# SA-Q III/2005 Report

## 1. Financial statements of PGNiG S.A. for the third quarter of 2005

### *Average PLN/EUR exchange rates defined by the National Bank of Poland (NBP)*

| | 30.09.2005 | 30.09.2004 |
|---|---|---|
| Exchange rate as at the end of the period | 3.9166 | 4.3832 |
| Average exchange rate during the period | 4.0583 | 4.6214 |
| Maximum exchange rate during the period | 4.2756 | 4.9149 |
| Minimum exchange rate during the period | 3.8839 | 4.3146 |

### *Main items of the financial statements translated into EUR*

| | in PLN '000 | | in EUR '000 | |
|---|---|---|---|---|
| **SELECTED FINANCIAL DATA** | **3 quarter(s) in increasing order / 2005 period from 2005-01-01 to 2005-09-30** | **3 quarter(s) in increasing order / 2004 period from 2004-01-01 to 2004-09-30** | **3 quarter(s) in increasing order / 2005 period from 2005-01-01 to 2005-09-30** | **3 quarter(s) in increasing order / 2004 period from 2004-01-01 to 2004-09-30** |
| I. Net revenues from sales of products, goods and materials | 6 679 033 | 5 974 508 | 1 645 771 | 1 292 792 |
| II. Profit (loss) on operating activities | 1 242 726 | 1 071 037 | 306 218 | 231 756 |
| III. Gross profit (loss) | 1 026 022 | 882 638 | 252 821 | 190 989 |
| IV. Net profit (loss) | 700 101 | 584 127 | 172 511 | 126 396 |
| V. Net cash flows from operating activities | 1 194 974 | 900 663 | 294 452 | 194 890 |
| VI. Net cash flows from investment activities | -138 005 | -59 243 | -34 006 | -12 819 |
| VII. Net cash flows from financial activities | 1 384 906 | -921 642 | 341 253 | -199 429 |
| VIII. Total net cash flows | 2 441 875 | -80 222 | 601 699 | -17 359 |
| IX. Total assets | 19 462 249 | 14 716 519 | 4 969 169 | 3 357 483 |
| X Liabilities and provisions for liabilities | 10 974 298 | 6 757 272 | 2 801 996 | 1 541 630 |
| XI. Long-term liabilities | 19 490 | 3 985 191 | 4 976 | 909 197 |
| XII. Short-term liabilities | 7 207 649 | 1 664 309 | 1 840 282 | 379 702 |
| XIII. Equity | 8 487 951 | 7 959 247 | 2 167 173 | 1 815 853 |
| XIV. Share capital | 5 000 000 | 5 000 000 | 1 276 617 | 1 140 719 |
| XV. Number of shares | 5 000 000 000 | 5 000 000 000 | 5 000 000 000 | 5 000 000 000 |
| XVI. Profit (loss) per ordinary share (in PLN/EUR) | 0,14 | 0,12 | 0,03 | 0,03 |
| XVII. Diluted profit (loss) per ordinary share (in PLN/EUR) | 0,14 | 0,12 | 0,03 | 0,03 |
| XVIII. Book value per share (in PLN/EUR) | 1,70 | 1,59 | 0,43 | 0,36 |
| XIX. Diluted book value per share (in PLN/EUR) | 1,70 | 1,59 | 0,43 | 0,36 |
| XX. Declared or paid dividend per share (in PLN/EUR)* | 0,10 | 0,00 | 0,03 | 0,00 |

