

**Selected separate financial data of ENEA S.A.**

	in PLN '000		in EUR '000	
	6 months ended 30.06.2016	6 months ended 30.06.2015	6 months Ended 30.06.2016	6 months ended 30.06.2015
Net sales revenue	2 735 612	2 697 182	624 498	652 423
Operating profit	21 666	54 197	4 946	13 110
Profit before tax	549 410	958 855	125 422	231 938
Net profit for the reporting period	538 742	941 399	122986	227 716
Net cash flows from operating activities	240 169	402 085	54 827	97 261
Net cash flows from investing activities	(582 337)	(735 110)	(132 938)	(177 816)
Net cash flows from financing activities	612 043	1 057 307	139 720	255 753
Total net cash flows	269 875	724 282	61 608	175 197
Weighted average number of shares	441 442 578	441 442 578	441 442 578	441 442 578
Net earnings per share (in PLN / EUR)	1.22	2.13	0.28	0.52
Diluted earnings per share (in PLN / EUR)	1.22	2.13	0.28	0.52
	<b>Balance as at 30.06.2016</b>	<b>Balance as at 31.12.2015</b>	<b>Balance as at 30.06.2016</b>	<b>Balance as at 31.12.2015</b>
Total assets	18 198 636	16 847 310	4 112 221	3 953 376
Total liabilities	7 393 499	6 559 305	1 670 658	1 539 201
Non-current liabilities	5 630 362	5 253 551	1 272 254	1 232 794
Current liabilities	1 763 137	1 305 754	398 404	306 407
Equity	10 805 137	10 288 005	2 441 563	2 414 175
Share capital	588 018	588 018	132 870	137 984
Book value per share (in PLN / EUR)	24.48	23.31	5.53	5.47
Diluted book value per share (in PLN/EUR)	24.48	23.31	5.53	5.47

The above financial data for I half of 2016 and 2015 were translated into EUR in line with the following principles::

- individual assets and liabilities – at the average exchange rate as of 30 June 2016 – 4.4255 PLN/EUR (as at 31 December 2015 – 4.2615 PLN/EUR),
- individual items from the statement of profit or loss and other comprehensive income and the statement of cash flows – as per the arithmetic mean of the average exchange rates determined by the National Bank of Poland as at the last day of each month of the financial period from 1 January to 30 June 2016 – 4.3805 PLN/EUR (for the period from 1 January to 30 June 2015 – 4.1341 PLN/EUR).



**Condensed interim separate  
financial statements  
of ENEA S.A.  
for the period from 1 January to 30 June 2016**

**Poznań, 9 August 2016**

**Index to the condensed interim separate financial statements**

<b>Separate statement of financial position .....</b>	<b>4</b>
<b>Separate statement of profit or loss and other comprehensive income .....</b>	<b>6</b>
<b>Separate statement of changes in equity .....</b>	<b>7</b>
<b>Separate statement of cash flows .....</b>	<b>8</b>
<b>1. General information about ENEA S.A.....</b>	<b>9</b>
<b>2. Statement of compliance.....</b>	<b>9</b>
<b>3. Accounting principles .....</b>	<b>10</b>
<b>4. Materials estimates and assumptions .....</b>	<b>10</b>
<b>5. Composition of the Group – list of subsidiaries.....</b>	<b>10</b>
<b>6. Property, plant and equipment .....</b>	<b>11</b>
<b>7. Intangible assets .....</b>	<b>12</b>
<b>8. Investments in subsidiaries.....</b>	<b>12</b>
<b>9. Assets held for sale .....</b>	<b>13</b>
<b>10. Intercompany bonds.....</b>	<b>13</b>
<b>11. Allowance on trade and other receivables .....</b>	<b>15</b>
<b>12. Inventory .....</b>	<b>15</b>
<b>13. Cash and cash equivalents .....</b>	<b>15</b>
<b>14. Financial assets measured at fair value through profit or loss .....</b>	<b>15</b>
<b>15. Financial instruments .....</b>	<b>16</b>
<b>16. Loans, borrowings and debt securities.....</b>	<b>17</b>
<b>17. Other financial liabilities .....</b>	<b>19</b>
<b>18. Deferred income tax.....</b>	<b>19</b>
<b>19. Provisions for other liabilities and charges .....</b>	<b>20</b>
<b>20. Dividend .....</b>	<b>20</b>
<b>21. Related party transactions .....</b>	<b>21</b>
<b>22. Future liabilities under contracts concluded as at the end of the reporting period .....</b>	<b>22</b>
<b>23. Contingent liabilities and proceedings before courts, arbitration or public administration bodies ...</b>	<b>22</b>
<b>23.1.Guarantees for credit facilities and loans as well as other sureties granted by the Company .....</b>	<b>22</b>
<b>23.2.Pending proceedings before courts of general jurisdiction .....</b>	<b>23</b>
<b>23.3.Motions for settlements of not balanced energy trading in 2012.....</b>	<b>24</b>
<b>23.4.Dispute with PGE S.A. concerning price for certificates of origin .....</b>	<b>24</b>
<b>24. The participation in the construction of the atomic power plant programme.....</b>	<b>24</b>
<b>25. Subsequent events .....</b>	<b>25</b>

*(all amounts in PLN '000, unless specified otherwise)*

These condensed interim separate financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting, as endorsed by the European Union (EU), and approved by the Management Board of ENEA S.A.

### Members of the Management Board

**President of the Management Board**      **Mirosław Kowalik**      .....

**Member of the Management Board**      **Piotr Adamczak**      .....

**Member of the Management Board**      **Mikołaj Franzkowiak**      .....

**Member of the Management Board**      **Wiesław Piosik**      .....

ENEA Centrum Sp. z o.o.

The entity responsible for keeping the accounting records  
and the preparation of financial statements

ENEA Centrum Sp. z o.o. Górecka 1 Street, 60-201 Poznań  
KRS 0000477231, NIP 777-000-28-43, REGON 630770227

.....

**Poznań, 9 August 2016**

### Separate statement of financial position

	Note	Balance as at	
		30.06.2016	31.12.2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	29 453	30 699
Perpetual usufruct of land		1 984	1 998
Intangible assets	7	4 446	4 005
Investment property		15 681	15 955
Investments in subsidiaries	8	9 417 459	8 323 493
Deferred tax assets	18	66 461	63 316
Financial assets available for sale		38 402	23 402
Intercompany bonds	10	4 746 138	5 339 352
Derivatives		-	844
Trade and other receivables		131 999	73 557
		<b>14 452 023</b>	<b>13 876 621</b>
<b>Current assets</b>			
Inventories	12	226 582	152 318
Trade and other receivables	11	1 531 294	1 141 808
Intercompany bonds	10	92 836	55 033
Financial assets measured at fair value through profit or loss	14	219 984	215 488
Cash and cash equivalents	13	1 667 507	1 397 632
Assets classified as held for sale	9	8 410	8 410
		<b>3 746 613</b>	<b>2 970 689</b>
<b>TOTAL ASSETS</b>		<b>18 198 636</b>	<b>16 847 310</b>

(all amounts in PLN '000, unless specified otherwise)

