

TAURON Polska Energia S.A.

Interim condensed financial statements

**prepared according to the International Financial Reporting Standards
for the 3-month period ended 31 March 2011**

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INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE 3-MONTH PERIOD ENDED 31 MARCH 2011

	Note	3-month period ended 31 March 2011 (<i>unaudited</i>)	3-month period ended 31 March 2010 (<i>unaudited</i>)
Continuing operations			
Sale of goods for resale, finished goods and materials without elimination of excise		2 189 657	1 811 559
Excise		(2 560)	-
Sale of goods for resale, finished goods and materials		2 187 097	1 811 559
Rendering of services		6 891	2 520
Other income		-	6
Sales revenue		2 193 988	1 814 085
Cost of sales		(2 129 080)	(1 778 349)
Gross profit		64 908	35 736
Other operating income		225	14
Selling and distribution expenses		(4 471)	(2 953)
Administrative expenses		(17 205)	(15 518)
Other operating expenses		(368)	(273)
Operating profit		43 089	17 006
Finance income		22 975	1 358
Finance costs		(21 381)	(589)
Profit before tax		44 683	17 775
Income tax expense	9	(8 448)	(3 979)
Net profit from continuing operations		36 235	13 796
Net profit for the period		36 235	13 796
Other comprehensive income		-	-
Total comprehensive income for the period		36 235	13 796
Earnings per share (in PLN)			
	17		
- basic, for profit for the period		0.02	0.01
- basic, for profit from continuing operations for the period		0.02	0.01
- diluted, for profit for the period		0.02	0.01
- diluted, for profit from continuing operations for the period		0.02	0.01

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

	Note	As at 31 March 2011 (<i>unaudited</i>)	As at 31 December 2010
ASSETS			
Non-current assets			
Property, plant and equipment		4 924	5 425
Intangible assets	12	12 173	17 095
Shares in unlisted and listed companies	13	16 353 470	16 353 470
Bonds, T-bills and other debt securities	20	877 700	848 200
Other long-term non-financial assets		1 758	1 686
Deferred tax asset	9	10 551	8 514
		17 260 576	17 234 390
Current assets			
Inventories	14	10 296	9 238
Corporate income tax receivables		-	2 822
Trade and other receivables	15, 20	1 154 725	634 531
Bonds, T-bills and other debt securities	20	560	383
Other financial assets	20	-	257
Other current non-financial assets		78 766	36 553
Cash and cash equivalents	10	701 792	527 011
		1 946 139	1 210 795
Non-current assets classified as held for sale			
		-	-
TOTAL ASSETS		19 206 715	18 445 185

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011 - continued

	Note	As at 31 March 2011 (<i>unaudited</i>)	As at 31 December 2010
EQUITY AND LIABILITIES			
Equity			
Issued capital	16	8 762 747	15 772 945
Reserve capital		7 485 286	475 088
Retained earnings/Accumulated losses		311 883	275 648
Total equity		16 559 916	16 523 681
Non-current liabilities			
Interest-bearing loans and borrowings	19, 20	845 796	845 650
Finance lease and hire purchase commitments	20	82	136
Long-term provisions and employee benefits		2 869	2 606
		848 747	848 392
Current liabilities			
Trade and other payables	20	218 211	540 702
Current portion of interest-bearing loans and borrowings	19, 20	1 399 514	461 627
Current portion of finance lease and hire purchase commitments	20	730	906
Other current liabilities		135 401	26 094
Accruals and government grants		4 956	6 719
Corporate income tax payables		4 901	-
Short-term provisions and employee benefits	18	34 339	37 064
		1 798 052	1 073 112
Total liabilities		2 646 799	1 921 504
TOTAL EQUITY AND LIABILITIES		19 206 715	18 445 185

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE 3-MONTH PERIOD ENDED 31 MARCH 2011

	Note	Issued capital	Reserve capital	Retained earnings / Accumulated losses	Total equity
As at 1 January 2011		15 772 945	475 088	275 648	16 523 681
Profit for the period		-	-	36 235	36 235
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	36 235	36 235
Appropriation of prior year profits		-	-	-	-
Decrease of issued capital through a reduction of the nominal value of shares	16	(7 010 198)	7 010 198	-	-
As at 31 March 2011 (unaudited)		8 762 747	7 485 286	311 883	16 559 916

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE 3-MONTH PERIOD ENDED 31 MARCH 2010

	Note	Issued capital	Reserve capital	Retained earnings / Accumulated losses	Total equity
As at 1 January 2010		13 986 284	64 050	176 159	14 226 493
Profit for the period		-	-	13 796	13 796
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	13 796	13 796
Appropriation of prior year profits		-	176 159	(176 159)	-
As at 31 March 2010 (unaudited)		13 986 284	240 209	13 796	14 240 289

INTERIM CONDENSED STATEMENT OF CASH FLOWS FOR THE 3-MONTH PERIOD ENDED 31 MARCH 2011

	Note	3-month period ended 31 March 2011 (unaudited)	3-month period ended 31 March 2010 (unaudited)
Cash flows from operating activities			
Profit / (loss) before taxation		44 683	17 775
Adjustments for:			
Depreciation and amortization		996	687
(Gain)/loss on foreign exchange differences		(228)	65
Interest and dividends, net		(2 698)	81
(Gain) / loss on investing activities		681	-
(Increase) / decrease in receivables		(132 567)	(194 458)
(Increase) / decrease in inventories		(1 058)	(1 898)
Increase / (decrease) in payables excluding loans and borrowings		(210 608)	(19 073)
Change in other non-current and current assets		(37 267)	18 964
Change in deferred income, government grants and accruals		(1 763)	(2 459)
Change in provisions		(2 462)	9 330
Income tax paid		(2 763)	(2 079)
Net cash used in operating activities		(345 054)	(173 065)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment and intangible assets		3	-
Purchase of property, plant and equipment and intangible assets		(845)	(2 766)
Purchase of bonds, T-bills and other debt securities		(29 500)	-
Loans granted		(168 000)	-
Interest received		11 503	-
Net cash used in investing activities		(186 839)	(2 766)
Cash flows from financing activities			
Acquisition of treasury shares		-	(245)
Payment of finance lease liabilities		(231)	(187)
Interest paid		(27)	(54)
Other		(2 600)	(427)
Net cash used in financing activities		(2 858)	(913)
Net increase / (decrease) in cash and cash equivalents		(534 751)	(176 744)
Net foreign exchange difference		228	(65)
Cash and cash equivalents at the beginning of the period		85 574	213 402
Cash and cash equivalents at the end of the period, of which:	10	(449 177)	36 658
restricted cash		80 354	18 211

EXPLANATORY NOTES

1. General information

These interim condensed financial statements have been prepared by TAURON Polska Energia Spółka Akcyjna („the Company”) with its registered office in Katowice at ul. Lwowska 23, whose shares are in public trading.

