



# Report of the Management Board on the operations of the Enea Capital Group in H1 2015



## 1. Operating Summary

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
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In H1 2015 Enea Capital Group generated:

- **PLN 4,612 mln** net sales revenue - drop by 4.7% yoy
- **PLN 894 mln** EBITDA - drop by 19.4% yoy
- **PLN 418 mln** net profit - drop by 33.6% yoy

The greatest impact on the comparison of Enea Group's results in the reporting periods has a one-off event, namely recognition in June 2014 of revenue from Long-term Agreements totalling to PLN 258 mln - after the elimination of Long-term Agreements **EBITDA grows by 5.0%** yoy)

In the reporting period the highest EBITDA was generated in the segment of Distribution and amounted to PLN 544 mln. After the exclusion of revenue from Long-term Agreements, the highest growth in EBITDA (by 57.7% yoy) was reported in the segment of Generation which in H1 2015 generated PLN 289 mln EBITDA. The segment of Trade reported EBITDA totalling to PLN 81 mln.

 <ul style="list-style-type: none"> <li>• Higher sales volumes of electricity to end users by 153 GWh</li> <li>• Higher average selling price of energy to end users</li> <li>• Sales of natural gas - extension of operations in the segment of Trade</li> <li>• Growth of margin on generation, trade and Balancing Market</li> <li>• Higher revenue from sales of distribution services to end users</li> <li>• Implementation of the Fixed Costs Optimisation Programme</li> </ul>	 <ul style="list-style-type: none"> <li>• Recognition in H1 2014 of revenue from Long-term Agreements in the amount of PLN 258 mln</li> <li>• Higher costs of ecological obligations, including the introduction of new ones from April 2014</li> <li>• Higher average purchase price of energy</li> <li>• Lower average price of proprietary interests</li> <li>• Higher costs of emissions of CO<sub>2</sub></li> <li>• Higher costs of purchasing transmission services</li> </ul>
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In Q2 2015 alone the Group generated:

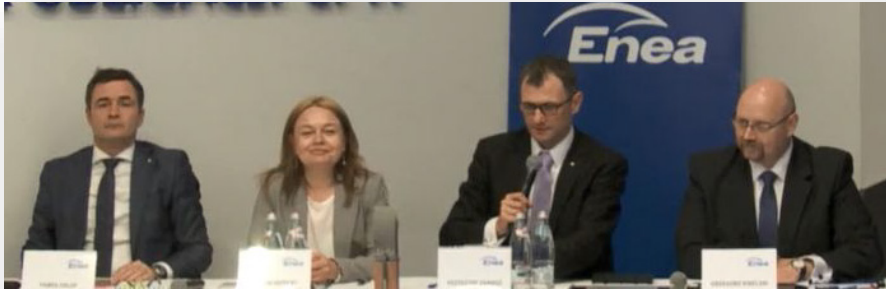
- **PLN 2,166 mln** net sales revenue - drop by 12.2% yoy
- **PLN 385 mln** EBITDA - drop by 40.3% yoy
- **PLN 153 mln net profit** - drop by 63.4% yoy

In H1 2015 Enea CG's capital expenditures amounted to PLN 1,123 mln (growth by 11.8% yoy) - net debt/EBITDA ratio was kept on a low level of 0.8.

In January-June 2015 the Group sold 7.9 TWh electricity to end users, i.e. by 153 GWh more than in the same period of 2014.

Due to the takeover of MPEC Białystok in H1 2015 the Group increased sales of heat by 240 TJ, i.e. by 10.6% yoy.

# We develop for our Customers



## Our goal is construction of the organisational culture focused on Customer needs

In the first half of the year Enea Group continued works over enhancing its competitiveness and market position. These operations constitute an integral and important part of the corporate strategy for 2014-2020 which foresees both constructing long-term relations with Customers and optimum use of the potential of our organisation.

During H1 we worked intensely over the implementation of a central billing system and launching new, electronic Customer Service channels. From the beginning of July, Enea's Customers from Szczecin area and all the Customers of Enea Operator may use an electronic Customer Service Centre (e-CSC) settling most matters on-line. Currently, we are working over the implementation of e-CSC and e-Invoice functions in Bydgoszcz and Gorzów Wielkopolski. Citizens of Poznań and the region will be able to use the electronic system already in the fall. Concurrently, Customer Service Centres (CSC) are being optimised and opening hours were extended for Customers' convenience. Apart from that works are being conducted over the development of hot line - currently, 80% connections are taken during the first 30 seconds. We want the vast majority of matters to be settled already during the first call. Additionally, we are continuously extending the product and service range for our Customers, providing them with attractive products with additional benefits. We have been consistently building Customer confidence in our Group.

## Energy sector's future is innovations

Enea Group pays a great attention to supporting and introduction of innovations. Therefore, in May we joined the Technology Transfer Platform (TTP) launched by the Industrial Development Agency (IDA). The Technology Transfer Platform is based on the model of open innovations. It may be used by inventors, scientific plots, micro, small and medium enterprises, and also large companies. Access to its resources is free of charge.

Enea became a strategic partner in ENERGY+ Innovations contest, as well. Innovative ideas registered during the contest may be implemented in the Group, and the main award of one million zloty may be allocated to technology development. The mentioned items are only single initiatives out of numerous innovations which are conducted in the Group. The Management Board treats supporting such projects as a significant and continuous process.

## We are closer to atomic programme

On 15 April, Enea signed an agreement within which it purchased 10 per cent of shares from PGE in PGE EJ1 which is to be the operator of the first Polish atomic power plant. KGHM Polska Miedź and Tauron Polska Energia will also participate in the programme and they also acquired 10 per cent of shares each in PGE EJ1. Pursuant to the plans, the final decision on the construction of an atomic power plant in Poland is to be made in 2017.

## We will cooperate with Tauron by the implementation of the RES programme

Enea and Tauron Polska Energia signed a letter of intent relating to the cooperation by the implementation of the strategy guaranteeing an optimum increase in the renewable capacity. Pursuant to the letter of intent, working teams will be appointed - business decisions will be made based on the deliverables. Cooperation with Tauron is a part of 2014-2020 strategy, which foresees e.g. the development of renewable sources, with a particular inclusion of wind farms. The both Groups will jointly seek an optimum method of increasing renewable capacity and financing the transactions of their acquisition.

## We entered the German market

Our development strategy foresees expansion to new markets. The existing infrastructure and developing integrity of the energy market in Europe decided on the fact that we commenced operations on the German electricity wholesale market. The Group operates there through a specialist company, Enea Trading, which is present both on the SPOT market - EPEX SPOT (European Power Exchange), and forward market - EEX (European Energy Exchange). Therefore, we obtained an access to exchanges with liquid trading which offer a wide range of products.

## Independent rating confirms the stable financial position of Enea Group

Enea Group's financial position remains stable, and financing of the development programme - hedged. It was e.g. confirmed by Fitch Ratings agency which in April maintained the long-term ratings for Enea in national and foreign currency at the level of "BBB" and a long-term national rating at the level of "A(pol)" with a stable perspective.

## Our financing for planned investments is hedged

In mid May Enea's corporate bonds were traded for the first time on the Catalyst market with the nominal value of PLN 1 billion, which were issued within the first tranche of the programme totalling to up to PLN 5 billion. The securities were issued as bearer bonds, with five years of maturity. They are denominated in Polish zloty and were offered in a non-public issue. The issue was taken up by 21 entities: banks, investment fund companies, open-end pension funds and insurance companies.

In May Enea obtained a loan amounting to PLN 946 mln from the European Investment Bank (EIB) for the modernisation and extension of the power grids in the north-western Poland. Due to the financial support from EIB, Enea will construct or repair 460 km of HV lines and 3,800 km of MV and LV lines. Additionally, it will install or modernise almost 3,300 transformers. The investment programme will enable connection of around 45 thou. new users to the grid. The investment will also allow to increase the reliability of energy supplies and decrease losses in energy transmission.

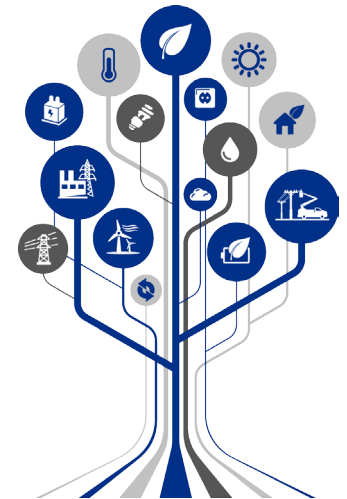
The project is a continuation of the successful cooperation of EIB with Enea which commenced in 2012. The previous two loans totalling to PLN 1.425 billion enabled financing the earlier modernisation programme within energy distribution.

## We share profits with shareholders

The Ordinary General Meeting of Shareholders of Enea SA approved the Company's Management Board's recommendation and decided to allocate PLN 207,478,011.66 from net profit for 2014 to the dividend distribution. It is PLN 0.47 dividend per share. The record date was set on 22 July 2015 and the payment date on 11 August 2015.

Sincerely,

Krzysztof Zamasz  
President of the Board of Enea SA

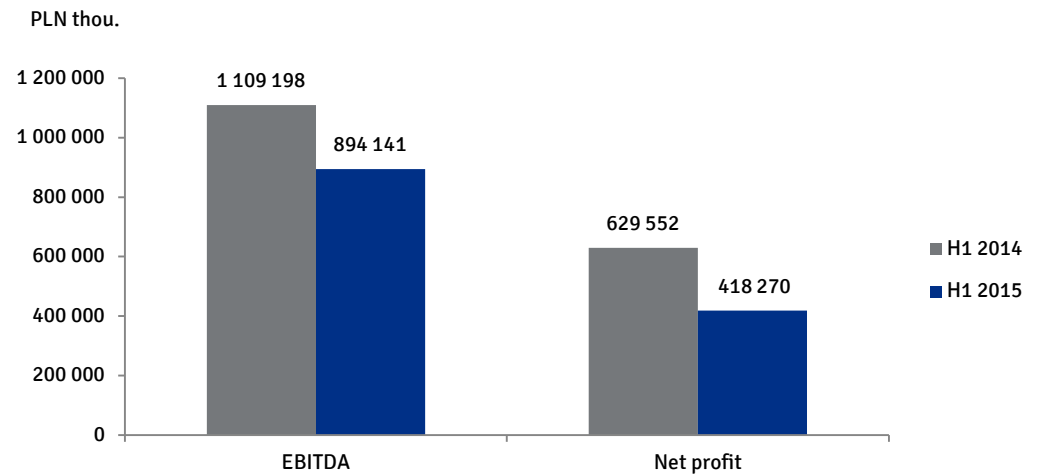




[PLN '000]	H1 2014	H1 2015	Change	Change %
Net sales revenue	4 840 195	4 612 247	-227 948	-4.7%
Operating profit / (loss)	764 618	524 207	-240 411	-31.4%
Profit / (loss) before tax	773 559	522 848	-250 711	-32.4%
Net profit / (loss) for the reporting period	629 552	418 270	-211 282	-33.6%
<b>EBITDA</b>	<b>1 109 198</b>	<b>894 141</b>	<b>-215 057</b>	<b>-19.4%</b>
Net cash flows from:				
operating activities	374 808	782 925	408 117	108.9%
investing activities	- 1 169 110	- 1 192 169	-23 059	-2.0%
financing activities	494 249	1 029 811	535 562	108.4%
Balance of cash	1 273 613	1 307 883	34 270	2.7%
Weighted average number of shares [pcs.]	441 442 578	441 442 578	-	-
Net profit per share [PLN]	1.42	0.94	-0.48	-33.8%
Diluted profit per share [PLN]	1.42	0.94	-0.48	-33.8%

[PLN '000]	Q2 2014	Q2 2015	Change	Change %
Net sales revenue	2 466 452	2 165 833	-300 619	-12.2%
Operating profit / (loss)	495 004	196 887	-298 117	-60.2%
Profit / (loss) before tax	501 762	193 596	-308 166	-61.4%
Net profit / (loss) for the reporting period	417 893	152 935	-264 958	-63.4%
<b>EBITDA</b>	<b>644 850</b>	<b>385 085</b>	<b>-259 765</b>	<b>-40.3%</b>
Weighted average number of shares [pcs.]	441 442 578	441 442 578	-	-
Net profit per share [PLN]	0.95	0.35	-0.60	-63.2%
Diluted profit per share [PLN]	0.95	0.35	-0.60	-63.2%

[PLN '000]	31 December 2014	30 June 2015	Change	Change %
Total assets	18 108 040	19 452 112	1 344 072	7.4%
Total liabilities	6 044 027	7 129 288	1 085 261	18.0%
Non-current liabilities	4 190 197	5 181 628	991 431	23.7%
Current liabilities	1 853 830	1 947 660	93 830	5.1%
Equity	12 064 013	12 322 824	258 811	2.1%
Share capital	588 018	588 018	-	-
Book value per share [PLN]	27.33	27.91	0.58	2.1%
Diluted book value per share [PLN]	27.33	27.91	0.58	2.1%



