	2012-02-20	2012-06-08	4.2185	currency risk	(156)
Payments for gas	5,000,000	EUR	FWD	2012-02-20	2012-06-20	4.2230	currency risk	(128)
Payments for gas	10,000,000	USD	CALL	2011-09-26	2012-04-10	3.6400	currency risk	-
Payments for gas	6,000,000	EUR	CALL	2011-09-26	2012-04-10	4.7000	currency risk	-
Payments for gas	10,000,000	USD	CALL	2011-09-27	2012-04-20	3.6200	currency risk	-
Payments for gas	10,000,000	USD	CALL	2011-09-29	2012-04-10	3.6100	currency risk	-
Payments for gas	10,000,000	USD	CALL	2011-09-29	2012-04-10	3.6100	currency risk	-
Payments for gas	10,000,000	USD	CALL	2011-10-27	2012-04-10	3.4100	currency risk	-
Payments for gas	10,000,000	USD	CALL	2011-10-28	2012-04-20	3.3500	currency risk	4
Payments for gas	10,000,000	USD	CALL	2011-10-28	2012-04-20	3.4250	currency risk	-
Payments for gas	10,000,000	USD	CALL	2011-10-28	2012-04-20	3.3800	currency risk	2



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Hedged item	Value of hedging instrument	Currency of hedging instrument	Type of hedge	Date of hedging transaction	Maturity date	Exercise price (exercise price range)	Hedged risk	Fair value measurement of the hedge (+) positive (-) negative
Payments for gas	10,000,000	USD	CALL	2011-11-02	2012-05-10	3.5225	currency risk	-
Payments for gas	10,000,000	USD	CALL	2011-11-03	2012-04-20	3.5215	currency risk	-
Payments for gas	10,000,000	USD	CALL	2011-11-03	2012-04-10	3.4915	currency risk	-
Payments for gas	10,000,000	USD	CALL	2011-11-04	2012-05-18	3.4720	currency risk	4
Payments for gas	10,000,000	USD	CALL	2011-11-04	2012-05-10	3.4335	currency risk	4
Payments for gas	10,000,000	USD	CALL	2011-11-07	2012-04-20	3.5150	currency risk	-
Payments for gas	10,000,000	USD	CALL	2011-11-07	2012-04-10	3.4900	currency risk	-
Payments for gas	5,000,000	EUR	CALL	2011-11-07	2012-04-20	4.4900	currency risk	2
Payments for gas	10,000,000	USD	CALL	2011-11-07	2012-04-10	3.5150	currency risk	-
Payments for gas	5,000,000	EUR	CALL	2011-11-08	2012-04-20	4.4575	currency risk	4
Payments for gas	10,000,000	USD	CALL	2011-11-08	2012-04-20	3.5175	currency risk	-
Payments for gas	10,000,000	USD	CALL	2011-11-08	2012-04-20	3.5050	currency risk	-
Payments for gas	10,000,000	USD	CALL	2011-12-02	2012-04-10	3.5580	currency risk	-
Payments for gas	5,000,000	EUR	CALL	2011-12-21	2012-04-10	4.6355	currency risk	-
Payments for gas	5,000,000	EUR	CALL	2011-12-22	2012-04-20	4.5570	currency risk	1
Payments for gas	5,000,000	EUR	CALL	2011-12-22	2012-05-10	4.5600	currency risk	5
Payments for gas	10,000,000	USD	CALL	2011-12-22	2012-05-10	3.6225	currency risk	-
Payments for gas	10,000,000	USD	CALL	2011-12-23	2012-05-10	3.5900	currency risk	-
Payments for gas	10,000,000	USD	CALL	2011-12-23	2012-05-18	3.6165	currency risk	-
Payments for gas	10,000,000	USD	CALL	2011-12-23	2012-05-18	3.6125	currency risk	-
Payments for gas	10,000,000	USD	CALL	2011-12-23	2012-05-18	3.5950	currency risk	-
Payments for gas	10,000,000	USD	CALL	2011-12-27	2012-05-10	3.5450	currency risk	-
Payments for gas	10,000,000	USD	CALL	2011-12-27	2012-05-10	3.5600	currency risk	-
Payments for gas	10,000,000	USD	CALL	2011-12-27	2012-05-18	3.5600	currency risk	1
Payments for gas	10,000,000	USD	CALL	2011-12-27	2012-05-18	3.5800	currency risk	-
Payments for gas	5,000,000	EUR	CALL	2011-12-27	2012-05-18	4.5500	currency risk	12
Payments for gas	10,000,000	USD	CALL	2011-12-28	2012-05-10	3.5300	currency risk	-
Payments for gas	10,000,000	USD	CALL	2011-12-28	2012-05-18	3.5450	currency risk	1
Payments for gas	10,000,000	USD	CALL	2011-12-30	2012-05-10	3.5750	currency risk	-
Payments for gas	5,000,000	EUR	CALL	2012-02-20	2012-07-20	4.2950	currency risk	298
Payments for gas	10,000,000	USD	CALL	2012-02-20	2012-08-10	3.4220	currency risk	589
Payments for gas	10,000,000	USD	CALL	2012-02-22	2012-08-20	3.4470	currency risk	571
Payments for gas	10,000,000	USD	CALL	2012-02-23	2012-08-10	3.3820	currency risk	699
Payments for gas	5,000,000	EUR	CALL	2012-02-23	2012-08-10	4.3280	currency risk	311
Payments for gas	10,000,000	USD	CALL	2012-02-23	2012-08-20	3.4780	currency risk	459

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Hedged item	Value of hedging instrument	Currency of hedging instrument	Type of hedge	Date of hedging transaction	Maturity date	Exercise price (exercise price range)	Hedged risk	Fair value measurement of the hedge (+) positive (-) negative
Payments for gas	10,000,000	USD	CALL	2012-02-23	2012-07-20	3.3320	currency risk	679
Payments for gas	10,000,000	USD	CALL	2012-02-24	2012-08-10	3.4360	currency risk	546
Payments for gas	10,000,000	USD	CALL	2012-02-24	2012-08-10	3.4360	currency risk	546
Payments for gas	10,000,000	USD	CALL	2012-02-24	2012-08-20	3.3470	currency risk	834
Payments for gas	5,000,000	EUR	CALL	2012-02-24	2012-08-20	4.3320	currency risk	325
Payments for gas	5,000,000	EUR	CALL	2012-02-28	2012-08-20	4.3420	currency risk	314
Payments for gas	5,000,000	EUR	CALL	2012-02-28	2012-08-10	4.3250	currency risk	314
Payments for gas	10,000,000	USD	CALL	2012-02-28	2012-09-10	3.3450	currency risk	952
Payments for gas	10,000,000	USD	CALL	2012-02-28	2012-08-20	3.3280	currency risk	876
Payments for gas	10,000,000	USD	CALL	2012-02-28	2012-08-20	3.2920	currency risk	952
Payments for gas	10,000,000	USD	CALL	2012-02-28	2012-08-20	3.3120	currency risk	911
Payments for gas	8,000,000	EUR	CALL	2012-01-17	2012-06-08	4.6065	currency risk	48
Payments for gas	9,000,000	EUR	CALL	2012-01-18	2012-06-20	4.5945	currency risk	96
Payments for gas	10,000,000	USD	CALL	2012-01-18	2012-05-18	3.5480	currency risk	1
Payments for gas	10,000,000	USD	CALL	2012-03-09	2012-06-08	3.2800	currency risk	468
Payments for gas	5,000,000	EUR	CALL	2012-03-09	2012-06-08	4.2500	currency risk	235
Payments for gas	10,000,000	USD	CALL	2012-03-27	2012-09-20	3.3520	currency risk	992
Payments for gas	10,000,000	USD	CALL	2012-03-30	2012-10-10	3.3270	currency risk	1,118
Payments for gas	10,000,000	USD	CALL	2012-01-20	2012-06-08	3.5230	currency risk	9
Payments for gas	10,000,000	USD	CALL	2012-01-20	2012-06-20	3.5520	currency risk	11
Payments for gas	10,000,000	USD	CALL	2012-01-23	2012-06-20	3.5425	currency risk	13
Payments for gas	10,000,000	USD	CALL	2012-01-23	2012-06-08	3.5130	currency risk	10
Payments for gas	10,000,000	USD	CALL	2012-01-23	2012-06-08	3.5030	currency risk	13
Payments for gas	10,000,000	USD	CALL	2012-01-23	2012-06-20	3.5250	currency risk	18
Payments for gas	10,000,000	USD	CALL	2012-01-23	2012-06-20	3.5030	currency risk	27
Payments for gas	7,000,000	EUR	CALL	2012-01-13	2012-04-10	4.5500	currency risk	-
Payments for gas	10,000,000	USD	CALL	2012-01-23	2012-06-08	3.4960	currency risk	14
Payments for gas	10,000,000	USD	CALL	2012-01-23	2012-07-10	3.5250	currency risk	35
Payments for gas	10,000,000	USD	CALL	2012-01-24	2012-06-08	3.5070	currency risk	12
Payments for gas	10,000,000	USD	CALL	2012-01-25	2012-07-10	3.5435	currency risk	24
Payments for gas	10,000,000	USD	CALL	2012-01-25	2012-07-10	3.5235	currency risk	36
Payments for gas	10,000,000	USD	CALL	2012-01-26	2012-07-10	3.4720	currency risk	114
Payments for gas	10,000,000	USD	CALL	2012-01-26	2012-07-20	3.5080	currency risk	75
Payments for gas	6,000,000	EUR	CALL	2012-01-13	2012-05-10	4.6000	currency risk	3
Payments for gas	10,000,000	USD	CALL	2012-01-26	2012-07-20	3.4880	currency risk	131

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Hedged item	Value of hedging instrument	Currency of hedging instrument	Type of hedge	Date of hedging transaction	Maturity date	Exercise price (exercise price range)	Hedged risk	Fair value measurement of the hedge (+) positive (-) negative
Payments for gas	10,000,000	USD	CALL	2012-01-27	2012-08-10	3.4980	currency risk	279
Payments for gas	10,000,000	USD	CALL	2012-01-27	2012-07-10	3.4520	currency risk	184
Payments for gas	5,000,000	EUR	CALL	2012-01-27	2012-07-10	4.3950	currency risk	178
Payments for gas	10,000,000	USD	CALL	2012-01-27	2012-07-20	3.4820	currency risk	156
Payments for gas	7,000,000	EUR	CALL	2012-01-13	2012-04-20	4.5700	currency risk	1
Payments for gas	10,000,000	USD	CALL	2012-02-03	2012-08-10	3.4950	currency risk	297
Payments for gas	6,000,000	EUR	CALL	2012-02-03	2012-05-18	4.2690	currency risk	167
Payments for gas	7,000,000	EUR	CALL	2012-02-03	2012-05-10	4.2850	currency risk	137
Payments for gas	10,000,000	USD	CALL	2012-02-03	2012-07-10	3.4250	currency risk	296
Payments for gas	10,000,000	USD	CALL	2012-02-17	2012-07-20	3.3820	currency risk	547
Payments for gas	10,000,000	USD	CALL	2012-02-17	2012-07-20	3.3970	currency risk	503
Payments for gas	45,000	GO	Commodity call	2011-05-10	2012-04-10	1,100	gas price risk	-
Payments for gas	46,000	GO	Commodity call	2011-05-11	2012-04-10	1,150	gas price risk	-
Payments for gas	56,000	FO	Commodity call	2011-05-11	2012-04-10	790	gas price risk	-
Payments for gas	52,000	FO	Commodity call	2011-05-16	2012-04-10	770	gas price risk	-
Payments for gas	54,000	FO	Commodity call	2011-05-16	2012-04-20	780	gas price risk	-
Payments for gas	49,500	GO	Commodity call	2011-05-17	2012-04-20	1,100	gas price risk	-
Payments for gas	49,500	GO	Commodity call	2011-05-17	2012-05-10	1,100	gas price risk	-
Payments for gas	42,300	GO	Commodity call	2011-05-17	2012-05-18	1,100	gas price risk	-
Payments for gas	54,000	FO	Commodity call	2011-05-17	2012-05-10	770	gas price risk	-
Payments for gas	40,000	GO	Commodity call	2011-05-20	2012-06-20	1,100	gas price risk	-
Payments for gas	27,000	FO	Commodity call	2011-05-20	2012-06-20	770	gas price risk	-
Payments for gas	42,000	GO	Commodity call	2011-05-23	2012-06-11	1,100	gas price risk	-
Payments for gas	50,000	FO	Commodity call	2011-05-23	2012-06-11	770	gas price risk	-
Payments for gas	39,000	GO	Commodity call	2011-05-23	2012-07-10	1,100	gas price risk	-
Payments for gas	27,000	FO	Commodity call	2011-05-23	2012-07-10	770	gas price risk	-
Payments for gas	20,000	FO	Commodity call	2011-06-02	2012-07-10	800	gas price risk	-
Payments for gas	50,000	FO	Commodity call	2011-06-16	2012-05-18	850	gas price risk	-
Payments for gas	20,000	FO	Commodity call	2011-06-16	2012-06-20	850	gas price risk	-
Payments for gas	32,000	GO	Commodity call	2011-08-05	2012-04-20	1,060	gas price risk	-
Payments for gas	45,000	GO	Commodity call	2011-08-05	2012-05-18	1,060	gas price risk	-
Payments for gas	32,000	FO	Commodity call	2011-08-05	2012-04-20	780	gas price risk	-
Payments for gas	40,000	FO	Commodity call	2011-08-05	2012-05-18	780	gas price risk	-
Payments for gas	32,000	FO	Commodity call	2011-08-05	2012-06-20	780	gas price risk	-
Payments for gas	37,000	GO	Commodity call	2011-08-05	2012-06-20	1,060	gas price risk	-