The interim condensed financial statements of the Company cover the 3-month period ended 31 March 2011 and include comparative data for the 3-month period ended 31 March 2010 and as at 31 December 2010.

The figures for the period ended 31 March 2011 as well as the comparative data for the period ended 31 March 2010, as included in these interim condensed financial statements, were not audited or reviewed by an independent auditor.

The Company was set up based on a Notarial Deed dated 6 December 2006 under the name Energetyka Południe S.A. and was registered on 8 January 2007 with the District Court Katowice-Wschód Economic Department of the National Court Register under Entry No. KRS 0000271562. The change of the Company's name into TAURON Polska Energia S.A. was registered by the District Court on 16 November 2007.

The Company was granted a statistical number REGON 240524697 and tax identification number NIP 9542583988.

TAURON Polska Energia S.A. has an unlimited period of operation.

The principal business activities of TAURON Polska Energia S.A. include:

- Activities of head offices and holdings, excluding financial holdings → PKD 70.10 Z,
- Trading in electricity → PKD 35.14 Z.

TAURON Polska Energia S.A. is the parent of the TAURON Polska Energia S.A. Capital Group.

2. Basis of preparation of interim condensed financial statements

Based on the resolution of the Company's Extraordinary General Shareholders' Meeting held on 7 June 2010, the Company prepares its financial statements in accordance with International Financial Reporting Standards starting from the financial statements for the periods beginning on 1 January 2010.

These interim condensed financial statements were prepared in accordance with International Financial Reporting Standards (“IFRS”), in particular in accordance with International Accounting Standard 34 (“IAS 34”) and the IFRSs endorsed by the EU. At the date of authorization of these financial statements, considering the pending process of IFRS endorsement in the EU and the nature of the Company's activities, within the scope of the accounting principles applied by the Company there is no difference between the IFRSs that came into effect and the IFRSs endorsed by the EU.

IFRSs comprise standards and interpretations accepted by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”).

These interim condensed financial statements are presented in Polish zloty (“PLN”) and all amounts are stated in PLN thousands unless otherwise indicated.

These interim condensed financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future. As at the date of authorization of these financial statements, management is not aware of any facts or circumstances that would indicate a threat to the continued activity of the Company.

The interim condensed financial statements do not include all information and disclosures that are required in annual financial statements and should be read in conjunction with the Company's financial statements prepared in accordance with IFRS for the year ended 31 December 2010.

These interim condensed financial statements for the 3-month period ended 31 March 2011 were authorized for issue on 10 May 2011.

The Company also prepared interim condensed consolidated financial statements for the 3-month period ended 31 March 2011, which were authorized for issue by the Board of Directors on 10 May 2011.

These interim condensed financial statements are part of a consolidated report which also includes the interim condensed consolidated financial statements for the 3-month period ended 31 March 2011.

3. Summary of significant accounting policies

The accounting policies applied while preparing the interim condensed financial statements are consistent with those applied in preparation of the annual financial statements of the TAURON Polska Energia S.A. for the year ended 31 December 2010, except for application of the following amendments to standards and new interpretations effective for annual periods beginning on or after 1 January 2011:

- Amendments to IAS 32 *Financial instruments: Presentation: Classification of Rights Issues* – effective for annual periods beginning on or after 1 February 2010. Application of these amendments had no impact on the Company's financial position or the results of its operations, since no events took place that would have been affected by the aforementioned amendments.
- IAS 24 *Related Party Disclosures* (revised in November 2009) – effective for annual periods beginning on or after 1 January 2011. The revised IAS 24 is applied by the Company retrospectively for annual periods beginning on or after 1 January 2011.
- Amendments to IFRIC 14 *IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction: Prepayments of Minimum Funding Requirements* – effective for annual periods beginning on or after 1 January 2011. Application of these amendments had no impact on the Company's financial position or the results of its operations, since no events took place that would have been affected by the aforementioned amendments.
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* – effective for annual periods beginning on or after 1 July 2010. Application of this interpretation had no impact on the Company's financial position or results.
- Amendment to IFRS 1 *First-time Adoption of International Financial Reporting Standards: Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters* – effective for annual periods beginning on or after 1 July 2010. Application of these amendments had no significant impact on the Company's financial position or results.
- Improvements to IFRSs (issued in May 2010) – some improvements are effective for annual periods beginning on or after 1 July 2010, and others are effective for annual periods beginning on or after 1 January 2011. Application of these amendments had no significant impact on the Company's financial position or results.

4. New standards and interpretations that have been issued but are not yet effective

The following standards and interpretations were issued by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee but are not yet effective:

- Phase 1 of IFRS 9 *Financial Instruments: Classification and Measurement* – effective for annual periods beginning on or after 1 January 2013 – not endorsed by the EU until the date of authorization of these financial statements. In the next phases, IASB will deal with hedge accounting and impairment methodology. The project is expected to be completed in mid 2011. The application of Phase 1 of IFRS 9 will have an impact on the classification and measurement of the Company's financial assets. The Company will assess this impact in correspondence with the other phases of the project once they have been issued, in order to provide a consistent view,

- Amendment to IFRS 7 *Financial Instruments: Disclosures: Transfer of Financial Assets* - effective for annual periods beginning on or after 1 July 2011 – not endorsed by the EU until the date of authorization of these financial statements,
- Amendments to IAS 12 *Income Taxes: Deferred Tax: Recovery of Underlying Assets* – effective for annual periods beginning on or after 1 January 2012 - not endorsed by the EU until the date of authorization of these financial statements,
- Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* – effective for annual periods beginning on or after 1 July 2011 – not endorsed by the EU until the date of authorization of these financial statements.

The Company's Management do not expect the introduction of the above standards and interpretations to have a significant effect on the accounting policies applied by the Company.

5. Changes in estimates

In the period covered by these interim condensed financial statements there were no significant changes to the values or methodology of making estimates that would affect the current or future periods, other than those presented in the following sections of these interim condensed financial statements.