	Note	Balance as at	
		30.06.2016	31.12.2015
<b>EQUITY</b>			
Share capital		588 018	588 018
Share premium		4 627 673	4 627 673
Reserve capital from valuation of hedging instruments		(19 586)	3 980
Reserve capital		2 640 358	2 640 358
Retained earnings		2 968 674	2 427 976
<b>Total equity</b>		<b>10 805 137</b>	<b>10 288 005</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans, borrowings and debt securities	16	5 544 428	5 187 381
Liabilities due to employee benefits		51 625	55 265
Derivatives	16	25 822	-
Provisions for other liabilities and charges	19	8 487	10 905
		<b>5 630 362</b>	<b>5 253 551</b>
<b>Current liabilities</b>			
Loans, borrowings and debt securities	16	355 840	31 905
Trade and other liabilities		619 019	582 824
Finance lease liabilities		15	43
Current income tax liabilities		6 868	85 363
Liabilities due to employee benefits		12 694	16 486
Liabilities due to an equivalent of the right to acquire shares free of charge		281	281
Other financial liabilities	17	459 494	327 318
Provisions for other liabilities and charges	19	308 926	261 534
		<b>1 763 137</b>	<b>1 305 754</b>
<b>Total liabilities</b>		<b>7 393 499</b>	<b>6 559 305</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>18 198 636</b>	<b>16 847 310</b>

(all amounts in PLN '000, unless specified otherwise)

**Separate statement of profit or loss and other comprehensive income**

	For the period			
	6 months ended 30.06.2016	3 months ended 30.06.2016	6 months ended 30.06.2015	3 months ended 30.06.2015
Sales revenue	2 860 781	1 314 375	2 811 861	1 276 309
Excise tax	(125 169)	(56 707)	(114 679)	(51 215)
<b>Net sales revenue</b>	<b>2 735 612</b>	<b>1 257 668</b>	<b>2 697 182</b>	<b>1 225 094</b>
Other operating revenue	7 639	5 048	11 425	6 051
Depreciation	(1 784)	(860)	(2 954)	(1 364)
Costs of employee benefits	(27 134)	(12 484)	(23 038)	(13 969)
Consumption of materials and supplies and costs of goods sold	(972)	(502)	(757)	(628)
Energy and gas purchase for sale	(1 842 413)	(835 393)	(1 781 031)	(794 534)
Transmission and distribution services	(753 028)	(349 104)	(745 940)	(345 268)
Other external services	(78 772)	(41 091)	(71 657)	(41 159)
Taxes and charges	(2 012)	(464)	(1 867)	(333)
Profit/(loss) on sale and liquidation of property, plant and equipment	(8)	-	1 011	1 011
Other operating expenses	(15 462)	(8 249)	(28 177)	(22 492)
<b>Operating profit</b>	<b>21 666</b>	<b>14 569</b>	<b>54 197</b>	<b>12 409</b>
Financial expenses	(116 051)	(80 750)	(44 533)	(24 002)
Financial revenue	94 921	46 255	74 955	32 047
Dividend income	548 874	548 874	874 236	874 236
<b>Profit before tax</b>	<b>549 410</b>	<b>528 948</b>	<b>958 855</b>	<b>894 690</b>
Income tax	(10 668)	(5 356)	(17 456)	(3 530)
<b>Net profit for the reporting period</b>	<b>538 742</b>	<b>523 592</b>	<b>941 399</b>	<b>891 160</b>
Items that will be reclassified to profit or loss				
- valuation of hedging instruments	(29 094)	(295)	66 904	66 904
- income tax	5 528	56	(12 712)	(12 712)
Items that will not be reclassified to profit or loss				
- remeasurement of defined benefit plan	2 415	2 415	7 252	7 252
- income tax	(459)	(459)	(1 378)	(1 378)
<b>Net other comprehensive income</b>	<b>(21 610)</b>	<b>1 717</b>	<b>60 066</b>	<b>60 066</b>
<b>Total comprehensive income</b>	<b>517 132</b>	<b>525 309</b>	<b>1 001 465</b>	<b>951 226</b>
Earnings attributable to the Company's shareholders	538 742	523 592	941 399	891 160
Weighted average number of ordinary shares	441 442 578	441 442 578	441 442 578	441 442 578
<b>Net earnings per share (in PLN per share)</b>	<b>1.22</b>	<b>1.19</b>	<b>2.13</b>	<b>2.02</b>
<b>Diluted earnings per share (in PLN per share)</b>	<b>1.22</b>	<b>1.19</b>	<b>2.13</b>	<b>2.02</b>

The separate statement of profit or loss and other comprehensive income should be analyzed together with the notes which constitute and integral part of these condensed interim separate financial statements.

Condensed interim separate financial statements for the period from 1 January to 30 June 2016

(all amounts in PLN '000, unless specified otherwise)

### Separate statement of changes in equity

	Share capital (face value)	Revaluation of share capital	Total share capital	Share premium	Hedging reserve	Reserve capital	Retained earnings	Total equity
<b>Balance as at 01.01.2016</b>	441 443	146 575	<b>588 018</b>	<b>4 627 673</b>	<b>3 980</b>	<b>2 640 358</b>	<b>2 427 976</b>	<b>10 288 005</b>
Net profit							538 742	<b>538 742</b>
Net other comprehensive income					(23 566)		1 956	<b>(21 610)</b>
<b>Total comprehensive income recognized in period</b>					<b>(23 566)</b>		<b>540 698</b>	<b>517 132</b>
<b>Balance as at 30.06.2016</b>	441 443	146 575	<b>588 018</b>	<b>4 627 673</b>	<b>(19 586)</b>	<b>2 640 358</b>	<b>2 968 674</b>	<b>10 805 137</b>

	Share capital (face value)	Revaluation of share capital	Total share capital	Share premium	Hedging reserve	Reserve capital	Retained earnings	Total equity
<b>Balance as at 01.01.2015</b>	441 443	146 575	<b>588 018</b>	<b>4 627 673</b>	-	<b>2 151 228</b>	<b>4 235 607</b>	<b>11 602 526</b>
Net profit							941 399	<b>941 399</b>
Other comprehensive income					54 192		5 874	<b>60 066</b>
<b>Total comprehensive income recognized in period</b>					<b>54 192</b>		<b>947 273</b>	<b>1 001 465</b>
Distribution of the net profit						489 130	(489 130)	-
Dividends	20						(207 478)	<b>(207 478)</b>
<b>Balance as at 30.06.2015</b>	441 443	146 575	<b>588 018</b>	<b>4 627 673</b>	<b>54 192</b>	<b>2 640 358</b>	<b>4 486 272</b>	<b>12 396 513</b>

The separate statement of changes in equity should be analyzed together with the notes which constitute and integral part of these condensed interim separate financial statements.



