

	PLN '000		EUR '000	
	6 months ended Jun 30 2013 (unaudited)	6 months ended Jun 30 2012 (restated) (unaudited)	6 months ended Jun 30 2013 (unaudited)	6 months ended Jun 30 2012 (restated) (unaudited)
Revenue	12,510,404	15,355,456	2,968,772	3,634,772
Operating profit/(loss)	(390,802)	126,991	(92,739)	30,060
Pre-tax profit/(loss)	(292,354)	391,084	(69,377)	92,573
Net profit/(loss)	(186,709)	370,904	(44,307)	87,796
Total comprehensive income	(430,961)	405,127	(102,269)	95,897
Net cash from operating activities	683,376	71,971	162,168	17,036
Net cash from investing activities	(2,079)	219,878	(493)	52,047
Net cash from financing activities	(158,957)	(209,774)	(37,721)	(49,655)
Total net cash flow	522,340	82,075	123,954	19,428
Basic earnings/(loss) per share (PLN/EUR)	(1.44)	2.86	(0.34)	0.68
Diluted earnings/(loss) per share (PLN/EUR)	(1.44)	2.86	(0.34)	0.68

	PLN '000		EUR '000	
	As at Jun 30 2013 (unaudited)	As at Dec 31 2012 (audited)	As at Jun 30 2012 (unaudited)	As at Dec 31 2012 (audited)
Total assets	16,112,794	16,012,117	3,721,887	3,916,667
Equity	6,621,392	7,052,353	1,529,472	1,725,051

Items in the Financial Highlights table have been translated at the following EUR exchange rates:

Items of the statement of financial position have been translated at the mid-exchange rates quoted by the National Bank of Poland for the last day of the reporting period:

As at Jun 30 2013	As at Dec 31 2012
EUR 1 = PLN 4.3292	EUR 1 = PLN 4.0882

Items of the statement of comprehensive income and the statement of cash flows have been translated using the arithmetic mean of the mid-exchange rates quoted by the National Bank of Poland for the last day of each month in the reporting period:

6 months ended Jun 30 2013	6 months ended Jun 30 2012
EUR 1 = PLN 4.2140	EUR 1 = PLN 4.2246



**GRUPA LOTOS S.A.**

**INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED JUNE 30TH 2013  
WITH THE INDEPENDENT AUDITOR'S REVIEW REPORT**

**(THIS DOCUMENT IS AN APPENDIX TO THE INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS OF THE LOTOS GROUP)**

*(This is a translation of a document originally issued in Polish)*

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**GRUPA LOTOS S.A.**  
**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
for the six months ended June 30th 2013

(PLN '000)	Note	3 months ended Jun 30 2013 (unaudited)	6 months ended Jun 30 2013 (unaudited)	3 months ended Jun 30 2012 (restated) (unaudited)	6 months ended Jun 30 2012 (restated) (unaudited)
Revenue		5,615,506	12,510,404	7,830,466	15,355,456
Cost of sales	7.2	(5,743,278)	(12,512,466)	(7,817,577)	(14,831,305)
<b>Gross profit/(loss)</b>		<b>(127,772)</b>	<b>(2,062)</b>	<b>12,889</b>	<b>524,151</b>
Distribution costs	7.2	(138,159)	(287,302)	(148,148)	(290,839)
Administrative expenses	7.2	(53,489)	(105,052)	(51,780)	(104,579)
Other income		6,526	7,913	995	2,462
Other expenses		(2,454)	(4,299)	(2,418)	(4,204)
<b>Operating profit/(loss)</b>		<b>(315,348)</b>	<b>(390,802)</b>	<b>(188,462)</b>	<b>126,991</b>
Finance income	7.1	290,742	276,883	290,125	312,052
Finance costs	7.3	(42,194)	(178,435)	(390,444)	(100,016)
Gain on disposal of shares in LOTOS Parafiny Sp. z o.o.		-	-	-	52,057
<b>Pre-tax profit/(loss)</b>		<b>(66,800)</b>	<b>(292,354)</b>	<b>(288,781)</b>	<b>391,084</b>
Income tax	8.1	62,687	105,645	110,500	(20,180)
<b>Net profit/(loss)</b>		<b>(4,113)</b>	<b>(186,709)</b>	<b>(178,281)</b>	<b>370,904</b>
<b>Other comprehensive income</b>					
<i>Items that may be reclassified to profit/loss:</i>					
Cash flow hedges		(78,467)	(301,546)	(299,581)	42,251
Income tax on other comprehensive income	8.1	14,909	57,294	56,920	(8,028)
<b>Other comprehensive income (net)</b>		<b>(63,558)</b>	<b>(244,252)</b>	<b>(242,661)</b>	<b>34,223</b>
<b>Total comprehensive income</b>		<b>(67,671)</b>	<b>(430,961)</b>	<b>(420,942)</b>	<b>405,127</b>
<b>Earnings/(loss) per share (PLN)</b>					
Weighted average number of shares ('000)	10	129,873	129,873	129,873	129,873
- basic	10	(0.03)	(1.44)	(1.37)	2.86
- diluted	10	(0.03)	(1.44)	(1.37)	2.86

The Notes to the interim condensed financial statements for the six months ended June 30th 2013, presented on pages 7 to 22, are an integral part of the statements.

**GRUPA LOTOS S.A.**  
**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**  
as at June 30th 2013

(PLN '000)	Note	Jun 30 2013 (unaudited)	Dec 31 2012 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		6,667,528	6,799,992
Intangible assets		90,048	90,196
Shares and other equity interests		910,520	910,520
Derivative financial instruments		1,494	-
Other non-current assets		382,106	342,948
<b>Total non-current assets</b>		<b>8,051,696</b>	<b>8,143,656</b>
<b>Current assets</b>			
Inventories		5,568,414	5,705,717
- including mandatory reserves		4,252,421	4,350,326
Trade receivables		2,038,979	1,670,509
Current tax assets		4,954	9,429
Derivative financial instruments		2,863	121,334
Other current assets		292,563	358,586
Cash and cash equivalents		140,068	2,886
<b>Total current assets</b>		<b>8,047,841</b>	<b>7,868,461</b>
<b>Assets held for sale</b>		<b>13,257</b>	<b>-</b>
<b>Total assets</b>		<b>16,112,794</b>	<b>16,012,117</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		129,873	129,873
Share premium		1,311,348	1,311,348
Cash flow hedging reserve		(281,053)	(36,801)
Retained earnings		5,461,224	5,647,933
<b>Total equity</b>		<b>6,621,392</b>	<b>7,052,353</b>
<b>Non-current liabilities</b>			
Bank borrowings	14	4,213,280	4,069,561
Derivative financial instruments		54,359	88,325
Deferred tax liabilities	8.2	83,638	246,144
Employee benefit obligations		45,796	45,262
<b>Total non-current liabilities</b>		<b>4,397,073</b>	<b>4,449,292</b>
<b>Current liabilities</b>			
Bank borrowings	14	1,077,357	1,462,557
Derivative financial instruments		102,476	102,524
Trade payables		2,434,714	2,161,910
Employee benefit obligations		23,894	35,857
Other liabilities and provisions		1,455,888	747,624
<b>Total current liabilities</b>		<b>5,094,329</b>	<b>4,510,472</b>
<b>Total liabilities</b>		<b>9,491,402</b>	<b>8,959,764</b>
<b>Total equity and liabilities</b>		<b>16,112,794</b>	<b>16,012,117</b>

The Notes to the interim condensed financial statements for the six months ended June 30th 2013, presented on pages 7 to 22, are an integral part of the statements.