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Hedged item	Value of hedging instrument	Currency of hedging instrument	Type of hedge	Date of hedging transaction	Maturity date	Exercise price (exercise price range)	Hedged risk	Fair value measurement of the hedge (+) positive (-) negative
Payments for gas	32,000	FO	Commodity call	2011-08-08	2012-04-20	780	gas price risk	-
Payments for gas	32,000	GO	Commodity call	2011-08-08	2012-05-10	1,060	gas price risk	-
Payments for gas	32,000	FO	Commodity call	2011-08-08	2012-05-10	780	gas price risk	-
Payments for gas	32,000	GO	Commodity call	2011-08-08	2012-06-11	1,060	gas price risk	-
Payments for gas	32,000	GO	Commodity call	2011-08-08	2012-07-10	1,060	gas price risk	-
Payments for gas	32,000	FO	Commodity call	2011-08-09	2012-05-10	770	gas price risk	-
Payments for gas	40,000	FO	Commodity call	2011-08-09	2012-06-11	770	gas price risk	-
Payments for gas	12,800	GO	Commodity call	2011-08-11	2012-06-11	1,060	gas price risk	-
Payments for gas	32,000	FO	Commodity call	2011-08-11	2012-07-10	770	gas price risk	-
Payments for gas	32,000	FO	Commodity call	2011-08-11	2012-07-10	770	gas price risk	-
Payments for gas	32,000	FO	Commodity call	2011-08-16	2012-06-20	770	gas price risk	-
Payments for gas	40,000	FO	Commodity call	2011-08-16	2012-05-18	770	gas price risk	-
Payments for gas	40,000	FO	Commodity call	2011-08-17	2012-06-11	770	gas price risk	-
Payments for gas	8,500	FO	Commodity call	2011-08-19	2012-04-10	760	gas price risk	-
Payments for gas	50,000	FO	Commodity call	2011-09-08	2012-07-20	850	gas price risk	-
Payments for gas	36,000	GO	Commodity call	2011-09-08	2012-07-20	1,150	gas price risk	-
Payments for gas	50,000	FO	Commodity call	2011-09-08	2012-08-10	850	gas price risk	-
Payments for gas	36,000	GO	Commodity call	2011-09-08	2012-08-10	1,150	gas price risk	-
Payments for gas	35,000	GO	Commodity call	2011-09-09	2012-09-20	1,130	gas price risk	-
Payments for gas	47,000	FO	Commodity call	2011-09-09	2012-09-20	850	gas price risk	-
Payments for gas	47,000	FO	Commodity call	2011-09-13	2012-08-20	840	gas price risk	-
Payments for gas	35,000	GO	Commodity call	2011-09-13	2012-08-20	1,150	gas price risk	-
Payments for gas	34,000	GO	Commodity call	2011-09-14	2012-09-10	1,150	gas price risk	-
Payments for gas	46,000	FO	Commodity call	2011-09-14	2012-09-10	840	gas price risk	-
Payments for gas	34,000	GO	Commodity call	2011-09-20	2012-10-10	1,150	gas price risk	-
Payments for gas	46,000	FO	Commodity call	2011-09-20	2012-10-10	840	gas price risk	-
Payments for gas	29,000	GO	Commodity call	2011-11-02	2012-08-10	1,150	gas price risk	-
Payments for gas	29,000	GO	Commodity call	2011-11-02	2012-07-20	1,150	gas price risk	-
Payments for gas	25,000	FO	Commodity call	2011-11-04	2012-07-20	820	gas price risk	-
Payments for gas	25,000	FO	Commodity call	2011-11-04	2012-08-10	820	gas price risk	-
Payments for gas	30,000	FO	Commodity call	2011-11-10	2012-09-10	840	gas price risk	-
Payments for gas	30,000	FO	Commodity call	2011-11-10	2012-09-20	840	gas price risk	-
Payments for gas	35,000	GO	Commodity call	2011-11-10	2012-09-10	1,200	gas price risk	-
Payments for gas	30,000	FO	Commodity call	2011-11-10	2012-08-20	840	gas price risk	-
Payments for gas	31,000	GO	Commodity call	2011-11-10	2012-10-10	1,200	gas price risk	-

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Hedged item	Value of hedging instrument	Currency of hedging instrument	Type of hedge	Date of hedging transaction	Maturity date	Exercise price (exercise price range)	Hedged risk	Fair value measurement of the hedge (+) positive (-) negative
Payments for gas	35,000	GO	Commodity call	2011-11-10	2012-08-20	1,200	gas price risk	-
Payments for gas	30,000	FO	Commodity call	2011-11-14	2012-10-10	840	gas price risk	-
Payments for gas	26,000	FO	Commodity call	2011-11-14	2012-09-10	840	gas price risk	-
Payments for gas	26,000	FO	Commodity call	2011-11-14	2012-08-20	840	gas price risk	-
Payments for gas	26,000	GO	Commodity call	2011-11-15	2012-09-20	1,200	gas price risk	-
Payments for gas	22,000	FO	Commodity call	2011-11-15	2012-07-20	840	gas price risk	-
Payments for gas	22,000	FO	Commodity call	2011-11-15	2012-08-10	840	gas price risk	-
Payments for gas	19,000	FO	Commodity call	2011-11-15	2012-09-20	840	gas price risk	-
Payments for gas	15,000	FO	Commodity call	2011-11-15	2012-10-10	840	gas price risk	-
Payments for gas	20,000	GO	Commodity call	2011-11-15	2013-01-10	1,200	gas price risk	10
Payments for gas	20,000	GO	Commodity call	2011-11-17	2012-12-20	1,200	gas price risk	10
Payments for gas	20,000	GO	Commodity call	2011-11-17	2012-11-20	1,200	gas price risk	10
Payments for gas	30,000	FO	Commodity call	2011-11-17	2013-01-10	850	gas price risk	52
Payments for gas	30,000	FO	Commodity call	2011-11-17	2012-12-20	850	gas price risk	52
Payments for gas	30,000	FO	Commodity call	2011-11-17	2012-12-10	850	gas price risk	52
Payments for gas	30,000	FO	Commodity call	2011-11-18	2012-11-20	850	gas price risk	52
Payments for gas	30,000	GO	Commodity call	2011-11-18	2012-11-09	1,200	gas price risk	15
Payments for gas	30,000	GO	Commodity call	2011-11-18	2012-10-19	1,200	gas price risk	15
Payments for gas	20,000	GO	Commodity call	2011-11-21	2012-12-10	1,170	gas price risk	28
Payments for gas	20,000	FO	Commodity call	2011-11-21	2012-10-19	840	gas price risk	52
Payments for gas	20,000	FO	Commodity call	2011-11-21	2012-11-09	840	gas price risk	52
Payments for gas	32,000	FO	Commodity call	2011-11-23	2013-01-10	730	gas price risk	2,489
Payments for gas	22,000	GO	Commodity call	2011-11-23	2013-01-10	1,050	gas price risk	789
Payments for gas	22,000	FO	Commodity call	2011-11-23	2012-12-10	730	gas price risk	1,711
Payments for gas	22,000	GO	Commodity call	2011-11-24	2012-12-20	1,040	gas price risk	975
Payments for gas	17,000	GO	Commodity call	2011-11-24	2012-12-10	1,040	gas price risk	754
Payments for gas	32,000	FO	Commodity call	2011-11-25	2012-12-20	720	gas price risk	3,071
Payments for gas	22,000	FO	Commodity call	2011-11-25	2012-10-19	720	gas price risk	2,111
Payments for gas	17,000	GO	Commodity call	2011-11-25	2012-11-20	1,040	gas price risk	754
Payments for gas	22,000	FO	Commodity call	2011-11-28	2012-11-09	730	gas price risk	1,711
Payments for gas	22,000	FO	Commodity call	2011-11-28	2012-11-20	730	gas price risk	1,711
Payments for gas	24,000	FO	Commodity call	2012-02-27	2012-11-20	820	gas price risk	431
Payments for gas	24,000	FO	Commodity call	2012-02-27	2012-12-10	820	gas price risk	431
Payments for gas	24,000	FO	Commodity call	2012-02-28	2013-01-10	820	gas price risk	431
Payments for gas	44,000	FO	Commodity call	2012-03-01	2013-01-18	840	gas price risk	1,319

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Payments for gas	35,000	GO	Commodity call	2012-03-01	2013-01-18	1,170	gas price risk	803
Payments for gas	44,000	FO	Commodity call	2012-03-01	2013-02-08	840	gas price risk	1,319
Payments for gas	35,000	GO	Commodity call	2012-03-01	2013-02-08	1,170	gas price risk	803
Payments for gas	39,000	FO	Commodity call	2012-03-14	2013-02-20	870	gas price risk	699
Payments for gas	33,000	GO	Commodity call	2012-03-15	2013-02-20	1,170	gas price risk	757
Payments for gas	33,000	GO	Commodity call	2012-03-15	2013-03-08	1,170	gas price risk	757
Payments for gas	31,000	GO	Commodity call	2012-03-16	2013-03-20	1,160	gas price risk	818
Payments for gas	39,000	FO	Commodity call	2012-03-16	2013-03-08	865	gas price risk	763
Payments for gas	37,000	FO	Commodity call	2012-03-16	2013-03-20	865	gas price risk	724
Payments for gas	31,000	GO	Commodity call	2012-03-22	2013-04-10	1,140	gas price risk	1,073
Payments for gas	37,000	FO	Commodity call	2012-03-27	2013-04-10	850	gas price risk	938
Payments for gas	30,000	FO	Commodity call	2012-02-01	2012-10-19	760	gas price risk	1,612
Payments for gas	21,000	GO	Commodity call	2012-02-01	2012-10-19	1,060	gas price risk	893
Payments for gas	30,000	FO	Commodity call	2012-02-01	2012-11-09	760	gas price risk	1,612
Payments for gas	21,000	GO	Commodity call	2012-02-01	2012-11-09	1,060	gas price risk	893
Payments for gas	20,000	GO	Commodity call	2012-02-01	2012-11-20	1,070	gas price risk	701
Payments for gas	20,000	GO	Commodity call	2012-02-02	2012-12-10	1,060	gas price risk	851
Payments for gas	28,000	FO	Commodity call	2012-02-02	2012-12-20	760	gas price risk	1,504
Payments for gas	21,000	GO	Commodity call	2012-02-02	2012-12-20	1,060	gas price risk	893
Payments for gas	21,000	GO	Commodity call	2012-02-02	2013-01-10	1,060	gas price risk	893
Payments for gas	45,000	GO	Commodity put	2011-05-10	2012-04-10	836	gas price risk	-
Payments for gas	46,000	GO	Commodity put	2011-05-11	2012-04-10	835	gas price risk	-
Payments for gas	56,000	FO	Commodity put	2011-05-11	2012-04-10	562	gas price risk	-
Payments for gas	52,000	FO	Commodity put	2011-05-16	2012-04-10	543	gas price risk	-
Payments for gas	54,000	FO	Commodity put	2011-05-16	2012-04-20	534	gas price risk	-
Payments for gas	49,500	GO	Commodity put	2011-05-17	2012-04-20	816	gas price risk	-
Payments for gas	49,500	GO	Commodity put	2011-05-17	2012-05-10	815	gas price risk	-
Payments for gas	42,300	GO	Commodity put	2011-05-17	2012-05-18	816	gas price risk	-
Payments for gas	54,000	FO	Commodity put	2011-05-17	2012-05-10	526	gas price risk	-
Payments for gas	40,000	GO	Commodity put	2011-05-20	2012-06-20	780	gas price risk	-
Payments for gas	27,000	FO	Commodity put	2011-05-20	2012-06-20	519	gas price risk	-
Payments for gas	42,000	GO	Commodity put	2011-05-23	2012-06-11	787	gas price risk	-
Payments for gas	50,000	FO	Commodity put	2011-05-23	2012-06-11	520	gas price risk	-
Payments for gas	39,000	GO	Commodity put	2011-05-23	2012-07-10	785	gas price risk	-
Payments for gas	27,000	FO	Commodity put	2011-05-23	2012-07-10	521	gas price risk	-

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Hedged item	Value of hedging instrument	Currency of hedging instrument	Type of hedge	Date of hedging transaction	Maturity date	Exercise price (exercise price range)	Hedged risk	Fair value measurement of the hedge (+) positive (-) negative
Payments for gas	20,000	FO	Commodity put	2011-06-02	2012-07-10	550	gas price risk	-
Payments for gas	50,000	FO	Commodity put	2011-06-16	2012-05-18	525	gas price risk	-
Payments for gas	20,000	FO	Commodity put	2011-06-16	2012-06-20	525	gas price risk	-
Payments for gas	32,000	GO	Commodity put	2011-08-05	2012-04-20	808	gas price risk	-
Payments for gas	45,000	GO	Commodity put	2011-08-05	2012-05-18	784	gas price risk	-
Payments for gas	32,000	FO	Commodity put	2011-08-05	2012-04-20	520	gas price risk	-
Payments for gas	40,000	FO	Commodity put	2011-08-05	2012-05-18	520	gas price risk	-
Payments for gas	32,000	FO	Commodity put	2011-08-05	2012-06-20	530	gas price risk	-
Payments for gas	37,000	GO	Commodity put	2011-08-05	2012-06-20	808	gas price risk	-
Payments for gas	32,000	FO	Commodity put	2011-08-08	2012-04-20	516	gas price risk	-
Payments for gas	32,000	GO	Commodity put	2011-08-08	2012-05-10	773	gas price risk	-
Payments for gas	32,000	FO	Commodity put	2011-08-08	2012-05-10	519	gas price risk	-
Payments for gas	32,000	GO	Commodity put	2011-08-08	2012-06-11	777	gas price risk	-
Payments for gas	32,000	GO	Commodity put	2011-08-08	2012-07-10	776	gas price risk	-
Payments for gas	32,000	FO	Commodity put	2011-08-09	2012-05-10	487	gas price risk	-
Payments for gas	40,000	FO	Commodity put	2011-08-09	2012-06-11	494	gas price risk	-
Payments for gas	12,800	GO	Commodity put	2011-08-11	2012-06-11	770	gas price risk	-
Payments for gas	32,000	FO	Commodity put	2011-08-11	2012-07-10	504	gas price risk	-
Payments for gas	32,000	FO	Commodity put	2011-08-11	2012-07-10	503	gas price risk	-
Payments for gas	32,000	FO	Commodity put	2011-08-16	2012-06-20	505	gas price risk	-
Payments for gas	40,000	FO	Commodity put	2011-08-16	2012-05-18	539	gas price risk	-
Payments for gas	40,000	FO	Commodity put	2011-08-17	2012-06-11	555	gas price risk	-
Payments for gas	8,500	FO	Commodity put	2011-08-19	2012-04-10	524	gas price risk	-
Payments for gas	50,000	FO	Commodity put	2011-09-08	2012-07-20	526	gas price risk	-
Payments for gas	36,000	GO	Commodity put	2011-09-08	2012-07-20	785	gas price risk	-
Payments for gas	50,000	FO	Commodity put	2011-09-08	2012-08-10	525	gas price risk	-
Payments for gas	36,000	GO	Commodity put	2011-09-08	2012-08-10	782	gas price risk	-
Payments for gas	35,000	GO	Commodity put	2011-09-09	2012-09-20	755	gas price risk	-
Payments for gas	47,000	FO	Commodity put	2011-09-09	2012-09-20	500	gas price risk	-
Payments for gas	47,000	FO	Commodity put	2011-09-13	2012-08-20	492	gas price risk	-
Payments for gas	35,000	GO	Commodity put	2011-09-13	2012-08-20	729	gas price risk	-
Payments for gas	34,000	GO	Commodity put	2011-09-14	2012-09-10	703	gas price risk	-
Payments for gas	46,000	FO	Commodity put	2011-09-14	2012-09-10	470	gas price risk	-
Payments for gas	34,000	GO	Commodity put	2011-09-20	2012-10-10	718	gas price risk	-
Payments for gas	46,000	FO	Commodity put	2011-09-20	2012-10-10	489	gas price risk	-