	Unit	H1 2014	H1 2015	Change	Change %	Q2 2014	Q2 2015	Change	Change %
Net sales revenue	PLN thou.	4 840 195	4 612 247	-227 948	-4.7%	2 466 452	2 165 833	-300 619	-12.2%
EBITDA	PLN thou.	1 109 198	894 141	-215 057	-19.4%	644 850	385 085	-259 765	-40.3%
EBIT	PLN thou.	764 618	524 207	-240 411	-31.4%	495 004	196 887	-298,117	-60.2%
Net profit	PLN thou.	629 552	418 270	-211 282	-33.6%	417 893	152 935	-264 958	-63.4%
Net cash flows from operating activities	PLN thou.	374 808	782 925	408 117	108.9%	324 229	594 201	269 972	83.3%
CAPEX	PLN thou.	1 003 934	1 122 734	118 800	11.8%	683 907	526 223	-157 684	-23.1%
Net debt / EBITDA <sup>1)</sup>	-	-0.18	0.78	0.96	533.3%	-0.18	0.78	0.96	533.3%
Return on assets (ROA) <sup>1)</sup>	%	7.41	4.30	-3.11	-42.0%	9.83	3.14	-6.69	-68.1%
Return on equity (ROE) <sup>1)</sup>	%	10.60	6.79	-3.81	-35.9%	14.07	4.96	-9.11	-64.7%
<b>Trade</b>									
Sales of electricity to end users	GWh	7 750	7 903	153	2.0%	3 789	3 675	-114	-3.0%
Number of recipients (Power Delivery Points)	thou.	2 365	2 380	15	0.6%	2 365	2 380	15	0.6%
<b>Distribution</b>									
Sales of distribution services to end users	GWh	8 803	8 992	189	2.1%	4 251	4 346	95	2.2%
Number of customers (at the end of the reporting period)	thou.	2 450	2 472	22	0.9%	2 450	2 472	22	0.9%
<b>Generation</b>									
Total generation of electricity, including	GWh	6 114	6 293	179	2.9%	2 972	3 330	358	12.0%
<i>from conventional sources</i>	GWh	5 584	5 795	211	3.8%	2 718	3 103	385	14.2%
<i>from renewable sources of energy</i>	GWh	530	498	-32	-6.0%	254	227	-27	-10.6%
Gross generation of heat	TJ	2 479	3 147	668	26.9%	676	933	257	38.0%
Sales of electricity, including	GWh	8 273	7 995	-278	-3.4%	4 031	4 085	53	1.3%
<i>from conventional sources</i>	GWh	7 743	7 497	-246	-3.2%	3 777	3 858	81	2.1%
<i>from renewable sources of energy</i>	GWh	530	498	-32	-6.0%	254	227	-27	-10.6%
Sales of heat	TJ	2 264	2 504	240	10.6%	610	691	81	13.3%

**H1 2014 / H1 2015:**

**Growth in EBITDA by PLN 43 mln after exclusion in 2014 revenue from Long-term Agreements for PLN 258 mln (one-off)**

**Higher sales of electricity to end users by 153 GWh**

**H1 2015:**

- consistent development of Enea CG: CAPEX totalling to PLN 1,123 mln with a low value of net debt/EBITDA ratio
- higher sales of electricity to end users by 153 GWh
- higher sales of heat by PLN 56 mln (240 TJ) as a result of the acquisition of MPEC Białystok

**Q2 2015:**

- consistent development of Enea CG: CAPEX totalling to PLN 526 mln with a low value of net debt/EBITDA ratio
- growth in the total generation of electricity by 358 GWh
- greater generation of heat by PLN 257 TJ (38%) inter alia as a result of the acquisition of MPEC Białystok

1) Ratio definitions to be found on page 70

**I quarter**
**Great interest of investors in Enea's corporate bonds**

Enea obtained PLN 1 billion due to placing of the first issue of bonds within the programme totalling to up to PLN 5 billion. The securities were issued as bearer bonds, with five years of maturity. They are denominated in Polish zloty and were offered in a non-public issue. The issue was taken up by 21 entities: banks, investment fund companies, open-end pension funds and insurance companies. On 24 March the bonds were registered with the National Depository for Securities and on 15 May they were first traded on the Catalyst market of the Warsaw Stock Exchange.

**Entry into WIG20 confirms Enea's importance to the Warsaw stock exchange**

Enea SA's shares were listed on the key indices of the Warsaw Stock Exchange: WIG20 and WIG20TR. It is a result of the annual review of indices performed by the stock exchange on 12 February 2015. Formerly, Enea SA's shares were listed on mWIG40 index which they left now. WIG20 index is the key ratio of the economic situation, and also the key index and base instrument for futures contracts and options. The composition of portfolios of WIG30 and WIG30TR on which Enea's shares are listed, has not changed.

**Enea Group company a contractor of four solar power plants**

Enea Oświeetlenie and Miejski Ośrodek Sportu, Rekreacji i Rehabilitacji (Local Sports, Recreation and Rehabilitation Centre) in Szczecin concluded an agreement as a result of which four photovoltaic power plants of a total capacity of ca. 212 kW were developed on public utility buildings' roofs. The installed solar power plants supply power for own needs of the facilities in Szczecin. The project co-financed from the community funds was completed at the beginning of August 2015.

**More ecological energy in Enea Wytwarzanie**

In Q1 2015 the construction of the flue gases denitrification installation was completed on unit No. 7 in Kozenice Power Plant. It constitutes another stage of the SCR installation construction on 200 MW units - No. 4 to 8 which is to guarantee ca. 80% reduction in nitric oxides in flue gas.

A heat recovery installation from biomass boiler flue gases has been operating in Bialystok Heat and Power Plant since 23 February. This is the first installation of this type operating on an industrial scale in Poland. The applied technology allows to increase the heat production from the biomass boiler without consuming additional fuel. Due to the investment in the modern heat recovery system, Enea Wytwarzanie reduced pollutant emissions to the atmosphere, concurrently increasing the total capacity of the combined heat and power plant.

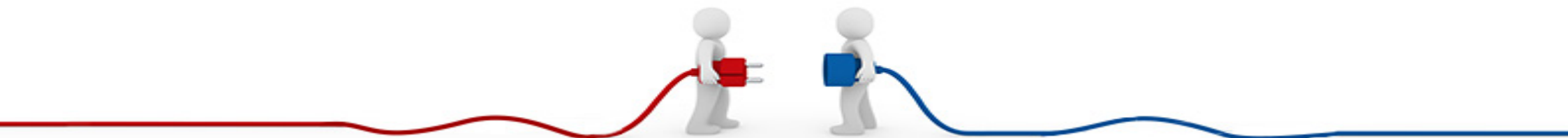
The cogeneration heat and power plant constructed in MEC Piła is one of the most modern facilities of this type in Poland. It may produce around 10 MWt heat energy and around 10 MWe electricity at the same time and is fired with natural gas. Its launching results in the reduction in demand for energy from conventional sources, contributing therefore to the reduction of combusted coal and emission of harmful substances, in particular dusts, sulphur oxides and CO<sub>2</sub> to the atmosphere.

**Enea Wytwarzanie and LW Bogdanka signed an annex to the coal supply agreement**

On 25 March Enea Wytwarzanie and LW Bogdanka signed an annex to the annual agreement for fuel coal supplies in 2015. It specifies the detailed prices of the basic coal supplies to Kozenice Power Plant in 2015.

**The Group simplifies and optimises its structure**

In Q1 a new brand architecture was implemented. Core Group companies changed their names to: Enea Oświeetlenie (formerly Eneos), Enea Pomiary (formerly Energomiar), Enea Logistyka (formerly BHU) and Enea Serwis (formerly Energobud Leszno). All the companies, except the distribution company, use the same logo.



## II quarter

### Another stage of the Group's structure optimisation

On 1 April subsequent changes were made to the Group's structure: Energo-Tour was put to liquidation. Its operations are being gradually phased out, which is compliant with Enea Group's corporate strategy foreseeing the concentration on core operations.

### Enea acquired a block of shares in the operator of the future atomic power plant

On 15 April Enea, KGHM Polska Miedź and Tauron Polska Energia purchased 10% of shares from PGE (a total of 30% of shares) in PGE EJ1, a special purpose vehicle which will act as the operator of the first atomic power plant in Poland. PGE EJ1 is responsible for the preparation and implementation of the investment being the construction and exploitation of the power plant with the capacity of around 3,000 MWe.

### Fitch Ratings affirms a high rating for Enea

On 27 April Fitch Ratings agency upheld long-term ratings in national and foreign currency for the Company on the level of "BBB" and a long-term national rating on the level of "A(pol)". The outlook of the ratings is stable.

### Enea entered the German market

In May Enea commenced operations on the German electricity wholesale market. Through a specialist company, Enea Trading, it is present both on the SPOT market - EPEX SPOT (European Power Exchange), and forward market - EEX (European Energy Exchange).

### EIB supports modernisation of power grids of Enea

On 29 May the European Investment Bank granted Enea a loan in the amount of PLN 946 mln for the modernisation and extension of power grids in north-western Poland. Enea's investment programme realised during 2015-2017 will contribute to the enhancement of the competitiveness and distribution security in this part of Poland.

### Enea will distribute PLN 0.47 per share dividend to shareholders

The Ordinary General Meeting of Shareholders of Enea SA approved the Company's Management Board's recommendation and decided to allocate PLN 207,478,011.66 from net profit for 2014 to the dividend distribution. It is PLN 0.47 dividend per share. The record date was set on 22 July 2015 and the payment date on 11 August 2015.

### Changes in the composition of the Supervisory Board of Enea

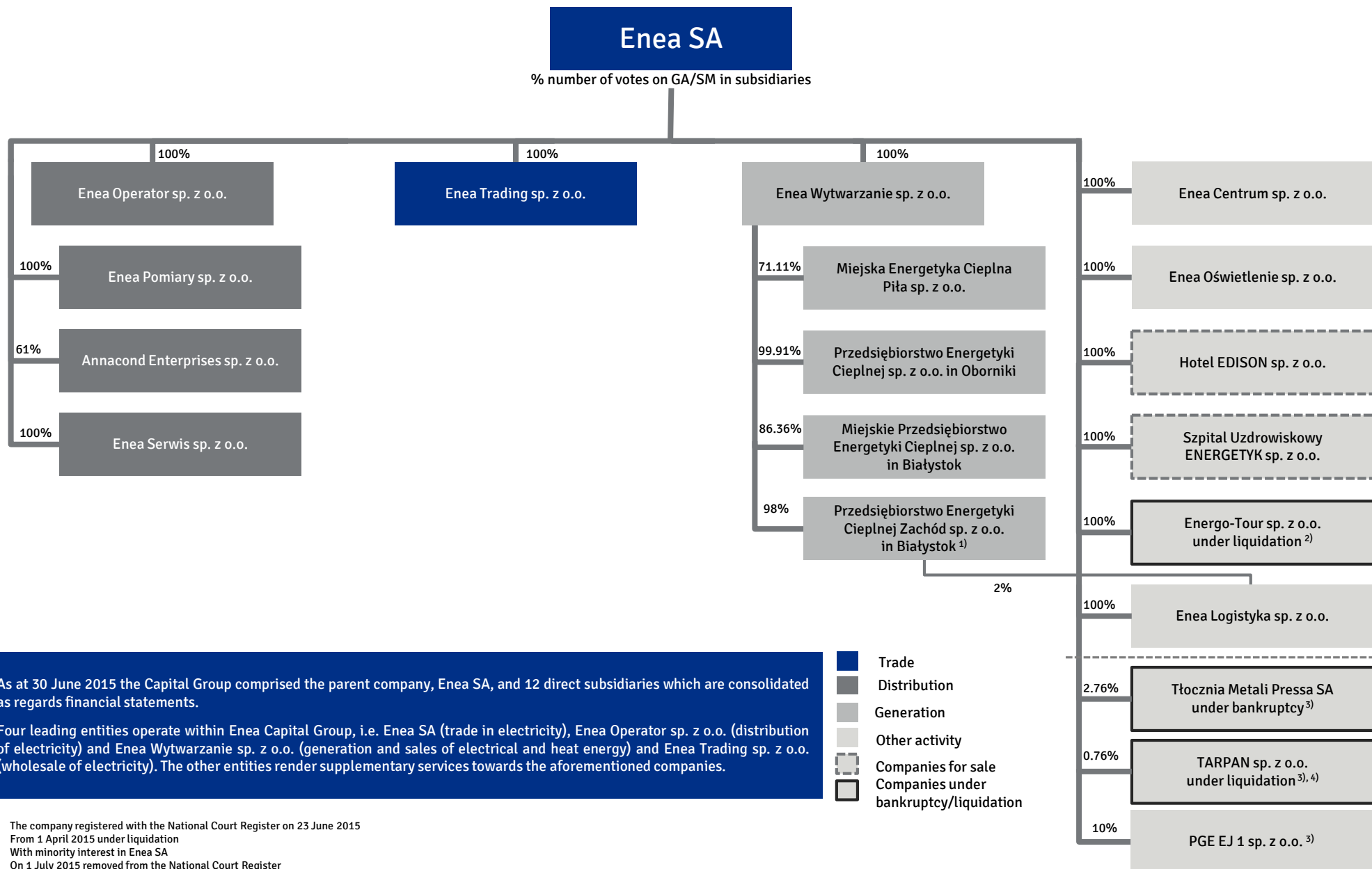
In relation to the expiry on 1 July of the term of the Supervisory Board of Enea SA the Ordinary General Meeting of Shareholders appointed the following persons into the composition of the Supervisory Board of the 9th term as of 2 July: Sławomir Brzeziński, Wojciech Chmielewski, Marian Gorynia, Wojciech Klimowicz, Sandra Malinowska, Tadeusz Mikłosz, Małgorzata Niezgoda and Rafał Szymański. On 23 July, in relation to a resignation filed by Wojciech Chmielewski, Monika Macewicz was appointed into the composition of the Company's Supervisory Board.