(all amounts in PLN '000, unless specified otherwise)

**Separate statement of cash flows**

	<b>6 months ended 30.06.2016</b>	<b>6 months ended 30.06.2015</b>
<b>Cash flows from operating activities</b>		
Net profit for the reporting period	538 742	941 399
Adjustments:		
Income tax in the profit or loss	10 668	17 456
Depreciation	1 784	2 954
Loss / (Gain) on sale and liquidation of property, plant and equipment	8	(1 011)
(Gain) / Loss on disposal of financial assets	(3 404)	3 801
Interest income	(76 487)	(62 861)
Dividend income	(548 874)	(874 236)
Interest expense	72 454	42 448
Impairment loss on shares	42 000	-
	<b>(501 851)</b>	<b>(871 449)</b>
Income tax paid	(158 192)	(177 016)
Inflows due to settlements within Tax Group	139 077	112 019
Changes in working capital		
Inventory	(74 264)	(108 241)
Trade and other receivables	90 360	(498)
Trade and other liabilities	166 340	412 537
Liabilities due to employee benefits	(5 017)	(6 516)
Provisions for other liabilities and charges	44 974	99 850
	<b>222 393</b>	<b>397 132</b>
<b>Net cash flows from operating activities</b>	<b>240 169</b>	<b>402 085</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment and intangible assets	(2 140)	(347)
Proceeds from disposal of property, plant and equipment and intangible assets	9	1 086
Proceeds from disposal of financial assets	19 694	19 124
Acquisition of financial assets	(477 770)	(828 428)
Acquisition of subsidiaries	-	(16)
Repayable contribution to the share capital of a subsidiary	(199 899)	-
Dividends received	-	6 340
Proceeds related to future acquisition of financial assets	3 350	5 941
Interests received	74 419	61 190
<b>Net cash flows from investing activities</b>	<b>(582 337)</b>	<b>(735 110)</b>
<b>Cash flows from financing activities</b>		
Proceeds from loans and borrowings	386 974	97 644
Proceeds from bond issue	300 000	1 000 000
Payments of finance lease liabilities	(28)	(36)
Payments related to future issue of bonds	(2 719)	(7 282)
Interests paid	(72 184)	(33 019)
<b>Net cash flows from financial activities</b>	<b>612 043</b>	<b>1 057 307</b>
<b>Net increase in cash</b>	<b>269 875</b>	<b>724 282</b>
Balance at the beginning of the reporting period	1 397 632	440 815
<b>Balance at the end of the reporting period</b>	<b>1 667 507</b>	<b>1 165 097</b>

The separate statement of cash flows should be analyzed together with the notes which constitute and integral part of these condensed interim separate financial statements.

(all amounts in PLN '000, unless specified otherwise)

## 1. General information about ENEA S.A.

<b>Name (business name):</b>	Enea Spółka Akcyjna
<b>Legal form:</b>	joint-stock company
<b>Country:</b>	Poland
<b>Registered office:</b>	Poznań
<b>Address:</b>	Górecka 1 Street, 60-201 Poznań
<b>National Court Register - District Court in Poznań</b>	KRS 0000012483
<b>Telephone:</b>	(+48 61) 884 55 44
<b>Fax:</b>	(+48 61) 884 59 59
<b>E-mail:</b>	<a href="mailto:enea@enea.pl">enea@enea.pl</a>
<b>Website:</b>	<a href="http://www.enea.pl">www.enea.pl</a>
<b>Statistical number (REGON):</b>	630139960
<b>Tax identification number (NIP):</b>	777-00-20-640

Enea S.A., operating under the business name Energetyka Poznańska S.A., was registered in the National Court Register at the District Court in Poznań under KRS number 0000012483 on 21 May 2001.

As at 30 June 2016 the shareholding structure of Enea S.A. was the following: the State Treasury of the Republic of Poland – 51.5% of shares, other shareholders – 48.5%.

As at 30 June 2016 the statutory share capital of Enea S.A. equaled PLN 441,443 thousand (PLN 588,018 thousand upon adoption of IFRS-EU and considering hyperinflation and other adjustments) and was divided into 441,442,578 shares.

Trading in electricity is the core business of Enea S.A. (Enea, the Company).

Enea S.A. is the parent company in the Enea Group (the Group). As at 30 June 2016 the Group comprised of 13 subsidiaries and 9 indirect subsidiaries.

These condensed interim separate financial statements have been prepared on the going concern basis. There are no circumstances indicating that the ability of Enea S.A. to continue as going concern may be at risk.

## 2. Statement of compliance

These condensed interim separate financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*, as endorsed by the European Union, and approved by the Management Board of Enea S.A.

The Management Board of the Company has used its best knowledge as to the application of standards and interpretations as well as measurement methods and principles applicable to individual items of the condensed interim

*(all amounts in PLN '000, unless specified otherwise)*

separate financial statements of ENEA S.A. in accordance with IFRS-EU as of 30 June 2016. The presented statements and explanations have been prepared using due diligence. These condensed interim separate financial statements have been reviewed by a certified auditor.

The Company prepares condensed interim consolidated financial statements of ENEA Group in accordance with IFRS EU as at 30 June 2016 and for the six-month period then ended. These condensed interim separate financial statements ought to be read together with those condensed interim consolidated financial statements and with the separate financial statements of ENEA S.A. for the financial year ended 31 December 2015.

### 3. Accounting principles

These condensed interim separate financial statements have been prepared in accordance with accounting principles consistent with those applied during the preparation of the most recent annual separate financial statements for the year ended 31 December 2015.

Polish zloty has been used as a reporting currency of these condensed interim separate financial statements. The data in the condensed interim separate financial statements have been presented in PLN thousand (PLN '000), unless specified otherwise.

### 4. Materials estimates and assumptions

The preparation of these condensed interim separate financial statements in accordance with IAS 34 requires that the Management Board makes certain estimates and assumptions that affect the adopted accounting policies and the amounts disclosed in the condensed interim separate financial statements and notes thereto. The adopted assumptions and estimates are based on the Management Board's best knowledge of the current and future activities and events. The actual figures, however, can be different from those assumed. The estimates adopted for the needs of preparation of these condensed interim separate financial statements are consistent with the estimates adopted during preparation of the separate financial statements for the previous financial year. The estimates presented in the previous financial years do not exert any significant influence on the current interim period.

### 5. Composition of the Group – list of subsidiaries

	Name and address of the Company	Share of ENEA S.A. in the total number of votes [%] 30.06.2016	Share of ENEA S.A. in the total number of votes [%] 31.12.2015
1.	<b>ENEA Operator Sp. z o.o.</b> Poznań, Strzeszyńska 58	100	100
2.	<b>ENEA Wytwarzanie Sp. z o.o.</b> Świerże Górne, commune Kozienice, Kozienice 1	100	100
3.	<b>ENEA Oświetlenie Sp. z o.o.</b> <sup>4</sup> Poznań, Strzeszyńska 58	100	100
4.	<b>ENEA Trading Sp. z o.o.</b> Świerże Górne, commune Kozienice, Kozienice 1	100	100

(all amounts in PLN '000, unless specified otherwise)