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Hedged item	Value of hedging instrument	Currency of hedging instrument	Type of hedge	Date of hedging transaction	Maturity date	Exercise price (exercise price range)	Hedged risk	Fair value measurement of the hedge (+) positive (-) negative
Payments for gas	29,000	GO	Commodity put	2011-11-02	2012-08-10	735	gas price risk	-
Payments for gas	29,000	GO	Commodity put	2011-11-02	2012-07-20	735	gas price risk	-
Payments for gas	25,000	FO	Commodity put	2011-11-04	2012-07-20	490	gas price risk	-
Payments for gas	25,000	FO	Commodity put	2011-11-04	2012-08-10	490	gas price risk	-
Payments for gas	30,000	FO	Commodity put	2011-11-10	2012-09-10	536	gas price risk	-
Payments for gas	30,000	FO	Commodity put	2011-11-10	2012-09-20	527	gas price risk	-
Payments for gas	35,000	GO	Commodity put	2011-11-10	2012-09-10	765	gas price risk	-
Payments for gas	30,000	FO	Commodity put	2011-11-10	2012-08-20	527	gas price risk	-
Payments for gas	31,000	GO	Commodity put	2011-11-10	2012-10-10	760	gas price risk	-
Payments for gas	35,000	GO	Commodity put	2011-11-10	2012-08-20	760	gas price risk	-
Payments for gas	30,000	FO	Commodity put	2011-11-14	2012-10-10	510	gas price risk	-
Payments for gas	26,000	FO	Commodity put	2011-11-14	2012-09-10	513	gas price risk	-
Payments for gas	26,000	FO	Commodity put	2011-11-14	2012-08-20	513	gas price risk	-
Payments for gas	26,000	GO	Commodity put	2011-11-15	2012-09-20	773	gas price risk	-
Payments for gas	22,000	FO	Commodity put	2011-11-15	2012-07-20	513	gas price risk	-
Payments for gas	22,000	FO	Commodity put	2011-11-15	2012-08-10	513	gas price risk	-
Payments for gas	19,000	FO	Commodity put	2011-11-15	2012-09-20	510	gas price risk	-
Payments for gas	15,000	FO	Commodity put	2011-11-15	2012-10-10	510	gas price risk	-
Payments for gas	20,000	GO	Commodity put	2011-11-15	2013-01-10	772	gas price risk	-
Payments for gas	20,000	GO	Commodity put	2011-11-17	2012-12-20	750	gas price risk	-
Payments for gas	20,000	GO	Commodity put	2011-11-17	2012-11-20	750	gas price risk	-
Payments for gas	30,000	FO	Commodity put	2011-11-17	2013-01-10	490	gas price risk	-
Payments for gas	30,000	FO	Commodity put	2011-11-17	2012-12-20	490	gas price risk	-
Payments for gas	30,000	FO	Commodity put	2011-11-17	2012-12-10	483	gas price risk	-
Payments for gas	30,000	FO	Commodity put	2011-11-18	2012-11-20	482	gas price risk	-
Payments for gas	30,000	GO	Commodity put	2011-11-18	2012-11-09	750	gas price risk	-
Payments for gas	30,000	GO	Commodity put	2011-11-18	2012-10-19	749	gas price risk	-
Payments for gas	20,000	GO	Commodity put	2011-11-21	2012-12-10	735	gas price risk	-
Payments for gas	20,000	FO	Commodity put	2011-11-21	2012-10-19	444	gas price risk	-
Payments for gas	20,000	FO	Commodity put	2011-11-21	2012-11-09	444	gas price risk	-
Payments for gas	21,000	GO	Commodity put	2012-02-01	2012-10-19	850	gas price risk	(13)
Payments for gas	24,000	FO	Commodity put	2012-02-27	2012-11-20	660	gas price risk	(145)
Payments for gas	24,000	FO	Commodity put	2012-02-27	2012-12-10	661	gas price risk	(153)
Payments for gas	24,000	FO	Commodity put	2012-02-28	2013-01-10	655	gas price risk	(118)
Payments for gas	44,000	FO	Commodity put	2012-03-01	2013-01-18	618	gas price risk	(386)



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Hedged item	Value of hedging instrument	Currency of hedging instrument	Type of hedge	Date of hedging transaction	Maturity date	Exercise price (exercise price range)	Hedged risk	Fair value measurement of the hedge (+) positive (-) negative
Payments for gas	35,000	GO	Commodity put	2012-03-01	2013-01-18	888	gas price risk	(865)
Payments for gas	44,000	FO	Commodity put	2012-03-01	2013-02-08	617	gas price risk	(375)
Payments for gas	35,000	GO	Commodity put	2012-03-01	2013-02-08	888	gas price risk	(865)
Payments for gas	39,000	FO	Commodity put	2012-03-14	2013-02-20	630	gas price risk	(479)
Payments for gas	33,000	GO	Commodity put	2012-03-15	2013-02-20	917	gas price risk	(1,366)
Payments for gas	33,000	GO	Commodity put	2012-03-15	2013-03-08	909	gas price risk	(1,193)
Payments for gas	31,000	GO	Commodity put	2012-03-16	2013-03-20	905	gas price risk	(1,045)
Payments for gas	39,000	FO	Commodity put	2012-03-16	2013-03-08	613	gas price risk	(295)
Payments for gas	37,000	FO	Commodity put	2012-03-16	2013-03-20	613	gas price risk	(280)
Payments for gas	31,000	GO	Commodity put	2012-03-22	2013-04-10	903	gas price risk	(1,009)
Payments for gas	37,000	FO	Commodity put	2012-03-27	2013-04-10	642	gas price risk	(622)
Payments for gas	30,000	FO	Commodity put	2012-02-01	2012-10-19	586	gas price risk	(1)
Payments for gas	30,000	FO	Commodity put	2012-02-01	2012-11-09	585	gas price risk	(1)
Payments for gas	21,000	GO	Commodity put	2012-02-01	2012-11-09	850	gas price risk	(13)
Payments for gas	20,000	GO	Commodity put	2012-02-01	2012-11-20	847	gas price risk	(11)
Payments for gas	20,000	GO	Commodity put	2012-02-02	2012-12-10	847	gas price risk	(11)
Payments for gas	28,000	FO	Commodity put	2012-02-02	2012-12-20	587	gas price risk	(1)
Payments for gas	21,000	GO	Commodity put	2012-02-02	2012-12-20	846	gas price risk	(11)
Payments for gas	21,000	GO	Commodity put	2012-02-02	2013-01-10	844	gas price risk	(10)
Foreign-currency denominated revenues of Geofizyka Kraków Sp. z o.o.	1,240,000.00	EUR	Zero-cost options structures (collars)	2012-01-24	2012-04-27	PUT 4.2400; CALL 4.4000	currency risk	108
<b>Total measurement</b>								<b>(222,160)</b>
					<b>including,</b>	<b>recognised in:</b>	<b>assets</b>	<b>75,528</b>
							<b>liabilities</b>	<b>(297,688)</b>

The effect on the result on derivative instruments is presented in the table below.

	Jan 1–Mar 31 2012	Jan 1–Mar 31 2011
Net gain/loss on valuation of derivative instruments – unrealised	124,901	21,985
Net gain/loss on derivative instruments – realised	(51,270)	(19,750)
<b>Total net gain/loss on derivative instruments recognised in the income statement</b>	<b>73,631</b>	<b>2,235</b>
including:		
recognised in net other operating expenses	(9,050)	5,184
recognised in raw and other materials used	82,681	(2,949)
<b>Net gain/loss on valuation of derivative instruments recognised in other comprehensive income – unrealised</b>	<b>(216,656)</b>	<b>246,710</b>
<b>Total net gain/loss on derivative instruments recognised in equity</b>	<b>(143,025)</b>	<b>248,945</b>

## 9. Acquisition of shares in PGNiG Termika S.A. (formerly Vattenfall Heat Poland S.A.)

### **Business combination**

On January 11th 2012, PGNiG SPV 1 Sp. z o. o., a subsidiary of PGNiG S.A., acquired control of Vattenfall Heat Poland S.A. (currently PGNiG Termika S.A.), whose core business is high-efficiency cogeneration of heat and electricity. For the agreed purchase price of PGNiG Termika S.A. shares, PGNiG SPV 1 Sp. z o. o. acquired 99.84% of shares conferring the right to 99.84 of the total vote in the company. Pursuant to the preliminary share purchase agreement, the purchase price amounted to PLN 2,957,456 thousand. Under the final share purchase agreement, that price was increased by interest at the rate of 5% for the period of four months starting from the agreement execution date, and 6% for the period starting with the fifth month after the agreement execution date and ending on the date control of the company was taken. The final purchase price was PLN 3,016,700 thousand.

The acquisition of control over PGNiG Termika S.A. will enable the PGNiG Group to diversify its revenue sources, in line with the PGNiG Group's updated strategy, which provides for power generation being one of the Group's three key growth areas.

With this transaction, the PGNiG Group has advanced on a path to becoming a multi-utility group, supplying heat, electricity and gas to its customers.

The table below presents the value of consideration transferred and the values of acquired assets and assumed liabilities estimated as at the date of these financial statements.

#### **a. Consideration transferred**

	Jan 11 2012
Cash	3,016,700
<b>Total consideration transferred</b>	<b>3,016,700</b>

#### **b. Identifiable acquired assets and assumed liabilities**

	Jan 11 2012
Property, plant and equipment	2,769,338
Investment property	6,325
Intangible assets	840,588
Inventories	358,912
Trade receivables	267,511
Other receivables	5,824
Cash and cash equivalents	188,923
Prepayments and accrued income	4,527
Deferred tax assets	34,593
Trade and other payables	(955,167)
Provisions for employee benefits	(91,591)
Other provisions	(49,304)
Accruals and deferred income	(15,351)
Deferred tax liabilities	(384,721)
<b>Total net identifiable assets</b>	<b>2,980,407</b>

The fair values of the above items of acquired assets and assumed liabilities may change, because the process of accounting for the acquisition cost has not been completed before the end of the reporting period.

In accordance with paragraph 45 of IFRS 3, if the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer should report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the acquirer should retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. During the measurement period, the acquirer should also recognise additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the acquirer receives the information it was seeking about facts and circumstances that existed as of the

acquisition date or learns that more information is not obtainable. However, the measurement period may not exceed one year from the acquisition date.

All of the above may apply in the case of accounting for the acquisition of PGNiG Termika S.A., so the values presented above may change.

**c. Goodwill**

PGNiG SPV 1 Sp. z o. o. has provisionally estimated the goodwill as at the acquisition date as:

- the fair value of the consideration transferred, increased by:
- the fair value of non-controlling interests in the acquiree, less:
- the fair value of identifiable acquired assets and assumed liabilities.

The goodwill recognised in connection with the acquisition has been determined in the following manner:

	Jan 11 2012
Total acquisition cost	3,016,700
Non-controlling interests at fair value	4,717
Fair value of identifiable net assets	(2,980,407)
<b>Goodwill</b>	<b>41,010</b>

The goodwill as at the transaction date, provisionally estimated at PLN 41,010 thousand, represents the synergy effects and economies of scale expected from the acquisition of shares in PGNiG Termika S.A.

It will not be possible to account for the recognised goodwill for the purpose of corporate income tax.

**d. Costs of the acquisition**

In Q1 2012, PGNiG SPV 1 Sp. z o.o. incurred in connection with the acquisition costs of PLN 10,848 thousand. These included mainly costs of advisory services, tax on actions under civil law (transfer tax), and brokerage fees. These costs have been reflected in the PGNiG Group's profit or loss for the financial year ended March 31st 2012.

**e. Non-controlling interests**

Non-controlling interests in PGNiG Termika S.A., of 0.16%, have been determined at fair value as at the acquisition date.

Fair value of the shares has been determined based on provisions of the preliminary share purchase agreement, pursuant to which employees holding shares in PGNiG Termika S.A. have the right to sell these shares at a price equal to the price at which PGNiG SPV 1 Sp. z o.o. acquired the shares. The fair value of non-controlling interests thus estimated is PLN 4,717 thousand.

**f. Acquired receivables**

Main classes of receivables	Gross value	Impairment loss	Fair value
Trade receivables	269,067	(1,556)	267,511
Other receivables	5,824	-	5,824

Impairment loss on the receivables represents the value of the cash flows with respect to which there are doubts as to whether they will be received in full.

**g. Intangible assets**

PGNiG SPV 1 Sp. z o.o. recognises identifiable intangible assets acquired as part of the acquisition separately from goodwill.

As a result of the acquisition transaction, intangible assets of PLN 241,826 thousand were identified which had not previously been recognised in the financial statements of the acquired entity. These assets included chiefly carbon emission allowances allocated to the entity, as well as executed favourable agreements providing for the purchase of coal, sale of electricity and sale of proprietary rights embodied in certificates of origin. These agreements have been executed for a period of at least one year, and provide for fixed sale/purchase prices. The identified intangible assets relating to the agreements entered into by the entity will be amortised in the subsequent reporting periods, throughout the term of the agreements to which they relate.

<b>Category</b>	
Carbon emission allowances allocated for 2012	193,827
Coal purchase agreements	18,851
Electricity sales agreements	2,600
Certificate of origin sale agreements	26,548
<b>Total</b>	<b>241,826</b>

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#### ***h. Property, plant and equipment***

As part of the acquisition transaction, some property, plant and equipment were identified which had not previously been recognised in the financial statements of the acquired entity. These included primarily land and land held in perpetual usufruct, which the entity used despite not holding the ownership title to it. The fair value of the above land and perpetual usufruct rights is PLN 54,721 thousand. Another thing worth noting is that the acquired items of property, plant and equipment have been measured at fair value by an independent appraiser and this valuation may still change. Furthermore, the value of the property, plant and equipment was increased by borrowing costs of PLN 10,117 thousand.

#### ***i. Effect of the acquisition on the financial performance of the acquirer***

Given the fact that the acquisition took place at the beginning of the reporting period, the entire profit or loss of the acquiree has been accounted for in the profit of the PGNiG Group for the reporting period ended March 31st 2012.

#### **10. Listing and explanation of differences between the data disclosed in the financial statements and comparative financial data, and the data disclosed in previously published financial statements**

In the financial statements for Q1 2012, the Group has not made any changes in the comparative financial data other than the changes in the comparative financial data for Q1 2011 in the section presenting information by operating segments (described below).

The table below presents the impact of the three changes introduced in the reported period on the segments' operating results and assets for the comparative period, i.e. Q1 2011.

The changes involved:

1. Transfers of entities between segments. Transfer of Investgas S.A. from the Trade and Storage segment to the Other Activities segment, with a concurrent transfer of PGNiG Energia S.A. from the Other Activities segment to the Trade and Storage segment; Transfer of the Parent's Central Measurement and Testing Laboratory Branch from the Other Activities segment to the Distribution segment;
2. Transfer of values relating to other storage facilities which are not part of the national gas system from the Exploration and Production segment to the Trade and Storage segment;
3. Transfer of intersegment eliminations in assets from the particular segments to Eliminations.

Period ended March 31st 2011	Exploration and Production	Trade and Storage	Distribution	Other Activities	Eliminations	Total
<b>Segment's operating profit/loss before the changes</b>	<b>374,806</b>	<b>258,789</b>	<b>549,279</b>	<b>3,306</b>	<b>(7,233)</b>	<b>1,178,947</b>
<b>Changes, including</b>	<b>2,458</b>	<b>(5,662)</b>	<b>(433)</b>	<b>4,232</b>	<b>(595)</b>	<b>-</b>
1a) Transfer of companies (PGNiG Energia and Investgas) between Trade and Storage and Other Activities	-	(3,204)	-	3,799	(595)	-
1b) Transfer of the Central Measurement and Testing Laboratory Branch from Other Activities to Distribution	-	-	(433)	433	-	-
2) Transfer of values relating to storage facilities which are not part of the national gas system from the Exploration and Production segment to the Trade and Storage segment	2,458	(2,458)	-	-	-	-
<b>Segment's operating profit/loss after the changes</b>	<b>377,264</b>	<b>253,127</b>	<b>548,846</b>	<b>7,538</b>	<b>(7,828)</b>	<b>1,178,947</b>
<b>Segment's assets before the changes</b>	<b>13,242,350</b>	<b>9,882,608</b>	<b>12,677,709</b>	<b>411,175</b>	<b>(3,103,934)</b>	<b>33,109,908</b>
<b>Changes, including</b>	<b>63,973</b>	<b>57,168</b>	<b>132,763</b>	<b>59,963</b>	<b>(313,867)</b>	<b>-</b>
1a) Transfer of companies (PGNiG Energia and Investgas) between Trade and Storage and Other Activities	-	(51,104)	-	60,878	(9,774)	-
1b) Transfer of the Central Measurement and Testing Laboratory Branch from Other Activities to Distribution	-	-	1,154	(1,154)	-	-
2) Transfer of values relating to storage facilities which are not part of the national gas system from the Exploration and Production segment to the Trade and Storage segment	(34,058)	34,058	-	-	-	-
3) Exclusion of intersegment eliminations into Eliminations	98,031	74,214	131,609	239	(304,093)	-
<b>Segment's assets after the changes</b>	<b>13,306,323</b>	<b>9,939,776</b>	<b>12,810,472</b>	<b>471,138</b>	<b>(3,417,801)</b>	<b>33,109,908</b>

The above table presents only those changes which affected operating profits/losses of the segments and material changes in the segments' assets. In the section presenting information by operating segments (Section 11 in Part III) all the figures for the comparative period have been restated to ensure comparability with the reported period.