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(in PLN thousand)

6. Shares in related entities

As at 31 March 2011 TAURON Polska Energia S.A. held shares, either directly or indirectly, in the following significant subsidiaries:

No.	Name of the entity	Address	Principal business activities	% held by TAURON in the entity's share capital	Holder of shares as at 31 March 2011	% held by TAURON in the entity's governing body	Holder of shares as at 31 March 2011
1	Południowy Koncern Energetyczny S.A.	40-389 Katowice; ul. Lwowska 23	Generation, transmission and distribution of electricity and heat	99.46%	TAURON Polska Energia S.A. – 99.46%	99.46%	TAURON Polska Energia S.A. – 99.46%
2	ENION S.A.	30-390 Kraków; ul. Zawila 65 L	Distribution of electricity	99.70%	TAURON Polska Energia S.A. – 99.70%	99.70%	TAURON Polska Energia S.A. – 99.70%
3	EnergiaPro S.A.	53-314 Wrocław; Pl. Powstańców Śląskich 20	Transmission and distribution of electricity	98.76%	TAURON Polska Energia S.A. – 98.76%	98.76%	TAURON Polska Energia S.A. – 98.76%
4	Elektrownia Stalowa Wola S.A.	37-450 Stalowa Wola; ul. Energetyków 13	Generation and distribution of electricity and heat	99.74%	TAURON Polska Energia S.A. – 99.74%	99.74%	TAURON Polska Energia S.A. – 99.74%
5	TAURON Sprzedaż Sp. z o.o.	30-417 Kraków; ul. Łagiewnicka 60	Sale of electricity	100.00%	TAURON Polska Energia S.A.– 100.00%	100.00%	TAURON Polska Energia S.A. – 100.00%
6	TAURON Obsługa Klienta Sp. z o.o.	53-314 Wrocław; Pl. Powstańców Śląskich 16	Customer service	100.00%	TAURON Polska Energia S.A. – 100.00%	100.00%	TAURON Polska Energia S.A. – 100.00%
7	TAURON Ekoenergia Sp. z o.o.	58-500 Jelenia Góra; ul. Obrońców Pokoju 2B	Generation of electricity	100.00%	TAURON Polska Energia S.A. – 100.00%	100.00%	TAURON Polska Energia S.A. – 100.00%
8	Elektrociepłownia Tychy S.A.	43-100 Tychy; ul. Przemysłowa 47	Generation of electricity, production and distribution of heat	95.47%	TAURON Polska Energia S.A. – 95.47%	95.47%	TAURON Polska Energia S.A. – 95.47%
9	Kopalnia Wapienia Czatkowice Sp. z o.o. ¹	32-063 Krzeszowice 3; os. Czatkowice 248	Quarrying, crushing and breaking of limestone, quarrying of stone for construction industry	99.46%	PKE S.A. – 100.00%	99.46%	PKE S.A. – 100.00%

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Interim condensed financial statements for the 3-month period ended 31 March 2011
(in PLN thousand)

No.	Name of the entity	Address	Principal business activities	% held by TAURON in the entity's share capital	Holder of shares as at 31 March 2011	% held by TAURON in the entity's governing body	Holder of shares as at 31 March 2011
10	Południowy Koncern Węglowy S.A. ¹	43-600 Jaworzno; ul. Grunwaldzka 37	Hard coal mining	52.20%	PKE S.A. – 52.48%	67.64%	PKE S.A. – 68.01%
11	Polska Energia Pierwsza Kompania Handlowa Sp. z o.o. ¹	40-389 Katowice; ul. Lwowska 23	Trading in electricity	99.53%	PKE S.A. – 87.50%; TAURON Polska Energia S.A. – 12.50%	99.63%	PKE S.A. – 68.75%; TAURON Polska Energia S.A. – 31.25%
12	Przedsiębiorstwo Energetyki Ciepłej Katowice S.A.	40-126 Katowice; ul. Grażyńskiego 49	Heat production and distribution	95.66%	TAURON Polska Energia S.A. – 95.66%	95.66%	TAURON Polska Energia S.A. – 95.66%
13	Elektrociepłownia EC Nowa Sp. z o.o.	41-308 Dąbrowa Górnicza; al. J. Piłsudskiego 92	Generation of electricity, production of heat and technical gases	84.00%	TAURON Polska Energia S.A. –84.00%;	84.00%	TAURON Polska Energia S.A. – 84.00%;
14	Przedsiębiorstwo Energetyki Ciepłej w Dąbrowie Górniczej S.A.	41-300 Dąbrowa Górnicza; al. J. Piłsudskiego 2	Heat production and distribution	85.00%	TAURON Polska Energia S.A. – 85.00%	85.00%	TAURON Polska Energia S.A. – 85.00%
15	TAURON Czech Energy s.r.o.	720 00 Ostrava, Na Rovince 879/C Czech Republic	Trading in electricity	100.00%	TAURON Polska Energia S.A. - 100.00%	100.00%	TAURON Polska Energia S.A. - 100.00%
16	BELS INVESTMENT Sp. z o.o.	58-500 Jelenia Góra, ul. Obrońców Pokoju 2B.	Generation of electricity	100.00%	TAURON Ekoenergia Sp. z o.o. – 100.00%	100.00%	TAURON Ekoenergia Sp. z o.o. – 100.00%
17	MEGAWAT MARSZEWO Sp. z o.o.	58-500 Jelenia Góra, ul. Obrońców Pokoju 2B.	Generation of electricity	100.00%	TAURON Ekoenergia Sp. z o.o. – 100.00%	100.00%	TAURON Ekoenergia Sp. z o.o. – 100.00%

¹ TAURON Polska Energia S.A. is the usufructuary of shares owned by PKE S.A. As a result of signing agreements for the usufruct of shares, TAURON Polska Energia S.A. holds 100% interests in the share capital and in the governing body of Polska Energia Pierwsza Kompania Handlowa sp. z o.o. and Kopalnia Wapienia Czatkowice sp. z o.o. Under an agreement for the usufruct of shares, TAURON Polska Energia S.A. holds a 52.48% interest in the share capital of Południowy Koncern Węglowy S.A., giving it 68.01% of votes at the company's General Shareholders' Meeting.

In March 2011 Polska Energia Pierwsza Kompania Handlowa Sp. z o.o. signed agreements for the purchase of 200 of its own shares with a total nominal value of PLN 1,200 thousand from its shareholders: Katowicki Holding Węglowy S.A. and KWK Kazimierz Juliusz Sp. z o.o.