**GRUPA LOTOS S.A.**  
**INTERIM CONDENSED STATEMENT OF CASH FLOWS**  
**for the six months ended June 30th 2013**  
 prepared using the indirect method

(PLN '000)	Note	6 months ended Jun 30 2013	6 months ended Jun 30 2012 (restated)
		(unaudited)	(unaudited)
<b>Cash flows from operating activities</b>			
<b>Net profit/(loss)</b>		<b>(186,709)</b>	<b>370,904</b>
Adjustments:		873,647	(293,703)
Income tax	8.1	(105,645)	20,180
Depreciation and amortisation	13	202,672	209,437
Foreign exchange (gains)/losses		43,980	(21,715)
Interest and dividends		(210,280)	(222,231)
(Gain)/Loss from investing activities		121	(51,702)
Settlement and valuation of derivative financial instruments		57,453	14,957
(Increase) in trade receivables		(368,470)	(8,512)
Decrease in other assets	13	201,447	26,911
Decrease in inventories	13	495,498	92,502
Increase/(Decrease) in trade and other payables		272,804	(151,403)
Increase/(Decrease) in other liabilities and provisions	13	295,496	(196,344)
(Increase) in employee benefit obligations		(11,429)	(5,783)
Income tax paid		(3,562)	(5,230)
<b>Net cash from operating activities</b>		<b>683,376</b>	<b>71,971</b>
<b>Cash flows from investing activities</b>			
Dividends received		169,051	273,077
Interest received		2,252	2,886
Sale of property, plant and equipment and intangible assets		14	23
Sale of shares in LOTOS Parafiny Sp. z o.o.		-	78,000
Repayment of loan advanced to LOTOS Gaz S.A. w likwidacji (in liquidation)		-	650
Purchase of property, plant and equipment and intangible assets	13	(107,918)	(48,215)
Acquisition of shares in LOTOS Petrobaltic S.A.		-	(3)
Loans advanced to related parties	13	(30,000)	(62,720)
Bank deposits for financing of maintenance shutdown		-	(23,621)
Security deposit		(6,190)	(9,435)
Cash pool settlements		(30,158)	-
Settlement of derivative financial instruments		870	9,236
<b>Net cash from investing activities</b>		<b>(2,079)</b>	<b>219,878</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		170,310	170,882
Repayment of borrowings		(304,685)	(267,603)
Interest paid		(58,388)	(65,319)
Settlement of derivative financial instruments		33,806	(47,734)
<b>Net cash from financing activities</b>		<b>(158,957)</b>	<b>(209,774)</b>
<b>Total net cash flow</b>		<b>522,340</b>	<b>82,075</b>
Effect of exchange rate fluctuations on cash held		22,130	(215)
<b>Change in net cash flows</b>	13	<b>544,470</b>	<b>81,860</b>
<b>Cash at beginning of period</b>	13	<b>(406,359)</b>	<b>(165,987)</b>
<b>Cash at end of period</b>	13	<b>138,111</b>	<b>(84,127)</b>

The Notes to the interim condensed financial statements for the six months ended June 30th 2013, presented on pages 7 to 22, are an integral part of the statements.

GRUPA LOTOS S.A.  
**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**  
for the six months ended June 30th 2013

(PLN '000)	Note	Share capital	Share premium	Cash flow hedging reserve	Retained earnings	Total equity
<b>Jan 1 2013 (audited)</b>		<b>129,873</b>	<b>1,311,348</b>	<b>(36,801)</b>	<b>5,647,933</b>	<b>7,052,353</b>
<i>Net loss</i>	10	-	-	-	(186,709)	(186,709)
<i>Other comprehensive income (net)</i>		-	-	(244,252)	-	(244,252)
Total comprehensive income		-	-	(244,252)	(186,709)	(430,961)
<b>Jun 30 2013 (unaudited)</b>		<b>129,873</b>	<b>1,311,348</b>	<b>(281,053)</b>	<b>5,461,224</b>	<b>6,621,392</b>
<b>Jan 1 2012 (audited)</b>		<b>129,873</b>	<b>1,311,348</b>	<b>(419,281)</b>	<b>4,811,502</b>	<b>5,833,442</b>
<i>Net profit</i>	10	-	-	-	370,904	370,904
<i>Other comprehensive income (net)</i>		-	-	34,223	-	34,223
Total comprehensive income		-	-	34,223	370,904	405,127
<b>Jun 30 2012 (unaudited)</b>		<b>129,873</b>	<b>1,311,348</b>	<b>(385,058)</b>	<b>5,182,406</b>	<b>6,238,569</b>

The Notes to the interim condensed financial statements for the six months ended June 30th 2013, presented on pages 7 to 22, are an integral part of the statements.

## **NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30TH 2013**

### **1. General information**

Grupa LOTOS Spółka Akcyjna ("Grupa LOTOS S.A.", the "Company"), was established on September 18th 1991. The Company's registered address is ul. Elbląska 135, 80-718 Gdańsk, Poland.

Grupa LOTOS S.A. engages in production, service and trade activities. The Company's core business consists in the production and processing of refined petroleum products. Based on the classification applied by the Warsaw Stock Exchange, Grupa LOTOS S.A. is included in the fuel sector.

### **2. Basis of preparation and presentation**

These interim condensed financial statements of Grupa LOTOS S.A. ("these interim financial statements") have been prepared in accordance with the EU-endorsed International Financial Reporting Standards ("IFRS"), as published and effective on June 30th 2013, including in particular International Accounting Standard 34 Interim Financial Reporting.