* Dividend paid to the State Treasury for 2004 was below 1 grosz per share

**1.1. Balance sheet**

| BALANCE SHEET | Balance as of 30 September 2005 end of quarter / 2005 | Balance as of 30 June 2005 end of previous quarter / 2005 | Balance as of 31 December 2004 end of previous year / 2004 | Balance as of 30 September 2004 end of quarter / 2004 |
|---|---|---|---|---|
| **A s s e t s** | | | | |
| **I. Non-current assets** | **13 917 218** | **11 717 083** | **11 820 225** | **11 952 842** |
| 1. Intangible assets, including: | 13 852 | 16 989 | 18 600 | 14 927 |
| - goodwill | 0 | 0 | 0 | 0 |
| 2. Tangible fixed assets | 4 352 008 | 6 388 889 | 6 403 098 | 6 508 494 |
| 3. Long-term receivables | 4 204 517 | 83 | 106 | 106 |
| 3.1. From related parties | 0 | 0 | 0 | 0 |
| 3.2. From other entities | 4 204 517 | 83 | 106 | 106 |
| 4. Long-term investments | 5 008 081 | 4 983 181 | 5 002 791 | 4 930 356 |
| 4.1. Real property | 0 | 0 | 0 | 0 |
| 4.2. Intangible assets | 0 | 0 | 0 | 0 |
| 4.3. Long-term financial assets | 5 008 075 | 4 983 175 | 5 002 786 | 4 930 356 |
| a) in related parties, including: | 5 006 432 | 4 981 532 | 5 000 639 | 4 927 032 |
| - shares in controlled entities measured by equity method | 0 | 0 | 0 | 0 |
| b) in other entities | 1 643 | 1 643 | 2 147 | 3 324 |
| 4.4. Other long-term investments | 6 | 6 | 5 | 0 |
| 5. Long-term prepayments | 338 760 | 327 941 | 395 630 | 498 959 |
| 5.1. Deferred tax assets | 332 603 | 326 727 | 394 279 | 498 940 |
| 5.2. Other prepayments and accruals | 6 157 | 1 214 | 1 351 | 19 |
| **II. Current assets** | **5 545 031** | **2 759 125** | **2 744 429** | **2 763 677** |
| 1. Inventory | 993 764 | 616 336 | 555 545 | 833 784 |
| 2. Short-term receivables | 1 132 830 | 633 564 | 1 077 760 | 889 531 |
| 2.1. From related parties | 168 653 | 165 468 | 374 246 | 260 008 |
| 2.2. From other entities | 964 177 | 468 096 | 703 514 | 629 523 |
| 3. Short-term investments | 3 409 521 | 1 496 522 | 1 107 322 | 1 035 335 |
| 3.1. Short-term financial assets | 3 409 521 | 1 496 522 | 1 107 322 | 1 035 335 |
| a) in related parties | 51 382 | 51 594 | 109 372 | 111 196 |
| b) in other entities | 395 931 | 367 759 | 478 087 | 511 573 |
| c) cash and other pecuniary assets | 2 962 208 | 1 077 169 | 519 863 | 412 566 |
| 3.2. Other short-term assets | 0 | 0 | 0 | 0 |
| 4. Short-term prepayments | 8 916 | 12 703 | 3 802 | 5 028 |
| **T o t a l a s s e t s** | **19 462 249** | **14 476 208** | **14 564 654** | **14 716 519** |

| **Liabilities and equity** | **Balance as of 30 September 2005 end of quarter / 2005** | **Balance as of 30 June 2005 end of previous quarter / 2005** | **Balance as of 31 December 2004 end of previous year / 2004** | **Balance as of 30 September 2004 end of quarter / 2004** |
|---|---|---|---|---|
| **I. Equity** | **8 487 951** | **8 065 074** | **8 122 230** | **7 959 247** |
| 1. Share capital | 5 000 000 | 5 000 000 | 5 000 000 | 5 000 000 |
| 2. Called up share capital (negative value) | 0 | 0 | 0 | 0 |
| 3. Own shares (negative value) | 0 | 0 | 0 | 0 |
| 4. Supplementary capital | 2 786 295 | 2 593 219 | 2 373 761 | 2 373 761 |
| 5. Revaluation reserve | 1 555 | 1 506 | 1 756 | 1 359 |
| 6. Other reserve capitals | 0 | 0 | 0 | 0 |
| 7. Previous year profit (loss) | 0 | 0 | 0 | 0 |
| 8. Net profit (loss) | 700 101 | 470 349 | 746 713 | 584 127 |
| 9. Write-offs on net profit during the financial year (negative value) | 0 | 0 | 0 | 0 |
| **II. Liabilities and provisions for liabilities** | **10 974 298** | **6 411 134** | **6 442 424** | **6 757 272** |
| 1. Provisions for liabilities | 1 040 597 | 1 031 006 | 1 029 031 | 1 060 949 |
| 1.1. Provision for deferred income tax | 141 367 | 121 489 | 150 308 | 221 180 |
| 1.2. Provision for retirement and similar benefits | 189 773 | 201 576 | 208 618 | 214 857 |
| a) long-term | 151 487 | 164 303 | 167 448 | 195 667 |
| b) short-term | 38 286 | 37 273 | 41 170 | 19 190 |
| 1.3. Other provisions | 709 457 | 707 941 | 670 105 | 624 912 |
| a) long-term | 585 961 | 585 678 | 560 199 | 559 019 |
| b) short-term | 123 496 | 122 263 | 109 906 | 65 892 |
| 2. Long-term liabilities | 19 490 | 171 379 | 304 596 | 3 985 191 |
| 2.1. To related parties | 0 | 0 | 0 | 2 974 878 |
| 2.2. To other entities | 19 490 | 171 379 | 304 596 | 1 010 313 |
| 3. Short-term liabilities | 7 207 649 | 5 156 793 | 5 067 740 | 1 664 309 |
| 3.1. To related parties | 160 985 | 152 505 | 2 980 159 | 336 655 |
| 3.2. To other entities | 6 996 163 | 4 944 517 | 2 040 739 | 1 283 516 |
| 3.3. Special funds | 50 501 | 59 771 | 46 842 | 44 138 |
| 4. Prepayments and accruals | 2 706 562 | 51 956 | 41 057 | 46 822 |
| 4.1. Negative goodwill | 0 | 0 | 0 | 0 |
| 4.2. Other prepayments and accruals | 2 706 562 | 51 956 | 41 057 | 46 822 |
| a) long-term | 2 545 975 | 34 479 | 34 524 | 30 893 |
| b) short-term | 160 587 | 17 477 | 6 533 | 15 929 |
| **Total liabilities and equity** | **19 462 249** | **14 476 208** | **14 564 654** | **14 716 519** |