## 2. Enea Group's organisation and operations



## Asset restructuring

In H1 2015 Enea Capital Group continued the asset restructuring. The activities below are conducted in accordance with the Corporate Strategy of Enea Group for 2014-2020 which foresees concentration on the core operations. The implemented activities are to guarantee the operation of relevant organisational structures and processes enabling the further development of Enea Capital Group.

Segment	Date	Company	Event
Generation	30 January 2015	Ecebe	Removing the company from the register
Other activity	1 April 2015	Energo-Tour	Putting the company under liquidation
Other activity	1 July 2015	TARPAN	Removing the company from the register

## Equity investments

Segment	Date	Company	Event
Other activity	25 February 2015	Energo-Tour	Acquisition by Enea of 0.08% of shares in order to order the capital structure. Currently, Enea holds 100% of shares.
Generation	15 April 2015	PGE EJ 1	Acquisition by Enea of 10% of shares in the special purpose vehicle which is responsible for the preparation and realisation of the investment being the construction and exploitation of the first atomic power plant in Poland with the capacity of around 3,000 MWe.
Other activity	29 June 2015	Enea Centrum	Raising the share capital of the company by PLN 502,500 and subscription for all 5,025 new shares by Enea SA which paid for them in whole with a contribution in kind being SAP Business Objects Planning and Consolidation (SAP BPC) constituting an element of fixed assets of Enea SA. Raising the share capital is pending registration with the register court.
Generation	23 June 2015	PEC Zachód	On 23 June 2015 Przedsiębiorstwo Energetyki Ciepłej sp. z o.o. with its registered office in Białystok was registered with the National Court Register. The core subject of activity of the company is rendering services for MPEC Sp. z o.o. in Białystok. Enea Wytwarzanie sp. z o.o. took up 98% of shares in the company and the remaining 2% was taken up by Enea Logistyka sp. z o.o.

## Equity disinvestments

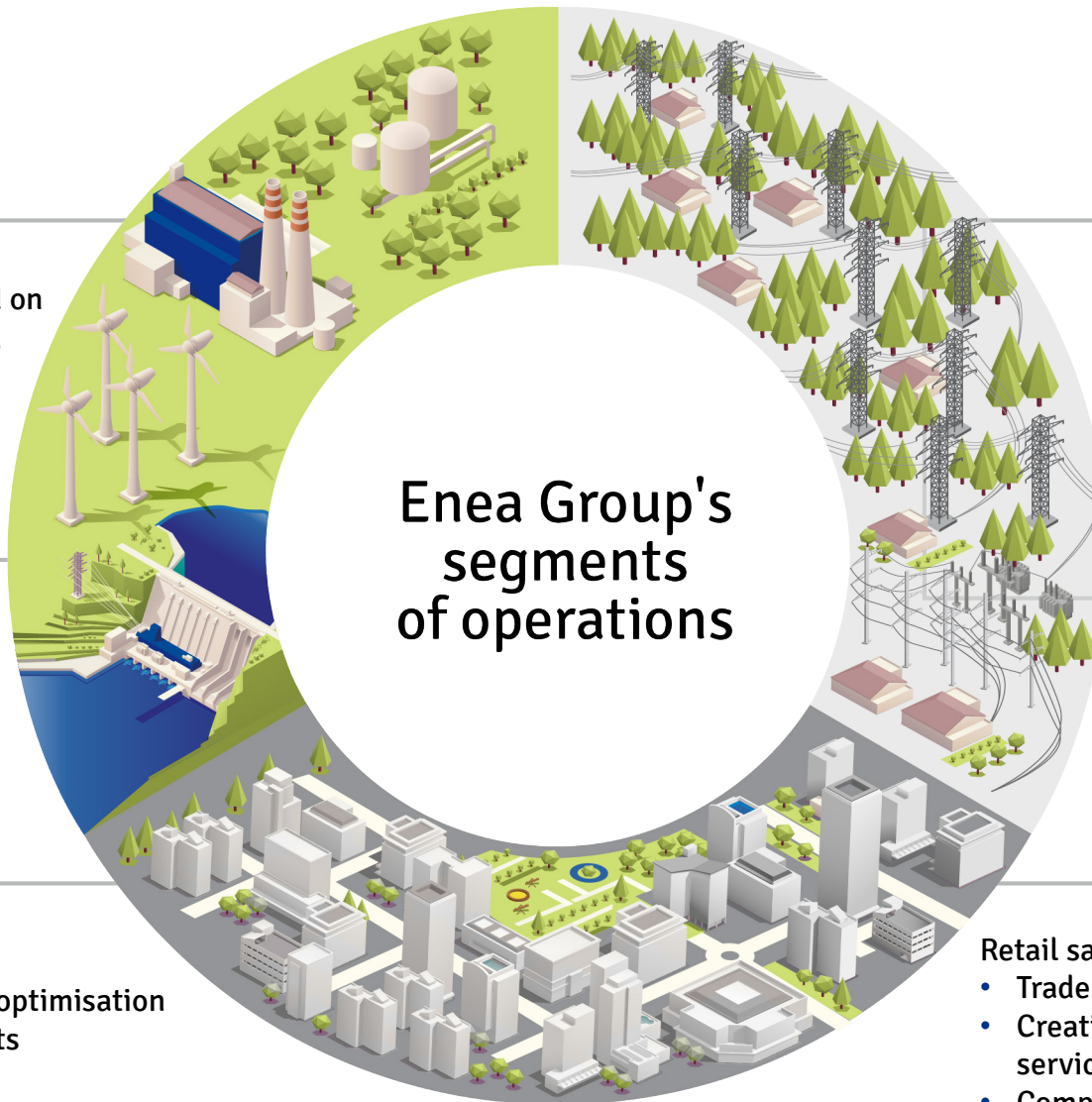
In H1 2015 no significant activities were performed as regards equity disinvestments.

## Changes in the Group's organisation

In H1 2015 Enea Group continued activities focused on the implementation of the Group's Corporate Strategy.

Segment	Company	Event
Other activity	Hotel EDISON	Continuing sales process
	Szpital Uzdrawiskowy ENERGETYK	Commencing sales procedure





### GENERATION

- Generation of electricity based on bituminous coal, biomass, gas, wind, water and biogas
- Cogeneration of heat
- Heat transmission and distribution
- Trade in electricity

### DISTRIBUTION

- Supply of electricity
- Planning and guaranteeing the extension of the distribution network
- Exploitation, maintenance and renovations of the distribution network
- Measurement data management

### TRADE

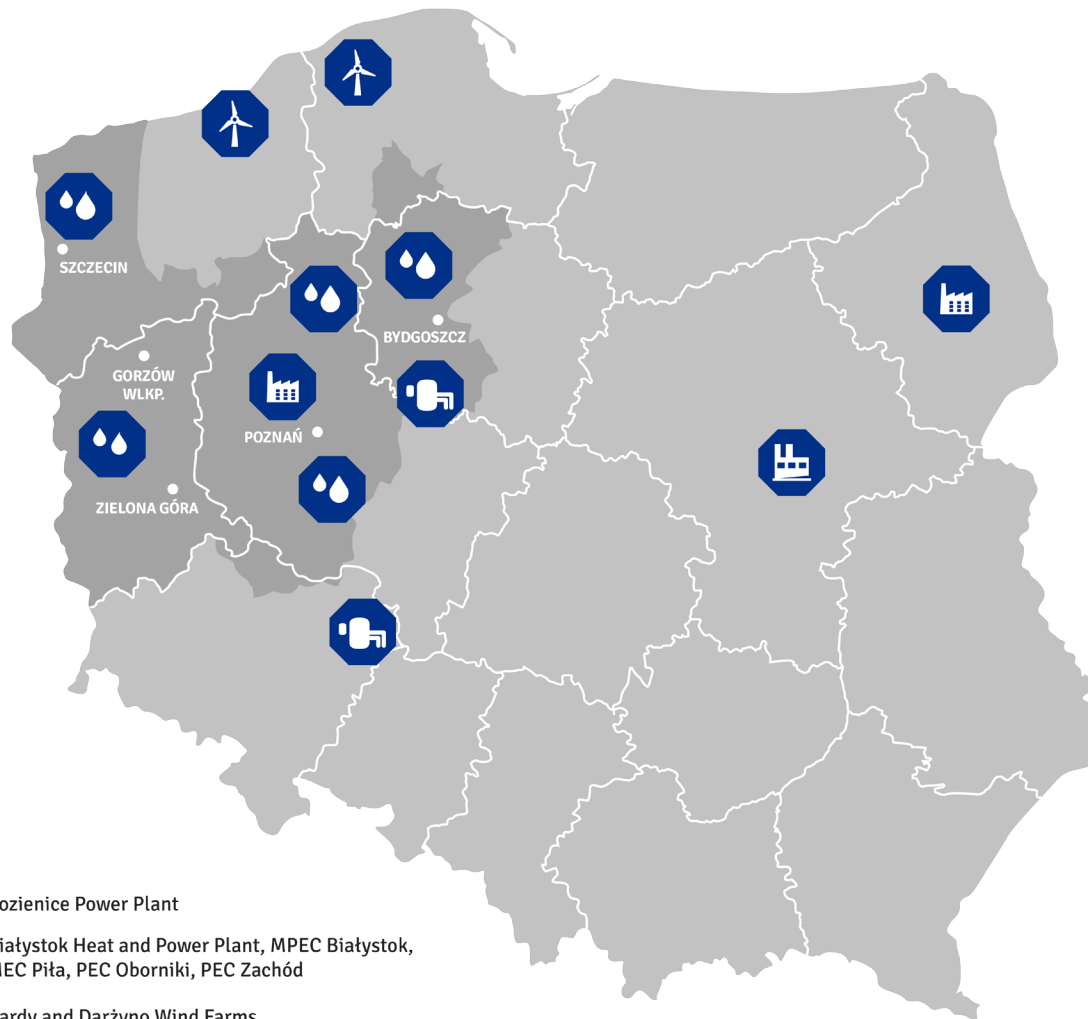
#### Wholesale trading:







- Wholesale contract portfolio optimisation
- Operations on product markets
- Guaranteeing the access to wholesale markets for electricity

#### Retail sales:

- Trade in electricity on the retail market
- Creation and offering of products and services to Customers
- Comprehensive Customer Service



**Generation**


-  Kozenice Power Plant
-  Białystok Heat and Power Plant, MPEC Białystok, MEC Piła, PEC Oborniki, PEC Zachód
-  Bardy and Darżyno Wind Farms
-  21 Hydropower Plants
-  Gorzestaw and Liszkowo Biogas Power Plants
-  Enea Operator distribution network

**Enea Group's generating assets**

Item	Installed electrical capacity [MW <sub>e</sub> ]	Attainable electrical capacity [MW <sub>e</sub> ]	Installed heating capacity [MW <sub>t</sub> ]
Kozenice Power Plant	2 960.0	2 919.0	105.0
Białystok Heat and Power Plant	203.5	156.6	446.5
Bardy and Darżyno Wind Farms	56.0	56.0	-
Liszkowo and Gorzestaw Biogas Plants	3.8	3.8	3.1
Hydropower Plants	60.3	57.6	-
MEC Piła	10.4	10.2	154.4
PEC Oborniki	-	-	30.5
MPEC Białystok	-	-	185.0
<b>TOTAL</b>	<b>3 294.0</b>	<b>3 203.2</b>	<b>924.5</b>

**Allowances for emissions of CO<sub>2</sub> in generating units [tonnes of CO<sub>2</sub>]**

Item	State as at 31 December 2013	State as at 31 December 2014 <sup>1)</sup>
Volume of free allowances for emissions of CO <sub>2</sub> (KPRU - National Allocation Plan)	6 650 107	5 921 554
Volume of allowances for emissions of CO <sub>2</sub> purchased on the secondary market	3 812 692	5 326 118
<b>Total allowances for emissions of CO<sub>2</sub></b>	<b>10 462 799</b>	<b>11 247 672</b>
Emission coverage with free allowances	63.6%	52.6%

1) Changes in the volume of allowances for emissions of CO<sub>2</sub> as regards the state as at 31 December 2014, changed in relation to the state as at 31 December 2013 as a result of activities being:

- application of accounting settlement method based on the Accounting Policy (EUA are recognised using the FIFO method)
- the process of selling a part of allowances resulting from the transaction balance of some volume of sold electricity which was purchased on the market (trade in energy and functioning of the Balancing Market). Unused allowances due to lack of production are sold
- final verification of the volume of free EUA allowances which are received within the incurred expenditures for selected investments whose actual value for a given year is verified and received until 28 February of the next year. The process results in the introduction of adjustments to free allocations in FIFO queue, in relation to earlier estimates.