These interim condensed financial statements present Grupa LOTOS S.A.'s financial position as at June 30th 2013 and December 31st 2012, as well as its performance for the three and six months ended June 30th 2013 and June 30th 2012, and cash flows for the six months ended June 30th 2013 and June 30th 2012.

These interim financial statements should be read in conjunction with the audited *financial statements of Grupa LOTOS S.A. for 2012*, published on March 21st 2013.

The financial information as at June 30th 2013 and for the six months ended on that date, as well as the comparative financial data for the six months ended June 30th 2012, contained in these interim condensed financial statements, have been reviewed by an auditor. The financial information for the three months ended June 30th 2013 and the comparative financial data for the three months ended June 30th 2012, contained in these interim condensed financial statements, have not been reviewed by an auditor. The financial information as at December 31st 2012 has been audited. The auditor's opinion on the *financial statements of Grupa LOTOS S.A. for 2012* was issued on March 19th 2013.

The Company's functional currency and the presentation currency of these interim financial statements is the Polish złoty, and all the amounts presented herein, unless indicated otherwise, are stated in thousands of złoty.

#### **2.1 Accounting policies**

The accounting policies and calculation methods adopted by the Company in the preparation of these interim condensed financial statements are the same as those used in the preparation of the financial statements for 2012 (see Note 7 to the financial statements for 2012).

The following new standards, amendments to the existing standards and interpretations which have been endorsed by the European Union (the "EU") are effective in periods beginning after January 1st 2013:

- IFRS 13 Fair Value Measurement (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 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 19 Employee Benefits (effective for annual periods beginning on or after January 1st 2013),
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (effective for annual periods beginning on or after January 1st 2013),
- Amendments to IAS 12 Deferred Tax: Recovery of Underlying Assets (effective for annual periods beginning on or after January 1st 2012; in the EU effective for annual periods beginning on or after January 1st 2013),
- 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 July 1st 2011; in the EU effective for annual periods beginning on or after January 1st 2013),
- Amendments to IFRS 1 First-Time Adoption of International Financial Reporting Standards: Government Loans (effective for annual periods beginning on or after January 1st 2013),
- Amendments introduced as part of the Improvements to IFRSs (published in May 2012) (effective for annual periods beginning on January 1st 2013).



## 2.2 New standards and interpretations which have been published but are not yet effective

New standards, amendments to the existing standards and interpretations, which have been endorsed by the European Union (the "EU"):

- IFRS 10 Consolidated Financial Statements (effective for annual periods beginning on or after January 1st 2013; in the EU effective for annual periods beginning on or after January 1st 2014),
- IFRS 11 Joint Arrangements (effective for annual periods beginning on or after January 1st 2013; in the EU effective for annual periods beginning on or after January 1st 2014),
- IFRS 12 Disclosure of Interests in Other Entities (effective for annual periods beginning on or after January 1st 2013; in the EU effective for annual periods beginning on or after January 1st 2014),
- IAS 27 Separate Financial Statements (as amended in 2011) (effective for annual periods beginning on or after January 1st 2013; in the EU effective for annual periods beginning on or after January 1st 2014),
- IAS 28 Investments in Associates and Joint Ventures (as amended in 2011) (effective for annual periods beginning on or after January 1st 2013; in the EU effective for annual periods beginning on or after January 1st 2014),
- Amendments to IFRS 10, IFRS 11 and IFRS 12 Transition Guidance (effective for annual periods beginning on or after January 1st 2013; in the EU effective for annual periods beginning on or after January 1st 2014).
- Amendments to IAS 32 Financial Instruments: Presentation: Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after January 1st 2014).

New standards, amendments to the existing standards and interpretations, which have not been endorsed by the European Union (the "EU"):

- IFRS 9 Financial Instruments: Classification and Measurement (effective for annual periods beginning on or after January 1st 2015),
- Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities (effective for annual periods beginning on or after January 1st 2014),
- Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets (published on May 29th 2013) (effective for annual periods beginning on or after January 1st 2014),
- Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting (published on June 27th 2013) (effective for annual periods beginning on or after January 1st 2014),
- IFRIC 21 Levies (published on May 20th 2013) (effective for annual periods beginning on or after January 1st 2014).

As at the date of approval of these financial statements, the first phase of IFRS 9 Financial Instruments: Classification and Measurement (effective for annual periods beginning on or after January 1st 2015), had not been endorsed by the European Union. During the next phases, the International Accounting Standards Board will focus on hedge accounting and impairment. Implementation of the first phase of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets. The Company will analyse this effect along with the effect from the other phases of the project after their publication, in order to present a coherent picture.

The Company has not opted for early application of any of the standards, interpretations, or amendments which have not yet become effective. The Company's Management Board is analysing and assessing the effect of the new standards and interpretations on the accounting policies applied by the Company and on the Company's future financial statements.

As of January 1st 2014, the Company will apply the following set of standards: IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities, IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures.

## 2.3 Exchange rates

The following exchange rates, determined on the basis of the exchange rates quoted by the National Bank of Poland (the "NBP"), have been used for the purpose of balance-sheet valuation:

<b>Mid-exchange rate quoted by the NBP for:</b>	<b>Jun 30 2013 <sup>(1)</sup></b>	<b>Dec 31 2012 <sup>(2)</sup></b>
USD	3.3175	3.0996
EUR	4.3292	4.0882

<sup>(1)</sup> NBP's mid-exchange rates table, effective for June 30th 2013.

<sup>(2)</sup> NBP's mid-exchange rates table, effective for December 31st 2012.

#### **2.4 Change of information presented in previous reporting periods, change of accounting policies and correction of errors**

Grupa LOTOS S.A. reclassified some of its costs (amortisation/depreciation, overhauls, real estate tax) previously recognised as administrative expenses, into cost of sales. The Company accordingly restated its comparative data for the three and six months ended June 30th 2012. As a result of this change, administrative expenses fell by 3,937 thousand and PLN 8,118 thousand, respectively, while cost of sales increased by PLN 3,937 thousand and PLN 8,118 thousand, respectively.

Grupa LOTOS S.A. changed its policies with respect to the presentation in the statement of cash flows of settlement of futures contracts to purchase carbon dioxide (CO<sub>2</sub>) emission allowances. As a result of this change, in the statement of cash flows for the six months ended June 30th 2012, cash from investing activities increased, and cash from financing activities decreased, by PLN 9,236 thousand.

#### **3. Seasonality and cyclicity of operations in the interim period**

There was no seasonality or cyclicity in the Company's operations in the interim period.