| | | | | |
|---|---|---|---|---|
| Book value | 8 487 951 | 8 065 074 | 8 122 230 | 7 959 247 |
| Number of shares | 5 000 000 000 | 5 000 000 000 | 5 000 000 000 | 5 000 000 000 |
| Book value per share (in PLN) | 1,70 | 1,61 | 1,62 | 1,59 |
| Diluted number of shares | 5 000 000 000 | 5 000 000 000 | 5 000 000 000 | 5 000 000 000 |
| Diluted book value per share (in PLN) | 1,70 | 1,61 | 1,62 | 1,59 |

| OFF-BALANCE SHEET ITEMS | Balance as of 30 September 2005 end of quarter / 2005 | Balance as of 30 June 2005 end of previous quarter / 2005 | Balance as of 31 December 2004 end of previous year / 2004 | Balance as of 30 September 2004 end of quarter / 2004 |
|---|---|---|---|---|
| **1. Contingent receivables** | **40 628** | **48 912** | **6 625 465** | **7 101 187** |
| 1.1. From related parties (due to) | 8 012 | 8 012 | 6 591 039 | 7 076 202 |
| - guarantees and sureties received | 0 | 0 | 0 | 0 |
| - bills of exchange received | 8 012 | 8 012 | 6 591 039 | 7 076 202 |
| 1.2. From other entities (due to) | 32 616 | 40 900 | 34 426 | 24 985 |
| - guarantees and sureties received | 23 057 | 31 341 | 24 857 | 23 358 |
| - bills of exchange received | 9 559 | 9 559 | 9 569 | 1 627 |
| 1.3. Other contingent receivables (due to) | 0 | 0 | 0 | 0 |
| **2. Contingent liabilities** | **703 354** | **830 297** | **6 587 875** | **6 499 335** |
| 2.1.To related parties (due to) | 72 787 | 136 788 | 82 388 | 81 322 |
| - guarantees and sureties granted | 0 | 0 | 0 | 0 |
| - bills of exchange issued | 0 | 0 | 0 | 0 |
| - agreements, investment contracts signed | 72 787 | 136 788 | 82 388 | 81 322 |
| - operating lease liabilities | 0 | 0 | 0 | 0 |
| 2.2. To other entities (due to) | 630 567 | 693 509 | 6 505 487 | 6 418 014 |
| - guarantees and sureties granted | 380 849 | 389 685 | 6 192 757 | 6 092 122 |
| - bills of exchange issued | 195 811 | 251 593 | 259 832 | 260 545 |
| - agreements, investment contracts signed | 53 880 | 51 997 | 52 299 | 64 900 |
| - operating lease liabilities | 27 | 234 | 599 | 447 |
| 2.3. Other contingent liabilities (due to) | 0 | 0 | 0 | 0 |
| **3. Other** | **11 227** | **19 694** | **18 242** | **19 292** |
| - off-balance sheet fixed assets | 11 227 | 19 694 | 18 242 | 19 292 |
| **Total off-balance sheet items** | **755 209** | **898 903** | **13 231 582** | **13 619 814** |