## II. CONDENSED SEPARATE FINANCIAL STATEMENTS

### SEPARATE INCOME STATEMENT

	Q1 2012 Jan 1– Mar 31 2012 unaudited	Q1 2011 Jan 1– Mar 31 2011 unaudited
	(PLN '000)	
<b>Sales revenue</b>	<b>7,943,952</b>	<b>6,835,394</b>
Raw and other materials used	(5,871,083)	(4,185,259)
Employee benefits	(209,118)	(189,813)
Depreciation and amortisation	(136,122)	(140,659)
Third-party services	(1,826,034)	(1,797,171)
Cost of products and services for own needs	2,750	2,837
Other operating expenses, net	(202,090)	78,586
<b>Total operating expenses</b>	<b>(8,241,697)</b>	<b>(6,231,479)</b>
<b>Operating profit/loss</b>	<b>(297,745)</b>	<b>603,915</b>
Finance income	156,576	47,273
Finance expenses	(148,176)	(8,599)
<b>Pre-tax profit/loss</b>	<b>(289,345)</b>	<b>642,589</b>
Corporate income tax	49,077	(107,564)
<b>Net profit/loss</b>	<b>(240,268)</b>	<b>535,025</b>
Net earnings/loss and diluted net earnings/loss per share attributable to owners of the Parent	(0.04)	0.09

### SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	Q1 2012 Jan 1– Mar 31 2012 unaudited	Q1 2011 Jan 1– Mar 31 2011 unaudited
	(PLN '000)	
<b>Net profit/loss</b>	<b>(240,268)</b>	<b>535,025</b>
Currency translation differences on foreign operations	(7,567)	(1,904)
Valuation of hedging instruments	(216,656)	246,710
Valuation of financial instruments	-	16,648
Deferred tax on other comprehensive income	41,165	(50,038)
Other	-	-
<b>Other comprehensive income, net</b>	<b>(183,058)</b>	<b>211,416</b>
<b>Total comprehensive income</b>	<b>(423,326)</b>	<b>746,441</b>

## SEPARATE STATEMENT OF FINANCIAL POSITION

	As at Mar 31 2012, end of Q1 2012 unaudited	As at Dec 31 2011, end of previous year audited
	(PLN '000)	
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	12,313,509	12,281,120
Investment property	2,731	2,819
Intangible assets	119,708	91,641
Financial assets available for sale	7,242,061	6,460,328
Other financial assets	5,143,167	2,900,850
Deferred tax assets	426,565	347,462
Other non-current assets	79,984	76,339
<b>Total non-current assets</b>	<b>25,327,725</b>	<b>22,160,559</b>
<b>Current assets</b>		
Inventories	834,917	1,897,387
Trade and other receivables	3,662,786	3,170,305
Current income tax receivable	5,320	5,320
Prepayments and accrued income	108,859	33,291
Financial assets available for sale	63	-
Derivative financial instrument assets	75,420	284,531
Cash and cash equivalents	1,134,894	934,615
Non-current assets held for sale	<b>732</b>	<b>732</b>
<b>Total current assets</b>	<b>5,822,991</b>	<b>6,326,181</b>
<b>Total assets</b>	<b>31,150,716</b>	<b>28,486,740</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	5,900,000	5,900,000
Currency translation differences on foreign operations	1,422	8,988
Share premium account	1,740,093	1,740,093
Other capital reserves	10,134,872	10,310,364
Retained earnings/deficit	1,447,895	1,688,163
<b>Total equity</b>	<b>19,224,282</b>	<b>19,647,608</b>
<b>Non-current liabilities</b>		
Loans, borrowings and debt securities	2,079,358	-
Provisions	1,252,952	1,250,587
Deferred income	296,806	256,544
Deferred tax liabilities	484,528	495,665
Other non-current liabilities	13,766	16,566
<b>Total non-current liabilities</b>	<b>4,127,410</b>	<b>2,019,362</b>
<b>Current liabilities</b>		
Trade and other payables	2,921,528	2,674,902
Loans, borrowings and debt securities	4,422,756	3,590,802
Derivative financial instrument liabilities	297,687	416,836
Current tax liability	-	-
Provisions	144,722	135,113
Deferred income	12,331	2,117
<b>Total current liabilities</b>	<b>7,799,024</b>	<b>6,819,770</b>
<b>Total liabilities</b>	<b>11,926,434</b>	<b>8,839,132</b>
<b>Total equity and liabilities</b>	<b>31,150,716</b>	<b>28,486,740</b>



## SEPARATE CASH-FLOW STATEMENT

	Q1 2012	Q1 2011
	Jan 1– Mar 31 2012	Jan 1– Mar 31 2011
	unaudited	unaudited
	(PLN '000)	
<b>Cash flows from operating activities</b>		
Net profit/loss	(240,268)	535,025
Adjustments:	-	-
Depreciation and amortisation	136,122	140,659
Net foreign exchange gains/losses	74,440	(14,040)
Net interest and dividend	(14,830)	(35,469)
Profit/loss from investing activities	(17,038)	(9,805)
Current income tax	(49,077)	107,564
Income tax paid	-	(181,151)
Other items, net	(15,199)	35,101
<b>Net cash provided by/used in operating activities before changes in working capital</b>	<b>(125,850)</b>	<b>577,884</b>
Change in working capital:		
Change in receivables, net	(470,710)	137,766
Change in inventories	1,062,470	478,148
Change in provisions	9,264	7,124
Change in current liabilities	418,947	78,956
Change in prepayments	(82,505)	(84,977)
Change in deferred income	16,187	17,157
<b>Net cash provided by/used in operating activities</b>	<b>827,803</b>	<b>1,212,058</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment and intangible assets	6,258	8,137
Proceeds from sale of shares in related entities	-	-
Proceeds from sale of shares in other entities	-	9
Proceeds from sale of short-term securities	-	268
Acquisition of property, plant and equipment and intangible assets	(331,300)	(709,374)
Acquisition of shares in related entities	(781,000)	(14,000)
Acquisition of short-term securities	-	-
Decrease in loans advanced	16,114	70,605
Increase in loans advanced	(2,335,639)	(20,300)
Inflows from forward contracts	28,003	-
Outflows on forward contracts	(115,087)	-
Interest received	2,738	1,530
Dividend received	-	-
Proceeds from finance lease	1,211	615
Other items, net	35,721	(1,293)
<b>Net cash provided by/used in investing activities</b>	<b>(3,472,981)</b>	<b>(663,803)</b>
<b>Cash flows from financing activities</b>		
Net proceeds from issue of shares, other equity instruments and additional contributions to equity	-	-
Increase in loans and borrowings	2,084,694	-
Proceeds from issue of debt securities	4,409,069	594,857
Repayment of loans and borrowings	-	-
Redemption of debt securities	(3,580,181)	(1,210,229)
Decrease in finance lease liabilities	(186)	(750)
Inflows from forward contracts	-	-
Outflows on forward contracts	-	-
Dividend paid	-	-
Interest paid	(67,503)	(13,291)
Other items, net	(436)	(1,167)
<b>Net cash provided by/used in financing activities</b>	<b>2,845,457</b>	<b>(630,580)</b>
<b>Net change in cash</b>	<b>200,279</b>	<b>(82,325)</b>
Net foreign exchange gains/losses	-	-
<b>Cash and cash equivalents at beginning of period</b>	<b>934,615</b>	<b>565,854</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,134,894</b>	<b>483,529</b>

**SEPARATE STATEMENT OF CHANGES IN EQUITY**

**Equity**

	Share capital	Currency translation differences on foreign operations	Share premium account	Other capital reserves	Retained earnings/deficit	Total
	(PLN '000)					
<b>As at Jan 1 2012</b>	<b>5,900,000</b>	<b>8,988</b>	<b>1,740,093</b>	<b>10,310,364</b>	<b>1,688,163</b>	<b>19,647,608</b>
Transfers	-	-	-	-	-	-
Payment of dividend to owners	-	-	-	-	-	-
Net profit/loss for Q1 2012	-	-	-	-	(240,268)	<b>(240,268)</b>
Other comprehensive income, net, for Q1 2012	-	(7,566)	-	(175,492)	-	<b>(183,058)</b>
<b>As at Mar 31 2012 (unaudited)</b>	<b>5,900,000</b>	<b>1,422</b>	<b>1,740,093</b>	<b>10,134,872</b>	<b>1,447,895</b>	<b>19,224,282</b>
<b>As at Jan 1 2011</b>	<b>5,900,000</b>	<b>(748)</b>	<b>1,740,093</b>	<b>9,245,707</b>	<b>1,778,661</b>	<b>18,663,713</b>
Transfers	-	-	-	-	-	-
Payment of dividend to shareholders	-	-	-	-	-	-
Net profit/loss for Q1 2011	-	-	-	-	535,025	<b>535,025</b>
Other comprehensive income, net, for Q1 2011	-	(1,905)	-	213,321	-	<b>211,416</b>
<b>As at Mar 31 2011 (unaudited)</b>	<b>5,900,000</b>	<b>(2,653)</b>	<b>1,740,093</b>	<b>9,459,028</b>	<b>2,313,686</b>	<b>19,410,154</b>

## NOTES TO THE CONDENSED SEPARATE FINANCIAL STATEMENTS

### 1. Deferred tax

Deferred tax assets and liabilities	Deferred tax assets	Deferred tax liabilities
<b>As at Jan 1 2012</b>	<b>347,462</b>	<b>495,665</b>
a) increase	86,624	41,712
b) decrease	(7,521)	(52,849)
<b>As at Mar 31 2012</b>	<b>426,565</b>	<b>484,528</b>
<b>As at Jan 1 2011</b>	<b>291,447</b>	<b>491,539</b>
a) increase	72,769	57,682
b) decrease	(16,754)	(53,556)
<b>As at Dec 31 2011</b>	<b>347,462</b>	<b>495,665</b>

### 2. Impairment losses

Impairment losses on assets	Property, plant and equipment and intangible assets	Investment property	Other financial assets (non-current loans)	Non-current financial assets available for sale	Inventories	Current receivables	Current portion of non-current loans	Current financial assets available for sale	Total
<b>As at Jan 1 2012</b>	<b>997,106</b>	<b>25</b>	<b>-</b>	<b>1,660,601</b>	<b>3,302</b>	<b>664,622</b>	<b>28,822</b>	<b>-</b>	<b>3,354,478</b>
a) increase	4,032	-	-	757	-	65,154	-	-	69,943
b) transfer	-	-	-	(82)	-	-	-	82	-
c) decrease	(28,935)	-	-	-	(86)	(58,514)	(1,808)	-	(89,343)
<b>As at Mar 31 2012</b>	<b>972,202</b>	<b>25</b>	<b>-</b>	<b>1,661,276</b>	<b>3,217</b>	<b>671,262</b>	<b>27,013</b>	<b>82</b>	<b>3,335,078</b>
<b>As at Jan 1 2011</b>	<b>1,080,712</b>	<b>3</b>	<b>6,600</b>	<b>1,675,674</b>	<b>3,231</b>	<b>994,208</b>	<b>24,022</b>	<b>-</b>	<b>3,784,451</b>
a) increase	51,211	22	-	459	71	42,443	5,046	-	99,253
b) transfer	-	-	(1,650)	(1,360)	-	-	1,650	1,360	-
c) decrease	(134,817)	-	(4,950)	(14,173)	-	(372,029)	(1,896)	(1,360)	(529,225)
<b>As at Dec 31 2011</b>	<b>997,106</b>	<b>25</b>	<b>-</b>	<b>1,660,601</b>	<b>3,302</b>	<b>664,622</b>	<b>28,822</b>	<b>0</b>	<b>3,354,478</b>

### 3. Provisions

	Provision for length-of-service awards and retirement severance pays	Provision for well decommissioning costs	Provision for environmental liabilities (gas pitch)	Central Restructuring Fund	Provision for claims under extra-contractual use of land	Liabilities to the PBG S.A.-led consortium	Provision for the employment streamlining and voluntary termination programme	Other	Total
<b>As at Jan 1 2012</b>	<b>115,611</b>	<b>1,116,117</b>	<b>42,429</b>	<b>19,590</b>	<b>23,025</b>	<b>21,773</b>	<b>8,636</b>	<b>38,518</b>	<b>1,385,700</b>
a) increase	-	7,695	-	-	-	-	-	14,755	22,451
b) decrease	-	(4,985)	-	(1,078)	-	-	(3,958)	(456)	(10,476)
<b>As at Mar 31 2012</b>	<b>115,611</b>	<b>1,118,828</b>	<b>42,429</b>	<b>18,512</b>	<b>23,025</b>	<b>21,773</b>	<b>4,679</b>	<b>52,817</b>	<b>1,397,674</b>
<b>As at Jan 1 2011</b>	<b>114,245</b>	<b>1,049,996</b>	<b>58,734</b>	<b>21,292</b>	<b>50,685</b>	-	-	<b>36,796</b>	<b>1,331,748</b>
a) increase	10,849	78,386	-	5,000	-	21,773	8,636	60,509	185,153
b) decrease	(9,483)	(12,265)	(16,305)	(6,702)	(27,659)	-	-	(58,787)	(131,201)
<b>As at Dec 31 2011</b>	<b>115,611</b>	<b>1,116,117</b>	<b>42,429</b>	<b>19,590</b>	<b>23,026</b>	<b>21,773</b>	<b>8,636</b>	<b>38,518</b>	<b>1,385,700</b>

### 4. Sales revenue

	Jan 1–Mar 31 2012	Jan 1–Mar 31 2011
Gas	7,495,625	6,472,030
Crude oil	350,631	270,585
Helium	32,552	13,503
Propane-butane gas	16,307	15,769
Natural gasoline	2,201	944
LNG	12,730	8,661
Gas storage services	9,847	7,526
Geophysical and geological services	5,073	16,064
Materials and goods for resale	2,055	1,640
Other sales of products and services	16,931	28,672
<b>Total</b>	<b>7,943,952</b>	<b>6,835,394</b>

## 5. Operating expenses

Raw and other materials used	Jan 1–Mar 31 2012	Jan 1–Mar 31 2011
Cost of gas sold	(5,842,107)	(4,154,520)
Other raw and other materials used	(28,976)	(30,739)
<b>Total</b>	<b>(5,871,083)</b>	<b>(4,185,259)</b>

Third-party services	Jan 1–Mar 31 2012	Jan 1–Mar 31 2011
Purchases of transmission and distribution services	(1,605,198)	(1,547,899)
Other third-party services	(220,836)	(249,272)
<b>Total</b>	<b>(1,826,034)</b>	<b>(1,797,171)</b>

## 6. Income tax

	Jan 1–Mar 31 2012	Jan 1–Mar 31 2011
Pre-tax profit/loss	(289,345)	642,589
Tax rate applicable in the period	19%	19%
Tax calculated at the applicable tax rate	54,975	(122,092)
Permanent differences between pre-tax profit/loss and tax base	(5,899)	14,528
<b>Tax expense in the income statement</b>	<b>49,077</b>	<b>(107,564)</b>
Current income tax	-	(112,352)
Deferred income tax	49,077	4,788
Effective tax rate	(17%)	17%

Negative effective tax rate after the first quarter of 2012 was the consequence of the tax loss reported for the period. In Q1 2012, the increase in deferred tax assets due to the recognition of deferred tax assets in respect of the tax loss was PLN 74,389 thousand.