#### **4. Significant changes in reporting items, including amounts with a significant bearing on assets, liabilities, equity, net profit/loss or cash flows which are non-typical due to their nature, value, effect or frequency**

As regards the period of the six months ended June 30th 2013, any amounts having a material effect on the Group's assets, liabilities, equity, net profit/loss or cash flows, are presented in these interim condensed financial statements in a manner that facilitates the understanding of changes in the Company's financial situation and financial performance occurring subsequent to the end of the most recent annual reporting period, that is 2012. All significant changes to reporting items presented in the key sections of the financial statements were supplemented with additional information included in the related notes to the financial statements. In addition the Group notes that:

- As at June 30th 2013, in the statement of financial position, under *Other liabilities and provisions* (current portion), the Company presented the amount of PLN 358,195 thousand representing a contractual obligation under a fuel stock rotation agreement with the Material Reserves Agency (Agencja Rezerw Materiałowych).
  - The Company's liabilities to the state budget, totalling PLN 1,010,496 thousand as at June 30th 2013 (PLN 635,564 thousand as at December 31st 2012), accounted for a major share of other current non-financial liabilities recognised in the statement of financial position under *Other liabilities and provisions*. The Company's liabilities to the state budget were mainly driven by the growth in liabilities related to fuel charge and excise duty, as well as output VAT on crude oil imports delivered by sea. The balance of Grupa LOTOS S.A.'s liabilities to the state budget as at the end of the reporting period was the effect of standard tax settlements resulting from the ordinary course of business.
- #### **5. Changes of estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years, if those changes have a material effect on the current interim period**

There were no material changes in estimates reported in prior interim periods of the current financial year or prior financial years.

#### **6. Business segments**

As operating segments are identified at the Group level, the financial results of business segments for the three and six months ended June 30th 2013 were presented in Note 8 to the interim condensed consolidated financial statements for the six months ended June 30th 2013. Grupa LOTOS S.A. Grupa LOTOS S.A. is classified in the downstream segment.

## 7. Income and expenses

### 7.1 Finance income

PLN '000	3 months ended	6 months ended	3 months ended	6 months ended
	Jun 30 2013	Jun 30 2013	Jun 30 2012	Jun 30 2012
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Dividend received:	269,211	269,211	287,461	287,461
- from related entities	268,371	268,371	286,761	286,761
- from other entities	840	840	700	700
Interest	4,069	7,672	2,662	4,634
Foreign exchange differences:	-	-	-	19,955
- on foreign-currency denominated bank borrowings	-	-	-	24,564
- on foreign-currency denominated loans	-	-	-	5,071
- on realised foreign-currency transactions in bank accounts	-	-	-	(7,532)
- other foreign exchange differences	-	-	-	(2,148)
Revaluation of financial assets:	17,462	-	-	-
- valuation of derivative financial instruments	(69,151)	-	-	-
- settlement of derivative financial instruments	86,613	-	-	-
Other	-	-	2	2
<b>Total</b>	<b>290,742</b>	<b>276,883</b>	<b>290,125</b>	<b>312,052</b>

### 7.2 Expenses by nature

PLN '000	Note	3 months ended	6 months ended	3 months ended	6 months ended
		Jun 30 2013	Jun 30 2013	Jun 30 2012	Jun 30 2012
		(unaudited)	(unaudited)	(restated) (unaudited)	(restated) (unaudited)
Depreciation and amortisation	13	98,434	202,672	104,367	209,437
Raw material and consumables used		4,464,486	11,043,376	7,215,414	14,045,434
- including foreign exchange differences <sup>(1)</sup>		(15,883)	15,796	87,678	87,706
Services		265,955	471,868	207,345	391,580
Taxes and charges		22,908	54,582	24,508	56,522
Employee benefit expenses		48,730	102,821	46,079	96,754
Other expenses by nature		21,066	34,520	13,786	27,234
Cost of merchandise and materials sold		735,932	915,335	354,685	541,662
<b>Total expenses by nature</b>		<b>5,657,511</b>	<b>12,825,174</b>	<b>7,966,184</b>	<b>15,368,623</b>
Change in products and adjustments to cost of sales		277,415	79,646	51,321	(141,900)
<b>Total</b>		<b>5,934,926</b>	<b>12,904,820</b>	<b>8,017,505</b>	<b>15,226,723</b>
including:					
Cost of sales		5,743,278	12,512,466	7,817,577	14,831,305
Distribution costs		138,159	287,302	148,148	290,839
Administrative expenses		53,489	105,052	51,780	104,579

<sup>(1)</sup> Foreign exchange differences related to operating activities are recognised in cost of sales.

### 7.3 Finance costs

PLN '000	3 months ended	6 months ended	3 months ended	6 months ended
	Jun 30 2013	Jun 30 2013	Jun 30 2012	Jun 30 2012
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Interest	32,573	68,801	38,458	77,442
Foreign exchange differences:	5,157	43,742	205,392	-
- on foreign-currency denominated bank borrowings	15,342	66,184	205,209	-
- on foreign-currency denominated loans	(1,230)	(4,352)	(5,410)	-
- on realised foreign-currency transactions in bank accounts	(1,317)	1,683	26,107	-
- other foreign exchange differences	(7,638)	(19,773)	(20,514)	-
Revaluation of financial assets:	-	57,453	141,359	14,957
- valuation of derivative financial instruments	-	92,129	129,610	(23,541)
- settlement of derivative financial instruments	-	(34,676)	11,749	38,498
Bank fees	3,593	7,161	3,212	6,056
Other	1,403	2,338	2,425	2,438
Amounts capitalised as part of the cost of qualifying assets	(532)	(1,060)	(402)	(877)
<b>Total</b>	<b>42,194</b>	<b>178,435</b>	<b>390,444</b>	<b>100,016</b>

## 8. Income tax

### 8.1 Tax expense

PLN '000	3 months ended	6 months ended	3 months ended	6 months ended
	Jun 30 2013	Jun 30 2013	Jun 30 2012	Jun 30 2012
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Current income tax	160	(433)	(19,445)	(2,063)
Deferred tax	(62,847)	(105,212)	(91,055)	22,243
<b>Total income tax charged to profit or loss</b>	<b>(62,687)</b>	<b>(105,645)</b>	<b>(110,500)</b>	<b>20,180</b>
Income tax expense recognised in other comprehensive income (net):	(14,909)	(57,294)	(56,920)	8,028
<i>including:</i>				
<i>Cash flow hedges</i>	(14,909)	(57,294)	(56,920)	8,028

The income tax expense was calculated at the rate of 19% of the income tax base.