**2.2. Profit and loss account (by function)**

| PROFIT AND LOSS ACCOUNT | 3 quarter/2005 period from 2005-07-01 to 2005-09-30 | 3 quarter in increasing order / 2005 period from 2005-01-01 to 2005-09-30 | 3rd quarter / 2004 period from 2004-07-01 to 2004-09-30 | 3 quarters in increasing order / 2004 period from 2004-01-01 to 2004-09-30 |
|---|---|---|---|---|
| **I. Net revenues from sales of products, goods and materials, including:** | **1 855 046** | **6 679 033** | **1 548 234** | **5 974 508** |
| - from related parties | 779 839 | 3 546 854 | 694 258 | 3 270 949 |
| 1. Net revenues from sales of products | 1 852 830 | 6 674 952 | 1 546 838 | 5 970 407 |
| 2. Net revenues from sales of goods and materials | 2 216 | 4 081 | 1 396 | 4 101 |
| **II. Cost of products, goods and materials sold, including:** | **1 658 189** | **5 382 655** | **1 183 785** | **4 618 051** |
| - to related parties | 121 173 | 346 527 | 128 176 | 279 562 |
| 1. Manufacturing cost of products sold | 1 642 978 | 5 350 208 | 1 172 157 | 4 589 584 |
| 2. Value of goods and materials sold | 15 211 | 32 447 | 11 628 | 28 466 |
| **III. Gross profit (loss) on sales (I-II)** | **196 857** | **1 296 378** | **364 449** | **1 356 457** |
| IV. Selling costs | 5 127 | 18 002 | 18 582 | 55 957 |
| V. General and administrative costs | 55 001 | 199 506 | 54 097 | 167 881 |
| **VI. Profit (loss) on sales (III-IV-V)** | **136 729** | **1 078 870** | **291 770** | **1 132 620** |
| VII. Other operating revenues | **102 867** | **208 568** | **12 615** | **54 712** |
| 1. Gain on disposal of non-financial non-current assets | 0 | 0 | 0 | 0 |
| 2. Subsidies | 0 | 0 | 0 | 0 |
| 3. Other operating revenues | 102 867 | 208 568 | 12 615 | 54 712 |
| VIII. Other operating expenses | **-9 785** | **44 712** | **39 007** | **116 294** |
| 1. Loss on disposal of non-financial non-current assets | 1 363 | 10 920 | 278 | 2 727 |
| 2. Revaluation of non-financial assets | -9 853 | 7 684 | -2 876 | 60 540 |
| 3. Other operating expenses | -1 295 | 26 107 | 41 604 | 53 027 |
| **IX. Operating profit (loss) (VI+VII-VIII)** | **249 381** | **1 242 726** | **265 378** | **1 071 037** |
| X Financial revenues | 265 773 | 580 294 | 267 426 | 665 841 |
| 1. Dividend and profit sharing, including: | 797 | 1 836 | 37 584 | 47 376 |
| - from related parties | 789 | 1 820 | 37 575 | 47 351 |
| 2. Interest, including: | 127 678 | 201 378 | 18 731 | 96 173 |
| - from related parties | 6 596 | 21 426 | 8 488 | 30 793 |
| 3. Gain on disposal of investments | 0 | 0 | 1 859 | 2 331 |
| 4. Revaluation of investments | 14 191 | 46 447 | -39 | 0 |
| 5. Other | 123 107 | 330 633 | 209 291 | 519 962 |
| XI. Financial expenses | 192 500 | 796 271 | 274 371 | 853 969 |
| 1. Interest, including: | 29 676 | 305 157 | 71 913 | 223 419 |
| - to related parties | 13 | 221 362 | 52 786 | 161 830 |
| 2. Loss on disposal of investment | -4 589 | 30 962 | 0 | 0 |
| 3. Revaluation of investments | 12 336 | 87 191 | -18 686 | 65 636 |
| 4. Other | 155 078 | 372 961 | 221 144 | 564 915 |
| **XII. Profit (loss) on business activities (IX+X-XI)** | **322 654** | **1 026 749** | **258 433** | **882 909** |
| XIII. Result on extraordinary events (XIII.1.–XIII.2.) | -392 | -727 | -263 | -271 |
| 1. Extraordinary gains | 0 | 0 | 75 | 439 |
| 2. Extraordinary losses | 392 | 727 | 338 | 710 |
| **XIV. Gross profit (loss) (XII+/-XIII)** | **322 262** | **1 026 022** | **258 170** | **882 638** |
| XV. Income tax | 49 729 | 193 305 | 54 170 | 187 908 |
| a) current portion | 37 056 | 141 898 | 35 718 | 145 279 |
| b) deferred portion | 12 673 | 51 407 | 18 452 | 42 629 |
| XVI. Other statutory reductions in profit (increases in loss) | 42 781 | 132 616 | 33 368 | 110 604 |
| XVII. Share in net profits (losses) of controlled entities measured using the equity method | 0 | | 0 | |
| **XVIII. Net profit (loss) (XIV-XV-XVI+/-XVII)** | **229 752** | **700 101** | **170 632** | **584 127** |

| | | | | |
|---|---|---|---|---|
| Net profit (loss) | | 862 687 | | no data* |
| Weighted average number of ordinary shares | | 5 000 000 000 | | 5 000 000 000 |
| Profit (loss) per ordinary share (in PLN) | | 0,17 | | no data* |
| Weighted average number of diluted ordinary shares | | 5 000 000 000 | | 5 000 000 000 |
| Diluted profit (loss) per ordinary share (in PLN) | | 0,17 | | no data* |