The purchase of shares for the purpose of their redemption using net profit took place on the basis of the resolution of the Extraordinary Shareholders' Meeting of Polska Energia Pierwsza Kompania Handlowa Sp. z o.o. dated 30 December 2010. Consideration for the shares was paid to both of the shareholders until the end of March 2011. On 8 April 2011 an application was filed with the District Court in Katowice for registration of the redemption of shares.

As a result, the direct share of TAURON Polska Energia S.A. in the share capital of Polska Energia Pierwsza Kompania Handlowa Sp. z o.o. increased from 10% to 12.50% (in the governing body – from 27.78% to 31.25%), and the direct share of Południowy Koncern Energetyczny S.A. – from 70% to 87.50% (in the governing body – from 61.11% to 68.75%).

7. Seasonality of operations

The Company's operations in the area of trading in electricity are not seasonal in nature, hence the Company's results in this area show no significant fluctuations during the year.

As a result of the Company's holding activities, its finance income may show significant fluctuations due to revenue from dividends, which is recognized at the date of the resolution on the payment of dividend, unless the resolution indicates a different date for establishing the right to the dividend. In the 3-month periods ended 31 March 2011 and 31 March 2010, the Company did not recognize any revenue from dividends.

8. Segment information

The Company's activities are presented in the following two segments: "Sale of Electricity and Other Energy Market Products" and "Holding Activity".

In the "Holding Activity" segment, segment assets include shares in subsidiaries, debentures acquired from subsidiaries and receivables from loans granted under the cash pool agreement jointly with the term deposit related to the cash pool service. Segment liabilities include debentures issued by TAURON Polska Energia S.A. to refinance debt in the Group and liabilities arising from loans received under the cash pool agreement. Finance income and finance costs include dividend revenue as well as net interest income and expense earned or incurred by the Company due to the central financing model implemented in the Group.

In the first quarter of 2011, the Company decided to change the method of presentation of unallocated expenses and to include the Company's administrative expenses in this item. These expenses are incurred for the whole Group and are not directly attributable to any single operating segment. In prior periods, the Company's administrative expenses were presented in the "Sales of electricity and other energy market products" segment. The Note for the comparable period has been restated according to the revised method of presentation of unallocated expenses.

TAURON Polska Energia S.A.
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(in PLN thousand)

3-month period ended 31 March 2011 or as at 31 March 2011 <i>(unaudited)</i>	Sales of electricity and other energy market products	Holding activity	Unallocated items	Total
Revenue				
Sales outside the Group	377 436	-	-	377 436
Sales within the Group	1 816 552	-	-	1 816 552
Segment revenue	2 193 988	-	-	2 193 988
Profit/(loss) of the segment				
Profit/(loss) of the segment	60 294	-	-	60 294
Unallocated expenses	-	-	(17 205)	(17 205)
Profit/(loss) from continuing operations before tax and net finance income (costs)	60 294	-	(17 205)	43 089
Net finance income (costs)	-	(942)	2 536	1 594
Profit/(loss) before income tax	60 294	(942)	(14 669)	44 683
Income tax expense	-	-	(8 448)	(8 448)
Net profit/(loss) for the period	60 294	(942)	(23 117)	36 235
Assets and liabilities				
Segment assets	981 320	18 045 244	-	19 026 564
Unallocated assets	-	-	180 151	180 151
Total assets				19 206 715
Segment liabilities	393 985	2 245 310	-	2 639 295
Unallocated liabilities	-	-	7 504	7 504
Total liabilities				2 646 799
Other segment information				
Capital expenditure *	603	-	-	603
Depreciation/amortization	(996)	-	-	(996)
Impairment of non-financial assets	-	-	-	-

* Capital expenditure includes expenditures for property, plant and equipment and intangible assets, excluding acquisition of energy certificates.

In the period ended 31 March 2011, the Company's revenue from its key client, amounting to the total of PLN 1,515,937 thousand, accounted for 69% of the Company's total revenue in the "Sale of electricity and other energy market products" segment.

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(in PLN thousand)

3-month period ended 31 March 2010 (<i>unaudited</i>) or as at 31 December 2010	Sales of electricity and other energy market products	Holding activity	Unallocated items	Total
Revenue				
Sales outside the Group	126 047	-	-	126 047
Sales within the Group	1 688 038	-	-	1 688 038
Segment revenue	1 814 085	-	-	1 814 085
Profit/(loss) of the segment				
Unallocated expenses	-	-	(15 518)	(15 518)
Profit/(loss) from continuing operations before tax and net finance income (costs)	32 524	-	(15 518)	17 006
Net finance income (costs)	-	-	769	769
Profit/(loss) before income tax	32 524	-	(14 749)	17 775
Income tax expense	-	-	(3 979)	(3 979)
Net profit/(loss) for the period	32 524	-	(18 728)	13 796
Assets and liabilities				
Segment assets	1 211 720	17 221 872	-	18 433 592
Unallocated assets	-	-	11 593	11 593
Total assets	-	-	-	18 445 185
Segment liabilities	609 217	1 307 303	-	1 916 520
Unallocated liabilities	-	-	4 984	4 984
Total liabilities	-	-	-	1 921 504
Other segment information				
Capital expenditure *	1 542	-	-	1 542
Depreciation/amortization	(687)	-	-	(687)
Impairment of non-financial assets	-	-	-	-

* Capital expenditure includes expenditures for property, plant and equipment and intangible assets, excluding acquisition of energy certificates.