## 8.2 Deferred income tax

PLN '000	Note	Statement of financial position		Statement
		Jun 30 2013 (unaudited)	Dec 31 2012 (audited)	of comprehensive income for the six months ended Jun 30 2013 (unaudited)
<i>Deferred tax assets</i>				
		206,815	136,994	69,821
Accrued tax loss carry-forward				
Contractual obligation under fuel stock rotation agreement		75,715	-	75,715
Cash flow hedges	8.1	65,927	8,633	57,294
Other		52,382	57,646	(5,264)
<b>Total</b>		<b>400,839</b>	<b>203,273</b>	<b>197,566</b>
<i>Deferred tax liabilities</i>				
Difference between present tax value and carrying amount of property, plant and equipment and intangible assets		482,215	446,148	36,067
Other		2,262	3,269	(1,007)
<b>Total</b>		<b>484,477</b>	<b>449,417</b>	<b>35,060</b>
<b>Deferred tax expense:</b>				<b>162,506</b>
- charged to profit or loss	8.1			105,212
- recognised in other comprehensive income (net)	8.1			57,294
<b>Net deferred tax assets/(liabilities)</b>		<b>(83,638)</b>	<b>(246,144)</b>	
<i>including:</i>				
Deferred tax assets		400,839	203,273	
Deferred tax liabilities		(484,477)	(449,417)	

Taxable temporary differences are expected to expire in 2013–2083.

## 9. Dividends

On June 28th 2013, the General Meeting of Grupa LOTOS S.A. adopted a resolution on distribution of the Company's net profit generated in 2012. The General Meeting resolved not to distribute the Company's net profit for 2012, totalling PLN 836,431 thousand, to the Company shareholders, and to allocate the profit as follows:

- PLN 834,931 thousand was transferred to the Company's statutory reserve funds,
- PLN 1,500 thousand was transferred to the Special Account designated for financing corporate social responsibility (CSR) projects.

In these interim condensed financial statements, the Company presented the 2012 net profit after distribution under *Retained earnings*.

As at June 30th 2013 and December 31st 2012, Grupa LOTOS S.A.'s ability to distribute funds in the form of dividends was limited. The limitations followed from the credit agreement executed on June 27th 2008 for the financing of the 10+ Programme, which provides that the dividend amount is conditional upon fulfilment of specific requirements, including generation of sufficient cash surplus and achievement of financial ratios at prescribed levels.

### 10. Earnings/(loss) per share

	3 months ended Jun 30 2013 (unaudited)	6 months ended Jun 30 2013 (unaudited)	3 months ended Jun 30 2012 (unaudited)	6 months ended Jun 30 2012 (unaudited)
Net profit/(loss) (PLN '000) (A)	(4,113)	(186,709)	(178,281)	370,904
Weighted average number of shares ('000) (B)	129,873	129,873	129,873	129,873
Earnings/(loss) per share (PLN) (A/B)	(0.03)	(1.44)	(1.37)	2.86

Earnings/(loss) per share for each reporting period are calculated by dividing the net profit/(loss) for the reporting period by the weighted average number of shares in the reporting period.

Diluted earnings/(loss) per share are equal to basic earnings/(loss) per share since the Company carries no instruments with a dilutive effect.

### 11. Impairment losses

PLN '000	Property, plant and equipment	Intangible assets	Inventories <sup>(1)</sup>	Receivables <sup>(2)</sup>	Total
<b>Jan 1 2013 (audited)</b>	<b>22,450</b>	-	<b>470</b>	<b>86,685</b>	<b>109,605</b>
Recognised	-	-	-	764	764
Used / Reversed	-	-	(34)	(404)	(438)
<b>Jun 30 2013 (unaudited)</b>	<b>22,450</b>	-	<b>436</b>	<b>87,045</b>	<b>109,931</b>
<b>Jan 1 2012 (audited)</b>	<b>22,450</b>	-	<b>4,864</b>	<b>86,480</b>	<b>113,794</b>
Recognised	-	-	768	150	918
Used / Reversed	-	-	(4,864)	(255)	(5,119)
<b>Jun 30 2012 (unaudited)</b>	<b>22,450</b>	-	<b>768</b>	<b>86,375</b>	<b>109,593</b>

<sup>(1)</sup> Change in impairment losses on inventories is presented in cost of sales.

<sup>(2)</sup> The amounts resulting from the recognition or reversal of impairment losses on receivables are presented under other income or expenses (the principal portion) and under finance income or costs (the default interest portion).

### 12. Purchase or sale of property, plant and equipment and intangible assets

In the six months ended June 30th 2013, the Company purchased property, plant and equipment and intangible assets in the amount of PLN 82,391 thousand (in the six months ended June 30th 2012: PLN 52,463 thousand).

In the six months ended June 30th 2013 and June 30th 2012, the Company did not execute any material sale transactions in respect of its property, plant and equipment or intangible assets.

As at June 30th 2013, the Company's contractual commitments for the acquisition of property, plant and equipment totalled PLN 8,191 thousand (December 31st 2012: PLN 35,931 thousand).

### 13. Cash structure in the statement of cash flows

PLN '000	<b>Jun 30 2013</b>	<b>Jun 30 2012</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Cash at bank	140,035	150,377
Cash in hand	33	35
Cash and cash equivalents	<u>140,068</u>	<u>150,412</u>
Overdraft facilities	(1,957)	(234,539)
<b>Total</b>	<b><u>138,111</u></b>	<b><u>(84,127)</u></b>

#### Causes of differences between changes in certain items as shown by the statement of financial position and as shown by the statement of cash flows

<b>Other assets</b>	<b>6 months ended</b>	<b>6 months ended</b>
PLN '000	<b>Jun 30 2013</b>	<b>Jun 30 2012</b>
	<b>(unaudited)</b>	<b>(restated)</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Change in other non-current and current assets disclosed in the statement of financial position	26,865	(34,545)
Change in other financial assets	75,951	47,387
Change in dividends receivable	100,000	14,251
Change in commission fees on revolving facilities, amortised over time	(182)	(182)
Other	(1,187)	-
Change in other assets disclosed in the statement of cash flows	<u>201,447</u>	<u>26,911</u>

<b>Inventories</b>		<b>6 months ended</b>	<b>6 months ended</b>
PLN '000	<b>Note</b>	<b>Jun 30 2013</b>	<b>Jun 30 2012</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
Change in inventories disclosed in the statement of financial position		137,303	92,502
Contractual obligation under fuel stock rotation agreement	4	358,195	-
Change in inventories disclosed in the statement of cash flows		<u>495,498</u>	<u>92,502</u>