	Name and address of the Company	Share of ENEA S.A. in the total number of votes [%] 30.06.2016	Share of ENEA S.A. in the total number of votes [%] 31.12.2015
5.	<b>Szpital Uzdrawiskowy ENERGETYK Sp. z o.o.</b> Inowrocław, Wilkońskiego 2	100	100
6.	<b>ENEA Logistyka Sp. z o.o.</b> Poznań, Strzeszyńska 58	100	100
7.	<b>ENEA Serwis Sp. z o.o.</b> Lipno, Gronówko 30	100	100
8.	<b>ENEA Centrum Sp. z o.o.</b> Poznań, Górecka 1	100	100
9.	<b>ENEA Pomiary Sp. z o.o.</b> Poznań, Strzeszyńska 58	100	100
10.	<b>ENERGO-TOUR Sp. z o.o. in liquidation</b> Poznań, Strzeszyńska 58	100	100
11.	<b>ENEA Innovation Sp. z o.o.</b> Warszawa, Aleja Jana Pawła II 25	100	100
12.	<b>Lubelski Węgiel BOGDANKA S. A.</b> Bogdanka, Puchaczów	65.99	65.99
13.	<b>Annacond Enterprises Sp. z o.o.</b> Warszawa, Jana Pawła II nr 25	61	61
14.	<b>Przedsiębiorstwo Energetyki Ciepłej Zachód Sp. z o.o.</b> Białystok, Starosielce 2/1	100 <sup>1</sup>	100 <sup>1</sup>
15.	<b>Centralny System Wymiany Informacji Sp. z o.o.</b> Poznań, Strzeszyńska 58	100 <sup>3</sup>	100 <sup>3</sup>
16.	<b>Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o.</b> Oborniki, Wybudowanie 56	99.91 <sup>1</sup>	99.91 <sup>1</sup>
17.	<b>Miejskie Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o.</b> Białystok, Warszawska 27	86.36 <sup>1</sup>	86.36 <sup>1</sup>
18.	<b>Miejska Energetyka Ciepła Piła Sp. z o.o.</b> Piła, Kaczorska 20	71.11 <sup>1</sup>	71.11 <sup>1</sup>
19.	<b>EkoTRANS Bogdanka Sp. z o.o.</b> Bogdanka, Puchaczów	65.99 <sup>2</sup>	65.99 <sup>2</sup>
20.	<b>RG Bogdanka Sp. z o.o.</b> Bogdanka, Puchaczów	65.99 <sup>2</sup>	65.99 <sup>2</sup>
21.	<b>MR Bogdanka Sp. z o.o.</b> Bogdanka, Puchaczów	65.99 <sup>2</sup>	65.99 <sup>2</sup>
22.	<b>Łęczyńska Energetyka Sp. z o.o.</b> Bogdanka, Puchaczów	58.53 <sup>2</sup>	58.53 <sup>2</sup>

<sup>1</sup> – an indirect subsidiary held through interests in ENEA Wytwarzanie Sp. z o.o.

<sup>2</sup> – an indirect subsidiary held through interests in Lubelski Węgiel BOGDANKA S.A.

<sup>3</sup> – an indirect subsidiary held through interests in ENEA Operator Sp. z o.o.

<sup>4</sup> – on 16 June 2016 Extraordinary Shareholders' Meeting of ENEA Oświetlenie Sp. z o.o. changed the company's Deed by changing the company's address to Szczecin 71-080, Ku Stońcu 34. The change of the Deed was registered in the National Court Register on 6 July 2016.

## 6. Property, plant and equipment

During the 6-month period ended 30 June 2016, the Company acquired property, plant and equipment amounting to PLN 183 thousand (during the period of 6 months ended 30 June 2015: PLN 0 thousand).

During the 6-month period ended 30 June 2016, the Company sold and liquidated property, plant and equipment for the total net amount of PLN 16 thousand (during the period of 6 months ended 30 June 2015: PLN 75 thousand).

(all amounts in PLN '000, unless specified otherwise)

## 7. Intangible assets

During the 6-month period ended 30 June 2016, the Company acquired intangible assets for the total amount of PLN 757 thousand (during the period of 6 months ended 30 June 2015: PLN 6 thousand).

During the 6-month period ended 30 June 2016, the Company did not complete significant liquidations of intangible assets (during the period of 6 months ended 30 June 2015: PLN 503 thousand net).

## 8. Investments in subsidiaries

	<b>30.06.2016</b>	<b>31.12.2015</b>
<b>Opening balance</b>	<b>8 323 493</b>	<b>8 951 265</b>
Acquisition of investments	-	1 486 240
Repayable contribution to the share capital of a subsidiary	1 135 966	-
Disposal of investments	-	(8 854)
Transfer to assets held for sale	-	(17 487)
Change in impairment loss	(42 000)	(2 087 671)
<b>Closing balance</b>	<b>9 417 459</b>	<b>8 323 493</b>

### Impairment loss on investments

	<b>30.06.2016</b>	<b>31.12.2015</b>
<b>Opening balance</b>	<b>2 117 775</b>	<b>30 104</b>
Addition	42 000	2 089 754
Utilized	-	(1 356)
Reclassification to assets held for sale	-	(727)
<b>Closing balance</b>	<b>2 159 775</b>	<b>2 117 775</b>

On 27 January 2016 the Extraordinary Shareholders' Meeting of ENEA Wytwarzanie Sp. z o.o. adopted a resolution No. 1 referring to the repayable capital contribution in the total amount of PLN 749,672 thousand as follows:

- 1st tranche till 31 March 2016: PLN 199,899 thousand,
- 2nd tranche till 31 July 2016: PLN 349,874 thousand,
- 3rd tranche till 30 November 2016: PLN 199,899 thousand.

On 25 May 2016, the Extraordinary Shareholders' Meeting of ENEA Wytwarzanie Sp. z o.o. adopted a resolution No. 1 referring to the repayable capital contribution in the total amount of PLN 386,294 thousand till 31 May 2016.

On 14 March 2016 and 31 May 2016 ENEA S.A. issued repayable contributions to the share capital of ENEA Wytwarzanie Sp. z o.o. amounting to PLN 1,135,966 thousand (according to the resolutions of the Extraordinary Shareholders' Meeting of ENEA Wytwarzanie Sp. o.o. on 27 January 2016 and 25 May 2016). The amount will be used to finance the investment expenditure of ENEA Wytwarzanie Sp. z o.o. The maturity date has not been defined.

As at 30 June 2016 the Company analyzed indicators for impairment of shares in subsidiaries. As a result of the implementation of the act of 20 May 2016 on investments in wind farms, the method for qualifying of fixed assets in wind farms into real property taxation basis shall change starting from 2017. Due to the change in calculating real property taxes, the Company updated the impairment tests performed in 2015 in a subsidiary which deals with energy generation from wind sources and assessed the impact of the increased taxes upon the value-in-use of the shares. Based on the analysis, impairment on shares has been identified of PLN 42,000 thousand. The impairment loss reduced the Company's net result by PLN 42,000 thousand.

(all amounts in PLN '000, unless specified otherwise)

## 9. Assets held for sale

	30.06.2016	31.12.2015
<b>Opening balance</b>	<b>8 410</b>	<b>12 876</b>
Acquisition of investments	-	70
Reclassification from investments in subsidiaries	-	16 760
Impairment loss	-	(13 087)
Disposal of investments	-	(8 209)
<b>Closing balance</b>	<b>8 410</b>	<b>8 410</b>

During the 6-month period ended 30 June 2016 there were no changes in non-current assets held for sale.

As at 30 June 2016 the shares in Szpital Uzdrowiskowy ENERGETYK Sp. z o.o. are presented as non-current assets held for sale. On the basis of a resolution of the Management Board of ENEA S.A. No. 40/2016 dated 24 February 2016 the Company commenced proceedings related to the sale of shares in Szpital Uzdrowiskowy ENERGETYK Sp. z o.o. in a public invitation to negotiations. The time frame for submission of binding offers ended on 10 May 2016 and at present negotiations with potential investors are carried out.