**Generation**

Item	H1 2014 <sup>1)</sup>	H1 2015	Change	Q2 2014 <sup>1)</sup>	Q2 2015	Change
<b>Total generation of electricity (net) [GWh], including:</b>	<b>6 114</b>	<b>6 293</b>	<b>2.9%</b>	<b>2 972</b>	<b>3 330</b>	<b>12.0%</b>
<b>Net production from conventional sources [GWh], including:</b>	<b>5 584</b>	<b>5 795</b>	<b>3.8%</b>	<b>2 718</b>	<b>3 103</b>	<b>14.2%</b>
Enea Wytwarzanie (excluding biomass co-combustion)	5 480	5 646	3.0%	2 697	3 062	13.5%
Enea Wytwarzanie - Segment of Heat (Białystok Heat and Power Plant - excluding biomass co-combustion)	104	122	17.3%	21	29	38.1%
MEC Piła	0	27	-	0	12	-
<b>Production from renewable energy sources [GWh], including:</b>	<b>530</b>	<b>498</b>	<b>-6.0%</b>	<b>254</b>	<b>227</b>	<b>-10.6%</b>
Co-combustion of biomass	262	186	-29.0%	135	83	-38.3%
Combustion of biomass	121	160	32.2%	58	78	34.5%
Enea Wytwarzanie - RES segment (hydroelectric plants)	67	66	-1.5%	30	29	-3.3%
Enea Wytwarzanie - RES segment (wind farms)	76	78	2.6%	29	33	13.8%
Enea Wytwarzanie - RES segment (biogas plants)	4	8	100.0%	2	4	100.0%
<b>Heat production [TJ]</b>	<b>2 479</b>	<b>3 147</b>	<b>26.9%</b>	<b>676</b>	<b>933</b>	<b>38.0%</b>

<sup>1)</sup> The comparative data does not include MPEC (takeover by the Company on 16 September 2014)

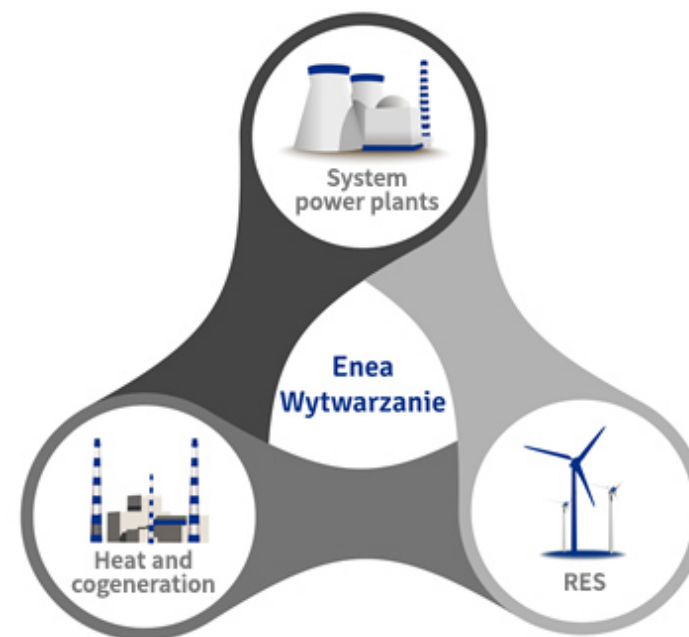
**Purchase and sale of energy by Enea Wytwarzanie on the wholesale market**

In H1 2015 the volume-related electricity purchases in the Segment of System Power Plants amounted to 1,093.1 GWh. The purchases were made for the needs of energy trading activities. Additionally, 607.9 GWh of energy was purchased within the Balancing Market.

In the Segment of Heat the purchase volume in H1 amounted to 4.0 GWh - acquisition on the Balancing Market is 3.9 GWh, purchase in the trade of 0.1 GWh.

Energy trading (sales = purchases) is performed within market possibilities guaranteeing achievement of the anticipated financial result and in order to limit the failure consequences.

Purchase of electricity as a part of H1 2015 trade related to the Segment of System Power Plants and constituted 64% of the whole energy purchases. Purchase of electricity as a part of the Balancing Market constituted 36%.

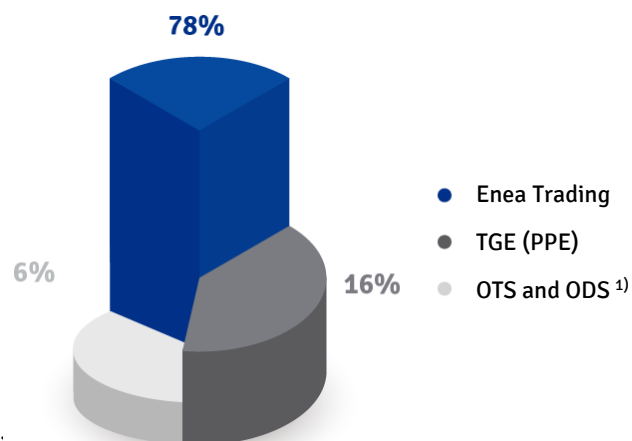


## Generation

Sales volumes of electricity in Enea Wytwarzanie in H1 2015 amounted to 7,968 GWh. Sales were performed by particular segments depending on the statutory obligations and concluded agreements.

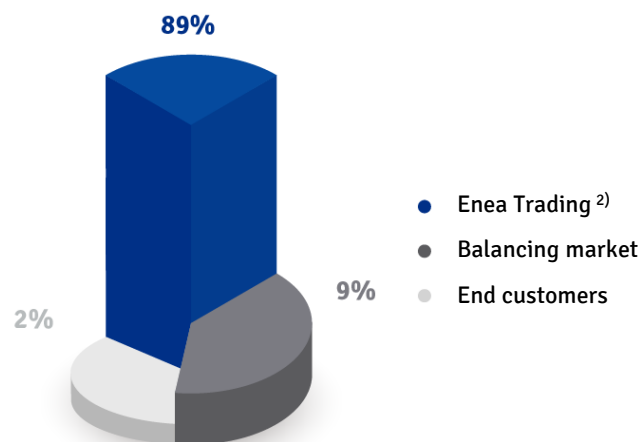
### Sales of electricity as a part of the segment of System Power Plants in H1 2015

Sales of electricity within the Segment of System Power Plants in H1 2015 amounted to 7,531 GWh. In H1, Enea Wytwarzanie was obliged to sell 15% of generated electricity.



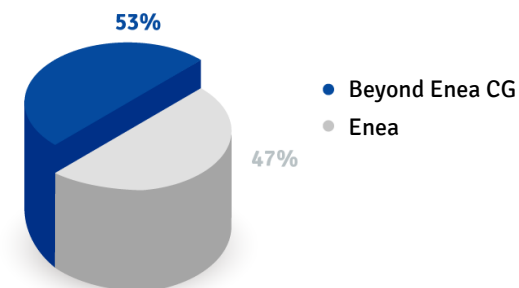
### Sales of electricity as:

In the Segment of Heat sales of electricity in H1 2015 amounted to 286 GWh.



### Sales of electricity as a part of the segment of RES in H1 2015

In the Segment of RES sales of electricity in H1 2015 amounted to 151 GWh.



## Fuel supplies

Fuel type	H1 2014 <sup>3)</sup>		H1 2015		Change	
	Volume ['000 tonnes]	Costs <sup>4)</sup> [mln zł]	Volume ['000 tonnes]	Costs <sup>4)</sup> [PLN mln]	Volume	Costs <sup>4)</sup>
Bituminous coal	2 877	676	3 212	713	11.6%	5.5%
Biomass	361	120	366	103	1.4%	-14.2%
Fuel oil (heavy) <sup>5)</sup>	5	9	4	5	-20.0%	-44.4%
Gas ['000 m <sup>3</sup> ] <sup>6)</sup>	800	1	7 552	11	844.0%	1 000.0%
<b>TOTAL</b>		<b>806</b>		<b>832</b>		<b>3.2%</b>

- 1) OTS - Operator of the Transmission System, ODS - Operator of the Distribution System
- 2) Including Enea SA
- 3) The comparative data does not include MPEC (takeover by the Company on 16 September 2014)
- 4) Including transport
- 5) Light-up fuel in Kozenice Power Plant
- 6) Used for the production of electricity and heat energy in MEC Piła and heat energy in PEC Oborniki

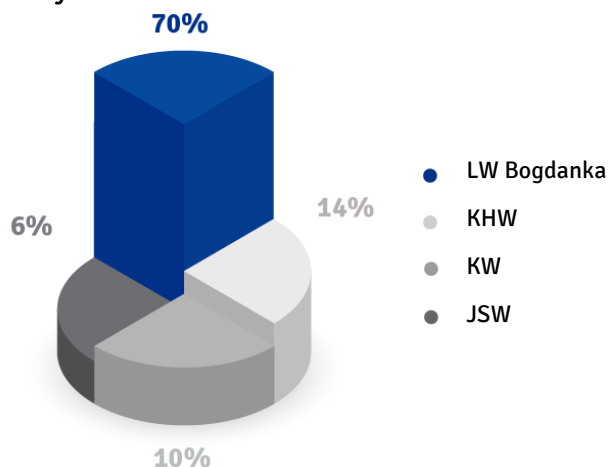
**Generation**

**ENEA WYTWARZANIE – SEGMENT OF SYSTEM POWER PLANTS:**

The basic fuel used to produce electricity is bituminous coal. In H1 2015, the main supplier of coal to Enea Wytwarzanie was Lubelski Węgiel "Bogdanka" SA (ca. 70% of coal supplies). Additionally, coal supplies were performed by: Katowicki Holding Węglowy SA (ca. 14% of supplies), Jastrzębska Spółka Węglowa SA (ca. 6%) and Kompania Węglowa SA (ca. 10%).

Enea Wytwarzanie in H1 2015 held agreements with a total of 10 suppliers of biomass. In that period 108,907.96 tonnes of biomass were purchased for Kozienice Power Plant for the purpose of production of renewable energy. The three key suppliers delivered 65% of biomass. Biomass was mainly sunflower husk briquettes and pellets.

**Coal suppliers to Enea Wytwarzanie in H1 2015**



**ENEA WYTWARZANIE - SEGMENT OF HEAT:**

The basic fuel used in Enea Wytwarzanie - Segment of Heat (Białystok Heat and Power Plant) is biomass, mainly as wood chips, energetic willow chips and sunflower husk pellets.

In H1 2015, biomass was supplied by 12 companies. Over 35% of biomass was delivered to the area of Enea Wytwarzanie - Segment of Heat, using a rail transport.

The only supplier of coal to Enea Wytwarzanie - Segment of Heat was Kampania Węglowa SA in H1 2015. The supplied coal had a low content of sulphur - below 0.6%.

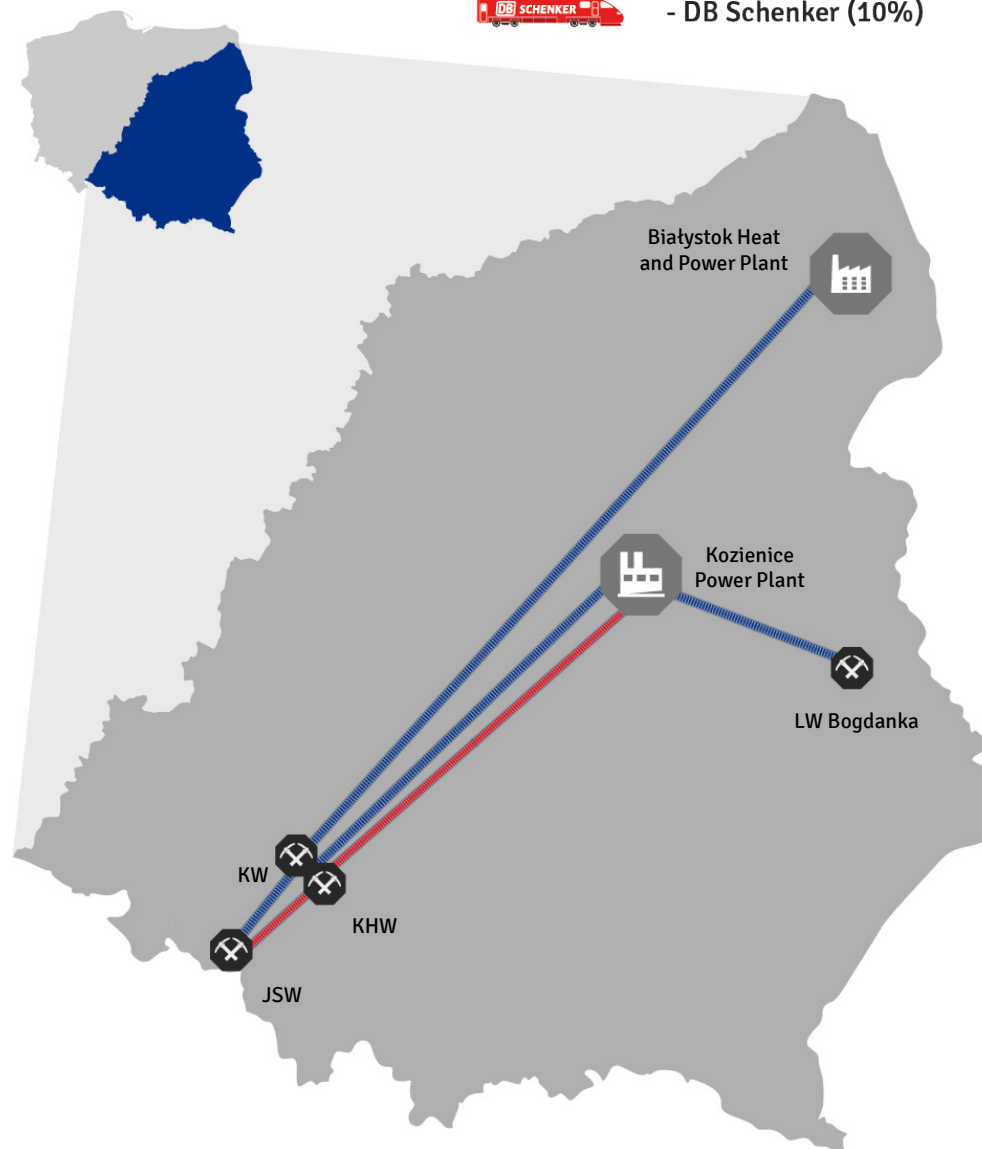
**Coal Transport**

**ENEA WYTWARZANIE – SEGMENT OF SYSTEM POWER PLANTS:**

The only means of transport used to deliver bituminous coal to the Segment of System Power Plants in H1 2015 was a rail transport. PKP Cargo SA forwarder realised 90% of supplies, and DB Schenker Rail Polska SA - 10%.