<b>Other liabilities and provisions</b>		<b>6 months ended</b>	<b>6 months ended</b>
PLN '000	<b>Note</b>	<b>Jun 30 2013</b>	<b>Jun 30 2012</b>
		<b>(unaudited)</b>	<b>(restated)</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
Change in other provisions and liabilities disclosed in the statement of financial position		708,264	(127,511)
Adjustment for deposits earmarked for repayment of bank borrowings		(79,815)	(136,015)
Change in investment commitments		24,591	(4,280)
Set-off of current tax assets against VAT liabilities		9,817	75,206
Contractual obligation under fuel stock rotation agreement	4	(358,195)	-
Other		(9,166)	(3,744)
Change in other provisions and liabilities disclosed in the statement of cash flows		<u>295,496</u>	<u>(196,344)</u>

**GRUPA LOTOS S.A.**  
**Notes to the interim condensed financial statements**  
**for the six months ended June 30th 2013**

<b>Cash</b> PLN '000	<b>6 months ended</b> <b>Jun 30 2013</b>	<b>6 months ended</b> <b>Jun 30 2012</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Change in cash and cash equivalents in the statement of financial position	137,182	146,814
Change in overdraft facilities	407,288	(64,954)
Change in net cash disclosed in the statement of cash flows	544,470	81,860

**Causes of differences between the items disclosed in the Notes to the financial statements and the items as shown in the statement of cash flows**

<b>Depreciation and amortisation expense</b> PLN '000	<b>6 months ended</b> <b>Jun 30 2013</b>	<b>6 months ended</b> <b>Jun 30 2012</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Depreciation/amortisation disclosed in changes in property, plant and equipment and intangible assets	202,672	209,438
Depreciation directly related to expenditure on property, plant and equipment under construction	-	(1)
Depreciation/amortisation disclosed in the statement of cash flows	202,672	209,437

<b>Purchase of property, plant and equipment and intangible assets</b> PLN '000	<b>6 months ended</b> <b>Jun 30 2013</b>	<b>6 months ended</b> <b>Jun 30 2012</b>
Note	<b>(unaudited)</b>	<b>(restated)</b> <b>(unaudited)</b>
Purchase of property, plant and equipment and intangible assets	(82,391)	(52,463)
Change in investment commitments	(24,591)	4,280
Other	(936)	(32)
Purchase of property, plant and equipment and intangible assets disclosed in the statement of cash flows	(107,918)	(48,215)

**Other items related to the statement of cash flows**

<b>Loans advanced to related parties</b> PLN '000	<b>6 months ended</b> <b>Jun 30 2013</b>	<b>6 months ended</b> <b>Jun 30 2012</b>
Note	<b>(unaudited)</b>	<b>(unaudited)</b>
Loans advanced to LOTOS Exploration and Production Norge AS	-	(62,720)
Loans advanced to LOTOS Petrobaltic S.A.	(30,000)	-
Loans granted to related parties disclosed in the statement of cash flows	(30,000)	(62,720)



#### 14. Bank borrowings

PLN '000	<b>Jun 30 2013</b>	<b>Dec 31 2012</b>
	<b>(unaudited)</b>	<b>(audited)</b>
Bank borrowings	5,290,637	5,532,118
<b>Total</b>	<b>5,290,637</b>	<b>5,532,118</b>
<i>including:</i>		
<i>non-current</i>	4,213,280	4,069,561
<i>current</i>	1,077,357	1,462,557

In the six months ended June 30th 2012, the Company did not enter into any new credit agreements, and there were no material changes to the existing agreements.

As at June 30th 2013, the Company had drawn (in nominal terms) USD 1,389m (*PLN 4,607.9m translated at the mid-exchange rate quoted by the National Bank of Poland for June 30th 2013*) under investment facilities related to the 10+ Programme. As at December 31st 2012, the amount drawn was USD 1,423.7m (*PLN 4,412.8m translated at the mid-exchange rate quoted by the National Bank of Poland for December 31st 2013*).

As at June 30th 2013 and December 31st 2012, the amount drawn under the facility for the financing and refinancing of inventories totalled USD 300m (*PLN 995.3m translated at the mid-exchange rate quoted by the National Bank of Poland for June 30th 2013 and PLN 929.9m translated at the mid-exchange rate quoted by the National Bank of Poland for December 31st 2012*).

The working capital facility was made available to Grupa LOTOS S.A. in the form of overdraft facilities and credit facilities available on demand, which are used by the Company on an as-needed basis.

In the six months ended June 30th 2013, proceeds from borrowings amounted to PLN 170,310 thousand, while the amount of repayments was PLN 304,685 thousand. Cash inflows and outflows from borrowings were presented in the statement of cash flows from financing activities under: *Proceeds from borrowings* and *Repayment of borrowings* respectively

In the six months ended June 30th 2013, the Company did not default on any of its credit facilities or debt instruments or breach any material covenants under its credit facilities or debt instruments.

#### 15. Issue, redemption and repayment of debt and equity securities

No debt or equity securities were issued, redeemed or repaid in the six months ended June 30th 2013.

### 16. Change in liabilities under length-of-service awards and post-employment benefits

PLN '000	Length-of- service awards	Post-employment benefits	Total
<b>Jan 1 2013 (audited)</b>	<b>37,287</b>	<b>14,453</b>	<b>51,740</b>
Recognised	595	192	787
Used	-	-	-
Released	(138)	(45)	(183)
Benefits paid	(1,188)	(420)	(1,608)
<b>Jun 30 2013 (unaudited)</b>	<b>36,556</b>	<b>14,180</b>	<b>50,736</b>
<i>including:</i>			
<i>non-current</i>	34,934	10,862	45,796
<i>current</i>	1,622	3,318	4,940
<b>Jan 1 2012 (audited)</b>	<b>32,745</b>	<b>15,455</b>	<b>48,200</b>
Recognised	468	185	653
Used	-	-	-
Released	(592)	(233)	(825)
Benefits paid	(1,178)	(395)	(1,573)
<b>Jun 30 2012 (unaudited)</b>	<b>31,443</b>	<b>15,012</b>	<b>46,455</b>
<i>including:</i>			
<i>non-current</i>	29,330	11,561	40,891
<i>current</i>	2,113	3,451	5,564

### 17. Changes in the method of determination of fair value of financial instruments measured at fair value and in the classification of financial assets due to change in their purpose or use

In the six months ended June 30th 2013, the Company made no changes to the fair value measurement method applied to financial instruments measured at fair value (the method is described in more detail in Note 7.19 to the 2012 financial statements), made no transfers of financial instruments between fair value hierarchy Level 1 and Level 2 (see Note 29.2 to the 2012 financial statements), and did not reclassify any of its financial assets in terms of their purpose or use.