*No data for the IV quarter of 2003, which makes it impossible to calculate the annualised risk at the end of III quarter 2004.

**2.3. Statement of changes in equity**

| STATEMENT OF CHANGES IN EQUITY | 3rd quarter / 2005 period from 2005-07-01 to 2005-09-30 | 3 quarters in increasing order / 2005 period from 2005-01-01 to 2005-09-30 | 2004 period from 2004-01-01 to 2004-12-31 | 3 quarter(s) in increasing order / 2004 period from 2004-01-01 to 2004-09-30 |
|---|---|---|---|---|
| **I. Opening balance of equity** | **8 065 074** | **8 122 230** | **7 394 405** | **7 394 405** |
| a) changes in accounting principles applied | 0 | 0 | 0 | 0 |
| b) adjustments of fundamental errors | 0 | 0 | 0 | 0 |
| **I.a. Opening balance of equity, after reconciliation with comparable data** | **8 065 074** | **8 122 230** | **7 394 405** | **7 394 405** |
| | | | | |
| **1. Opening balance of share capital** | **5 000 000** | **5 000 000** | **5 000 000** | **5 000 000** |
| 1.1. Changes in share capital | 0 | 0 | 0 | 0 |
| a) increases (due to) | 0 | 0 | 0 | 0 |
| b) decreases (due to) | 0 | 0 | 0 | 0 |
| **1.2. Closing balance of share capital** | **5 000 000** | **5 000 000** | **5 000 000** | **5 000 000** |
| | | | | |
| **2. Opening balance of called up share capital** | **0** | **0** | **0** | **0** |
| 2.1. Changes in called up share capital | 0 | 0 | 0 | 0 |
| a) increases (due to) | 0 | 0 | 0 | 0 |
| b) decreases (due to) | 0 | 0 | 0 | 0 |
| **2.2. Closing balance of called up share capital** | **0** | **0** | **0** | **0** |
| | | | | |
| **3. Opening balance of own shares** | **0** | **0** | **0** | **0** |
| 3.1. Changes in own shares | 0 | 0 | 0 | 0 |
| a) increases (due to) | 0 | 0 | 0 | 0 |
| b) decreases (due to) | 0 | 0 | 0 | 0 |
| **3.2. Closing balance of own shares** | **0** | **0** | **0** | **0** |
| | | | | |
| **4. Opening balance of supplementary capital** | **2 593 219** | **2 373 761** | **2 121 267** | **2 121 267** |
| 4.1. Changes in supplementary capital | 193 077 | 412 534 | 252 495 | 252 495 |
| a) increases (due to) | 193 077 | 412 534 | 252 495 | 252 495 |
| - distribution of previous year profit | 0 | 0 | 0 | 0 |
| - profit distribution | 0 | 219 457 | 252 495 | 252 495 |
| - result on transfer of fixed assets as dividend to the Owner | 193 077 | 193 077 | 0 | 0 |
| b) decreases (due to) | 0 | 0 | 0 | 0 |
| - loss coverage | 0 | 0 | 0 | 0 |
| **4.2. Closing balance of supplementary capital** | **2 786 295** | **2 786 295** | **2 373 761** | **2 373 761** |
| | | | | |
| **5. Opening balance of revaluation reserve** | **1 506** | **1 756** | **1 206** | **1 206** |
| 5.1. Changes in revaluation reserve | 49 | -201 | 550 | 153 |
| a) increases (due to) | 0 | 0 | 550 | 153 |
| - exchange differences on measurement of a foreign branch | 0 | 0 | 550 | 153 |
| b) decreases (due to) | 49 | -201 | 0 | 0 |
| - exchange differences on measurement of a foreign branch | 49 | -201 | 0 | 0 |
| **5.2. Closing balance of revaluation reserve** | **1 555** | **1 555** | **1 756** | **1 359** |
| | | | | |
| **6. Opening balance of other reserve capitals** | **0** | **0** | **0** | **0** |
| 6.1. Changes in other reserve capitals | 0 | 0 | 0 | 0 |
| a) increases (due to) | 0 | 0 | 0 | 0 |
| b) decreases (due to) | 0 | 0 | 0 | 0 |
| **6.2. Closing balance of other reserve capitals** | **0** | **0** | **0** | **0** |