## 7. Property, plant and equipment by categories

	As at Mar 31 2012, end of Q1 2012	As at Dec 31 2011, end of previous year
Land	24,552	23,775
Buildings and structures	5,196,320	5,236,333
Plant and equipment	1,325,493	1,347,183
Vehicles and other	80,565	78,661
<b>Total tangible assets</b>	<b>6,626,929</b>	<b>6,685,952</b>
Tangible assets under construction	5,686,580	5,595,168
<b>Total property, plant and equipment</b>	<b>12,313,509</b>	<b>12,281,120</b>

## 8. Listing and explanation of differences between the data disclosed in the financial statements and comparative financial data, and the data disclosed in previously published financial statements

In the financial statements for Q1 2012, the Company has not introduced any changes in the comparative financial data relative to the data disclosed in previously published financial statements.

### III. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS FOR Q1 2012

#### 1. Basis of preparation and format of the financial statements contained in this report

These condensed consolidated financial statements and condensed separate financial statements as at March 31st 2012 have been prepared in accordance with IAS 34 *Interim Financial Reporting* 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, the "Regulation"). The financial statements present data as at March 31st 2012 and for the period January 1st–March 31st 2012, along with comparative financial data for the relevant periods of 2011.

The data disclosed in these financial statements are stated in the zloty (PLN), and all amounts, unless indicated otherwise, are stated in thousands of zloty. Differences, if any, between the totals and the sum of particular items are due to rounding off.

These financial statements of the PGNiG Group (the "PGNiG Group", the "Group") have been prepared based on the assumption that PGNiG S.A. ("PGNiG S.A.", the "Company", the "Parent") and the subsidiaries will continue as going concerns for at least 12 months subsequent to the balance-sheet date.

As at the date of signing these financial statements, the Management Board of the Parent is not aware of any facts or circumstances which would imply a threat to the Parent continuing as a going concern for 12 months after the balance-sheet date due to an intended or forced discontinuance or material limitation of its activity.

These quarterly financial statements have been approved for publication by the Management Board of the Parent on May 15th 2012.

#### 2. Adopted accounting policies

The policies applied to prepare these condensed consolidated financial statements and condensed separate financial statements are consistent with the general policies applied to draw up the annual consolidated financial statements for the period ended December 31st 2011, published on March 20th 2012, except to the extent of application of the following amendments to financial reporting standards and their new interpretations, which are effective for annual periods beginning on or after January 1st 2012:

- Amendment to IFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets*, endorsed by the EU on November 22nd 2011 (effective for annual periods beginning on or after July 1st 2011).

Application of the above amendment to standard has not caused any material changes in the accounting policies of the Group or in the presentation of data in its financial statements.

#### 3. Effect of new standards and interpretations on the Group's financial statements

As at the date of preparation of these financial statements, there were no standards, amendments or interpretations which have been published and endorsed for application in the EU but have not yet become effective.

The IFRSs endorsed by the EU do not significantly differ from the regulations adopted by the International Accounting Standards Board, except to the extent of the following standards, amendments and interpretations, which as at March 31st 2012 have not yet been endorsed for application:

- IFRS 9 *Financial Instruments* (effective for annual periods beginning on or after January 1st 2015);
- IFRS 10 *Consolidated Financial Statements* (effective for annual periods beginning on or after January 1st 2013);
- IFRS 11 *Joint Arrangements* (effective for annual periods beginning on or after January 1st 2013);
- IFRS 12 *Disclosure of Interests in Other Entities* (effective for annual periods beginning on or after January 1st 2013);
- IFRS 13 *Fair Value Measurement* (effective for annual periods beginning on or after January 1st 2013);
- IAS 27 (revised 2011) *Separate Financial Statements* (effective for annual periods beginning on or after January 1st 2013);
- IAS 28 (revised 2011) *Investments in Associates and Joint Ventures* (effective for annual periods beginning on or after January 1st 2013);
- Amendments to IFRS 1 *First-Time Adoption of IFRS – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* (effective for annual periods beginning on or after July 1st 2011);
- Amendments to IFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities* (effective for annual periods beginning on or after January 1st 2013);

- Amendments to IAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income* (effective for annual periods beginning on or after July 1st 2012);
- Amendments to IAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets* (effective for annual periods beginning on or after January 1st 2012);
- Amendments to IAS 19 *Employee Benefits – Amendments to Post-Employment Benefit Accounting* (effective for annual periods beginning on or after January 1st 2013),
- Amendments to IFRS 9 *Financial Instruments and IFRS 7 Financial Instruments: Disclosures – Mandatory Effective Date and Transitional Provisions*;
- Amendments to IAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities* (effective for annual periods beginning on or after January 1st 2014);
- IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* (effective for annual periods beginning on or after January 1st 2013).

The Group estimates that the above standards, interpretations and amendments to standards would not have had a material bearing on the financial statements if they had been applied as at the balance sheet date.

Hedge accounting for a portfolio of financial assets or liabilities is still not covered by EU regulations, as the EU has not endorsed the rules of hedge accounting for use.

The Group estimates that the application of hedge accounting with respect to its portfolio of financial assets or liabilities in accordance with IAS 39 *Financial Instruments: Recognition and Measurement* would not have had any material effect on its consolidated financial statements if these regulations had been adopted for use by the EU as at the balance-sheet date.

#### **4. Brief description of significant achievements or failures of the Company in the reporting period, including identification of the key related events**

##### 1) Changes in the composition of managing and supervisory bodies

- a. On January 5th 2012, Prof. Stanisław Rychlicki, Chairman of the Supervisory Board of PGNiG S.A., tendered his resignation from the position for compelling personal reasons, with effect from January 10th 2012.
- b. On January 12th 2012, the Extraordinary General Meeting of PGNiG removed from the Supervisory Board, with effect from January 12th 2012:
  - Mr Grzegorz Banaszek.

At the same time, the Extraordinary General Meeting of PGNiG held on January 12th 2012 appointed to the Supervisory Board of PGNiG:

- Mr Józef Głowacki,
- Mr Wojciech Chmielewski.

On January 12th 2012, by virtue of the Minister of State Treasury's decision, pursuant to Par. 35.1 of PGNiG S.A.'s Articles of Association, the following person was appointed to the Supervisory Board of PGNiG S.A.:

- Mr Janusz Pilitowski.

- c. On January 13th 2012, the Supervisory Board of PGNiG S.A. appointed Mr Wojciech Chmielewski as its Chairman.
- d. At its meeting held on March 7th 2012, the Supervisory Board of PGNiG appointed Ms Grażyna Piotrowska-Oliwa to the position of President of the Management Board of PGNiG, with effect from March 19th 2012, for the joint term of office expiring on March 13th 2014.
- e. On March 19th 2012, the Extraordinary General Meeting of PGNiG appointed to the Supervisory Board of PGNiG Ms Ewa Sibrecht-Ośka.
- f. On March 21st 2012, the Management Board of Polskie Górnictwo Naftowe i Gazownictwo S.A. made a decision to revoke the powers of proxy granted to the following persons:
  - Ms Ewa Biernacik, Head of PGNiG S.A. Accounting Department
  - Mr Kazimierz Chrobak, Head of PGNiG SA Zielona Góra Branch,
  - Mr Mieczysław Jakiel, Head of PGNiG SA Sanok Branch.

The powers of proxy were revoked with effect from March 21st 2012.

2) Other events:

- a. On January 9th 2012, PGNiG S.A. issued notes with a value of PLN 4,700,000 thousand as part of the Note Issuance Programme of June 2010.

The notes are one-month unsecured registered discount notes in book-entry form. All the notes are denominated in the Polish złoty and were offered in a private placement exclusively in the territory of Poland.

The notes were acquired by the following banks: Bank Polska Kasa Opieki S.A., ING Bank N.V., ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A., Bank Handlowy w Warszawie S.A., Societe Generale S.A., BNP Paribas S.A. Polish Branch, Nordea Bank Polska S.A., Bank Zachodni WBK S.A. and BRE Bank S.A.

PGNiG S.A. has no plans to introduce the notes to public trading.

The total number of issued notes was 9,400.

The par value of one note is PLN 500 thousand. The unit issue price has been determined based on one month WIBOR rate plus a margin.

The notes will be redeemed by way of a cash payment equal to their par value. They mature on January 9th 2012. The notes are discount notes, therefore no interest will be paid.

Following the note issuance discussed above, the total par value of the notes issued under the Programme and outstanding as at January 9th 2012 was PLN 5,700,000 thousand.

- b. On January 11th 2012, PGNiG SPV 1 Sp. z o. o., a subsidiary of PGNiG S.A., acquired control of Vattenfall Heat Poland S.A. (currently PGNiG Termika S.A.), whose core business is high-efficiency cogeneration of heat and electricity. For the agreed purchase price of PGNiG Termika S.A. shares, PGNiG SPV 1 Sp. z o. o. acquired 99.84% of shares conferring the right to 99.84 of total vote in the company. Pursuant to the preliminary share purchase agreement, the purchase price amounted to PLN 2,957,456 thousand. Under the final share purchase agreement, that price was increased by interest at the rate of 5% for the period of four months starting from the agreement execution date, and 6% for the period starting with the fifth month after the agreement execution date and ending on the date control of the company was taken. The final purchase price was PLN 3,016,700 thousand.

The acquisition of control over PGNiG Termika S.A. will enable the PGNiG Group to diversify its revenue sources, in line with the PGNiG Group's updated strategy, which provides for power generation being one of the Group's three key growth areas.

With this transaction, the PGNiG Group has advanced on a path to becoming a multi-utility group, supplying heat, electricity and gas to its customers.

- c. On January 19th 2012, PGNiG Norway AS, a wholly-owned subsidiary of PGNiG S.A., has been awarded interests in three exploration and production licences in Norway by the Norwegian Ministry of Energy and Petroleum, as part of the APA 2011 licensing round. For the first time, PGNiG Norway AS has been awarded operatorship in one of the licences.

PGNiG Norway AS will acquire a 50% interest in the PL648S exploration and production licence, which it will operate, and a 20% interest in the PL646 exploration and production licence. Additionally, the Ministry awarded PGNiG Norway AS a 30% interest in a small exploration and production licence PL350B, an extension of the existing PL350 licence. The PL350B licence has the same work programme and licence interest holders as the PL350 licence.

Being awarded with operatorship of the PL648S licence is a significant step forward for the company. It is the first operatorship awarded to PGNiG Norway AS, and it highlights the company's natural development. It is also the first operatorship awarded to the PGNiG Group in an offshore oil and gas exploration project, which underlines PGNiG Norway AS's central role within the PGNiG Group as far as offshore projects competence is concerned. OMV Norge AS, holding a 50% interest, is PGNiG Norway AS's partner in the PL648S licence.

Direct operatorship of the PL646 licence was awarded to Wintershall Norge AS (40% interest). The other partners are Lundin Norway AS (20% interest) and Norwegian Energy Company ASA (20% interest).

The 350B licence is operated by EON (40% interest). The remaining 30% interest in the licence is held by Statoil.

Acquisition of interests in PL646 and PL648S licences is an important part of PGNiG Norway AS's strategy pursued on the Norwegian Continental Shelf. In line with this strategy, PGNiG Norway AS focuses its operations on key areas, such as the Skarv field, where it seeks to consolidate its position. All the three



licences where the company was awarded interests are adjacent to the Skarv field, in which PGNiG Norway AS holds an interest of 11.92%.

- d. On January 31st 2012, PGNiG S.A. reported that three letters of intent had been signed regarding cooperation with respect to exploration for and development of shale gas deposits in Poland. The three separate LOIs were signed with PGE, Tauron Polska Energia and KGHM. Pursuant to the signed documents, each partner declared its will to conduct joint operations with PGNiG S.A. at selected locations within the Wejherowo licence held by the Company. As exploration for shale gas is a top priority for PGNiG S.A., the Company is open to all initiatives allowing it to intensify activities in this area.

The Wejherowo licence is one of 15 shale gas exploration licences currently held by PGNiG S.A. According to experts, it is one of the most promising licences. PGNiG S.A. commenced work in the Wejherowo licence area in 2010. Fracturing operations were performed at the Lubocino-1 well, confirming the presence of large shale gas accumulations. Analyses of the gas, coming from Silurian and Ordovician shales, have confirmed its very good energy characteristics, absence of hydrogen sulphide and low nitrogen content. Further analyses have identified the presence of heavy hydrocarbons.

In signing the letters of intent, the parties agreed that they would cooperate in line with the principles of business integrity and best business practice. The letters of intent will allow the parties to work out details of their future cooperation and will constitute the basis for relevant agreements to be concluded between the parties at the next stage.

- e. On January 31st 2012, PGNiG Energia S.A., a wholly-owned subsidiary of PGNiG S.A., began trading in power and CO2 emission allowances on the Polish Power Exchange.

The Management Board of the Polish Power Exchange has admitted PGNiG Energia S.A. to start trading activities from January 31st 2012 on the Property Rights Market, Commodity Derivatives Market, Emission Allowances Market as well as the Day-Ahead and Intra Day Markets.

The role of PGNiG Energia S.A., established in 2009, is to provide support to PGNiG S.A. with respect to preparation and implementation of power generation projects. Moreover, the company will independently implement smaller projects, mainly consisting in construction of renewable energy and co-generation facilities.

PGNiG Energia S.A. will be responsible for implementation of investment projects involving construction of small gaseous fuel fired CHP plants located outside the Warsaw metropolitan area. Furthermore, the company will invest in emergency operation power plants (gas-fired units contributing to stabilisation of the National Power Grid), as well as in renewable energy projects (biogas plants and wind farms).

PGNiG Energia S.A.'s operations will also include wholesale trading in electricity as well as purchase of electricity for the PGNiG Group's own needs.

- f. On February 1st 2012, in response to an application from Operator Gazociągów Przesyłowych Gaz-System S.A., PGNiG S.A. limited natural gas supplies to Zakłady Chemiczne Police S.A., Polski Koncern Naftowy ORLEN S.A. and Zakłady Azotowe Puławy S.A.

The commercial limitations in natural gas supplies were imposed from January 31st 2012 in case of Zakłady Chemiczne Police S.A., and from February 1st 2012 in case of PKN Orlen S.A. and Zakłady Azotowe Puławy S.A., in conformity with the terms of the applicable gas sales agreements and in agreement with each of the companies.

Gaz-System S.A. cited "expected increase in demand for high-methane natural gas to more than 70 million cubic meters per day and the threat of failure to balance the transmission system" as the reason for the introduction of the limitations.

- g. On February 2nd 2012, Russian gas supplier OOO Gazprom-Export did not confirm an order placed by PGNiG S.A., as a consequence of which supplies of gas from the East decreased by approximately 7% per day starting from February 2nd. Reduction of gas supply related to the Yamal transit pipeline.

The demand for high-methane natural gas from PGNiG S.A.'s customers was approximately 68 million cubic meters per day and was met in the following manner: supplies of gas from domestic sources amounted to about 7.2 million cubic meters per day, supplies of imported gas – about 40.8 million cubic meters per day, and the balance was withdrawn from underground gas storage facilities.

On February 3rd 2012, Russian supplier OOO Gazprom-Export resumed supplying the ordered gas volumes.

- h. On February 9th 2012, Moody's Investors Service Ltd. assigned a credit rating of Baa1 to the Eurobonds issued by PGNiG Finance AB of Sweden (a wholly-owned subsidiary of PGNiG S.A.) with a par value of

EUR 500,000 thousand, maturing on February 14th 2017 and guaranteed by PGNiG S.A. as part of the EUR 1,200,000 thousand EMTN programme.