9. Income tax

9.1. Tax expense in the statement of comprehensive income

Major components of income tax expense in the statement of comprehensive income are as follows:

	For the 3-month period ended 31 March 2011 (<i>unaudited</i>)	For the 3-month period ended 31 March 2010 (<i>unaudited</i>)
Current income tax	(10 485)	(5 201)
Current income tax expense	(10 485)	(5 201)
Deferred tax	2 037	1 222
Income tax expense in the statement of comprehensive income	(8 448)	(3 979)

9.2. Deferred income tax

Deferred income tax relates to the following:

	As at 31 March 2011 (unaudited)	As at 31 December 2010
Deferred tax liability		
- difference between tax base and carrying amount of fixed and intangible assets	772	691
- difference between tax base and carrying amount of financial assets	128	174
- other	34	99
Deferred tax liability	934	964
Deferred tax assets		
- provisions	8 075	8 860
- difference between tax base and carrying amount of fixed and intangible assets	39	27
- difference between tax base and carrying amount of financial liabilities	2 705	-
- difference between tax base and carrying amount of inventories	-	39
- other accrued expenses	666	299
- other	-	253
Deferred tax assets	11 485	9 478
After the offsetting of the balances, deferred tax is presented as a deferred tax asset in the statement of financial position	10 551	8 514

10. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprised the following:

	As at 31 March 2011 (unaudited)	As at 31 December 2010
Cash at bank and in hand	121 307	321 942
Short-term deposits (up to 3 months)	580 485	205 069
Other	-	-
Total cash and cash equivalents presented in the statement of financial position, of which:	701 792	527 011
- restricted cash	80 354	154 589
Cash pool	(1 150 755)	(441 451)
Foreign exchange and other differences	(214)	14
Total cash and cash equivalents presented in the statement of cash flows	(449 177)	85 574

The balances of loans granted and taken out under cash pool transactions, due to the fact that they are mainly used to manage the current financial liquidity of the Group, do not represent cash flows from investing or financing activity; instead they represent an adjustment to the balance of cash and cash equivalents.

Restricted cash consists of cash held in the settlement account for trading in electricity at Towarowa Gielda Energii S.A. (Polish Power Exchange), amounting to PLN 68,453 thousand, and cash held in the special purpose account for trading in electricity at the POEE energy exchange, amounting to PLN 11,901 thousand.

The details of cash pool balances are presented in Note 19.

11. Dividends paid and proposed

On 6 May 2011, the Ordinary General Shareholders' Meeting resolved to distribute an amount of PLN 262,882 thousand for dividends to the Company's shareholders, which gives 0.15 PLN per share. This amount is composed of the Company's net profit for 2010 in the amount of PLN 190,478 thousand and utilization of the Company's reserve capital of PLN 72,404 thousand, which represents part of the Company's net profit for 2009 allocated to the reserve capital.

12. Intangible assets

3-month period ended 31 March 2011 (unaudited)

	Software	Energy certificates	Other intangible assets	Intangible assets not made available for use	Intangible assets, total
COST					
Opening balance	8 044	9 773	617	505	18 939
Direct purchase	-	2 619	-	558	3 177
Allocation of intangible assets not made available for use	24	-	34	(58)	-
Liquidation	(42)	-	-	-	(42)
Cancellation of energy certificates	-	(7 638)	-	-	(7 638)
Closing balance	8 026	4 754	651	1 005	14 436
ACCUMULATED AMORTIZATION					
Opening balance	(1 583)	-	(261)	-	(1 844)
Amortization for the period	(411)	-	(40)	-	(451)
Liquidation	32	-	-	-	32
Closing balance	(1 962)	-	(301)	-	(2 263)
NET CARRYING AMOUNT AT THE BEGINNING OF THE PERIOD	6 461	9 773	356	505	17 095
NET CARRYING AMOUNT AT THE END OF THE PERIOD	6 064	4 754	350	1 005	12 173

3-month period ended 31 March 2010 (unaudited)

	Software	Energy certificates	Other intangible assets	Intangible assets not made available for use	Intangible assets, total
COST					
Opening balance	3 727	-	375	657	4 759
Direct purchase	-	-	-	1 221	1 221
Allocation of intangible assets not made available for use	338	-	186	(524)	-
Closing balance	4 065	-	561	1 354	5 980
ACCUMULATED AMORTIZATION					
Opening balance	(690)	-	(130)	-	(820)
Amortization for the period	(193)	-	(19)	-	(212)
Closing balance	(883)	-	(149)	-	(1 032)
NET CARRYING AMOUNT AT THE BEGINNING OF THE PERIOD	3 037	-	245	657	3 939
NET CARRYING AMOUNT AT THE END OF THE PERIOD	3 182	-	412	1 354	4 948

13. Shares in unlisted and listed companies

Movements in long-term investments in the period from 1 January to 31 March 2011 (unaudited)

No.	Company	Opening balance	Increases	Decreases	Closing balance
1	Południowy Koncern Energetyczny S.A.	7 562 250	-	-	7 562 250
2	ENION S.A.	3 356 415	-	-	3 356 415
3	EnergiaPro S.A.	2 557 110	-	-	2 557 110
4	Elektrownia Stalowa Wola S.A.	555 697	-	-	555 697
5	Elektrociepłownia Tychy S.A.	40 862	-	-	40 862
6	Przedsiębiorstwo Energetyki Ciepłej Katowice S.A.	345 285	-	-	345 285
7	TAURON Obsługa Klienta Sp. z o.o.	345 015	-	(318 707)	26 308
8	TAURON Ekoenergia Sp. z o.o.	897 069	-	-	897 069
9	Energetyka Ciepła w Kamiennej Górze Sp. z o.o.	6 959	-	-	6 959
10	Elektrociepłownia EC Nowa Sp. z o.o.	217 413	-	-	217 413
11	TAURON Sprzedaż Sp. z o.o.	294 798	318 707	-	613 505
12	Polska Energia Pierwsza Kompania Handlowa Sp. z o.o.	6 886	-	-	6 886
13	Zespół Elektrowni Wodnych Rożnów Sp. z o.o.	931	-	-	931
14	Przedsiębiorstwo Energetyki Ciepłej w Dąbrowie Górniczej S.A.	162 557	-	-	162 557
15	TAURON Czech Energy s.r.o.	4 223	-	-	4 223
		16 353 470	318 707	(318 707)	16 353 470

The movement in the balance of the Company's long-term investments in the period from 1 January to 31 March 2011 results from the division of TAURON Obsługa Klienta sp. z o.o. by way of the acquisition by TAURON Sprzedaż sp. z o.o. of part of TAURON Obsługa Klienta sp. z o.o.'s assets representing an organized part of the enterprise and comprising tangible and intangible assets and liabilities related to sale of electricity. The division was effected pursuant to art. 529 § 1 point 4 of the CCC.

On 3 January 2011, the District Court in Kraków registered an increase of the share capital of TAURON Sprzedaż sp. z o.o. resulting from its acquisition of part of TAURON Obsługa Klienta sp. z o.o.'s assets. As a result of the above, the Company reallocated the value of shares between TAURON Obsługa Klienta sp. z o.o. and TAURON Sprzedaż sp. z o.o., by dividing the value of the shares in TAURON Obsługa Klienta sp. z o.o. in proportion to the relation of the value of assets transferred to TAURON Sprzedaż sp. z o.o. (as determined for the purposes of the division) to the value of total assets of TAURON Obsługa Klienta sp. z o.o. determined for the purposes of the division.