| STATEMENT OF CHANGES IN EQUITY (cont'd.) | 3rd quarter / 2005 period from 2005-07-01 to 2005-09-30 | 3 quarters in increasing order / 2005 period from 2005-01-01 to 2005-09-30 | 2004 period from 2004-01-01 to 2004-12-31 | 3 quarter(s) in increasing order / 2004 period from 2004-01-01 to 2004-09-30 |
|---|---|---|---|---|
| **7. Opening balance of previous year profit (loss)** | 470 349 | 0 | 0 | 0 |
| **7.1. Opening balance of previous year profit** | 470 349 | 0 | 0 | 0 |
| a) changes in accounting principles applied | 0 | 0 | 0 | 0 |
| b) adjustments of fundamental errors | 0 | 0 | 0 | 0 |
| **7.2. Opening balance of previous year profit, after reconciliation to comparable data** | 470 349 | 0 | 0 | 0 |
| a) increases (due to) | 0 | 746 713 | 271 933 | 271 933 |
| - distribution of previous year profit | 0 | 746 713 | 271 933 | 271 933 |
| b) decreases (due to) | 0 | -746 713 | -271 933 | -271 933 |
| - reclassification to supplementary capital | 0 | -219 458 | -252 495 | -252 495 |
| - write off to Company's Social Benefits Fund | 0 | -7 255 | -4 500 | -4 500 |
| - write off to bonus fund | 0 | -20 000 | -9 500 | -9 500 |
| - dividend for the owner | 0 | -500 000 | -5 438 | -5 438 |
| **7.3. Closing balance of previous year profit** | 470 349 | 0 | 0 | 0 |
| **7.4. Opening balance of previous year loss** | 0 | 0 | 0 | 0 |
| a) changes in accounting principles applied | 0 | 0 | 0 | 0 |
| b) adjustments of fundamental errors | 0 | 0 | 0 | 0 |
| **7.5. Opening balance of previous year loss, after reconciliation to comparable data** | 0 | 0 | 0 | 0 |
| a) increases (due to) | 0 | 0 | 0 | 0 |
| b) decreases (due to) | 0 | 0 | 0 | 0 |
| **7.6. Closing balance of previous year loss** | 0 | 0 | 0 | 0 |
| **7.7. Closing balance of previous year profit (loss)** | 470 349 | 0 | 0 | 0 |
| | | | | |
| **8. Net result** | 229 752 | 700 101 | 746 713 | 584 127 |
| **a) net profit** | 229 752 | 700 101 | 746 713 | 584 127 |
| **b) net loss** | 0 | 0 | 0 | 0 |
| **c) write-offs on profit** | 0 | 0 | 0 | 0 |
| | | | | |
| **II. Closing balance of equity** | 8 487 951 | 8 487 951 | 8 122 230 | 7 959 247 |
| **III. Equity including proposed profit distribution (loss coverage)** | 8 487 951 | 8 487 951 | 8 122 230 | 7 959 247 |