## 10. Intercompany bonds

ENEA Group adopted a model of intra-group financing of investments conducted by subsidiaries. ENEA S.A. raises on a financial market long-term funds through borrowing or issuing bonds, and then distributes them within the Group. The table below presents currently ongoing programs of intra-group bonds issue pending as at 30 June 2016 and 31 December 2015:

Date of contracts	Issuer	Final redemption	Credit limit in PLN '000	Amount used in PLN '000	Bonds issued as at 30.06.2016 (principal) in PLN '000	Bonds issued as at 31.12.2015 (principal) in PLN '000
10 March 2011	ENEA Wytwarzanie Sp. z o.o.	31 March 2023	26 000	26 000	26 000	26 000
29 September 2011	ENEA Wytwarzanie Sp. z o.o.	29 September 2019	14 500	14 500	9 500	9 500
23 July 2012	ENEA Wytwarzanie Sp. z o.o.	22 July 2019	158 500	158 500	68 950	80 050
8 September 2012, agreement for the amount of PLN 4,000,000 thousand reduced by annex No. 2 dated 21 January 2015 to the amount of PLN 3,000,000 thousand	ENEA Wytwarzanie Sp. z o.o.	from 15 June 2020 to 15 December 2020 depending on dates of bond series issue, the remaining amounts at the latest 15 June 2022	3 000 000	1 501 000	1 501 000	1 201 000
20 June 2013 as amended by annex No. 1 dated 9 October 2014 and annex No.2 dated 7 July 2015	ENEA Operator Sp. z o.o.	Depending on dates of bond series issue, but not later than 17 June 2030	1 425 000	1 425 000	1 425 000	1 425 000
16 July 2013 as amended by annex No. 1 dated 17 January 2014 and annex No.2 dated 13 July 2015 and the agreement dated 30 May 2016 amending the bond issue terms	ENEA Wytwarzanie Sp. z o.o.	31 May 2016	936 000	936 000	-	936 000

(all amounts in PLN '000, unless specified otherwise)

Date of contracts	Issuer	Final redemption	Credit limit in PLN '000	Amount used in PLN '000	Bonds issued as at 30.06.2016 (principal) in PLN '000	Bonds issued as at 31.12.2015 (principal) in PLN '000
12 August 2014 in the amount of PLN 260,000 thousand, increased to PLN 1,000,000 thousand by annex No. 1 dated 11 February 2015 and reduced by annex No. 2 dated 30 December 2015 to the amount of PLN 260,000 thousand	ENE A Wytwarzanie Sp. z o.o.	Redemption in installments – final maturity 15 December 2026	260 000	260 000	260 000	260 000
17 November 2014	ENE A Wytwarzanie Sp. z o.o.	31 March 2020	740 000	350 000	350 000	350 000
17 February 2015 in the amount of PLN 760,000 thousand, increased by annex No. 1 dated 3 June 2015 to amount of PLN 1,000,000 thousand	ENE A Wytwarzanie Sp. z o.o.	10 February 2020	1 000 000	1 000 000	1 000 000	1 000 000
7 July 2015	ENE A Operator Sp. z o.o.	Redemption in installments – final maturity 17 June 2030	946 000	200 000	200 000	100 000
30 October 2015	Miejskie Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o.	Redemption in installments – final maturity 31 March 2020	18 000	18 000	15 000	17 000
<b>Total</b>					<b>4 855 450</b>	<b>5 404 550</b>
Transaction costs and the result of amortised cost valuation					(16 476)	(10 165)
<b>Total</b>					<b>4 838 974</b>	<b>5 394 385</b>

On 8 January 2016, ENEA S.A. acquired the second issue of bonds amounting to PLN 100,000 thousand issued by ENEA Operator Sp. z o.o. under the Bond Issue Programme Agreement of 7 July 2015. The interest of the bonds is based on a floating interest rate. The bonds will be redeemed in installments, and the final date of redemption is planned for September 2030.

On 19 May 2016 ENEA S.A. acquired series VI of bonds of PLN 300,000 thousand issued by ENEA Wytwarzanie under a Programme Agreement of 8 September 2012. The interest of the bonds is based on a floating interest rate, and the bond redemption date is 15 June 2022.

On 30 May 2016 ENEA S.A., ENEA Wytwarzanie Sp. z o.o. and mBank S.A. concluded an agreement to amend the Bond Issue Terms of 13 July 2015, which changed the bond redemption date to 31 May 2016. As of this date, ENEA Wytwarzanie Sp. z o.o. purchased all All 07/2015 series bonds of PLN 936,000 thousand.

The sums due to ENEA S.A. under the Redemption Price and the Interests due as of the Redemption Date were settled in a non-cash transaction, through mutual compensation:

- ENEA S.A.'s receivables from the Redemption Price and the Interest due as of the Redemption Date of All072015 series Bonds,

(all amounts in PLN '000, unless specified otherwise)

- ENEA Wytwarzanie Sp. z o.o.'s receivables from ENEA S.A. related to the repayable contribution to the share capital of ENEA Wytwarzanie Sp. z o.o.

#### 11. Allowance on trade and other receivables

	<b>30.06.2016</b>	<b>31.12.2015</b>
<b>Opening balance of receivables allowance</b>	<b>52 697</b>	<b>53 640</b>
Addition	9 114	27 810
Utilized	(6 164)	(28 753)
<b>Closing balance of receivables allowance</b>	<b>55 647</b>	<b>52 697</b>

During the 6-month period ended 30 June 2016 the allowance on the carrying amount of trade and other receivables increased by PLN 2,950 thousand (during the period of 6 months ended 30 June 2015 the impairment allowance decreased by PLN 3,688 thousand).

#### 12. Inventory

Certificates of origin

	<b>30.06.2016</b>	<b>31.12.2015</b>
<b>Opening balance</b>	<b>152 318</b>	<b>116 117</b>
Acquisition	244 908	389 761
Redemption	(170 357)	(343 212)
Disposal Sale	(287)	(10 348)
<b>Closing balance</b>	<b>226 582</b>	<b>152 318</b>

The costs regarding redemption of certificates of origin are presented in the statement of profit or loss within Energy and gas purchase for sale.

#### 13. Cash and cash equivalents

	<b>30.06.2016</b>	<b>31.12.2015</b>
<b>Cash in hand and at bank</b>	<b>34 761</b>	<b>2 791</b>
<b>Other cash</b>	<b>1 632 746</b>	<b>1 394 841</b>
- bank deposits	1 632 696	1 394 789
- other	50	52
<b>Total cash and cash equivalents</b>	<b>1 667 507</b>	<b>1 397 632</b>
<b>Cash disclosed in the statement of cash flows</b>	<b>1 667 507</b>	<b>1 397 632</b>

As at 30 June 2016 and 31 December 2015 ENEA S.A. had no restricted cash.

#### 14. Financial assets measured at fair value through profit or loss

As at 30 June 2016 the carrying amount of the portfolio of financial instruments managed by a specialized institution amounted to PLN 220,672 thousand and comprised financial assets measured at fair value through profit or loss -treasury



(all amounts in PLN '000, unless specified otherwise)

bills and bonds in the amount of PLN 219,984 thousand (as at 31 December 2015, carrying amount of the portfolio amounted to PLN 216,826 thousand, including financial assets measured at fair value through profit or loss - treasury bills and bonds in the amount of PLN 215,488 thousand).