In the period from 1 January to 31 March 2010, there were no movements in the Company's long-term investments. As at 31 March 2010, the carrying amount of long-term investments amounted to PLN 14,170,251 thousand.

14. Inventories

	As at 31 March 2011 (<i>unaudited</i>)	As at 31 December 2010
Historical cost		
Materials	11	-
Property rights arising from energy certificates	10 285	4 779
Emission allowances	-	4 664
Total	10 296	9 443
Write-downs to net realizable value	-	(205)
Net realizable value		
Materials	11	-
Property rights arising from energy certificates	10 285	4 779
Emission allowances	-	4 459
Total	10 296	9 238

15. Trade receivables

Trade receivables are non-interest bearing and are usually receivable within 30 days. Sales are only made to customers who have undergone an appropriate credit verification procedure. As a result, Management believe there is no additional credit risk that would exceed the doubtful debts allowance recognized for the Company's trade receivables.

The values of trade receivables together with aging and allowances/write-downs are presented in the tables below.

Trade receivables as at 31 March 2011 (*unaudited*)

	Not past due	Past due		Total
		<30 days	30-90 days	
Value of item before allowance/write-down	722 231	935	-	723 166
Allowance/write-down	-	-	-	-
Value of item net of allowance (carrying amount)	722 231	935	-	723 166

Trade receivables as at 31 December 2010

	Not past due	Past due		Total
		<30 days	30-90 days	
Value of item before allowance/write-down	605 407	18	5	605 430
Allowance/write-down	-	-	(5)	(5)
Value of item net of allowance (carrying amount)	605 407	18	-	605 425

Overdue receivables as at 31 March 2011, amounting to PLN 935 thousand, were repaid until the date of preparation of these financial statements.

Related party transactions and balances are presented in Note 25.

16. Issued capital

16.1. Issued capital

Issued capital as at 31 March 2011 (*unaudited*)

Class/ issue	Type of shares	Type of preference	Number of shares	Nominal value of one share (in PLN)	Value of class/issue at nominal value	Method of payment
AA	bearer shares	-	1 589 438 762	5	7 947 194	cash/in-kind contribution
BB	registered shares	-	163 110 632	5	815 553	in-kind contribution
Total			1 752 549 394		8 762 747	

Issued capital as at 31 December 2010

Class/ issue	Type of shares	Type of preference	Number of shares	Nominal value of one share (in PLN)	Value of class/issue at nominal value	Method of payment
AA	bearer shares	-	1 589 438 762	9	14 304 949	cash/in-kind contribution
BB	registered shares	-	163 110 632	9	1 467 996	in-kind contribution
Total			1 752 549 394		15 772 945	

On 25 March 2011, the District Court in Katowice registered a decrease of the Company's share capital effected by way of reduction of the nominal value of shares. The share capital decreased from PLN 15,772,945 thousand to PLN 8,762,747 thousand, due to the reduction of the nominal value of each share from PLN 9 to PLN 5. The resulting amount of PLN 7,010,198 thousand was allocated to the Company's reserve capital. The decrease of the share capital was made in order to restructure the Company's equity.

16.2. Shareholders with significant interest

Shareholding structure as at 31 March 2011 (*to the best knowledge of the Company*)

Shareholder	Value of shares	% of issued capital	% of total vote
State Treasury (notification of 29 March 2011)	2 634 419	30.06%	30.06%
KGHM Polska Miedź S.A. (notification of 23 March 2011)	910 553	10.39%	10.39%
Other shareholders	5 217 775	59.55%	59.55%
Total	8 762 747	100.00%	100.00%

Shareholding structure as at 31 December 2010 (*to the best knowledge of the Company*)

Shareholder	Value of shares	% of issued capital	% of total vote
State Treasury (notification of 28 February 2011)	6 618 257	41.96%	41.96%
KGHM Polska Miedź S.A.	736 402	4.67%	4.67%
Other shareholders	8 418 286	53.37%	53.37%
Total	15 772 945	100.00%	100.00%

17. Earnings per share

In June 2010, the process of the reverse stock split came to an end. The number of shares was reduced 9 times, from 14,304,948,858 to 1,589,438,762. For comparability purposes, earnings per share for the 3-month period ended 31 March 2010 as presented in the statement of

comprehensive income in these interim condensed financial statements was calculated for that period on the assumption that the nominal value of one share was equal to PLN 9 and the weighted average number of shares was nine times smaller.

Earnings per share before the reverse split for the period ended 31 March 2010 amounted to PLN 0.001.

18. Provisions

Due to the sale of electricity to final users, the Company is required to surrender for cancellation a certain amount of certificates of electricity generated using renewable sources, gas-fired plants and cogeneration.

As at 31 March 2011, the Company recognized a short-term provision for the obligation to surrender energy certificates for cancellation, amounting to PLN 34,043 thousand. As at 31 December 2010, the provision for the obligation to surrender energy certificates for cancellation amounted to PLN 36,795 thousand. The provision was utilized in full in March 2011. The Company cancelled energy certificates with a value of PLN 7,638 thousand and paid a replacement fee of PLN 30,687 thousand. The costs of complying with the obligation to surrender energy certificates for 2010, amounting to PLN 1,528 thousand, which exceeded the amount of the provision recognized for this purpose, were charged against the Company's result for 2011.

19. Interest-bearing loans and borrowings, including issued debentures

Liabilities of TAURON Polska Energia S.A. arising from loans taken out or issued debentures as at 31 March 2011 and 31 December 2010 resulted from loans taken out from affiliates under the "Agreement for the Provision of Cash Pool Services" and debentures issued on 29 December 2010 in order to refinance debt in the Group.

The balances of receivables and payables arising from cash pool transactions are presented in the tables below.

	As at 31 March 2011 (<i>unaudited</i>)	As at 31 December 2010
Loans granted under cash pool agreement	237 620	19 700
Interest receivable on loans granted under cash pool agreement	225	119
Total	237 845	19 819

	As at 31 March 2011 (<i>unaudited</i>)	As at 31 December 2010
Loans received under cash pool agreement	1 384 223	460 051
Interest payable on loans received under cash pool agreement	4 377	1 219
Total	1 388 600	461 270
Balance of cash pool	1 150 755	441 451

The surplus of cash acquired by the Company under the cash pool agreement is invested in bank accounts.