**2.4. Cash flow statement (indirect method)**

| CASH FLOW STATEMENT | 3rd quarter/2005 period from 2005-07-01 to 2005-09-30 | 3 quarters in increasing order / 2005 period from 2005-01-01 to 2005-09-30 | 3rd quarter / 2004 period from 2004-07-01 to 2004-09-30 | 3 quarters in increasing order / 2004 period from 2004-01-01 to 2004-09-30 |
|---|---|---|---|---|
| **A. Cash flows from operating activities – indirect method** | | | | |
| **I. Net profit (loss)** | **229 752** | **700 101** | **170 632** | **584 127** |
| **II. Total adjustments** | **-447 176** | **494 873** | **-118 579** | **316 536** |
| 1. Share in net profits (losses) of entities measured using the equity method | 0 | 0 | 0 | 0 |
| 2. Amortization | 105 613 | 397 355 | 139 494 | 420 029 |
| 3. Exchange losses (gains) | -105 966 | -167 595 | -135 845 | -269 079 |
| 4. Interest and profit sharing (dividend) | 7 435 | 134 552 | 51 386 | 255 482 |
| 5. (Profit) loss on investment activities | -93 634 | -36 167 | -16 255 | 97 051 |
| 6. Change in provisions | 80 815 | 17 448 | 41 165 | 85 815 |
| 7. Change in inventory | -390 791 | -451 583 | -304 295 | -352 990 |
| 8. Change in receivables | -235 651 | 222 646 | -61 643 | 457 509 |
| 9. Change in short-term liabilities excluding credits and loans | 174 134 | 412 178 | 78 459 | -393 988 |
| 10. Change in prepayments and accruals | -25 674 | 44 013 | 15 316 | -16 165 |
| 11. Other adjustments | 36 543 | -77 974 | 73 639 | 32 872 |
| **III. Net cash flows from operating activities (I+/-II)** | **-217 424** | **1 194 974** | **52 053** | **900 663** |
| **B. Cash flows from investment activities** | | | | |
| **I. Inflows** | **105 196** | **385 525** | **250 072** | **668 022** |
| 1. Disposal of intangible and tangible fixed assets | 9 194 | 9 942 | 927 | 2 508 |
| 2. Disposal of investments in real property and intangible assets | 0 | 0 | 0 | 0 |
| 3. From financial assets, including: | 46 370 | 314 886 | 249 145 | 665 514 |
| a) in related parties | 16 518 | 100 738 | 84 761 | 201 889 |
| - disposal of financial assets | 600 | 600 | 0 | 0 |
| - dividend and profit sharing | 789 | 1 820 | 46 653 | 47 351 |
| - repayment of granted long-term loans | 8 251 | 81 378 | 30 000 | 132 281 |
| - interest | 6 878 | 16 940 | 8 108 | 22 257 |
| - other inflows from financial assets | 0 | 0 | 0 | 0 |
| b) in other entities | 29 852 | 214 148 | 164 384 | 463 625 |
| - disposal of financial assets | -30 732 | 153 201 | 164 165 | 463 173 |
| - dividend and profit sharing | 8 | 16 | 9 | 25 |
| - repayment of granted long-term loans | 0 | 0 | 0 | 0 |
| - interest | 60 576 | 60 931 | 210 | 427 |
| - other inflows from financial assets | 0 | 0 | 0 | 0 |
| 4. Other inflows from investment activities | 49 632 | 60 697 | 0 | 0 |
| **II. Outflows** | **503 575** | **523 530** | **229 296** | **727 265** |
| 1. Purchase of intangible assets and tangible fixed assets | 501 406 | 501 406 | 149 190 | 478 674 |
| 2. Investments in real property and intangible assets | 0 | 0 | 0 | 0 |
| 3. For financial liabilities, including: | 1 284 | 20 328 | 83 621 | 242 739 |
| a) in related parties | 1 284 | 20 328 | 0 | 355 |
| - purchase of financial assets | 1 284 | 1 309 | 0 | 355 |
| - long-term loans granted | 0 | 19 019 | 0 | 0 |
| b) in other entities | 0 | 0 | 83 621 | 242 384 |
| - purchase of financial assets | 0 | 0 | 83 621 | 242 384 |
| - long-term loans granted | 0 | 0 | 0 | 0 |
| 4. Other outflows from investment activities | 885 | 1 796 | -3 515 | 5 852 |
| **III. Net cash flows from investment activities (I-II)** | **-398 379** | **-138 005** | **20 776** | **-59 243** |