**ENEA WYTWARZANIE - SEGMENT OF HEAT:**

The basic means of transport used to deliver bituminous coal to Białystok Heat and Power Plant in H1 2015 was a rail transport. Costs of coal transport were included in the price of the purchased coal.





Distribution



**ENEA OPERATOR AS THE OPERATOR OF THE DISTRIBUTION SYSTEM (ODS) IMPLEMENTS A RANGE OF TASKS SPECIFIED BY THE ENERGY LAW:**

- It maintains the distribution network (high, medium and low voltage) in the condition guaranteeing the supply of energy without interruptions and reliably keeping the quality requirements in force
- It extends the distribution network, guaranteeing a possibility of connecting new consumers to it
- It guarantees the provision of energy distribution services to all the consumers, based on an equal treatment

**DUE TO UNDERTAKEN ACTIVITIES:**

- We enhance the Customer Service quality
- We are better prepared for the implementation of the quality tariff by the President of ERO

**ENEA OPERATOR ENHANCES THE EFFICIENCY OF IMPLEMENTED TASKS VIA:**

- Investment activities, comprising e.g. grid modernisation and automation
- Exploitation activities, comprising e.g. implementation of live works to the fullest technological scope and increasing the quality of information on the reasons for failure
- Activities within the work organisation, comprising e.g. optimisation of grid sections blackout planning processes and enhancement of the process efficiency of connecting consumers to the grid



**Distribution**

Item	H1 2014	H1 2015	Change	Change %
SAIDI planned interruptions <sup>1)</sup>	40.37	31.32	-9.05	-22.4%
SAIDI unplanned interruptions <sup>1)</sup>	83.01	138.07	55.06	66.3%
SAIFI planned interruptions <sup>1)</sup>	0.18	0.15	-0.03	-16.7%
SAIFI unplanned interruptions <sup>1)</sup>	1.28	1.98	0.70	54.7%
Grid losses index [%] <sup>1)</sup>	7.13	7.02	-0.11	-1.5%
Number of power stations [thou. of pieces]	36.42	36.88	0.46	1.3%
Station's capacity [MVA]	14 929	15 288	359	2.4%
Length of lines, including: [thou. km]	113.50	114.64	1.14	1.0%
HV lines [thou. km]	4.94	5.01	0.07	1.4%
MV lines [thou. km]	47.93	48.45	0.52	1.1%
LV lines [thou. km]	60.63	61.19	0.56	0.9%
Number of connections [thou. of pieces]	819.81	837.25	17.44	2.1%
Length of connections [thou. km]	18.68	18.97	0.29	1.6%



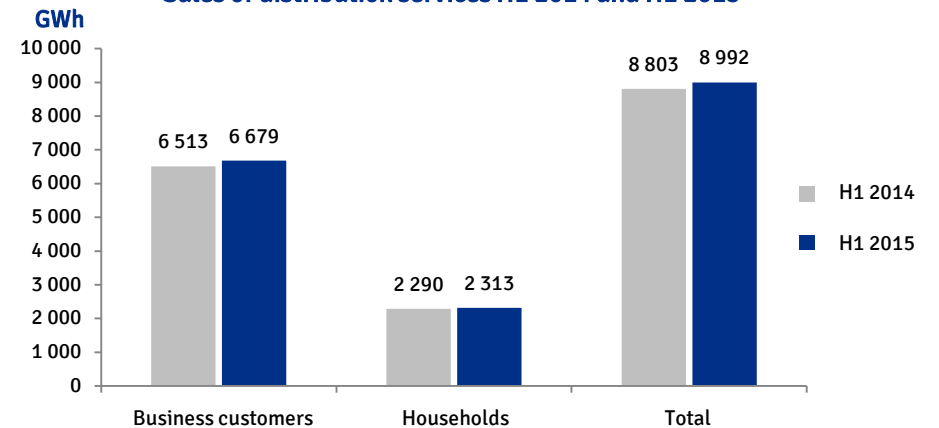
Number of customers: 2.5 mln  
Area: 58.2 thou. km<sup>2</sup>



In H1 2015 SAIDI and SAIFI indices worsened significantly for unplanned interruptions in relation to H1 2014. A growth in indices was a result of weather phenomena of a catastrophic nature which occurred in January (hurricane Felix) and March 2015 (hurricane Niklas).

During 9-11 January the number of consumers deprived of energy reached over 87 thou. - SAIDI index for unplanned interruptions at the end of the month was almost four times higher than in the same period of 2014, and SAIFI for unplanned interruptions - over three times higher.

On the turn of March and April, 31 March - 2 April, the number of recipients without energy reached almost 95 thou. - SAIDI index for unplanned interruptions at the end of April was almost twice as high as in the same period of 2014, and SAIFI for unplanned interruptions - over two times higher.

**Sales of distribution services H1 2014 and H1 2015**


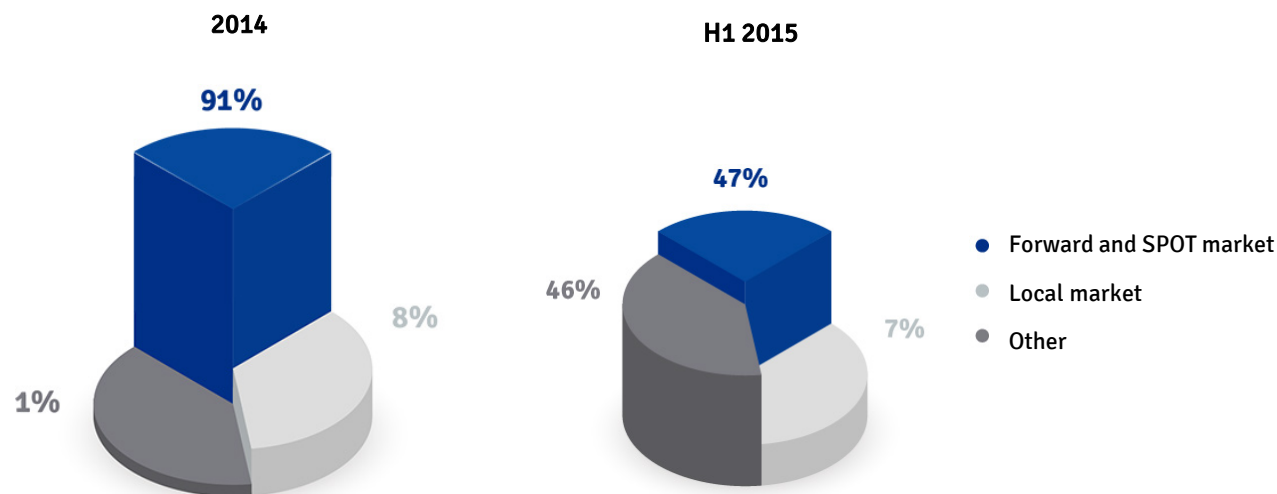
<sup>1)</sup> SAIDI and SAIFI values are given in accordance with the methodology of the President of the Energy Regulatory Office, implemented for the needs of the quality regulation

**Trade**

Forward and SPOT markets constitute the key source of electricity purchased by the segment of Trade (Enea SA and Enea Trading). 6.4 TWh electricity was purchased on these markets in H1 2015, which constituted 47% of total purchases. In H1 2015, the purchased energy was sold mainly to end Customers whose share in the total sales totalled to 58%.

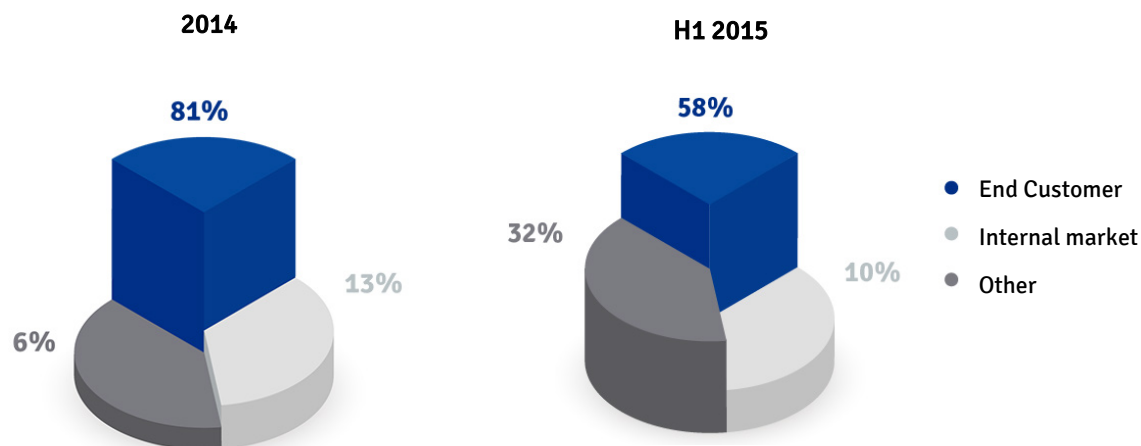
The diagrams below demonstrate the directions of purchases and sales of electricity by the segment of Trade.

**Purchase of electricity**



	Volume H1 2015 [TWh]
Forward and SPOT markets	6.4
Local market	1.0
Other	6.3
<b>SUMA</b>	<b>13.7</b>

