

**INDEPENDENT AUDITOR'S OPINION
ON THE CONSOLIDATED FINANCIAL STATEMENTS OF
TAURON POLSKA ENERGIA S.A.
CAPITAL GROUP
FOR THE YEAR 2011**

INDEPENDENT AUDITORS' OPINION

To the General Shareholders' Meeting and the Supervisory Board of TAURON Polska Energia S.A.

1. We have audited the attached consolidated financial statements of TAURON Polska Energia S.A. Group ('the Group'), for which the holding company is TAURON Polska Energia S.A. ('the Company') located in Katowice at ks. Piotra Ściegiennego Street 3, for the year ended 31 December 2011, containing the consolidated statement of financial position as at 31 December 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flow for the period from 1 January 2011 to 31 December 2011 and the summary of significant accounting policies and other explanatory notes ('the attached consolidated financial statements').
2. The truth and fairness¹ of the attached consolidated financial statements, the preparation of the attached consolidated financial statements in accordance with the required applicable accounting policies and the proper maintenance of the consolidation documentation are the responsibility of the Company's Management Board. In addition, the Company's Management Board and Members of the Supervisory Board are required to ensure that the attached consolidated financial statements and the Directors' Report meet the requirements of the Accounting Act dated 29 September 1994 (2009 Journal of Laws No. 152 item 1223 with subsequent amendments – 'the Accounting Act'). Our responsibility was to audit the attached consolidated financial statements and to express an opinion on whether, based on our audit, these financial statements comply, in all material respects, with the required applicable accounting policies and whether they truly and fairly² reflect, in all material respects, the financial position and results of the operations of the Group.
3. We conducted our audit of the attached consolidated financial statements in accordance with:
 - chapter 7 of the Accounting Act,
 - national auditing standards issued by the National Council of Statutory Auditors,in order to obtain reasonable assurance whether these financial statements are free of material misstatement. In particular, the audit included examining, to a large extent on a test basis, documentation supporting the amounts and disclosures in the attached consolidated financial statements. The audit also included assessing the accounting principles adopted and used and significant estimates made by the Management Board, as well as evaluating the overall presentation of the attached consolidated financial statements. We believe our audit has provided a reasonable basis to express our opinion on the attached consolidated financial statements treated as a whole.

¹ Translation of the following expression in Polish: 'rzetelność i jasność'

² Translation of the following expression in Polish: 'rzetelne i jasne'

4. The consolidated financial statements for the year ended 31 December 2010 were subject to our audit and we issued an opinion including an emphasis of matter on these consolidated financial statements, dated 1 March 2011. The emphasis of matter concerned the decision of the Energy Regulatory Office (*Urząd Regulacji Energetyki*) on the reimbursement of the received advance in relation to termination of the long-term electricity and power purchase agreements. The actual status of this issue is presented in point 6 of this opinion.
5. In our opinion, the attached consolidated financial statements, in all material respects:
 - present truly and fairly all information material for the assessment of the results of the Group's operations for the period from 1 January 2011 to 31 December 2011, as well as its financial position³ as at 31 December 2011;
 - have been prepared in accordance with International Financial Reporting Standards as adopted by the EU;
 - are in respect of the form and content, in accordance with the legal regulations governing the preparation of financial statements.
6. Without qualifying our opinion, we draw attention to the fact that as it was described in more details in note 34 of the explanatory notes to the attached consolidated financial statements, a subsidiary of the Company, TAURON Wytwarzanie S.A. (formerly Południowy Koncern Energetyczny S.A.), is entitled to receive a compensation to cover the stranded costs incurred by the producers in relation to termination of long-term electricity and power purchase agreements that is based on the act dated 29 June 2007 (Journal of Law from 2007, no. 130, item 905, 'PPA Act'). Based on accounting policy on compensations resulting from the provisions of the PPA Act as well as its own estimates and assumptions, the Group recognizes revenue from the compensations since the year ended 31 December 2008. As described in mentioned above note, on 31 July 2009 the President of the Energy Regulatory Office (*Urząd Regulacji Energetyki*) issued a decision ordering to reimburse part of received advance for the year 2008 in the amount of 160 million zlotys ('the Decision'). The Management of TAURON Wytwarzanie S.A. did not agree with the Decision and lodged an appeal against it to the Court of Competition and Customer Protection (*Sąd Ochrony Konkurencji i Konsumentów*) in Warsaw ('the Court'). On 26 May 2010 the Court passed a judgment confirming the Company's position in this respect. The President of the Energy Regulatory Office lodged an appeal against the above judgment, which has not been considered by the appropriate court yet. The Company's Management is convinced that the proceedings will result positively for the Group. As at the date of this opinion the appeal proceedings are underway.

³ Translation of the following expression in Polish: '*sytuacja majątkowa i finansowa*'

The Polish original should be referred to in matters of interpretation.
Translation of auditors' report originally issued in Polish.

7. We have read the 'Directors' Report for the period from 1 January 2011 to 31 December 2011 and the rules of preparation of annual statements' ('the Directors' Report') and concluded that the information derived from the attached consolidated financial statements reconciles with these financial statements. The information included in the Directors' Report corresponds with the relevant regulations of the Decree of the Minister of Finance dated 19 February 2009 on current and periodic information published by issuers of securities and conditions for recognition as equivalent the information required by laws of non-EU member states (Journal of Laws No. 33, item 259).

on behalf of:
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Artur Żwak
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Warsaw, 6 March 2012