- i. On February 10th 2012, Standard & Poor's assigned a credit rating of BBB+ to the Eurobonds issued by PGNiG Finance AB of Sweden (a wholly-owned subsidiary of PGNiG S.A.) with a par value of EUR 500,000 thousand, maturing on February 14th 2017 and guaranteed by PGNiG S.A. as part of the EUR 1,200,000 thousand EMTN programme.
- j. On February 10th 2012, a EUR 500,000 thousand Eurobonds Issuance Agreement was executed under the Eurobonds Issuance Programme of August 2011.

The issue was carried out by PGNiG Finance AB of Stockholm, a wholly-owned subsidiary of PGNiG S.A. The Eurobonds have a yield rate of 4.098% and mature in five years. The book-building process for the issue was completed on February 7th 2012.

PGNiG Finance AB has used the proceeds from the Eurobonds issue to advance a loan to PGNiG S.A. for financing of the investment plans envisaged in the PGNiG Group's strategy for 2011-2015.

- k. On February 14th 2012, PGNiG S.A. was notified that PGNiG SPV 1 Sp. z o.o. ("SPV 1"), a wholly-owned subsidiary of PGNiG S.A., had created limited rights in property in the form of a registered pledge over the shares in PGNiG Termika S.A. (formerly Vattenfall Heat Poland S.A.) ("Termika") to secure the repayment of the loan contracted by SPV 1 with PGNiG on August 23rd 2011 for financing the purchase of 99.8% shares in Termika.

The acquisition by SPV 1 of the shares in Termika, representing over 99.8% of the company's share capital and conferring the right to over 99.8% of the total vote at its General Meeting, was covered in PGNiG S.A.'s Current Report No. 6/2012.

The value of the liability secured with the limited rights in property is PLN 2,255,000 thousand. The carrying value of the shares in Termika as disclosed in SPV 1's accounting books is PLN 3,016,700 thousand. Termika shares are registered shares with a par value of PLN 10.00 per share and a total par value of PLN 245,915 thousand. The PGNiG Group treats the acquisition of the shares in Termika as a long-term investment.

- l. On February 20th 2012, PGNiG S.A. filed a suit against OAO Gazprom and OOO Gazprom Export at the Arbitration Tribunal in Stockholm.

The suit relates to changes of the price terms in the long-term gas supply contract of September 25th 1996 executed by PGNiG S.A. with Gazprom and Gazprom Export.

Due to the nature of the arbitration proceedings, and in particular their confidentiality, PGNiG S.A. is not in a position to provide any further details regarding the suit.

- m. On March 5th 2012, PGNiG S.A. and the Oil and Gas Institute of Kraków (the "Implementing Entity") executed Annexes to the agreements on partial financing of the underground gas storage projects, carried out as part of Measure 10.1 "Development of Transmission Systems for Electricity, Natural Gas and Crude Oil, as well as Construction and Reconstruction of Natural Gas Storage Facilities" provided for in Priority X "Energy Security including Diversification of Energy Sources" under the Infrastructure and Environment Operational Programme for 2007–2013.

Annex No. 2 to agreement No. UDA-POIS.10.01.00-00-001/09-00 on partial financing of the project designated as "The Strachocina Underground Gas Storage Facility" amends: the maximum amount of eligible costs to PLN 126,795.92 thousand (from PLN 165,981.61 thousand) and the maximum level of co-financing to PLN 62,862.13 thousand (from PLN 53,207.56 thousand).

Annex No. 2 to agreement No. UDA-POIS.10.01.00-00-001/09-00 on partial financing of the project designated as "The Wierzchowice Underground Gas Storage Facility" amends: the maximum amount of eligible costs to PLN 916,200.54 thousand (from PLN 1,603,272.96 thousand) and the maximum level of co-financing to PLN 497,274.23 thousand (from PLN 503,631.34 thousand).

- n. On March 14th 2012, PGNiG S.A. executed Annex No. 1 (the "Annex") to the Agreement for Sale of Electricity (the "Agreement"), signed as part of the "Construction of a CCGT Unit in Stalowa Wola" project, with PGNiG Energia S.A. of Warsaw ("PGNiG Energia") (a wholly-owned subsidiary of PGNiG S.A.), TAURON Polska Energia S.A. of Katowice ("Tauron") and Elektrociepłownia Stalowa Wola S.A. of Stalowa Wola ("ECSW"). The Agreement provides for long-term sale of electricity by ECSW to PGNiG Energia and Tauron.

PGNiG S.A. reported the detailed terms and conditions of the Agreement and the fact of its signing by PGNiG Energia in Current Report No. 35/2011 of March 11th 2011. Under the Annex, PGNiG S.A. acceded

to the Agreement as a party. Following the accession, the Agreement will inure to the benefit of, and will be binding upon, PGNiG S.A. and PGNiG Energia as joint and several creditors.

By the Annex date, the condition precedent providing for delivery by ECSW of an agreement for the connection of the CCGT unit in Stalowa Wola to the Transmission System Operator's network, as reported by PGNiG S.A. in Current Report No. 97/2011 of July 8th 2011, had been fulfilled.

- o. On March 16th 2012, by virtue of Decision No. DTA-4212-53(29)/2011/2012/652/V/AG, the President of the Polish Energy Regulatory Office approved the new tariff for gaseous fuels of PGNiG S.A. The tariff was published in official gazette Biuletyn Branżowy URE – Paliwa gazowe No. 11 (477) of March 16th 2012.

Pursuant to the provisions of Art. 47.4 of the Polish Energy Law, it was established that the new tariff would take effect on March 31st 2012.

Gas Fuel Supply Tariff No. 5/2012 will apply until December 31st 2012.

## **5. Factors and events, in particular of non-recurring nature, with a material effect on financial performance**

In the first quarter of 2012, the PGNiG Group generated a net profit of PLN 297.3m, which was by PLN 727.3m less than in the first quarter of 2011. The weakening of the Group's financial position was caused chiefly by lower profitability of high-methane gas sales. As regards its operating activities, the Group recorded a PLN 879.0m decrease in EBIT.

### **Trade and Storage**

The Trade and Storage segment recorded the worst performance drop, having sustained an operating loss of PLN 778.1m. This represented a deterioration of result by PLN 1,031.2m relative to Q1 2011. This came as a result of a significant erosion of margins on high-methane gas sales, primarily due to higher costs of acquisition of gas and lack of the regulator's decision to increase the gas prices. Given higher crude oil prices on the global markets, and with the USD exchange rate being much higher than in Q1 2011, the PGNiG Group recorded a 41% increase in the unit purchase price of imported gas. Lack of decision by the President of the Energy Regulatory Office as to approval of the new tariff made it impossible for the Group to offset higher imported gas purchase costs by raising gas prices for the customers. Consequently, the profitability of high-methane gas sales fell far below the break-even point.

Additionally, the Trade and Storage segment was also affected by a major increase in net other operating expenses, chiefly due to a lower result on valuation of derivatives and foreign currency translation, as well as lower reversals of impairment losses on trade receivables.

### **Exploration and Production**

The upstream business continued to secure stability of the Group's financial position. The Exploration and Production segment posted an operating profit of PLN 429.8m, up by PLN 52.5m on Q1 2011. This performance improvement was attributable primarily to higher profitability of crude oil sales. Prices at which PGNiG S.A. sold the crude were up by 29%, mainly as a result of crude returning to stronger price performance on the global markets. Operating profit of the Exploration and Production segment advanced also on higher revenue from sales of geophysical and geological services, accompanied by better performance on sales of helium, driven by the rising prices of helium on the global markets.

### **Distribution**

The Distribution segment's operating result was PLN 528.3m, down by PLN 20.5m year on year, chiefly due to higher operating expenses, including higher costs of materials and energy used ([??????]mainly the cost of gas to compensate for difference in balance) and employee benefits. At the same time, in Q1 2012, the Distribution segment recorded higher sales revenues on the back of higher rates and charges for network services starting from July 15th 2011 and higher volumes of distributed gas.

### **Generation**

Following completion of the take-over of Vattenfall Heat Poland SA (currently PGNiG Termika SA) assets in January 2012, the Group commenced operations consisting in generation of electricity and heat. In Q 2012, the power generation segment reported an operating profit of PLN 125.6m.

Furthermore, the Group recorded a PLN 34.5m decrease in earnings due to increased costs of external financing, including mainly higher costs of discount of notes.

## **6. Seasonality or cyclicity in the Company's operations during the reporting period**

Sale, distribution and storage of gaseous fuels, which next to hydrocarbon exploration and production constitute the core business of the Group, are subject to significant seasonal fluctuations.

The revenue from sale of natural gas in the winter season (Q1 and Q4) is substantially higher than in the summer (Q2 and Q3). This is due to the seasonal changes in weather conditions in Poland, and the extent of the fluctuations is determined by the temperatures – low in the winter and higher in the summer. Gas sales are to a much greater extent subject to seasonal changes in the case of households and customers from the municipal sector, where gas is used for heating, than in the case of industrial customers.

In order to ensure adequate gas supplies in periods of peak demand and to maintain the security of gas supplies, it is necessary to replenish gas stocks in the underground gas storage facilities in the summer and to subscribe for higher transmission and distribution system capacities in the winter.

## **7. Issuance, redemption and repayment of debt and equity securities**

In order to improve its liquidity position, in Q1 2012 the Parent continued the issues and redemptions of notes under the Note Issuance Programme Agreement of June 10th 2010. The agreement, with an aggregate value of PLN 3,000,000 thousand, was originally concluded with six banks, including Bank Polska Kasa Opieki S.A., ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A., Bank Handlowy w Warszawie S.A., Societe Generale S.A., and BNP Paribas S.A. Polish Branch, and was to remain effective until July 31st 2013. The notes bear interest based on the WIBOR rate plus a margin, whose level depends on the use of the Programme and the ratio of consolidated net debt to consolidated EBITDA. On July 21st 2011, an Annex to the Programme Agreement was signed, under which the available financing amount was increased to PLN 5,000,000 and agreement term was extended until July 31st 2015. Another Annex was signed on November 25th 2011. Under the second Annex, the Programme amount was increased to PLN 7,000,000 thousand, and three banks, including BRE Bank SA, Bank Zachodni WBK SA, and Nordea Bank Polska SA, acceded to the Programme.

As at March 31st 2012, the nominal value of all outstanding notes was PLN 4,000,000 thousand.

Furthermore, on August 25th 2011, the Parent signed documentation for a Euro Medium Term Notes Programme with Societe Generale SA, BNP Paribas SA, and Unicredit Bank AG. These Eurobonds will be placed on the European market, and the Programme amount is EUR 1,200,000 thousand. The first tranche of the Eurobonds, with the value of PLN 500,000 thousand, was issued on February 10th 2012. Proceeds from the issue will be used to finance PGNiG S.A.'s investment programme.

## **8. Total and per share dividend paid (or declared) on ordinary and preference shares**

Until the date of preparation of these financial statements, the Annual General Meeting of PGNiG S.A. had not passed a resolution concerning payment of dividend for 2011.

## **9. Events subsequent to the condensed quarterly financial statements date, not disclosed in the financial statements but potentially significant for future financial performance**

- a. On April 13th 2012, the Management Board of Polskie Górnictwo Naftowe i Gazownictwo S.A. received a decision of the President of the Office of Competition and Consumer Protection ("UOKiK") concerning substantiation of the charges of alleged abuse of dominant position by PGNiG. In the course of the proceedings, PGNiG voluntarily agreed to change certain contractual provisions. Consequently, in the aforementioned decision, the President of UOKiK resolved not to impose a fine on PGNiG. PGNiG S.A. does not intend to appeal against the decision.

The decision was issued in connection with the anti-trust proceedings of July 4th 2011, on which PGNiG S.A. reported in the following current reports: No. 95/2011 of July 5th 2011, No. 103/2011 of July 19th 2011, and 111/2011 of August 2nd 2011.

- b. On April 16th 2012, the Management Board of Polskie Górnictwo Naftowe i Gazownictwo S.A. was notified of approval of the PGNiG Gaseous Fuel Storage Tariff No. 1/2012, constituting part B of Gaseous Fuels Tariff, approved by virtue of Decision No. DTA-4212-3(15)/2012/652/V/KS by the President of the Energy Regulatory Office on April 13th 2012 (the "Tariff"). The Tariff was published in official gazette Biuletyn Branżowy URE – Paliwa gazowe No. 29 (495).

The Gaseous Fuel Storage Tariff No. 1/2012 will be implemented in accordance with the provisions of Art. 47.4 of the Polish Energy Law, i.e. not earlier than 14 days and not later than 45 days after its publication, and will be valid until March 31st 2013.

Detailed information is included in the PGNiG Gaseous Fuels Tariff, approved by virtue of Decision No. DTA-4212-3(15)/2012/652/V/KS by the President of the Energy Regulatory Office, which is available on the Energy Regulatory Office website at [www.ure.gov.pl](http://www.ure.gov.pl)

- c. On April 24th 2012, the Management Board of Polskie Górnictwo Naftowe i Gazownictwo S.A. reported that the launch of production from the Skarv field in Norway had been postponed from Q2 2012 to Q4 2012. Although the licence operator has kept the riser installation vessel on standby at the field throughout the winter, there have been no suitable breaks in the weather from November to March which would be sufficiently long to allow the risers to be installed.

This postponement of the production launch date will require a revision of the forecasts of oil and gas production from Norwegian fields, published in Current Report No. 16/2012 of January 30th 2012. The forecasts will be revised as soon as PGNiG S.A. receives relevant data from the Skarv field operator.

- d. On April 25th 2012, the Management Board of Polskie Górnictwo Naftowe i Gazownictwo S.A. resolved to recommend that the General Meeting of PGNiG S.A. allocate the 2011 net profit of PLN 1,615,690.67 thousand to the Company's statutory reserve funds, with the PGNiG General Meeting to decide on the intended use of these funds. The Management Board of PGNiG S.A. also proposed to allocate retained earnings of PLN 72,471.80 thousand to the Company's statutory reserve funds.

Such a recommendation is connected with the PGNiG Group's ambitious investment programme, involving exploration for crude oil and conventional and unconventional gas, construction and extension of oil and gas production and gas storage facilities, expansion of the distribution network and power generation projects, which requires the Company to incur a total capital expenditure of approx. PLN 8bn in 2012 (including the cost of purchase of Vattenfall Heat Poland S.A. shares of PLN 3bn). As the gas purchase cost incurred by the Company in the fourth quarter of 2011 and the first quarter of 2012 was not reflected in its gas fuel tariff, dividend payment to shareholders could hinder execution of the investment tasks planned by the Company under the investment programme.

Upon receipt of the PGNiG S.A. Supervisory Board's opinion on this matter, the Management Board will request the General Meeting to adopt a relevant resolution concerning profit distribution.

## 10. Changes in contingent liabilities or assets subsequent to the end of the previous financial year

	As at Mar 31 2012, end of Q1 2012	As at Dec 31 2011, end of previous year
<b>Contingent receivables</b>	<b>717,629</b>	<b>684,697</b>
<i>From related undertakings</i>	5,256	3,532
- under guarantees and sureties received	2,149	425
- under promissory notes received	3,107	3,107
- other	-	-
<i>From other undertakings</i>	712,373	681,165
- under guarantees and sureties received	442,037	428,021
- under promissory notes received	114,551	97,112
- other	155,785	156,032
<b>Contingent liabilities</b>	<b>10,493,563</b>	<b>11,428,731</b>
<i>To related undertakings</i>	5,333	-
- under guarantees and sureties issued	-	-
- under promissory notes issued	5,333	-
- other	-	-
<i>To other entities</i>	10,488,230	11,428,731
- under guarantees and sureties issued	10,095,741	10,571,035
- under promissory notes issued	385,742	857,696
- other	6,747	-

The decrease in liabilities under guarantees and sureties in Q1 2012 is chiefly attributable to fluctuations in the exchange rate of the Polish zloty against the euro, the US dollar, and the Norwegian crown.