## 15. Financial instruments

The table below presents the fair values as compared to carrying amounts:

	30.06.2016		31.12.2015	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current financial assets available for sale	38 402	38 402	23 402	23 402
Non-current intercompany bonds	4 746 138	4 833 699	5 339 352	5 423 882
Derivatives	-	-	844	844
Current intercompany bonds	92 836	84 607	55 033	49 227
Current financial assets measured at fair value through profit or loss	219 984	219 984	215 488	215 488
Trade and other receivables	1 565 986	(*)	1 048 669	(*)
Cash and cash equivalents	1 667 507	1 667 507	1 397 632	1 397 632
Non-current loans, borrowings and debt securities	5 544 428	5 596 708	5 187 381	5 231 070
Derivatives	25 822	25 822	-	-
Current loans, borrowings and debt securities	355 840	347 659	31 905	26 951
Finance lease liabilities	15	15	43	43
Other financial liabilities	459 494	459 494	327 318	327 318
Trade and other liabilities	455 065	(*)	423 060	(*)

(\*) - The carrying amount of trade and other receivables, trade payables and trade and other liabilities approximates their fair value.

Financial assets available for sale include shares in unrelated parties for which the ratio of interest in equity is lower than 20%, including shares in PGE EJ1 Sp. o.o. in the amount of PLN 23,402 thousand for which there is no quoted market price in an active market and whose fair value - because of the initial phase of the company's activity - is based on incurred cost.

Non-current financial assets held to maturity include acquired debt instruments - bonds with an original maturity exceeding 1 year.

Derivatives comprise the valuation of interest rate hedging transactions (Interest Rate Swap). The fair value of derivatives is determined by calculating the net present value based on two yield curves, i.e. the curve to determine the discount factor and curve used to estimate future rates of variable reference rates.

Current financial assets measured at fair value through profit or loss include an investment portfolio managed by a company specialized in professional cash management (Note 14). The fair value of the investment portfolio is estimated based on market quotations.

Current financial assets held to maturity include acquired debt instruments - bonds with an original maturity not exceeding 1 year.

The table below presents the analysis of financial instruments measured at fair value and classified into the following three levels:

(all amounts in PLN '000, unless specified otherwise)

Level 1 – fair value based on stock exchange prices (unadjusted) offered for identical assets or liabilities in active markets,

Level 2 – fair value determined based on market observations instead of market quotations (e.g. direct or indirect reference to similar instruments traded in the market),

Level 3 – fair value determined using various valuation methods, but not based on observable market information.

	30.06.2016			Total
	Level 1	Level 2	Level 3	
<b>Financial assets measured at fair value through profit or loss</b>				
Non-derivative financial assets held for trading	219 984	-	-	219 984
<b>Total</b>	<b>219 984</b>	<b>-</b>	<b>-</b>	<b>219 984</b>
<b>Financial liabilities measured at fair value through profit or loss</b>				
Interest Rate Swap used for hedging	-	25 822	-	25 822
<b>Total</b>	<b>-</b>	<b>25 822</b>	<b>-</b>	<b>25 822</b>
	31.12.2015			Total
	Level 1	Level 2	Level 3	
<b>Financial assets measured at fair value through profit or loss</b>				
Non-derivative financial assets held for trading	215 488	-	-	215 488
Interest Rate Swap used for hedging	-	844	-	844
<b>Total</b>	<b>215 488</b>	<b>844</b>	<b>-</b>	<b>216 332</b>

## 16. Loans, borrowings and debt securities

	30.06.2016	31.12.2015
<b>Long-term</b>		
Bank loans	1 584 825	1 518 674
Bonds	3 959 603	3 668 707
<b>Total</b>	<b>5 544 428</b>	<b>5 187 381</b>
<b>Short-term</b>		
Bank loans	325 080	3 523
Bonds	30 760	28 382
<b>Total</b>	<b>355 840</b>	<b>31 905</b>
<b>Total loans, borrowings and debt securities</b>	<b>5 900 268</b>	<b>5 219 286</b>

### Loans

At present ENEA S.A. has loan agreements concluded with EIB for a total amount of PLN 2,371,000 thousand (agreement A for PLN 950,000 thousand, agreement B for PLN 475,000 thousand and agreement C for PLN 946,000 thousand).

The funds from EIB are designated for financing of long-term investment plan for the modernization and extension of the power grids of ENEA Operator Sp. z o.o. Funds from Agreement A and B are fully utilized and the availability period for Agreement C is March 2017. Interest rate on loans can be fixed or floating.

(all amounts in PLN '000, unless specified otherwise)

In January 2016, ENEA S.A. received the second tranche of a loan within C Agreement that was awarded by the European Investment Bank in the amount of PLN 100,000 thousand. The loan is denominated in PLN with a floating interest rate based on the WIBOR 6-month plus the Bank's margin. The tranche will be repaid in installments, and the final loan repayment is planned for September 2030.

### Bond issue programs

ENEA S.A. concludes agreements for bonds issue programs to finance current operations and investments of ENEA S.A. and its subsidiaries.

No.	Name of bonds issue programme	Date of the conclusion of programme	Amount of the programme	Amount issued as at 30.06.2016 r.	Amount issued as at 31.12.2015 r.	Redemption date
1.	Bonds Issue Programme Agreement with PKO BP S.A., Bankiem PEKAO S.A., BZ WBK S.A. and Bank Handlowy w Warszawie S.A.	21 June 2012	3 000 000	1 501 000	1 201 000	Redemption from June 2020 till June 2022.
2.	Bonds Issue Programme Agreement with Bank Gospodarstwa Krajowego	15 May 2014	1 000 000	1 000 000	1 000 000	Redemption in installments, final maturity is December 2026.
3.	Bonds Issue Programme Agreement with ING Bank Śląski S.A., PKO BP S.A., Bank PEKAO S.A. and mBank S.A.	30 June 2014	5 000 000	1 500 000	1 500 000	Redemption of a given series in February 2020 and September 2021.
4.	Bonds Issue Programme Agreement with Bank Gospodarstwa Krajowego	3 December 2015	700 000	-	-	Redemption in installments, final maturity is September 2027.
<b>TOTAL</b>			<b>9 700 000</b>	<b>4 001 000</b>	<b>3 701 000</b>	
Transaction costs and the result of amortised cost valuation				(10 637)	(3 911)	
<b>TOTAL</b>			<b>9 700 000</b>	<b>3 990 363</b>	<b>3 697 089</b>	

In the first half of 2016 ENEA SA did not change the Programme Agreements, neither concluded any new agreements. On 19 May 2016, ENEA S.A. issued VI series of bonds of PLN 300,000 thousand under a Programme Agreement of 21 June 2012. The interest of the bonds is based on a floating interest rate, and the bond redemption date is 15 June 2022.

### Interest rate risk hedging transactions

During the 6-month period ended 30 June 2016 ENEA S.A. ENEA S.A. concluded interest rate swap transactions to hedge interest rate risk related to the debt of PLN 1,440,000 thousand. On 30 June 2016 the total value of the IRS's transactions

*(all amounts in PLN '000, unless specified otherwise)*

amounted to PLN 4,435,000 thousand. Concluded transactions will substantially affect the predictability of the cash relating flows of expenditure and financial costs. The valuation of these financial instruments is presented in "Derivatives".