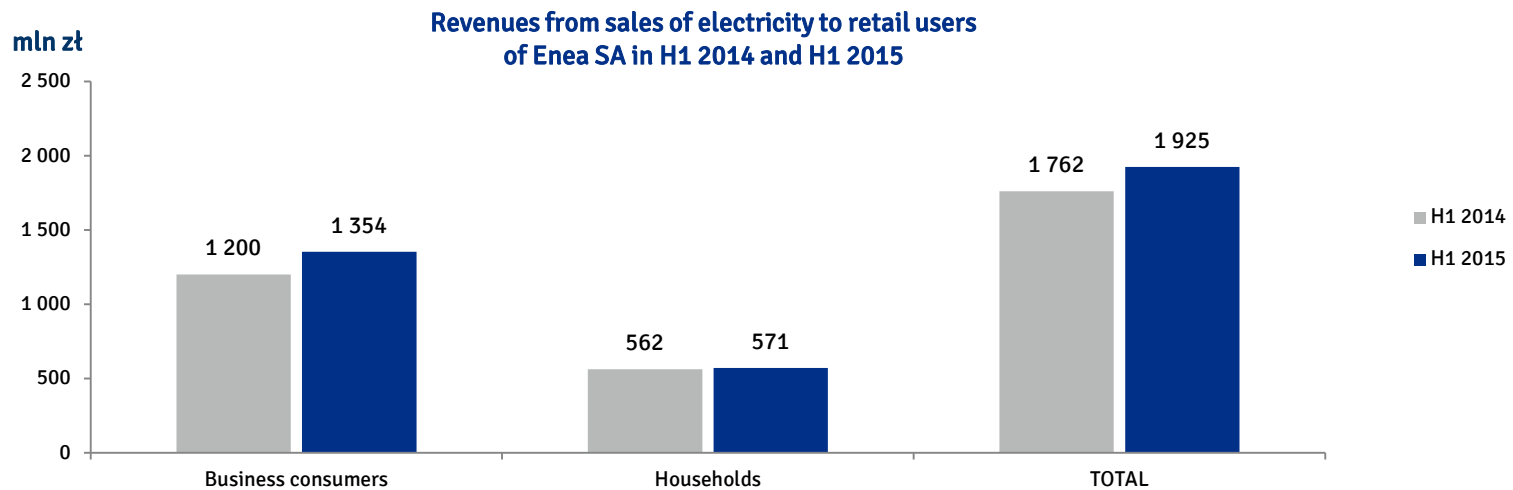
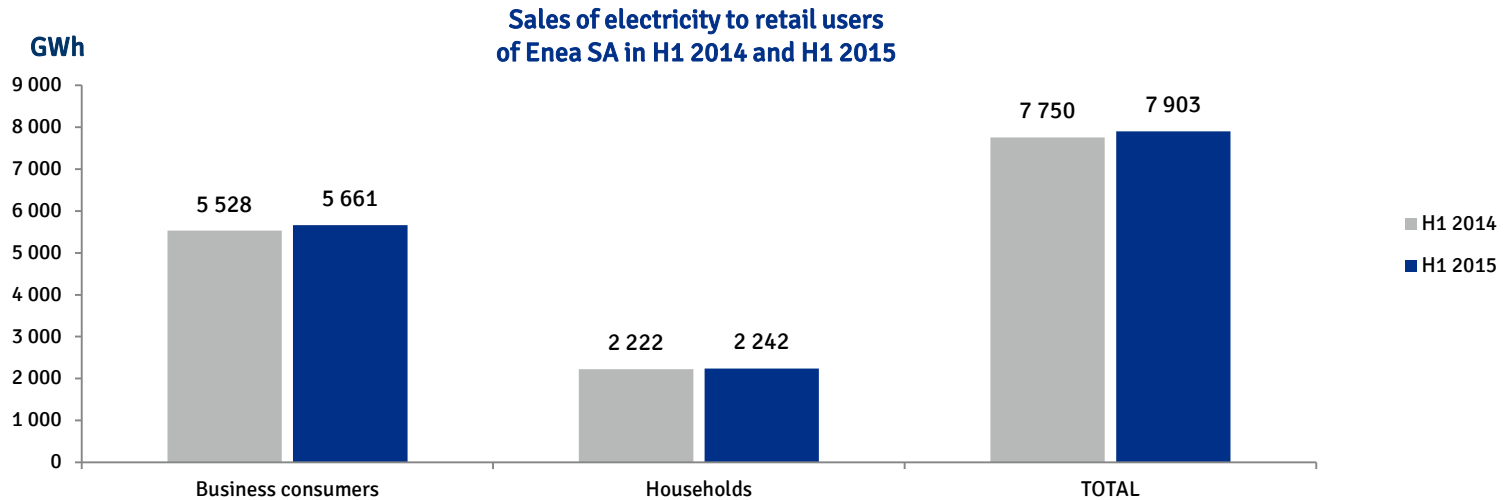
**Sales of electricity**



	Volume H1 2015 [TWh]
End Customer	7.9
Internal market	1.4
Other	4.4
<b>TOTAL</b>	<b>13.7</b>

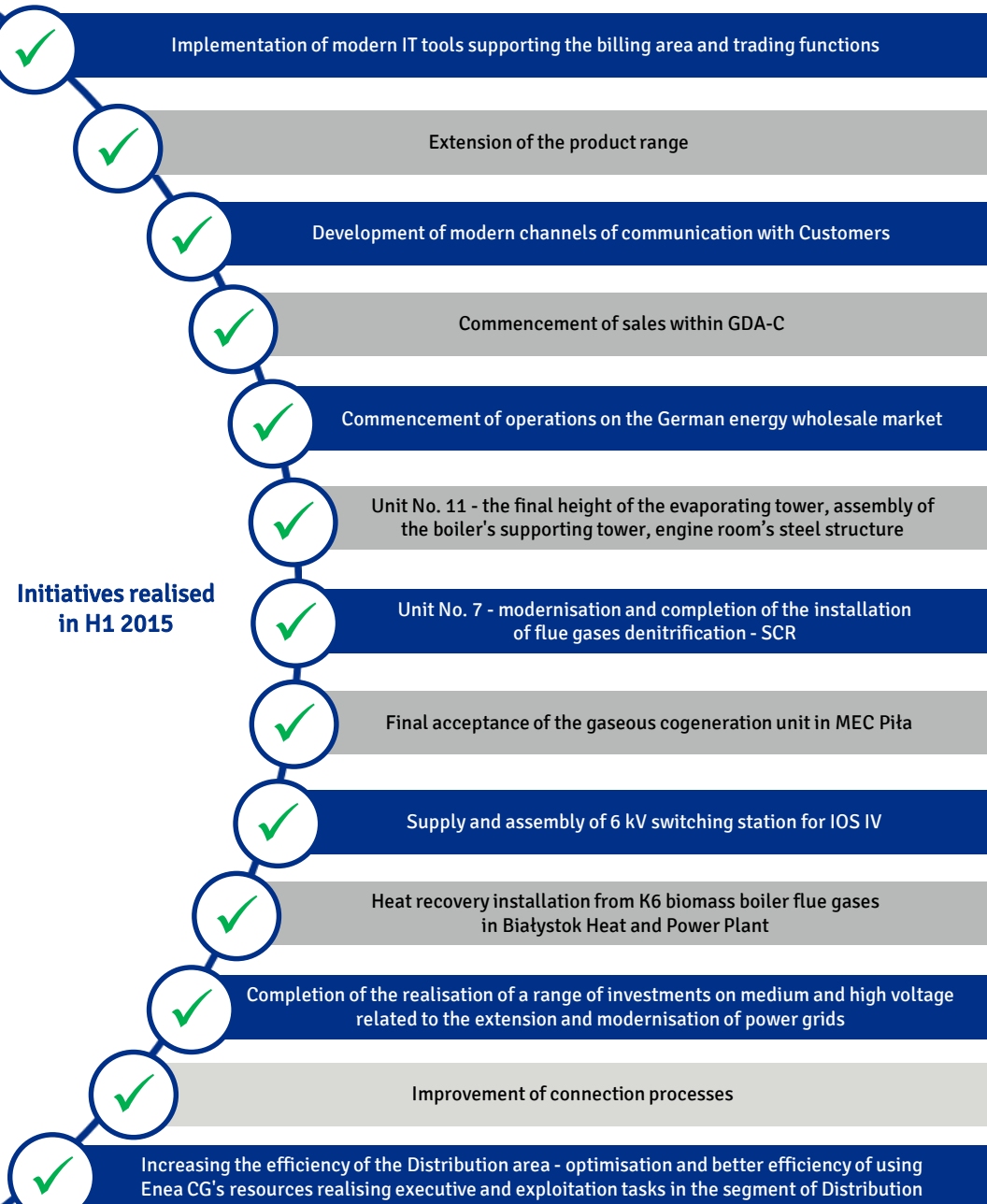
Trade

Sales of electricity to retail users are performed mainly by Enea SA. In H1 2015, as compared to H1 2014, there was a growth in the volumes of electricity sold to retail users by 153 GWh, i.e. ca. 2%. The growth in prices occurred mainly in the segment of business customers. Higher sale volumes along with a growth in the average selling price of electricity resulted, in H1 2015, as compared to the same period of the previous year, in a growth in revenue from sales of electricity to end users by PLN 163 mln, i.e. by over 9%. The growth in the average selling price of electricity stemmed particularly from the changes in the Customer portfolio's structure and introduction of the cogeneration obligation as of 30 April 2014.





Investment strategy

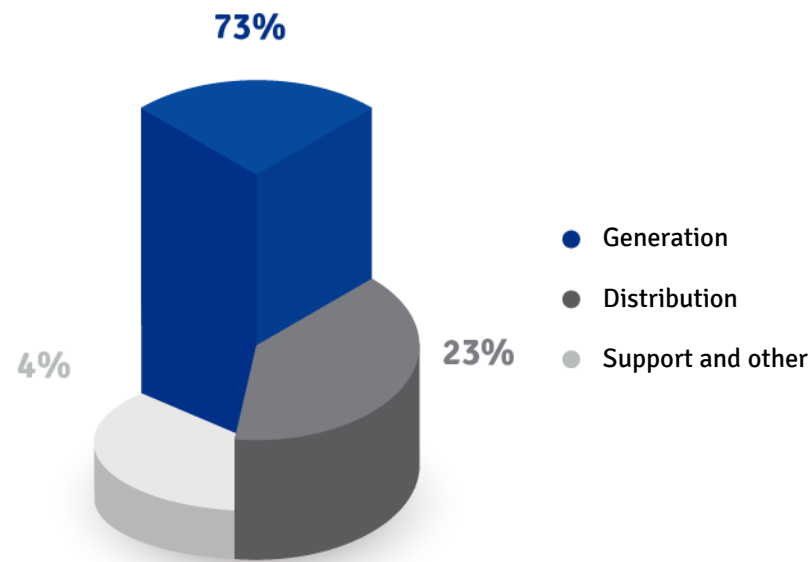


Initiatives realised in H1 2015

2015 is the second year of the implementation of the strategy adopted for 2014-2020. In H1 2015, the incurred capital expenditures are higher by PLN 119 mln as compared to H1 2014.

Capital expenditures [PLN mln]	H1 2014	H1 2015	Change %	2014	2015 Plan
Generation	736.0	821.3	11.6%	1 832	2 509
<i>Unit 11</i>	<i>585.1</i>	<i>633.6</i>	<i>8.3%</i>	<i>1 096</i>	<i>1 587</i>
<i>RES</i>	<i>3.3</i>	<i>10.1</i>	<i>206.1%</i>	<i>13</i>	<i>418</i>
Distribution	240.4	257.6	7.2%	826	899
Support and other	27.5	43.8	59.3%	91	150
<b>TOTAL</b>	<b>1 003.9</b>	<b>1 122.7</b>	<b>11.8%</b>	<b>2 749</b>	<b>3 558</b>

Capital expenditures in H1 2015



**Investments implemented in H1 2015**

**Generation**

- Modernisation of unit No. 7
- Supply and assembly of 6 kV switching station for IOS IV
- Completion of the flue gases denitrification installation - SCR for 200 MW unit No. 7
- Completion of the construction of the heat recovery installation from K6 boiler's flue gases in Białystok Heat and Power Plant
- Final acceptance of the gaseous cogeneration unit in MEC Piła

**Distribution**

- Completion of the reconstruction of a HV single-circuit overhead line in Czarnków ZPP – Czarnków Wschód relation

**Investments planned for 2015**

**Generation**

- Continuation of the construction of a supercritical highly efficient power unit No. 11
- Adjusting generation units to achieve permissible standards of SO<sub>2</sub>, NO<sub>x</sub> and dust emissions that stem from EU directives and the provisions of the Accession Treaty

Segment of System Power Plants	New	<ul style="list-style-type: none"> <li>• Modernisation of units No. 1 and 2</li> <li>• Modernisation of the slag and ash depot - modernisation of field 5 - Stage 1</li> </ul>
	Continuation	<ul style="list-style-type: none"> <li>• Construction of power unit No. 11</li> <li>• IOS IV flue gas desulphurisation plant</li> <li>• Installation of flue gases denitrification - SCR for units No. 4-8 and 1-2</li> <li>• Construction of industrial waste and rainwater treatment</li> <li>• Modernisation of cooling water intake - stabilising checkdam on the Vistula River</li> </ul>
Segment of Heat		<ul style="list-style-type: none"> <li>• Construction of the nitric oxides catalytic reduction installation for K7 and K8 boilers in Białystok Heat and Power Plant</li> <li>• Construction of flue gas desulphurisation plant on K7 and K8 boilers</li> <li>• Raising the share capital of PEC Oborniki</li> </ul>
Segment of RES		<ul style="list-style-type: none"> <li>• Continuation of the construction of 14.1 MW Baczyna wind farm and the extension project of 10 MW Bardy wind farm (the project titled Bardy II)</li> <li>• Searching for new investment and acquisition projects within the realisation of the strategy of increasing the capacity installed in wind farms</li> </ul>

**Distribution**

- Commencement of the application test of intelligent meters (AMI)
- Continuation of the Network Information System project implementation
- Commencement of works over the implementation of the system of digital operator communications in TETRA standard
- Construction of Krzywiń switching station
- Reconstruction of Międzychód-Sieraków HV line
- Construction of a new Dolna Odra-Chlebowo HV line

**In 2017 Enea Capital Group will commission the most modern power unit in Poland and Europe**

**Construction of 1,075 MW unit - works realised in H1 2015**

- Installation of four coal bunkers
- Performance of the steel structure of engine room building
- Performance of the reinforced concrete structure of electrical devices building
- Generator start-up trials at producer's
- Supply of feeding water pumps
- Supply and assembly of feeding water tank
- Assembly of high- and low-efficiency heaters
- Assembly of the superheaters' pipe coil bands (without joining pipes)
- Performance of the top tie beam of the evaporating tower's jacket
- Performance of the reinforced concrete structure of carburising damp station



**Works planned until the end of 2015**

- Placing turbine body
- Placing generator's stator
- Assembly of steam condensers
- Assembly of coal pulverizers
- Assembly of rotating air heaters
- Assembly of unit and tap transformers
- Assembly of supplementary transformer
- Assembly of cooling water pumps
- Assembly of electrostatic precipitator's supporting structure
- Reinforced concrete structure of gypsum store
- Mechanical assembly of railway wagon tippler
- Assembly of steel structures of carburising buildings
- Assembly of steel structure of raw water pumping station
- Performance of reinforced concrete structures of ash tanks
- Commissioning of the electrical building for device assembly