Appreciation of the Polish zloty against the US dollar resulted in a PLN 32,216 thousand decline in the value of the USD 108,000 thousand guarantee provided by PGNiG S.A. to National Oil Corporation in respect of the fulfilment of licence commitments by POGC – Libya B.V. (a subsidiary). Appreciation of the zloty against the euro brought about a decrease in the value of the EUR 627,556 thousand guarantee provided to the government of Norway and the EUR 1,500,000 guarantee provided to holders of Eurobonds. The value of these guarantees declined by a total of PLN 542,952 thousand. Furthermore, appreciation of the zloty against the Norwegian crown resulted in a decline of the value of the NOK 600,000 thousand performance bond provided to GASSCO by PLN 11,820 thousand. Concurrently, in connection with the expiry of seven performance bonds for a total amount of EUR 79.335 thousand and issuance of 18 new guarantees for an amount of EUR 105,000 thousand in their stead, the value of guarantees rose by PLN 86,562 thousand. These guarantees relate to the gas trading operations of subsidiary PGNiG Sales&Trading GmbH. The rest of the guarantees value increase is attributable to new performance bonds for PLN 27,390 thousand issued by PGNiG Technologie.

The amount of contingent liabilities under outstanding promissory notes decreased significantly due to expiry of the PLN 503,631 thousand blank promissory note issued by PGNiG S.A. for the benefit of the Oil and Gas Institute of Kraków. That decrease was only slightly limited due to the addition of promissory notes for PLN 28,507 thousand as a result of consolidation of PGNiG Termika as of Q1 2012.

## 11. Financial information by operating segments

### 11.1. Reportable segments

The tables below show the revenues, costs and profits/losses, as well as the assets, equity and liabilities of the Group's reportable segments for the periods ended March 31st 2012 and March 31st 2011.

Period ended March 31st 2012	Exploration and Production	Trade and Storage	Distribution	Generation	Other Activities	Eliminations	Total
<b>Income statement</b>							
Sales to external customers	828,016	7,291,403	29,485	751,841	36,803	-	8,937,548
Intercompany sales	277,363	143,147	1,201,665	-	58,147	(1,671,302)	9,020
<b>Total segment revenue</b>	<b>1,105,379</b>	<b>7,434,550</b>	<b>1,231,150</b>	<b>751,841</b>	<b>94,950</b>	<b>(1,671,302)</b>	<b>8,946,568</b>
Depreciation and amortisation	(144,846)	(32,736)	(203,439)	(69,829)	(3,973)	-	(454,823)
Other costs	(530,723)	(8,179,923)	(499,396)	(556,433)	(97,351)	1,672,022	(8,191,804)
<b>Total segment costs</b>	<b>(675,569)</b>	<b>(8,212,659)</b>	<b>(702,835)</b>	<b>(626,262)</b>	<b>(101,324)</b>	<b>1,672,022</b>	<b>(8,646,627)</b>
<b>Operating profit/loss</b>	<b>429,810</b>	<b>(778,109)</b>	<b>528,315</b>	<b>125,579</b>	<b>(6,374)</b>	<b>720</b>	<b>299,941</b>
Net finance expenses							29,141
Share in net profit/loss of equity-accounted entities		(141)					(141)
<b>Pre-tax profit/loss</b>							<b>328,941</b>
Corporate income tax							(31,663)
<b>Net profit/loss</b>							<b>297,278</b>
<b>Statement of financial position</b>							
Segment assets	14,668,667	14,441,915	13,060,595	4,418,451	438,832	(6,575,016)	40,453,444
Investments in equity-accounted entities		598,249					598,249
Unallocated assets							131,963
Deferred tax assets							1,107,910
<b>Total assets</b>							<b>42,291,566</b>
Total equity							24,604,868
Segment liabilities	4,698,528	3,746,510	2,222,345	2,697,936	151,895	(6,237,194)	7,280,020
Unallocated liabilities							8,630,089
Deferred tax liabilities							1,776,589
<b>Total equity and liabilities</b>							<b>42,291,566</b>
<b>Other information on the segment</b>							
Capital expenditure on property, plant and equipment and intangible assets	(428,991)	(99,610)	(363,371)	(37,438)	(2,959)	25,699	<b>(906,670)</b>
Impairment losses on assets	(543,733)	(2,112,983)	(91,840)	(24,678)	(11,849)	174	<b>(2,784,909)</b>
Impairment losses on unallocated assets							(37,814)

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Period ended March 31st 2011	Exploration and Production	Trade and Storage	Distribution	Generation	Other Activities	Eliminations	Total
<b>Income statement</b>							
Sales to external customers	684,933	6,294,484	24,878	-	40,713	-	7,045,008
Intercompany sales	268,457	64,243	1,143,839	-	104,569	(1,581,108)	-
<b>Total segment revenue</b>	<b>953,390</b>	<b>6,358,727</b>	<b>1,168,717</b>	<b>-</b>	<b>145,282</b>	<b>(1,581,108)</b>	<b>7,045,008</b>
Depreciation and amortisation	(148,629)	(30,934)	(206,461)	-	(3,665)	-	(389,689)
Other costs	(427,497)	(6,074,666)	(413,410)	-	(134,079)	1,573,280	(5,476,372)
<b>Total segment costs</b>	<b>(576,126)</b>	<b>(6,105,600)</b>	<b>(619,871)</b>	<b>-</b>	<b>(137,744)</b>	<b>1,573,280</b>	<b>(5,866,061)</b>
<b>Operating profit/loss</b>	<b>377,264</b>	<b>253,127</b>	<b>548,846</b>	<b>-</b>	<b>7,538</b>	<b>(7,828)</b>	<b>1,178,947</b>
Net finance expenses							63,651
Share in net profit/loss of equity-accounted entities		(189)					(189)
<b>Pre-tax profit/loss</b>							<b>1,242,409</b>
Corporate income tax							(217,797)
<b>Net profit/loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,024,612</b>
<b>Statement of financial position</b>							
Segment assets	13,306,323	9,939,776	12,810,472		471,138	(3,417,801)	33,109,908
Investments in equity-accounted entities		555,639					555,639
Unallocated assets							574,906
Deferred tax assets							686,129
<b>Total assets</b>				<b>-</b>			<b>34,926,582</b>
Total equity							24,751,778
Segment liabilities	2,055,616	3,291,827	1,921,229		160,098	(3,113,708)	4,315,062
Unallocated liabilities							4,423,192
Deferred tax liabilities							1,436,550
<b>Total equity and liabilities</b>				<b>-</b>			<b>34,926,582</b>
<b>Other information on the segment</b>							
Capital expenditure on property, plant and equipment and intangible assets	(592,228)	(244,920)	(269,072)	-	(3,630)	28,650	<b>(1,081,200)</b>
Impairment losses on assets	(1,153,915)	(1,919,765)	(84,945)	-	(8,733)	14,468	<b>(3,152,890)</b>
Impairment losses on unallocated assets							(52,739)



#### IV. SUPPLEMENTARY INFORMATION TO THE Q1 2012 REPORT

##### 1. General information on the Company and its Group

Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna ("PGNiG S.A.", the "Company", the "Parent Undertaking"), registered office at ul. Marcina Kasprzaka 25, Warsaw, is the Parent of the PGNiG Group (the "PGNiG Group", the "Group"). On September 23rd 2005, following an IPO of PGNiG S.A. shares, PGNiG S.A. ceased to be a state-owned stock company and became a public company.

The Parent was established as a result of transformation of the state-owned enterprise Polskie Górnictwo Naftowe i Gazownictwo into a state-owned stock company. The Deed of Transformation and the Company's Articles of Association were executed in the form of a notary deed on October 21st 1996.

The Minister of the State Treasury executed the Deed of Transformation in performance of the Prime Minister's Regulation of September 30th 1996 on the transformation of state-owned enterprise Polskie Górnictwo Naftowe i Gazownictwo of Warsaw into a state-owned stock company. U. No. 116 of 1996, item 553).

On October 30th 1996, the Company was entered in the commercial register maintained by the District Court for the Capital City of Warsaw, XVI Commercial Division, under No. RHB 48382. On November 14th 2001, the Company was entered into the register of entrepreneurs maintained by the District Court for the Capital City of Warsaw, XII Commercial Division of the National Court Register, under No. KRS 0000059492.

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

The joint-stock company is the legal successor of the former state-owned enterprise. The assets, equity and liabilities of the state-owned enterprise were contributed to the joint-stock company and disclosed in its accounting books at their respective values in the closing balance of the state-owned enterprise.

The Company's core business includes exploration for and production of crude oil and natural gas, as well as import, storage and sale of gaseous fuels.

The PGNiG Group remains the only vertically integrated company in the Polish gas sector, holding the leading position in all segments of the domestic gas sector. Polskie Górnictwo Naftowe i Gazownictwo S.A. is the Parent company of the Group.

The scope of the PGNiG Group's business comprises oil and gas exploration, oil and gas production from fields in Poland, as well as import, storage and distribution of and trade in gaseous fuels. The PGNiG Group is both the main importer of gaseous fuel from Russia, Central Asia, Norway and Germany, and the main producer of natural gas from Polish fields. The Company's upstream operations are one of the key factors building PGNiG's competitive position on the liberalised gas market.

The trade in and distribution of natural gas, which together with natural gas and crude oil production constitute the core business of the PGNiG Group, are regulated by the Polish Energy Law. For this reason, the Group's operations require a license and its revenue depends on the tariff rates for gaseous fuels approved by the President of the Energy Regulatory Office. Exploration and production activities are conducted on a license basis, subject to the provisions of the Polish Geological and Mining Law.

## 2. Organisation of the PGNiG Group and its consolidated entities

As at March 31st 2012, the Group comprised PGNiG S.A. (the Parent), and 37 production and service companies, including:

- 27 subsidiaries of PGNiG SA
- 10 indirect subsidiaries of PGNiG S.A.

The following table presents a list of the PGNiG Group companies as at March 31st 2012:

### Companies of the PGNiG Group

Company name	Share capital (PLN)	Equity interest held by PGNiG S.A. (PLN)	Equity interest held by PGNiG S.A. (%)	% of total vote held by PGNiG S.A.
<b>PGNiG S.A.'s subsidiaries</b>				
1 Poszukiwania Nafty i Gazu Jasło S.A.	100,000,000	100,000,000	100 %	100 %
2 Poszukiwania Nafty i Gazu Kraków Sp. z o.o.	105,231,000	105,231,000	100 %	100 %
3 Poszukiwania Nafty i Gazu NAFTA Sp. z o.o.	60,000,000	60,000,000	100 %	100 %
4 GEOFIZYKA Kraków Sp. z o.o.	64,400,000	64,400,000	100 %	100 %
5 GEOFIZYKA Toruń Sp. z o.o.	66,000,000	66,000,000	100 %	100 %
6 Poszukiwania Naftowe Diament Sp. z o.o.	62,000,000	62,000,000	100 %	100 %
7 Zakład Robót Górniczych Krosno Sp. z o.o.	26,903,000	26,903,000	100 %	100 %
8 PGNiG Norway AS	1,092,000,000 (NOK) <sup>1)</sup>	1,092,000,000 (NOK) <sup>1)</sup>	100 %	100 %
9 Polish Oil and Gas Company - Libya B.V.	20,000 (EUR) <sup>1)</sup>	20,000 (EUR) <sup>1)</sup>	100 %	100 %
10 INVESTGAS S.A.	502,250	502,250	100 %	100 %
11 Dolnośląska Spółka Gazownictwa Sp. z o.o.	658,384,000	658,384,000	100 %	100 %
12 Górnośląska Spółka Gazownictwa Sp. z o.o.	1,300,338,000	1,300,338,000	100 %	100 %
13 Karpacka Spółka Gazownictwa Sp. z o.o.	1,484,953,000	1,484,953,000	100 %	100 %
14 Mazowiecka Spółka Gazownictwa Sp. z o.o.	1,255,800,000	1,255,800,000	100 %	100 %
15 Pomorska Spółka Gazownictwa Sp. z o.o.	655,199,000	655,199,000	100 %	100 %
16 Wielkopolska Spółka Gazownictwa Sp. z o.o.	1,033,186,000	1,033,186,000	100 %	100 %
17 Geovita Sp. z o.o.	86,139,000	86,139,000	100 %	100 %
18 PGNiG Technologie Sp. z o.o.	166,914,000	166,914,000	100 %	100 %
19 PGNiG Energia SA	41,000,000	41,000,000	100 %	100 %
20 BUD-GAZ P.P.U.H. Sp. z o.o.	51,760	51,760	100 %	100 %
21 PGNiG Sales & Trading GmbH	10,000,000 (EUR) <sup>1)</sup>	10,000,000 (EUR) <sup>1)</sup>	100 %	100 %
22 PGNiG Finance AB (publ)	500,000 (SEK) <sup>1)</sup>	500,000 (SEK) <sup>1)</sup>	100%	100%
23 PGNiG SPV 1 Sp. z o.o.	770,020,000	770,020,000	100%	100%
24 Operator Systemu Magazynowania Sp. z o.o.	5,000,000	5,000,000	100 %	100 %
25 Polskie Elektrociepłowni Gazowe Sp. z o.o.	1,212,000	1,212,000	100 %	100 %
26 Biuro Studiów i Projektów Gazownictwa Gazoprojekt S.A.	4,000,000	3,000,000	75 %	75 %
27 NYSAGAZ Sp. z o.o.	9,881,000	6,549,000	66 %	66 %
<b>PGNiG S.A.'s indirect subsidiaries</b>				
28 Oil Tech International F.Z.E.	20,000 (USD) <sup>1)</sup>	20,000 (USD) <sup>1)</sup>	100%	100%
29 Zakład Gospodarki Mieszkaniowej Sp. z o.o. (Piła)	1,806,500	1,806,500	100%	100%
30 Biogazownia Ostrowiec Sp. z o.o.	105,000	105,000	100%	100%
31 Powiśle Park Sp. z o.o. (Warsaw)	81,131,000	81,131,000	100%	100%
32 PGNiG Termika S.A.	246,300,000	245,905,920	99.84 %	99.84 %
33 Poltava Services LLC	20,000 (EUR) <sup>1)</sup>	19,800 (EUR) <sup>2)</sup>	99%	99%
34 CHEMKOP Sp. z o.o. Kraków	3,000,000	2,550,000	85%	85%
35 GAZ Sp. z o.o. (Błonie)	300,000	153,000	51%	51%
36 GAZ MEDIA Sp. z o.o. (Wołomin)	300,000	153,000	51%	51%
37 PT Geofizyka Toruń Indonesia	8,773,000,000 (IDR) <sup>1)</sup>	4,825,150,000 (IDR) <sup>3)</sup>	55%	55%

<sup>1)</sup> Figures in foreign currencies.

<sup>2)</sup> Share capital not paid up.

<sup>3)</sup> The company's share capital, which following translation into USD amounts to USD 1,000 thousand, has been partly paid up by Geofizyka Toruń Sp. z o.o.: by December 31st 2011 Geofizyka Toruń Sp. z o.o. has paid USD 40.7 thousand.