As at 30 June 2016 the valuation of derivatives amounted to PLN 25,822 thousand.

#### **Financing conditions – covenants**

Financing agreements assume compliance by the Company and the Group with certain financial ratios. As at 30 June 2016 and the date of these condensed interim separate financial statements, the Company did not breach the regulations of loan agreements, on the basis of which the Company would be required to early repayment of long-term debt.

#### **17. Other financial liabilities**

Cash management in ENEA Group is performed by ENEA S.A., allowing efficient cash surplus management (economies of scale) and reduction of external financing costs. Cash management covers subsidiaries which constitute ENEA Tax Group and is based on "Cash management system between groups of bank accounts" – cash pooling.

Under this service at the end of each day cash surplus from a bank accounts of a participant is transferred to a bank account of the Pool Leader – ENEA S.A. On the next day account balances are reversed and cash transferred back to the bank account of the participant.

#### **18. Deferred income tax**

Changes in the deferred tax asset (after the net-off of the asset and liability):

	<b>30.06.2016</b>	<b>31.12.2015</b>
<b>Opening balance</b>	<b>63 316</b>	<b>25 726</b>
Change recognized in profit or loss	(1 924)	39 899
Change recognized in other comprehensive income	5 069	(2 309)
<b>Closing balance</b>	<b>66 461</b>	<b>63 316</b>

During the 6-month ended 30 June 2016 , the Company's profit before tax was debited with PLN 1,924 thousand as a result of decrease in net deferred tax asset (during the period of 6 months ended 30 June 2015 the Company's profit before tax was credited with PLN 8,373 thousand as a result of an increase in net deferred tax assets).

(all amounts in PLN '000, unless specified otherwise)

## 19. Provisions for other liabilities and charges

Non-current and current provisions for other liabilities and charges:

	<b>30.06.2016</b>	<b>31.12.2015</b>
Non-current	8 487	10 905
Current	308 926	261 534
<b>Total</b>	<b>317 413</b>	<b>272 439</b>

  

	<b>Provision for non- contractual use of property</b>	<b>Provision for other claims</b>	<b>Provision for certificates of origin</b>	<b>Provision for certificates of origin</b>
<b>Balance as at 01.01.2016 r.</b>	<b>17 161</b>	<b>10 288</b>	<b>244 990</b>	<b>272 439</b>
Increase in provisions	207	1 668	217 501	<b>219 376</b>
Provisions used	(51)	(17)	(170 357)	<b>(170 425)</b>
Provision reversed	(3 969)	(8)	-	<b>(3 977)</b>
<b>Balance as at 30.06.2016 r.</b>	<b>13 348</b>	<b>11 931</b>	<b>292 134</b>	<b>317 413</b>

A description of material claims and contingent liabilities has been presented in note 23.2.

During the 6-month period ended 30 June 2016 the provisions for other liabilities and charges increased by the net amount of PLN 44,974 thousand, mainly due to no fulfilling the obligation related to sale to end users of electricity generated in a renewable source or in cogeneration – lack of a decision of the President of the Energy Regulatory Office regarding the obligation for 2016 obligation (in the period of 6-months ended 30 June 2015, the provisions for other liabilities and charges increased by PLN 99,850 thousand).

## 20. Dividend

The Company will not pay out the dividend for the financial year from 1 January 2015 to 31 December 2015 due to the net loss incurred in that period. On 27 June 2016, the Extraordinary General Meeting of Shareholders of ENEA S.A. adopted Resolution no. 7 on the coverage of the net loss of PLN 1,116,888 thousand for the financial year from 1 January 2015 to 31 December 2015 from retained earnings.

On 30 June 2015 the General Shareholders' Meeting of ENEA S.A. adopted Resolution no. 7 concerning net profit distribution for the financial period from 1 January 2014 to 31 December 2014 under which the dividend for shareholders amounts to PLN 207,478 thousand. Dividend per share amounted to PLN 0.47.

(all amounts in PLN '000, unless specified otherwise)

## 21. Related party transactions

The Company concludes transactions with the following related parties:

### 1. Companies of the ENEA Group

	01.01.2016 - 30.06.2016	01.01.2015 - 30.06.2015
<b>Purchases, including:</b>	<b>2 178 918</b>	<b>2 259 746</b>
materials	245	402
services	785 454	786 672
other (including energy and gas)	1 393 219	1 472 672
<b>Sales, including:</b>	<b>143 309</b>	<b>104 508</b>
energy	127 604	91 245
services	623	705
other	15 082	12 558
<b>Interest income, including:</b>	<b>73 899</b>	<b>60 197</b>
bonds	73 792	60 045
loans	107	152
<b>Dividend income</b>	<b>548 874</b>	<b>874 236</b>
	<b>30.06.2016</b>	<b>31.12.2015</b>
Recivables	713 870	181 534
Liabilities	380 657	732 428
Financial assets - bonds	4 838 974	5 394 385
Other financial liabilities	459 494	327 318

In accordance with Corporate Income Tax Act regulations concerning conclusion on transactions under arm's length do not apply to legal entities comprising tax group. Transactions with group entities which are not part of the Tax Group are concluded under arm's length terms and their conditions do not differ from those applied in transactions with other entities.

### 2. Transactions concluded between the Company and members of its governing bodies fall within two categories:

- those related to the appointment of Members of Supervisory Boards;
- resulting from other civil law agreements.

The value of transactions has been presented below:

Item	Management Board of the Company		Supervisory Board of the Company	
	01.01.2016 - 30.06.2016	01.01.2015 - 30.06.2015	01.01.2016 - 30.06.2016	01.01.2015 - 30.06.2015
Remuneration under managerial and consultancy agreements	8 844**	4 946*	-	-
Remuneration relating to appointment of members of management or supervisory bodies	-	-	228	166
<b>TOTAL</b>	<b>8 844</b>	<b>4 946</b>	<b>228</b>	<b>166</b>

\* Remuneration includes bonuses for 2014 paid to the members of the Management Board during the second quarter of 2015

\*\* Remuneration includes bonuses for 2015 and compensation resulting from non - competition agreements for former members of the Management Board in the amount of PLN 7,105 thousand.

*(all amounts in PLN '000, unless specified otherwise)*

During the 6-month period ended 30 June 2016 there were no loans granted from the Company's Social Benefits Fund to the members of the Supervisory Board (PLN 0 thousand during the 6-month period ended 30 June 2015). During this period repayments of these loans amounted to PLN 8 thousand (PLN 2 thousand during the 6-month period ended 30 June 2015).

Other transactions resulting from civil law agreements concluded between ENEA S.A. and members of the Company's governing bodies concern only private use of Company's cars by Members of the Management Board of ENEA S.A.

### **3. Transactions with entities whose shares are held by the State Treasury of the Republic of Poland**

ENEA S.A. also concludes business transactions with entities of the central and local administration and entities whose shares are held by the State Treasury of the Republic of Poland.