- **The largest in Europe power unit fired with bituminous coal**
- **Completely independent unit, possessing its own infrastructure**
- **New unit means a 1/3 increase in the Kozienice Power Plant's capacity**
- **Unit No. 11 will allow to eliminate deficits of energy on the market**
- **Low exploitation costs and costs of fuel consumption, low failure rate**
- **The works are realised on the schedule**
- **The unit complies with stricter emission requirements**

**Status of works on key investment projects**

Investment	Project status	Work progress (%)	Anticipated date of completion
Construction of a 1,075 MW power unit No. 11	The following works are in progress on the construction site: <ul style="list-style-type: none"> <li>• laying the flake lining of the absorber's jacket and assembly of recirculation piping of the absorber's pumps</li> <li>• assembly of the casing of the main building (engine room and boiler house)</li> <li>• assembly of boiler's spiral walls</li> <li>• assembly of boiler's pressure part</li> <li>• assembly of coal pulverizers</li> <li>• assembly of steam piping</li> <li>• assembly of condensate pumps</li> <li>• performance of foundations under unit line piles</li> <li>• IOS building assembly</li> <li>• protecting the evaporating tower's reinforced concrete jacket</li> </ul>	61%	2017
IOS IV flue gas desulphurisation plant	Completion of the IOS IV functional works and commencement of technological trials after reaching the readiness. Completion of functional trials of auxiliary ventilators, reaching the readiness to flue gas input and flue gas was supplied to raw flue gas ducts to IOS IV. Commencement of the assembly of personal and commodity lift on chimney No. 3.	92%	2015
Modernisation of unit No. 1	Scopes of works and organisation of tender procedures are in progress for granting orders on the remaining works which will be realised during the idleness of unit No. 1.	17%	2015
Modernisation of unit No. 2	Disassembly of systems and installations were performed and prefabrication of parts of elements and components for assembly. Elements are being supplied and preparation works are in progress for the assembly, assembly of a turbine set, works on auxiliary installations of the turbine set, assembly of the boiler's auxiliary installations, assembly of instrumentation and automatics and protections, works in the construction area, modernisation works in the electrical area.	70%	2015
deNO <sub>x</sub> installation on boiler No. K8	The installation was commissioned. Final acceptance is to be performed.	99%	2015
Construction of industrial waste and rainwater treatment	Commencement of construction works: underground reinforcement colliding with new objects was shifted, excavation and bed was executed under "Actiflo" multicompartment reactors.	8%	2016
Installation of flue gases denitrification - SCR for units No. 1 and 2	Completion of the mechanical assembly of flue gas ventilators together with fire dampers and assembly of a reactor on unit No. 2. Completion of the assembly of the supporting structure of flue gas ducts and output flue gas ducts from the reactor. Feed water piping, ECO I and ECO II, input flue gas ducts to the reactor and assembly of the reagent injection preparation devices are being assembled.	43%	2016
Modernisation of unit No. 9 as a part of 2 x 500 MW modernisation programme	In 2017 the modernisation of unit No. 9 is planned. The material scope and tender documentation relating to the unit No. 9 modernisation works are being developed.	1%	2017
Modernisation of cooling water intake - stabilising checkdam on the Vistula River	The project is at the stage of preparation for realisation. The environmental decision is pending (update of the Environmental Impact Assessment Report).	1%	2017
Installation of the catalytic denitrogenation of flue gases and modernisation of electrostatic precipitators for AP - 1650 boilers of units No. 9 and 10 as a part of the 2 x 500 MW modernisation programme	A tender procedure was conducted for "The selection of a Contractor who will perform the development of any legally required documents, necessary for the preparation and conduct of the procedure, pursuant to the act of 29 January 2004 Public Procurement Act, as amended, for the installation of the catalytic denitrogenation of flue gases for AP - 1650 boilers No. 9 and 10 along with the electrostatic precipitators modernisation". The selected Contractor will develop e.g. documents needed for the conduct of the tender procedure for the selection of a General Contractor who will realise the SCR installation on units No. 9 and 10 and replacement of the electrostatic precipitator on unit No. 9 and modernisation of the electrostatic precipitator on Unit No. 10.	2%	2017
Installation of flue gases denitrification - SCR for units No. 4-8	Completion of the SCR installation of flue gases denitrification on units No. 6 and 7 and the common part for SCR installation for units No. 4-8. Some works were also performed relating to the SCR installation on unit No. 8. Currently, SCR installation on unit No. 5 is being performed.	54%	2017
Installation of flue gases denitrification - SNCR for unit No. 3	An unlimited tender was announced for the performance of "The analysis of the necessity of the installation of flue gases denitrification on 200 MW unit No. 3" in the light of regulations in force and the other installations of flue gases denitrification in Enea Wytwarzanie, Świerże Górne location.	1%	2017
Construction of flue gas desulphurisation plant on K7 and K8 boilers	The offers filed for the execution of the installation are being assessed.	3%	2017
Modernisation of unit No. 10 as a part of 2 x 500 MW modernisation programme	In 2018 the modernisation of unit No. 10 is planned. The material scope and tender documentation relating to the unit No. 10 modernisation works are being developed.	1%	2018

## Activities implemented in H1 2015

### Trade

#### Area of Wholesale Trade

- Entry into foreign energy markets - EEX and EPEX SPOT
- IFS Applications / Fuels was upgraded to version 8
- The feasibility study was commenced over the project of Fuel Trade and Logistics.
- Extension of the trading system and implementation of advanced IT tools supporting the realisation of the trading function
- Commencement of gas sales securing operations on the wholesale market performed to Enea's end customers and commencement of trade on own account
- Development of non-standard, structured origination products for Customers from the area of trade in electricity and fuels
- Implementation of the Due Diligence System within certifying the origin of biomass for Białystok localisation

#### Area of Retail Sales

- Building relations with business Customers based on the dedicated offer (Always cheaper+)
- Introduction of a new product for business Customers - "ENEA INDEX DIMINISHING OPTION"
- Development of gaseous fuel sales
- Commencement of rendering comprehensive services (sale of energy and distribution services) to Customers connected to the grid of Tauron Dystrybucja SA
- Launching product sales performed by external Contact Centre
- Introduction of a new product communication for individual Customers: "ENERGY+ Health", "ENERGY+ Peace of Mind", "ENERGY+ Fixed Price"
- Development of energiaplus.pl - a platform for the promotion of new products and services (promotional campaigns: "ENERGY+ Power of Prizes", "ENERGY+ Power of Excitements", "ENERGY+ Active Life")

#### Area of Customer Service

- Launching the new on-line service [www.enea.pl](http://www.enea.pl)
- Launching a new billing system for Szczecin Division
- Launching an Electronic Customer Service Centre for Customers from Szczecin area
- Migration of the first tranche of Customers (over 400 thou. Customers from Szczecin Division)

## Activities to be performed in H2 2015

### Trade

#### Area of Wholesale Trade

- Developing prop-trading operations
- Developing origination product operations
- Developing gas trade operations
- Integration of the sales and hedging portfolio management

#### Area of Retail Sales

- Sales of gaseous fuel to Customers connected to the high pressure network
- Launching new bundle products
- Commencement of the provision of comprehensive services (energy sales and distribution services) to Customers connected to the grids of ENERGA Operator SA, PGE Dystrybucja SA and RWE Stoen Operator sp. z o.o.
- Launching the e-commerce platform

#### Area of Customer Service

- Completion of a migration process of Customer data to the central billing system - CCSS-T, CCSS-D
- Launching new, electronic channels of Customer Service - e-CSC, e-Invoice for Customers from the whole area
- Completion of works over the new internet portal of Enea Group
- CSC network optimisation
- Selected CSC visualisation
- Further development of Contact Centre



PEKAO SA without commission



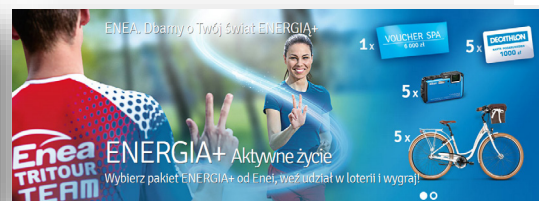
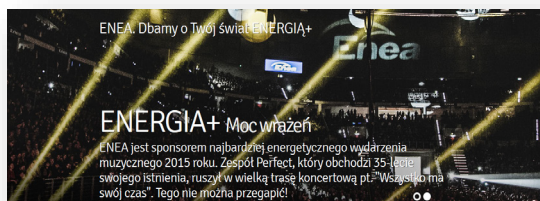
direct debit



e-CSC



e-invoices





## Financing sources of the investment programme

Enea SA finances the investment programme using financial surpluses from the conducted business operations and external debt. Enea Capital Group realises the investment financing model in which Enea SA obtains external funding and distributes it to its subsidiaries.

### Currently the Capital Group holds the following agreements on external financing:

#### Programme Agreement on the bond issue programme up to the amount of PLN 3 billion

Enea SA holds the programme agreement relating to the bond issue programme up to the amount of PLN 3 billion with banks operating as Underwriters, i.e.: PKO BP SA, Bank Pekao SA, BZ WBK SA and Bank Handlowy w Warszawie SA. Financing is not hedged.

The funds obtained from the programme are allocated to the realisation of investment projects in Enea Group, including e.g. for the construction of the 1,075 MW<sub>e</sub> gross supercritical bituminous coal fired power unit, which is being constructed as a part of Enea Wytwarzanie's operations.

As at 30 June 2015 Enea SA issued bonds in the said Programme of the total value of PLN 860 mln. The bond redemption period is 6 years after the date of their issue. The interest rate is based on variable WIBOR rate increased with the margin.

On 23 July 2015 Enea SA signed an annex to the Agreement which amended the conditions of financing, adjusting them to the current market situation.

#### Investment loans granted by the European Investment Bank

On 18 October 2012 Enea SA concluded a financial agreement with the European Investment Bank (EIB) pursuant to which the Company was granted a loan in the amount of PLN 950 mln or its equivalence in EUR (tranche "A").

On 19 June 2013, another loan agreement (tranche "B") was concluded with EIB for the amount of PLN 475 mln. The funds in the total amount of PLN 1,425 mln obtained from the loan are designated for the financing of a multiannual investment plan regarding the modernisation and extension of the power grids of Enea Operator. The loan repayment period is up to 15 years from the planned disbursement of the facility.

As at 30 June, Enea SA drew the total funds from the loan, i.e. in the amount of PLN 950 mln within "A" tranche. The currency of the released loan is Polish zloty, floating rate, based on WIBOR rate for 6-month deposits increased with the Bank's margin. As a part of "B" tranche Enea SA drew the funds in the amount of PLN 100 mln based on a flat rate.

On 29 May 2015, another loan agreement was concluded, pursuant to which EIB provided the Issuer with another financing in the amount of PLN 946 mln or its equivalence in EUR (tranche "C"). The funds gained from the loan will be designated for the financing of a multiannual investment plan in order to modernise and extend the power infrastructure of Enea Operator sp. z o.o. The total cost of the programme is estimated for the amount of around PLN 1,894 mln during 2015 - 2017. Financing is not hedged.

On 28 July 2015 Enea SA disbursed the loans granted by EIB in the total amount of PLN 475 mln (PLN 375 mln of "B" tranche and PLN 100 mln of "C" tranche). The disbursed loan's currency is Polish zloty. The interest rate is floating based on WIBOR rate for 6-month deposits increased with a margin. The tranches will be paid up in instalments, and the final repayment will be made in June 2030.

#### Programme Agreement on the bond issue programme up to the amount of PLN 1 billion

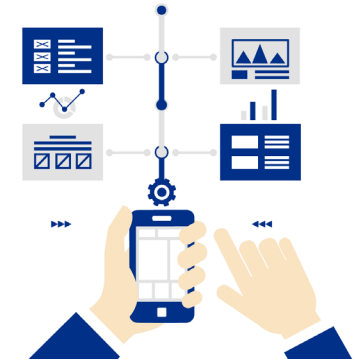
On 15 May 2014, Enea SA concluded a programme agreement relating to the bond issue programme up to the amount of PLN 1 billion guaranteed by Bank Gospodarstwa Krajowego. Financing is not hedged. The funds from that programme are allocated e.g. to the realisation of the investments by Enea SA and subsidiaries. As at 30 June 2015, Enea SA issued bonds in the said Programme of the total value of PLN 260 mln. The bond redemption period is 12.5 years from the date of their issue. The interest rate is based on variable WIBOR rate increased with the margin.

#### Programme Agreement on the bond issue programme up to the amount of PLN 5 billion

On 30 June 2014, Enea SA concluded a programme agreement relating to the bond issue programme up to the amount of PLN 5 billion with five banks acting as dealers: ING Bank Śląski SA, PKO BP SA, Bank Pekao SA and mBank SA. As a part of the Programme Enea may issue bonds with the maturity of up to 10 years, and Bank dealers have the duty of care when offering the sale of bonds to market investors. As at 30 June 2015, Enea SA issued one series of bonds in the total amount of PLN 1 billion within the Programme.

On 24 March the bonds were registered with the National Depository of Securities, and on 7 May 2015 they were traded in an alternative trading system on Catalyst.