Consolidated entities of the Group as at the end of Q1 2012

Company name	Based in	Equity interest held by PGNiG S.A. (%)	
		Mar 31 2012	Mar 31 2011
PGNiG S.A. (Parent)	Poland		
<b>PGNiG S.A.'s subsidiaries</b>			
GEOFIZYKA Kraków Sp. z o.o.	Poland	100.00%	100.00%
GEOFIZYKA Toruń Sp. z o.o.	Poland	100.00%	100.00%
Poszukiwania Nafty i Gazu Jasło S.A.	Poland	100.00%	100.00%
Poszukiwania Nafty i Gazu Kraków Group <sup>1)</sup>	Poland	100.00%	100.00%
Poszukiwania Nafty i Gazu NAFTA Sp. z o.o.	Poland	100.00%	100.00%
Zakład Robót Górniczych Krosno Sp. z o.o.	Poland	100.00%	100.00%
Poszukiwania Naftowe Diament Sp. z o.o.	Poland	100.00%	100.00%
PGNiG Norway AS	Norway	100.00%	100.00%
Polish Oil And Gas Company – Libya B.V.	The Netherlands	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%
Mazowiecka Spółka Gazownictwa Group <sup>2)</sup>	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 Sp. z o.o.	Poland	100.00%	100.00%
INVESTGAS S.A.	Poland	100.00%	100.00%
PGNiG Energia SA	Poland	100.00%	100.00%
PGNiG Technologie Sp. z o.o.	Poland	100.00%	100.00%
PGNiG SPV1 Sp. z o.o.	Poland	100.00%	-
PGNiG Sales&Trading GmbH	Germany	100.00%	-
PGNiG Finance AB	Sweden	100.00%	-
Operator Systemu Magazynowania Sp. z o.o.	Poland	100.00%	-
Biuro Studiów i Projektów Gazownictwa Gazoprojekt S.A.	Poland	75.00%	75.00%
<b>PGNiG S.A.'s indirect subsidiaries</b>			
PGNiG Termika S.A. <sup>3)</sup>	Poland	99.84 %	-
BUG Gazobudowa Sp. z o.o. Zabrze <sup>4)</sup>	Poland	-	100.00%
Zakład Urządzeń Naftowych Naftomet Sp. z o.o. <sup>4)</sup>	Poland	-	100.00%
ZRUG Sp. z o.o. (Pogórska Wola) <sup>4)</sup>	Poland	-	100.00%
Budownictwo Naftowe Naftomontaż Sp. z o.o. <sup>4)</sup>	Poland	-	88.83%
<b>Equity-accounted jointly-controlled and associated entities</b>			
SGT EUROPOL GAZ S.A. <sup>5)</sup>	Poland	49.74%	49.74%
GAS - TRADING S.A.	Poland	43.41%	43.41%

<sup>1)</sup> The Poszukiwania Nafty i Gazu Kraków Group comprises Poszukiwania Nafty i Gazu Kraków Sp. z o. o. and its subsidiaries: Oil Tech International - F.Z.E. and Poltava Services LLC.

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

<sup>3)</sup> On January 11th 2012, PGNiG SPV 1 Sp. z o. o. acquired 99.84% of shares in Vattenfall Heat Poland S.A. (currently PGNiG Termika S.A.).

<sup>4)</sup> Starting from December 22nd 2011, these have operated as branches of PGNiG Technologie Sp. z o.o.

<sup>5)</sup> Including a 48.00% direct interest and a 1.74% interest held indirectly through GAS-TRADING S.A.

### 3. Changes in the Company's structure, including changes resulting from mergers, acquisitions or disposals of the Group undertakings, as well as long-term investments, demergers, restructurings or discontinuation of operations

The following material changes in the Group's structure took place in Q1 2012:

- On January 2nd 2012, the transformation of PNiG Jasło Sp. z o.o. into a joint-stock company was registered with the National Court Register;
- On January 13th 2012, the Extraordinary General Meeting of PGNiG SPV 1 Sp. z o.o. adopted a resolution to increase in the company's share capital by PLN 770,000 thousand, to PLN 770,020 thousand, through the issue of 15,400,000 new shares with a par value of PLN 50 per share. All the new issue shares were acquired by PGNiG SA. The increase was registered with the National Court Register on January 25th 2012;
- On February 16th 2012, the Extraordinary General Meeting of PGNiG Energia S.A. adopted a resolution to increase the company's share capital by PLN 11,000 thousand, to PLN 41,000 thousand, through the issue of 110,000 new shares with a par value of PLN 100 per share. All the new issue shares were acquired by PGNiG SA. The increase was registered with the National Court Register on March 22nd 2012;

- On February 17th 2012, the Extraordinary General Meeting of Pomorska Spółka Gazownictwa Sp. z o.o. adopted a resolution concerning to increase the company's share capital by PLN 1,553 thousand, to PLN 655,199 thousand, through the issue of 1,553 new shares with a par value of PLN 1 thousand per share. All new issue shares were acquired by PGNiG S.A. and paid for with an in-kind contribution in the form of a perpetual usufruct right to land, along with the ownership title to buildings and structures erected thereon. The increase was registered with the National Court Register on March 7th 2012;

Other changes in equity interests held by the PGNiG Group in Q1 2012:

- Pursuant to the provisions of the arrangement made between PRONOX TECHNOLOGY S.A. of Katowice and its creditors, approved by the court on December 14th 2011, the creditors' debt claims against the company were swapped for equity interests in the company. In return for its PLN 9 thousand of debt claims, PGNiG S.A. acquired 2,140 shares in PRONOX TECHNOLOGY S.A. of Katowice, with a par value of PLN 0.10 per share (issue price: PLN 4).

By the date of these financial statements, the increase has not been registered with the National Court Register.

#### 4. Management Board's position on the feasibility of meeting forecasts published earlier for a given year in the light of the results presented in the quarterly report as compared with the forecast

PGNiG SA did not publish any performance forecasts for Q1 2012.

#### 5. Shareholders holding, directly or indirectly through subsidiaries, 5% or more of the total vote at the General Meeting of the Company as at the date of publication of the quarterly report, including information on the number of shares held by those shareholders, their interests in the Company's share capital, the resulting number of votes at the General Meeting and their share in the total vote at the General Meeting, and any changes in the ownership structure of major holdings of the Company shares after the publication of the previous quarterly report

Shareholder	% share of total vote as at the publication date of previous quarterly report*	Number of shares held as at the publication date of previous quarterly report*	% change in the period Dec 31 2011– Mar 31 2012	% share of total vote at GM as at the publication date of this report**	Number of shares held as at this report publication date**
State Treasury	72.41%	4,272,063,451	0.00%	72.41%	4,271,988,581
Other shareholders	27.59%	1,627,936,549	0.00%	27.59%	1,628,011,419
<b>Total:</b>	<b>100.00%</b>	<b>5,900,000,000</b>	<b>0.00%</b>	<b>100.00%</b>	<b>5,900,000,000</b>

\* As at December 31st 2011.

\*\* As at March 31st 2012.

#### 6. Number of Company shares and options for Company shares held by the management and supervisory staff as at the quarterly report date and changes in the number of Company shares and options for Company shares held by the management and supervisory staff after publication of the previous quarterly report (data for individual persons)

	Number of shares and options held as at the publication date of previous quarterly report*	Acquisition	Disposal	Increase due to change of composition	Decrease due to change of composition	Number of shares and options held as at this report publication date**
<b>Management staff</b>	<b>46,351</b>	-	-	-	<b>36,926</b>	<b>9,425</b>
Michał Szubski	6,825	-	-	-	6,825	-
Mirosław Szkatuba	9,425	-	-	-	-	9,425
Mieczysław Jakiel	30,101	-	-	-	30,101	-
<b>Supervisory staff</b>	<b>38,822</b>	-	-	-	<b>9,897</b>	<b>28,925</b>
Stanisław Rychlicki	9,897	-	-	-	9,897	-
Mieczysław Kawecki	19,500	-	-	-	-	19,500
Jolanta Siergiej	9,425	-	-	-	-	9,425

\* According to confirmations received as at December 31st 2011.

\*\* According to confirmations received as at March 31st 2012.

## **7. Court, arbitration or administrative proceedings concerning liabilities or debt claims of the Company or its subsidiary**

In the reporting period, no proceedings were instituted or pending before any court, arbitration tribunal, or public administration authority, concerning any liabilities or debt claims of PGNiG S.A. or its subsidiary, whose value would equal or exceed 10% of the Company's equity.

The aggregate value of all pending proceedings in respect of liabilities or debt claims is significantly lower than 10% of the Company's equity.

## **8. Conclusion by PGNiG S.A. or its subsidiary of a transaction or a series of transactions with related parties, where the transaction value (total value of all transactions concluded from the beginning of the financial year) exceeds the PLN equivalent of EUR 500 thousand, and the transactions are not typical or routine transactions concluded at arms' length between related entities, and their nature, as well as their terms and conditions, do not follow from the Company's or its subsidiary's ordinary course of business**

In the period January 1st–March 31st 2012, there were no related party transactions concluded by the Group entities which would be worth more than EUR 500 thousand and would not follow from the ordinary course of business.

## **9. Loan sureties or guarantees issued by the Company or its subsidiary to one entity or its subsidiary where the total amount of outstanding sureties or guarantees issued to such an entity or its subsidiary represents 10% or more of the Company's equity**

On February 14th 2012, PGNiG S.A. entered into a loan agreement with its subsidiary PGNiG Finance AB of Stockholm. Under the agreement, PGNiG S.A. will borrow from PGNiG Finance AB the funds it has raised by way of issuing Eurobonds ("Loan Agreement").

PGNiG S.A. reported on the terms of the Eurobond issue by PGNiG Finance AB in Current Report No. 25/2012 of February 10th 2012.

Under the Loan Agreement, PGNiG Finance AB will advance to PGNiG S.A. a loan of up to EUR 500,000 thousand (up to PLN 2,097,400 thousand, translated at the mid-exchange rate quoted by the National Bank of Poland for February 13th 2012), to be used for general financing purposes. The loan bears interest at a fixed rate based on the Eurobond coupon and a margin. The Loan Agreement was concluded for a term of five years. The loan is unsecured.

## **10. Other information which in the Company's opinion is material for assessing its staffing levels, assets, financial standing and performance, or changes in any of the foregoing, and information which is material for assessing the Company's ability to fulfil its obligations**

Apart from the information disclosed in this report, the Company is not aware of any information which could be material for assessing its staffing levels, assets, financial standing and performance, or changes in any of the foregoing, or information which could be material for assessing the Company's ability to fulfil its obligations.

## **11. Factors which in the Company's opinion will affect its performance in the next quarter or beyond**

Key factors with a bearing on the PGNiG Group's financial performance will include crude oil prices on the international markets, conditions prevailing on the currency markets, and the stance taken by the President of the Energy Regulatory Office with regard to gas fuel tariffs.

The financial position of the PGNiG Group is to a significant extent affected by the prices of crude oil and petroleum products. Growing tensions between the West and Iran, as well as high demand for oil, particularly in the emerging markets, inflated crude oil prices in Q1 2012. Given the current geopolitical environment, we may expect to see on the fuel markets turbulence that is hard to predict. If the growing trend in prices of crude oil continues in for the months to come, the Group's economic prospects may be adversely affected.

The PGNiG Group is significantly exposed to changes in foreign exchange rates, which are reflected in prices of imported gas when expressed in the zloty. The strong appreciation of USD seen in the second half of 2011, decelerated in Q1 2012. The USD exchange rate still remains relatively high, and its further strengthening would significantly weaken the financial position of the PGNiG Group.

Another factor having a bearing on the financial performance of the Group relates to the price rates and charges provided for in gaseous fuel tariffs. The tariff currently applied by PGNiG S.A. had originally been meant to apply until December 31st 2011. Given the unfavourable developments on the currency and fuel markets, in October 2011 PGNiG S.A. filed two applications with the Energy Regulatory Office: the first one requesting approval of an adjustment to the then effective tariff and the second one requesting a new tariff for Q1 2012. The administrative proceedings to approve the new tariff was completed as late as March 2012.

Pursuant to the decision issued by the President of the Energy Regulatory Office, the new tariff will take effect starting from March 31st 2012 and will apply until the end of the year. Approved price increases pertain only to prices of gaseous fuel, while network charges and subscription fees remain unchanged. The tariff has introduced a 16.9% price increase for industrial customers. The new tariff will not compensate for the losses incurred by the Group in Q1 2012, but it will improve its situation in the following quarters.

The Management Board of the Parent resolved to recommend that the General Meeting withholds the payment of dividend from the 2011 profit. As the gas imports cost incurred by the Group in the fourth quarter of 2011 and the first quarter of 2012 has not been reflected in the gaseous fuel tariff approved by the Energy Regulatory Office, payment of dividend to shareholders could further hinder the implementation of planned investment projects by the Group.

In 2011, the PGNiG Group started to renegotiate the price of gas supplied under the long-term contract with OOO Gazprom Export and then referred the case to the Arbitration Court in Stockholm. In 2012, the Group approached VNC of Germany with a similar request for lowering the price of gas and gas transmission charges. Should the German company disagree, the issue, similarly as in the Gazprom's case, will be referred for arbitration. A favourable outcome of the arbitration proceedings concerning the dispute with Gazprom Export and of negotiations with VNC would result in a significant reduction of the cost of acquisition of gaseous fuels by the Group.

Launch of production from the Skarv field in Norway has been postponed from Q2 2012 to Q4 2012. The postponement is caused by a delay in the installation of risers due to adverse weather conditions on the Norwegian Sea.

In the coming months, apart from internally generated cash flows, the PGNiG Group will primarily rely on three notes and Eurobonds issue programmes to finance its operations.

The first of the programmes was established on June 21st 2010 following the signing of a relevant agreement with a group of six banks, including Bank Pekao S.A., ING Bank Śląski, PKO BP, Bank Handlowy, BNP Paribas, and Societe Generale. Annexes to the programme were signed on July 21st 2011 and November 25th 2011. Pursuant to the annexes, the Programme expiry date was postponed from July 2013 to July 2015, and the maximum Programme amount was raised, initially from PLN 3bn to PLN 5bn, and then from PLN 5bn to PLN 7bn. Also, Nordea Bank, Bank Zachodni WBK and BRE Bank joined the program. Under the Programme, the PGNiG Group may issue notes with maturities ranging from one month to one year. The banks will underwrite all the issues, as long as the total amount of liabilities does not exceed PLN 7bn.

The second programme is a EUR 1.2bn EMTN issue programme of August 25th 2011. The first issue of five-year Eurobonds with a nominal value of EUR 500m was carried out in mid February 2012.

The third programme is a domestic note issuance programme. The agreement providing for the arrangement of the PLN 4.5bn programme was signed on April 26th 2012 with ING Bank Śląski S.A. and Bank Pekao S.A. The first issue of up to PLN 2bn worth of notes has been tentatively scheduled for the second quarter of 2012.

A USD 400bn credit facility, contracted by PGNiG Norway AS in August 2010, is a material item of the PGNiG Group's liabilities. The credit facility agreement was concluded with seven banks for the period of seven years. The credit facility is intended for financing of expenditure on the Skarv field development project.

In addition, under its short-term securities issuance programme PGNiG S.A. issues short term notes intended for the Group entities. The programme serves a tool designed to improve liquidity management within the Group, helping to prevent situations where some Group companies borrow monies while others deposit their free cash at banks. Mitigating credit risk is another benefit from the programme.

In the coming quarters, the PGNiG Group intends to maintain a high level of capital expenditure. Spending will focus on projects involving extension of underground gas storage facilities, maintenance of hydrocarbon production capacities, and diversification of gas supply sources, as well as on projects related to the exploration for and appraisal of crude oil and natural gas deposits and development of the Group's power generation segment.