Under the cash pool agreement the Company may use external funding amounting to PLN 100,000 thousand by 28 May 2011.

The tables below presents the balance of the Company's liability under issued debentures, together with interest calculated as at 31 March 2011 and 31 December 2010 using the effective interest rate.

Issued debentures as at 31 March 2011 (unaudited)

Interest rate	Currency	As at balance sheet date		of which maturing within (after the balance sheet date)					
		Accrued interest	Principal at amortized cost	less than 3 months	3 - 12 months	1 - 2 years	2 - 3 years	3 - 5 years	over 5 years
floating	PLN	10 914	845 796	-	-	-	-	845 796	-
Total debentures		10 914	845 796	-	-	-	-	845 796	-

Issued debentures as at 31 December 2010

Interest rate	Currency	As at balance sheet date		of which maturing within (after the balance sheet date)					
		Accrued interest	Principal at amortized cost	less than 3 months	3 - 12 months	1 - 2 years	2 - 3 years	3 - 5 years	over 5 years
floating	PLN	357	845 650	-	-	-	-	845 650	-
Total debentures		357	845 650	-	-	-	-	845 650	-

20. Financial instruments

20.1. Carrying amounts and fair values of the categories and classes of financial instruments

The fair values of the financial instruments held by the Company as at 31 March 2011 and 31 December 2010 did not significantly differ from their values presented in the financial statements for the particular periods, due to the following reasons:

- the potential discounting effect relating to short-term instruments is not significant;
- the instruments relate to arm's length transactions.

The carrying amounts and fair values of the particular classes and categories of financial instruments as at 31 March 2011 and 31 December 2010 are presented in the tables below.

Categories and classes of financial assets	Carrying amount	
	As at 31 March 2011 (unaudited)	As at 31 December 2010
1 Assets at fair value through profit or loss	-	257
2 Financial assets available for sale	7 890	7 890
3 Financial assets held to maturity	-	-
4 Loans and receivables	2 032 985	1 483 114
Trade receivables	723 166	605 425
Bonds, T-bills and other debt securities	878 260	848 583
Loans granted	407 445	19 819
Other	24 114	9 287
5 Financial assets excluded from the scope of IAS 39	16 345 580	16 345 580
6 Cash and cash equivalents	701 792	527 011

TAURON Polska Energia S.A.
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(in PLN thousand)

Categories and classes of financial liabilities	Carrying amount	
	As at 31 March 2011 (<i>unaudited</i>)	As at 31 December 2010
1 Financial liabilities at fair value through profit or loss	267	-
2 Financial liabilities measured at amortized cost	2 463 254	1 847 979
Arm's length loans	1 388 600	461 270
Issued debentures	856 710	846 007
Trade payables	213 838	533 969
Other financial liabilities	1 523	3 969
Commitments resulting from purchases of fixed and intangible assets	562	803
Salaries and wages	2 021	1 961
3 Liabilities under guarantees, factoring and excluded from the scope of IAS 39	812	1 042
Obligations under finance leases and hire purchase contracts	812	1 042

20.2. Details of significant items within the individual categories of financial instruments

Bonds, treasury bills and other debt securities in the category of loans and receivables, amounting to PLN 878,260 thousand, and issued debentures amounting to PLN 856,710 thousand relate to the program of issue of external and intercompany debentures which was launched in December 2010.

Loans granted included loans granted by the Company under the cash pool services agreement, amounting to PLN 237,845 thousand, and a receivable of PLN 169,600 thousand under a loan granted to Południowy Koncern Energetyczny S.A., resulting from the purchase of CO₂ allowances with a commitment to sell them back.

Arm's length loans in the amount of PLN 1,388,600 thousand relate to intercompany transactions concluded as part of the cash pool service.

The balances arising from cash pool transactions and issued debentures are described in Note 19.

Other financial receivables mainly comprise tender deposits paid and provided collaterals of a total amount of PLN 23,992 thousand.

Financial assets available for sale, in the amount of PLN 7,890 thousand, include shares in Zespół Elektrowni Wodnych Rożnów Sp. z o.o. and Energetyka Ciepła w Kamiennej Górze Sp. z o.o., which were acquired as a result of the Company's merger with its subsidiaries, Energomix Servis Sp. z o.o. and ENION Zarządzanie Aktywami Sp. z o.o.

21. Capital management and financial risk management

Capital management and financial risk management are performed at the level of the TAURON Polska Energia S.A. Capital Group and have been described in detail Notes 24 and 25 to the Interim Condensed Consolidated Financial Statements for the 3-month period ended 31 March 2011.

22. Contingent liabilities

As at 31 March 2011, guarantees granted by the Company's amounted to PLN 6,018 thousand and included the following:

- A guarantee of EUR 1,000 thousand (PLN 4,012 thousand), issued to TAURON Czech Energy s.r.o. in connection with the EFET framework agreement for the sale of electricity, for the benefit of CEZ a.s. The guarantee is valid for the period from 1 April 2010 to 31 December 2011;
- A bank guarantee for OTE a.s. amounting to EUR 500 thousand (PLN 2,006 thousand), issued to TAURON Czech Energy s.r.o. for the benefit of UniCredit Bank Czech Republik a.s. The guarantee is valid for the period from 9 June 2010 to 8 June 2011.

As at 31 December 2010, the Company had contingent liabilities under the above-mentioned guarantees amounting to PLN 5,940 thousand, according to the valuation as at 31 December 2010.

In December 2010, the Company issued two blank promissory notes to the Voivodship Fund for Environmental Protection and Water Management in Katowice, with a maturity date of 5 December 2022 and for a total amount of PLN 40,000 thousand, in order to secure the loan granted to its subsidiary Południowy Koncern Energetyczny S.A. In January 2011, TAURON Polska Energia S.A. guaranteed a blank promissory note issued by Elektrownia Stalowa Wola S.A. for the benefit of Polskie Sieci Elektroenergetyczne S.A. for an amount of PLN 4,000 thousand.