**Fair value hierarchy**

PLN '000	Jun 30 2013 (unaudited)		Dec 31 2012 (audited)	
	Level 1	Level 2	Level 1	Level 2
<b>Financial assets</b>	<b>1,494</b>	<b>2,863</b>	<b>-</b>	<b>121,334</b>
Commodity swap	-	411	-	45
Futures (CO <sub>2</sub> emissions)	1,494	-	-	-
Currency forward and spot contracts	-	600	-	73,452
Interest rate swap (IRS)	-	-	-	11,318
Currency swap	-	1,852	-	36,519
<b>Financial liabilities</b>	<b>(9,947)</b>	<b>(146,888)</b>	<b>(3,787)</b>	<b>(187,062)</b>
Commodity swap	-	(42,961)	-	(337)
Futures (CO <sub>2</sub> emissions)	(9,947)	-	(3,787)	-
Currency forward and spot contracts	-	(9,628)	-	(20,685)
Interest rate swap (IRS)	-	(71,453)	-	(148,007)
Currency swap	-	(22,846)	-	(18,033)
<b>Total</b>	<b>(8,453)</b>	<b>(144,025)</b>	<b>(3,787)</b>	<b>(65,728)</b>

**18. Material court, arbitration or administrative proceedings and other risks of the Company, including contingent assets and liabilities, and material settlements under court proceedings**

The following changes occurred with respect to pending material court, arbitration, or administrative proceedings or with respect to other risks of the Company after the end of the previous financial year, that is after December 31st 2012 (see Note 33.1 to the 2012 financial statements):

- On February 22nd 2013, the Court dismissed in its entirety an action brought by PETROECCO JV Sp. z o.o. against the Company whereby it sought the court's decision awarding PLN 6,975 thousand, plus statutory interest from May 1st 1999, as compensation for damage incurred as a result of the Company's monopolistic practices, which involved selling BS base oils in a manner favouring some customers, whose orders were executed to a disproportionately higher extent than the orders of PETROECCO JV Sp. z o.o. On June 26th 2013, PETROECCO JV Sp. z o.o. filed an appeal against the ruling, which has not yet been delivered to Grupa LOTOS S.A. As at the approval date of these interim condensed financial statements, the case was pending.

Given that there was little risk of an unfavourable outcome of the case, Grupa LOTOS S.A. did not recognise any provisions for potential liabilities related to the case. By virtue of its ruling of February 22nd 2013, the Court awarded PLN 57.6 thousand to Grupa LOTOS S.A. as reimbursement of the costs of proceedings.

- As at June 30th 2013, Grupa LOTOS S.A. had a PLN 240,000 thousand blank promissory note deposited at the Customs Office in Gdańsk as lump-sum security for excise duty for the amount of PLN 800,000 thousand. The security is valid until August 19th 2013.

In the six months ended June 30th 2013, the Company was not a party to material settlements under court proceedings.

## 19. Related parties

### 19.1 Related-party transactions

PLN '000	6 months ended Jun 30 2013 (unaudited)	6 months ended Jun 30 2012 (unaudited)
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#### Subsidiaries

Sales to related entities	5,870,339	7,185,380
Purchases from related entities	776,931	854,377
Sale of property, plant and equipment and intangible assets	-	2
Purchase of property, plant and equipment and intangible assets	10,336	4,746
Dividends from related entities	268,371	286,761
Interest income on loans advanced to related entities	4,417	947
Other interest income	894	531

PLN '000	Jun 30 2013 (unaudited)	Dec 31 2012 (audited)
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#### Subsidiaries

Receivables from related entities	1,572,799	1,150,079
Liabilities to related entities	257,756	184,986

As at June 30th 2013, trade receivables from related entities subject to assignment amounted to PLN 1,565,303 thousand (December 31st 2012: PLN 1,145,388 thousand).

In the six months ended June 30th 2013 and June 30th 2012, the Company did not provide any sureties for the benefit of related entities.

As at June 30th 2013 and December 31st 2012, the Company carried no sureties issued for the benefit of its related entities.

In the six months ended June 30th 2013, loans advanced by the Company to related entities totalled PLN 30,000 thousand (in the six months ended June 30th 2012: PLN 62,720 thousand, total nominal value of these loans was USD 20,000 thousand). Cash outflows related to these loans are presented in the statement of cash flows from investing activities under *Loans advanced to related entities*.

Loans advanced to related entities in the six months ended June 30th 2013:

Related entity	Loan agreement date	Principal as per loan agreement		Maturity date	Security	Financing terms (interest rate)
		PLN	Currency			
LOTOS Petrobaltic S.A.	Jan 30 2013	23,000	-	Dec 31 2015	blank promissory note with a "protest waived" clause and promissory note declaration	The loan bears interest at a floating rate based on 6M WIBOR plus margin
	Mar 5 2013	7,000	-	Dec 31 2015		

In the six months ended June 30th 2013, no repayments of the principal amounts under the loans were made by the related entities (in the six months ended June 30th 2012: PLN 650 thousand, cash inflows related to the loan repayment are presented in the statement of cash flows from investing activities under *Repayment of loan advanced to LOTOS Gaz S.A. w likwidacji (in liquidation)*).

Furthermore, under the amending annexes executed during the six months ended June 30th 2013 the final repayment date of loans advanced to LOTOS Gaz S.A. w likwidacji (in liquidation) under the PLN 247 thousand loan agreement of March 8th 2011, the PLN 352 thousand loan agreement of March 29th 2011, and the PLN 160 thousand loan agreement of August 5th 2011, was extended until April 30th 2014. The loans bear interest at a fixed annual interest rate based on 3M WIBOR plus margin.

## **19.2 Entity exercising control over the Company**

As at June 30th 2013 and December 31st 2012, the State Treasury held a 53.19% interest in Grupa LOTOS S.A. In the six months ended June 30th 2013 and June 30th 2012, no transactions were concluded between Grupa LOTOS S.A. and the State Treasury.

### **19.2.1 Transactions with related parties over which the State Treasury has control, joint control or significant influence**

In the six months ended June 30th 2013, Grupa LOTOS S.A. executed transactions with parties related to it through the State Treasury. The aggregate value of the transactions was material. They were concluded at arm's length in the course of the Company's day-to-day business and comprised mainly the sale of fuels and storage services and the purchase of energy, fuels, transport services and storage services. In the six months ended June 30th 2013, the value of sales generated under the transactions totalled PLN 30,012 thousand (six months ended June 30th 2012: PLN 315,019 thousand), with the value of purchases standing at PLN 710,682 thousand (six months ended June 30th 2012: PLN 415,376 thousand).