| CASH FLOW STATEMENT – cont'd. | 3rd quarter/2005 period from 2005-07-01 to 2005-09-30 | 3 quarters in increasing order / 2005 period from 2005-01-01 to 2005-09-30 | 3rd quarter / 2004 period from 2004-07-01 to 2004-09-30 | 3 quarters in increasing order / 2004 period from 2004-01-01 to 2004-09-30 |
|---|---|---|---|---|
| **C. Cash flows from financial activities** | | | | |
| **I. Inflows** | **3 175 287** | **5 646 078** | **12 362** | **57 880** |
| 1. Net inflows from issuance of shares and other equity instruments and from capital contributions | 2 682 000 | 2 682 000 | 0 | 0 |
| 2. Credits and loans | 482 338 | 2 912 418 | 10 | 10 |
| 3. Issuance of debt securities | 0 | 0 | 0 | 0 |
| 4. Other inflows from financial activities | 10 949 | 51 660 | 12 352 | 57 870 |
| **II. Outflows** | **949 017** | **4 261 172** | **407 677** | **979 522** |
| 1. Purchase of own shares | 0 | 0 | 0 | 0 |
| 2. Dividend and other payments to shareholders | 59 429 | 163 564 | 54 129 | 134 288 |
| 3. Outflows from profit distribution other than payments to shareholders | 0 | 20 000 | 0 | 5 438 |
| 4. Repayment of credits and loans | 766 273 | 3 799 351 | 257 900 | 624 705 |
| 5. Redemption of debt securities | 0 | 0 | 0 | 0 |
| 6. Payment of other financial liabilities | 0 | 0 | 0 | 0 |
| 7. Payment of liabilities arising from financial leases | 36 041 | 37 724 | 61 | 1 423 |
| 8. Interest | 42 607 | 74 620 | 17 694 | 53 463 |
| 9. Other outflows from financial activities | 44 667 | 165 913 | 77 893 | 160 205 |
| **III. Net cash flows from financial activities (I-II)** | **2 226 270** | **1 384 906** | **-395 315** | **-921 642** |
| **D. Total net cash flows (A.III.+/-B.III+/-C.III)** | **1 610 467** | **2 441 875** | **-322 486** | **-80 222** |
| **E. Balance sheet change in cash, including:** | **1 885 040** | **2 442 346** | **-322 905** | **-80 872** |
| - change in cash due to exchange differences | 450 | 472 | **-418** | **-650** |
| **F. Opening balance of cash** | **1 081 150** | **523 866** | **735 837** | **493 572** |
| **G. Closing balance of cash (F+/-D), including:** | **2 965 739** | **2 965 739** | **413 350** | **413 350** |
| - of limited disposability | 3 021 | 3 021 | 4 910 | 4 910 |

### 3. Information on adjustments due to provisions and revaluation write-downs on assets

| **Asset and provision due to deferred tax** | Deferred tax asset | Provision for deferred income tax |
|---|---|---|
| **Opening balance as of 1 January 2005** | **394 279** | **150 308** |
| a) increases | 9 503 | 9 516 |
| b) decreases | -71 179 | -18 456 |
| **Deferred tax closing balance on 31 September 2005** | **332 603** | **141 367** |

| **Revaluation write-downs on assets** | Intangible assets | Fixed assets | Fixed assets under construction | Long-term receivables | Long-term investments | Short-term receivables | Inventory | Short-term investments | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Opening balance as of 1 January 2005** | **0** | **242 016** | **194 690** | **0** | **1 445 184** | **866 116** | **4 057** | **368 884** | **3 120 947** |
| a) increases | 0 | 1 883 | 13 687 | 0 | 19 448 | 135 261 | 3 216 | 67 619 | 241 114 |
| b) reclassification | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) decreases | 0 | -73 329 | -8 320 | 0 | -20 945 | -192 374 | -1 845 | -59 127 | -355 940 |
| **Closing balance of revaluation write-downs on assets on 30 September 2005** | **0** | **170 570** | **200 057** | **0** | **1 443 687** | **809 003** | **5 428** | **377 376** | **3 006 121** |

| **Provision for retirement and similar benefits** | Provision for jubilee bonuses | Provision for retirement severance pay | Provision for termination benefits | Provision for pension allowances | Provision for unused vacation | Other provisions for retirement and similar benefits | Total |
|---|---|---|---|---|---|---|---|
| **Opening balance as of 1 January 2005** | **63 493** | **27 701** | **0** | **112 424** | **5 001** | **0** | **208 619** |
| a) increases | 3 931 | 3 080 | 0 | 3 803 | 83 | 0 | 10 897 |
| b) decreases | -9 372 | -3 538 | 0 | -12 068 | -4 765 | 0 | -29 743 |
| **Closing balance of provisions for retirement and similar benefits as of 30 September 2005** | **58 052** | **27 243** | **0** | **104 159** | **319** | **0** | **189 773** |

| **Other provisions** | Provision for reclamation of wells | Provision for liquidation of gas infrastructure | Provisions for joint and several liabilities to subcontractors of the subsidiary | Provision for gas pitch | Provision for penalties imposed by the Office for Competition and Consumer Protection | Provision for liabilities due to EuropolGaz interest | Other provisions | Total |
|---|---|---|---|---|---|---|---|---|
| **Opening balance as of 1 January 2005** | **538 632** | **13 057** | **28 900** | **11 402** | **41 362** | **11 371** | **25 381** | **670 105** |
| a) increases | 73 758 | 0 | 0 | 0 | 2 000 | 0 | 3 103 | 78 861 |
| b) decreases | -4 787 | -1 105 | -28 900 | 0 | 0 | 0 | -4 718 | -39 510 |
| **Closing balance of provisions as of 30 September 2005** | **607 603** | **11 952** | **0** | **11 402** | **43 362** | **11 371** | **23 767** | **709 457** |