On 25 February 2011, TAURON Polska Energia S.A. declared to provide a financial support in the amount of PLN 87,040 thousand to its subsidiary Elektrociepłownia Tychy S.A., in order to cover the costs of the project relating to the "Construction of a biomass power plant and modernization of the fluidized OF-135 boiler in Elektrociepłownia Tychy S.A." The total cost of the investment amounts to PLN 117,040 thousand, of which PLN 30,000 thousand will be financed using a loan granted by the Voivodship Fund for Environmental Protection and Water Management in Katowice.

23. Assets pledged as security

Liabilities secured on the assets of TAURON Polska Energia S.A. include lease agreements, which are secured on leased vehicles. The carrying amount of vehicles leased by the Company amounted to PLN 1,448 thousand as at 31 March 2011 and PLN 1,576 thousand as at 31 December 2010.

Under the debentures issue program the Company provided a declaration of submission to enforcement up to the amount of PLN 1,560,000 thousand.

In order to secure the agreement concerning bank guarantees from PKO Bank Polski S.A., TAURON Polska Energia S.A. provided a declaration of submission to enforcement up to the amount of PLN 48,000 thousand and granted authorizations to bank accounts up to the amount of PLN 40,000 thousand.

In order to secure the transactions made by the Company on electricity markets through Towarowa Giełda Energii S.A. and its participation in the system securing the liquidity of settlements, restrictions were placed on the EUAs of Południowy Koncern Energetyczny S.A. entered in the National Register of Emission Allowances (KRUE). In addition, Południowy Koncern Energetyczny S.A. issued a suretyship to Izba Rozliczeń Giełd Towarowych S.A. for the settlement of the Company's future transactions up to the amount of PLN 145,000 thousand. It was agreed that the Company would pay a consideration to Południowy Koncern Energetyczny S.A. for setting up collateral in the form of suretyship.

24. Capital commitments

As at 31 March 2011 and 31 December 2010, the Company had capital commitments of PLN 1,126 thousand, which resulted from the contract for implementation of the SAP integrated system.

25. Related party disclosures

25.1. Transactions with related companies and State Treasury companies

The Company enters into transactions with related companies as presented in Note 6. In addition, due to the fact that the Company's main shareholder is the State Treasury of the Republic of Poland, State Treasury companies are treated as related parties. Transactions with State Treasury companies mainly relate to the operating activity of the Company and are made on an arm's length basis.

The figures presented below relate to transactions with State Treasury companies according to the classification of State Treasury companies with a significant share in revenue and costs in 2010, prepared as at 31 December 2010. Comparative figures present transactions with State Treasury companies according to their classification as at 31 March 2010, i.e. before updating the list of State Treasury companies.

The total value of revenues and costs from transactions with the aforementioned entities and the balances of receivables and payables are presented in the tables below.

Revenues and expenses

	3-month period ended 31 March 2011 (unaudited)	3-month period ended 31 March 2010 (unaudited)
Revenue from related companies, of which:	1 830 509	1 688 099
Revenue from operating activities	1 816 534	1 688 074
Finance income	13 975	25
Revenue from State Treasury companies	212 002	87 557
Costs from related companies, of which:	(211 119)	(1 031 355)
Costs of operating activities	(201 090)	(1 031 355)
Finance costs	(10 029)	-
Costs from State Treasury companies	(38 874)	(17 382)

Receivables and payables

	As at 31 March 2011 (unaudited)	As at 31 December 2010
Loans granted to related companies and receivables from related companies, of which:	1 845 414	1 412 054
Trade receivables	559 709	543 651
Debentures	878 260	848 583
Loans granted under cash pool agreement	237 845	19 819
Other loans	169 600	-
Receivables from State Treasury companies	104 848	53 563
Payables to related companies, of which:	1 451 854	811 964
Trade payables	63 254	350 694
Loans received under cash pool agreement	1 388 600	461 270
Payables to State Treasury companies	17 523	45 605

Among the State Treasury companies, the largest contractors of TAURON Polska Energia S.A. in the period ended 31 March 2011 as regards sales revenue included Kompania Węglowa S.A., KGHM Polska Miedź S.A. and PSE Operator S.A. Revenue from those companies accounted for 95% of total revenue from transactions with State Treasury companies.

The largest costs were incurred as a result of transactions with Zespół Elektrowni Pątnów Adamów Konin S.A. and PSE Operator S.A., which accounted for 96% of total costs incurred as a result of purchases from State Treasury companies.

The Company concludes significant transactions on the energy market through Izba Rozliczeniowa Giełd Towarowych S.A. Due to the fact that this entity only deals with organization of stock exchange trading, a decision was taken not to treat the purchases and sales made through this entity as related party transactions. Comparative data for 2010 has been restated.

In the period ended 31 March 2010, PSE Operator S.A. and Kompania Węglowa S.A. were the Company's largest contractors among the State Treasury companies.

25.2. Compensation of key management personnel

Until 28 June 2010, the compensation of the Directors and the Supervisory Board members was subject to the provisions of the Act of 3 March 2000 on Remunerating Individuals Being in Charge of Certain Legal Entities (companies with a majority shareholding of the State Treasury).

The amount of compensation and other benefits of the Board of Directors, Supervisory Board and other key management personnel of the Company for the 3-month period ended 31 March 2011 is presented in the table below.

	3-month period ended 31 March 2011 <i>(unaudited)</i>	Year ended 31 December 2010
Board of Directors	1 547	5 967
Short-term employee benefits (salaries and surcharges)	1 190	5 200
Other	357	767
Supervisory Board	162	329
Short-term employee benefits (salaries and surcharges)	162	329
Total	1 709	6 296
Other members of key management personnel	2 008	5 745
Short-term employee benefits (salaries and surcharges)	1 789	5 079
Other	219	666

No loans were granted from the Social Fund to members of the Company's Board of Directors, Supervisory Board members or other members of key management personnel.

26. Details of other significant changes in the reporting period

Finance income and costs

The increase of finance income and finance costs in the 3-month period ended 31 March 2011 compared to the 3-month period ended 31 March 2010 results from the commencement of provision of cash pool services in the second quarter of 2010 and the implementation of the debenture issue program in December 2010 in order to refinance debt in the Group.

27. Events after the balance sheet date

There were no events after the balance sheet date.

These interim condensed financial statements of TAURON Polska Energia S.A. prepared for the 3-month period ended 31 March 2011 in accordance with International Financial Reporting Standard 34 consist of 27 consecutive pages.

Katowice, 10 May 2011

Dariusz Lubera - President of the Board of Directors

Krzysztof Zawadzki – Vice-president of the Board of Directors