### **19.3 Transactions with members of the Company's Management and Supervisory Boards, their spouses, siblings, ascendants, descendants or other close persons**

In the six months ended June 30th 2013 and June 30th 2012, save for remuneration paid to Management Board and Supervisory Board members<sup>(1)</sup>, the Company did not enter into any material transactions with any Management Board or Supervisory Board members, did not advance any loans, make any advance payments, issue any guarantees to or conclude any other agreements with any Management Board or Supervisory Board members, which would be advanced, made, issued or concluded otherwise than on an arm's length basis or which would have a material bearing on these interim financial statements. Based on representations submitted by members of the Company's Management and Supervisory Boards, in the six months ended June 30th 2013 and June 30th 2012 Grupa LOTOS S.A. did not become aware of any transactions concluded with the Company or a company of the LOTOS Group by the spouses, relatives, or relatives by affinity in the direct line up to the second degree, of the members of the Management and Supervisory Boards or persons related to them through guardianship or adoption or other persons with whom they have personal relationships.

<sup>(1)</sup> Taking into account changes in the composition of the Management and Supervisory Boards.

## **20. Material events occurring after the end of the interim period and not reflected in the financial statements for the interim period**

There were no material events occurring after the end of the reporting period and not reflected in these interim condensed financial statements for the reporting period.

## **21. Other information**

- In line with the adopted schedule, the Gdańsk refinery of Grupa LOTOS S.A. underwent a technological overhaul which lasted from March 29th 2013 to May 10th 2013. Crude oil processing was suspended for around 23 days. Following completion of the 10+ Programme, the refinery's configuration makes it possible to divide repair work between the two production lines, while shortening the necessary downtime. The shutdown decreased the refinery's processing capacity by 8% in 2013. During the shutdown, apart from the repairs, work was performed under an investment programme designed to increase the capacities of individual units and reduce operating expenses. The stoppage of production units did not result in suspension of shipment or sale of products (kept in storage tanks and purchased from other suppliers).
- In the period from January 15th 2012 to January 15th 2013, Grupa LOTOS S.A. entered into contracts with ADM Group companies totalling approximately PLN 745m, i.e. the value of a significant agreement (more than 10% of Grupa LOTOS S.A.'s equity). On January 15th 2013, Grupa LOTOS S.A. and ADM Malbork S.A. of Malbork executed an annex to the agreement of February 24th 2012 concerning purchase of bio-components – fatty acid methyl esters. Under the annex the term of the agreement was extended until December 31st 2013. The estimated value of the agreement in the period from January 1st to December 31st 2013 is PLN 285m, making it the highest-value contract executed with ADM Group companies. The estimated amount of liquidated damages is PLN 43m. Under the agreement, the parties may seek additional compensation in excess of the liquidated damages.
- On January 17th 2013, Grupa LOTOS S.A. signed an indefinite term contract with AB LOTOS Geonafta for the supply of crude oil to Grupa LOTOS S.A. Under the contract, crude oil will be delivered by sea. The estimated value of the contract over its five-year term is approximately PLN 822m. The contract does not provide for any liquidated damages and its terms and conditions do not differ from the terms and conditions commonly applied in contracts of such type.

- In the period from January 22nd 2012 to January 22nd 2013, Grupa LOTOS S.A. entered into a series of contracts with Neste Group companies. The aggregate value of the contracts is approximately PLN 813m, which qualifies as significant agreement (value in excess of 10% of Grupa LOTOS S.A.'s equity). The highest-value transaction is the contract of July 17th 2012 providing for the sale of gasoline by Grupa LOTOS S.A. to Neste Oil (Suisse) SA of Geneva. The contract was concluded for the period from August 1st to December 31st 2012 and its estimated value (exclusive of VAT) is approximately PLN 152m. The contract does not include any condition precedent or subsequent, specify any date of events giving rise to a claim (dies a quo) or provide for any contractual penalties, and its terms and conditions do not differ from the terms and conditions commonly applied in agreements of such type.
- In the twelve months to April 26th 2013, Grupa LOTOS S.A. entered into a series of contracts with DEVONOIL S.A., a trading arm of OAO Tatneft. The aggregate value of the contracts is approximately PLN 874m, which qualifies as significant agreement (value in excess of 10% of Grupa LOTOS S.A.'s equity). The highest-value transaction is the fixed-term crude oil supplies contract between Grupa LOTOS S.A. and DEVONOIL S.A. of January 21st 2013 (effective from February 1st 2013 until February 28th 2013), with an estimated value of PLN 257m VAT-exclusive. The contract does not include any condition precedent or specify any date of events giving rise to a claim (dies a quo) or provide for any liquidated damages, and its terms and conditions do not differ from the terms and conditions commonly applied in agreements of such type.
- In the period from January 1st 2013 to June 28th 2013, Grupa LOTOS S.A. entered into a series of contracts with Statoil Group companies. The aggregate value of the contracts is approximately PLN 819m, which qualifies as significant agreement (value in excess of 10% of Grupa LOTOS S.A.'s equity). The highest-value transaction is the fixed-term crude oil supplies contract between Grupa LOTOS S.A. and Statoil ASA of January 14th 2013 (effective from February 1st 2013 until February 28th 2013). The value of the contract of January 14th 2013 is approximately PLN 292m. The contract does not include any condition precedent or specify any date of events giving rise to a claim (dies a quo), it does not provide for any contractual penalties and its terms and conditions do not differ from the terms and conditions commonly applied in contracts of such type.
- On June 25th 2013, Grupa LOTOS S.A. and BP Europa SE German Branch executed a joint venture agreement to establish a new entity on the basis of LOTOS Tank Sp. z o.o. (a Grupa LOTOS subsidiary), through which the two partners could pursue joint operations in the aviation fuel market.

On July 23rd 2013, an increase in the share capital of LOTOS Tank Sp. z o.o. was registered. The share capital was increased from PLN 6,945 thousand to PLN 13,890 thousand, by way of creating 1,000 new shares with a par value of PLN 6,945 thousand per share. The new shares were acquired and paid for with cash by Grupa LOTOS S.A.

## 22. Approval of the interim condensed financial statements

These interim condensed financial statements were approved for publication by the Management Board on August 12th 2013.

Signatures of the Management Board members and the person responsible for keeping the accounting books of Grupa LOTOS S.A.

President of the Management Board, Chief Executive Officer	
	Paweł Olechnowicz
Vice-President of the Management Board, Chief Financial Officer	
	Mariusz Machajewski
Vice-President of the Management Board for Exploration and Production	
	Zbigniew Paszkowicz
Vice-President of the Management Board, Chief Operation Officer	
	Marek Sokółowski
Vice-President of the Management Board, Chief Commercial Officer	
	Maciej Szozda
Chief Accountant	
	Tomasz Południewski