The transactions concern mainly:

- purchase of electricity and property rights resulting from certificates of origin as regards renewable energy and energy cogenerated with heat from companies controlled by the State Treasury;
- sale of electricity, distribution services and other related fees, provided by the Company both to central and local administration bodies (sale to end users) and controlled by the State Treasury (wholesale and retail sale to end users).

Such transactions are concluded under arm's length terms and their conditions do not differ from those applied in transactions with other entities. As the Company does not keep a register which would allow to aggregate the values of all transactions with state institutions and entities controlled by the State Treasury therefore the turnover and balances with related parties disclosed in these condensed interim separate financial statements do not include data related to transactions with entities controlled by the State Treasury.

## **22. Future liabilities under contracts concluded as at the end of the reporting period**

Contractual obligations related to the acquisition of property, plant and equipment and intangible assets assumed as at the end of the reporting period, not yet recognized in the statement of financial position:

	<b>30.06.2016</b>	<b>31.12.2015</b>
Acquisition of intangible assets	447	2 097
	<b>447</b>	<b>2 097</b>

## **23. Contingent liabilities and proceedings before courts, arbitration or public administration bodies**

### **23.1. Guarantees for credit facilities and loans as well as other sureties granted by the Company**

On 1 March 2016, ENEA S.A. – as Guarantor – entered into a contract of surety with Shell Energy Europe Limited. Under this contract ENEA S.A. guarantees liabilities of its subsidiary ENEA Trading Sp. z o.o. concerning purchase of natural gas up to the maximum amount of EUR 3,500 thousand (ca. PLN 15,489 thousand).

(all amounts in PLN '000, unless specified otherwise)

The table below presents actual bank guarantees under the agreements concluded with BZ WBK S.A. and Pekao S.A. to limits specified therein:

Guarantee date	Guarantee period	Company from ENEA Group	Recipient	Guarantee title	Bank - contractor	Amount of guarantee in PLN thousand
2016-01-01	2017-02-28	ENEA S.A.	Górecka Projekt Sp. z o.o.	Rent	BZ WBK S.A.	1 650
2015-06-01	2017-01-31	ENEA S.A.	Atrium Tower Sp. z o.o.	Rent	BZ WBK S.A.	145
2015-11-24	2018-01-31	ENEA S.A.	AQUA S.A.	Due performance of the contract	BZ WBK S.A.	257
2015-11-27	2018-01-31	ENEA S.A.	Szpital Kliniczny im. H. Święcickiego Uniwersytetu Medycznego in Poznań	Due performance of the contract	BZ WBK S.A.	854
<b>Total of guarantees issued</b>						<b>2 906</b>

The remaining guarantees as at 30 June 2016 amounted to PLN 217 thousand.

The total value of guarantees granted by ENEA S.A. to secure liabilities of ENEA Capital Group companies as at 30 June 2016 amounted to PLN 237,394 thousand.

### 23.2. Pending proceedings before courts of general jurisdiction

#### Actions brought by the Company

Actions which ENEA S.A. brought to common courts of law refer to claims for receivables due to supply of electricity and claims for other receivables – illegal consumption of electricity, connections to the power grid and other specialist services rendered by the Company.

As at 30 June 2016, the total of 6,407 cases brought by the Company were pending before common courts for the total amount of PLN 50,349 thousand (7,066 cases for the total amount of PLN 51,978 thousand as at 31 December 2015).

None of these cases can significantly affect the Company's net result.

#### Actions brought against the Company

Actions against the Company are brought both by natural and legal persons. They mainly refer to such issues as compensation for interrupted delivery of electricity, identification of illegal electricity consumption and compensation for the Company's use of real property where electrical devices are located. The Company considers actions concerning non-contractual use of real property not owned by the Company as particularly important.

As at 30 June 2016 the total of 147 cases against the Company were pending before common courts for the total amount of PLN 52,429 thousand (117 cases for the total amount of PLN 18,229 thousand as at 31 December 2015). The provisions related to these cases are presented in note 19.

None of the cases can significantly affect the Company's net result.



(all amounts in PLN '000, unless specified otherwise)

### 23.3. Motions for settlements of not balanced energy trading in 2012

On 30 and 31 December 2014 ENEA S.A. submitted motions for settlement to:

	<b>Amount in PLN thousand</b>
PGE Polska Grupa Energetyczna S.A.	7 410
PKP Energetyka S.A.	1 272
TAURON Polska Energia S.A.	17 086
TAURON Sprzedaż GZE Sp. z o.o.	1 826
FITEN S.A.	207
<b>Total:</b>	<b>27 801</b>

The subject of motions was claim for the payment of electric energy consumed under the system of energy balancing. Claimed companies earned unjustified benefits by refusing ENEA S.A. to issue invoice corrections for 2012.

Till the reporting date five proceedings were conducted but claims of ENEA S.A. were not accepted.

### 23.4. Dispute with PGE S.A. concerning price for certificates of origin

Before the District Court in Poznań the proceeding brought by PGE Górnictwo i Energetyka Konwencjonalna S.A. is pending against the Company for the payment of PLN 42,351 thousand concerning the payment for purchased certificates of origin. ENEA SA made a deduction from the payment for certificates of origin (by offsetting with invoices for certificates of origin) in respect of a damage caused by PGE GiEK S.A. to ENEA S.A. The damage resulted from the fact that PGE GiEK S.A. did not fulfill the contractual obligation to accede to renegotiate long-term contracts for certificates of origin in accordance with the adaptive clause applicable to both Parties. The adaptive clause is applicable in the event of changes in facts or legal status related to the support scheme for the renewable energy sources based on the obligation to redeem the certificates of origin (incorporating property rights) which result in disruption of the contractual balance and equivalence of benefits for parties, which, in the opinion of ENEA S.A., occurred in the case of contracts with PGE GiEK S.A.

## 24. The participation in the construction of the atomic power plant programme

On 15 April 2015 KGHM, PGE TAURON and ENEA concluded Share Purchase Agreement in PGE EJ 1. Each of KGHM, TAURON and ENEA acquired from PGE 10% of shares (total 30%) in PGE EJ 1. ENEA paid PLN 16 million for the acquired shares.

On 29 July 2015 the Extraordinary Shareholders' Meeting of PGE EJ 1 adopted a resolution to increase the share capital of the Company approximately by PLN 70 million through issue of 496,450 new shares in the nominal value of PLN 141 each and cover them with cash. According to the decision of the Extraordinary Shareholders Meeting ENEA acquired 49,645 shares in the total nominal value of approximately PLN 7 million, and covered them with cash of approximately PLN 7 million.

In the first half of 2016, KGHM, PGE, TAURON, and ENEA continued their work on the preparation to the construction of the nuclear plant in Poland project.

*(all amounts in PLN '000, unless specified otherwise)*

The Shareholders Agreement parties predict that subsequent decision on the declaration of further participation of the Parties in the next phase of the project will be taken after the completion of the Initial Phase immediately prior to the decision of the Integrated proceeding.

## **25. Subsequent events**

On July 18, 2016, ENEA S.A., ENEA Operator Sp. z o.o. and Bank PKO Bank Polski S.A. concluded an Executive Agreement for the Bond Issue Program, stipulating the sum of PLN 360,000 thousand. Thereunder, ENEA Operator Sp. z o.o. issued bonds of PLN 360,000 thousand in total amount on July 28, 2016. The bonds were acquired by ENEA S.A.