Enea SA's further actions will concentrate on guaranteeing the appropriate level of diversification of external financing sources for investments planned in Enea Capital Group's Strategy in order to optimise the amount of costs and dates of debt repayment.



## Issue of Enea SA's securities in 2015

Date of issue	Type of issue	Value of issue [PLN '000]
10 February 2015	non-public market issue	1

## Transactions hedging the interest rate risk in 2015

Implementing the Interest Rate Risk Management Policy Enea SA concluded 12 transactions in H1 2015 which hedge the interest rate risk (Interest Rate Swap) for the total equivalence of debt in the amount of PLN 2,120 mln. The concluded transactions will allow for hedging the interest rate level for payments of the financing interest legs.



## Granted sureties and guarantees

In H1 2015, Enea Capital Group companies did not issue any guarantees or sureties, the total value of which would constitute at least 10% of the Issuer's equity.

The total value of sureties and guarantees granted by Enea SA for hedging the liabilities of Enea Capital Group companies as at 30 June 2015 amounted to PLN 122,011 thou., and the total value of received bank guarantees being the collateral of the liabilities of Enea Capital Group companies for the account of external entities as at 30 June 2015 amounted to PLN 50,728 thou.

## Subsidiaries' bond issue programme

One of the significant sources of financing capital expenditures within the Capital Group are bond issues. The information on the bonds issued by the subsidiaries of Enea in 2015 until the end of the reporting period is presented below:

- On 21 January 2015, an annex with mBank was concluded to the programme agreement relating to the Bond Issue Programme of 8 September 2012 pursuant to which the value of the programme agreement was decreased from PLN 4 billion to PLN 3 billion. An annex to the agreement guaranteeing the subscription by Enea for bonds issued by Enea Wytwarzanie was concluded on 21 January 2015 by Enea and Enea Wytwarzanie, along with the annex to the aforementioned agreement. Pursuant to the annex the value of the Enea Wytwarzanie's bonds, whose subscription by the Company is guaranteed, was adjusted to the current value of the Programme and reduced to the amount of PLN 3 billion.
- On 11 February 2015, Enea Wytwarzanie, Enea and PKO Bank Polski concluded an annex to the Programme Agreement of 12 August 2014 relating to the bond issue programme up to the amount to PLN 260 mln. Pursuant to the annex, the Parties increased the value of the Bond Issue Programme to PLN 1 billion and the possible number of bond issues within the Programme was increased to 8, and the expiry date of the Programme availability was set on 31 December 2016. The other terms of the programme remained unchanged.
- On 17 February 2015, Enea Wytwarzanie, Enea and PKO Bank Polski concluded the Bond Issue Programme Agreement for the amount to PLN 760 mln. Pursuant to the agreement, the Issuer has the right to issue bonds until 31 December 2015 on not more than 5 dates up to the total amount to PLN 760 mln. On 3 June 2015 an annex was signed to the Bond Issue Programme Agreement for the amount of PLN 760 mln, based on which the Parties increased the value of the Programme to the amount of PLN 1 billion and changed the provisions of the Agreement so that enable Enea Wytwarzanie to issue bonds both bearing a floating and flat rate interest. As at 30 June 2015 Enea Wytwarzanie issued bonds in the said Programme of the total value of PLN 760 mln.

After the end of the reporting period the following events occurred:

- On 7 July an Execution Bond Issue Programme Agreement was concluded for the amount of PLN 946 mln between Enea as guarantor, Enea Operator as issuer and PKO Bank Polski as agent. Within the agreement Enea Operator may perform up to 10 issues of bonds until March 2017. The bond redemption period - in instalments, however not later than within 15 years from issue. The bonds may bear a floating and flat rate interest based on WIBOR rate increased with the margin, with a review of the interest rate after 4 or 5 years.
- On 15 July Enea Wytwarzanie issued another series of bonds with the nominal value of PLN 936 mln. The issue mentioned above was paid via a set-off of Enea's receivables from Enea Wytwarzanie for the redemption of bonds of the previous series issued by Enea Wytwarzanie. The issue's purpose is keeping by Enea Wytwarzanie the availability of cash used for the implementation of the investment, including the financing of the construction of the B-11 power unit in Kozienice Power Plant and other investment needs of the Company.

- On 29 July Enea took up the issue of two series of bonds issued by Enea Operator in the total amount of PLN 475 mln. The bonds bear a flat rate interest. The bonds will be redeemed in instalments and the final date of the redemption is in June 2030.
- On 6 August 2015 Enea took up the issue of series of bonds issued by Enea Wytwarzanie in the amount of PLN 240 mln. The bonds bear a flat rate interest. The redemption date for the bonds is on 10 February 2015.

## Agreements of significance to Enea Capital Group operations

In H1 2015 Enea Capital Group companies did not conclude any significant agreements, i.e. agreements with the value exceeding 10% of Enea's equity, yet in the reporting period an annex was concluded to the annual agreement for 2014 for the supplies of fuel coal concluded between Enea Wytwarzanie and Lubelski Węgiel "Bogdanka" (LWB). Pursuant to the annex, detailed prices were specified for basic coal supplies in 2015 to Kozienice Power Plant as a result of which the value of the aforementioned annual agreement for coal supplies in 2015 changed and currently amounts to PLN 766 mln.

After the reporting period, i.e. on 21 August, Enea Wytwarzanie supplied a termination notice to LWB relating to the Multiannual Agreement for fuel coal supplies, which was concluded on 4 March 2010, at a 2-years' notice period which will commence on 1 January 2016. Pursuant to Article 61 § 1 of the Civil Code, Enea Wytwarzanie's termination notice of the Multiannual Agreement will be deemed submitted on receipt by LWB or when LWB is able to read the notice. As a consequence of the termination notice filed by Enea Wytwarzanie regarding the Multiannual Agreement, the agreement will be terminated on 1 January 2018. The subject of the Multiannual Agreement for fuel coal supplies from LWB to Enea Wytwarzanie in the period from 4 March 2010 to 31 December 2025. The Multiannual Agreement was terminated by Enea Wytwarzanie due to lack of agreement between the parties as regards coal prices for 2016 within the term foreseen in the Multiannual Agreement, and also due to the Multiannual Agreement's terms which are unfavourable to Enea Wytwarzanie and which do not correspond to the current situation on the fuel coal market. The termination of the Multiannual Agreement should contribute to a long-term enhancement of Enea Wytwarzanie's competitiveness, and thus an improvement in the Issuer's and its capital group's competitiveness, due to the possibility of obtaining fuel coal for the Group's generating assets on more favourable conditions than resulted from the terminated Multiannual Agreement.

## Significant transactions with related parties

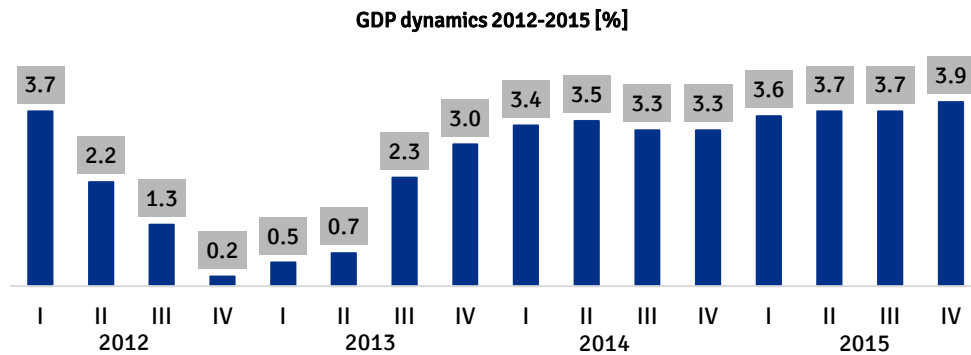
During January - June 2015 Enea and its subsidiaries did not conclude any significant transactions with related entities on non-market conditions.

Information on significant transactions with related entities concluded by Enea or its related entity are described in note 21 to the condensed interim consolidated financial statements of Enea Capital Group for the period from 1 January to 30 June 2015.

**Macroeconomic situation**

Enea Capital Group conducts operations exclusively in Poland. The same macroeconomic factor affecting both the achieved results and the financial situation is the development pace and the general condition of the Polish economy.

According to the data from the Gdańsk Institute for Market Economics (IBnGR) in Q1 2015 the GDP development pace was 3.6%. However, the growth pace in Q2 2015 accelerated a little and amounted to 3.7%. It means that Q2 2015 was a third quarter in a row in which the economic dynamics grew or was at the same level as in the previous quarter. The GDP's pace of growth is therefore the highest in the recent 13 quarters.



The key factor of the economic growth in H1 2015 was the domestic demand. A factor that additionally encouraged the growth in particular in the second part of the aforementioned period was foreign demand.

From among the elements of the domestic demand the greatest dynamics was reported for gross expenditures on fixed assets, i.e. capital expenditures. Pursuant to the assessment by IBnGR, the growth in the category may be related to the atmospheric conditions being favourable for construction works which occurred in Q1 2015 in particular. Additionally, the dynamics of capital expenditures was positively affected by a stable economic situation and good consumer moods. Pursuant to the projects of IBnGR the economic growth in subsequent quarters will accelerate slightly and therefore the GDP dynamics in the whole 2015 will amount to ca. 3.7%. The above will mean a growth in relation to 2014 by 0.3 p.p.

Pursuant to the 2015 forecasts the added value in the industry will grow by 5.0%. The pace of growth in the industry should be relatively stable for the whole year and amount quarterly to 4.5-5.5%. At the same time, the situation will improve in the construction sector, in which the added value will grow by 5.5% after a growth in the previous year by 4.7%.

The pace of growth of the domestic demand in 2015 will amount to 3.4%, i.e. considerably less than in the previous year.

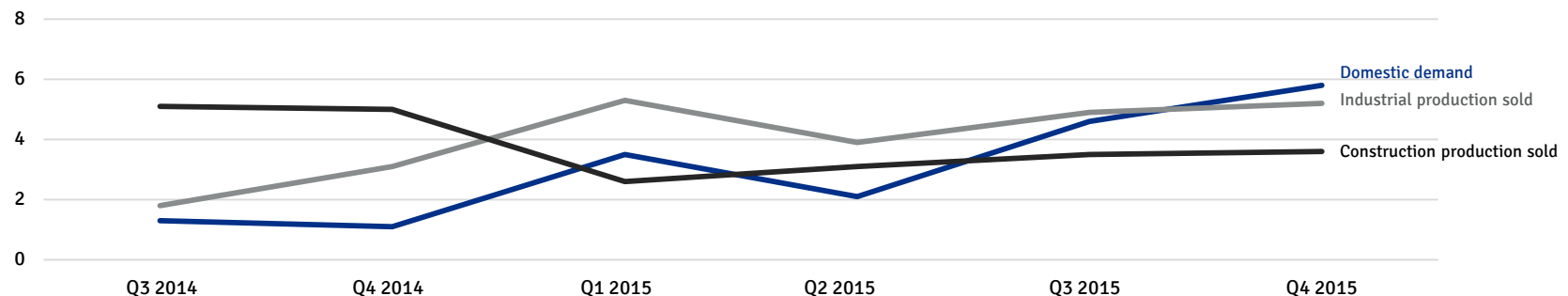
In the projected period however, a growth will be observable both in individual consumption and capital expenditures.

In Q1 2015 the deflation amounted to (-) 1.5% and in Q2 the prices decreased by 0.9% on average. Pursuant to the forecast by IBnGR already in Q3 2015 the deflation will be still reported for the Polish economy. In this period prices will decrease by 0.3% on average. Just in Q4 prices will grow by 0.3%. In the whole 2015, the average level of deflation will amount to (-) 0.6%.

The summary of the key macroeconomic ratios characteristic for the Polish economy is presented below.

Item	unit	Q1 2015	Q2 2015	2015
GDP	growth in %	3.6	3.7	3.7
Value added in industry	growth in %	4.6	4.3	5.0
Value added in construction sector	growth in %	4.0	3.8	5.5
Domestic demand	growth in %	2.6	3.1	3.4
Gross expenditures on fixed assets	growth in %	11.4	10.2	9.5
Industrial production sold	growth in %	5.3	3.9	4.9
Construction production sold	growth in %	3.5	2.1	4.2
Inflation	in %	(-) 1.5	(-) 0.9	(-) 0.6

**Projected dynamics of gross domestic product and sold production (%)**



Source: Developments by IBnGR and economic situation forecast No. 87 (August 2015)

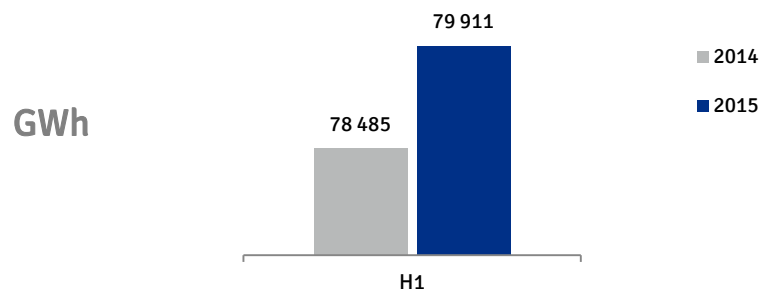
## Situation on the electricity market

### Domestic consumption of electricity

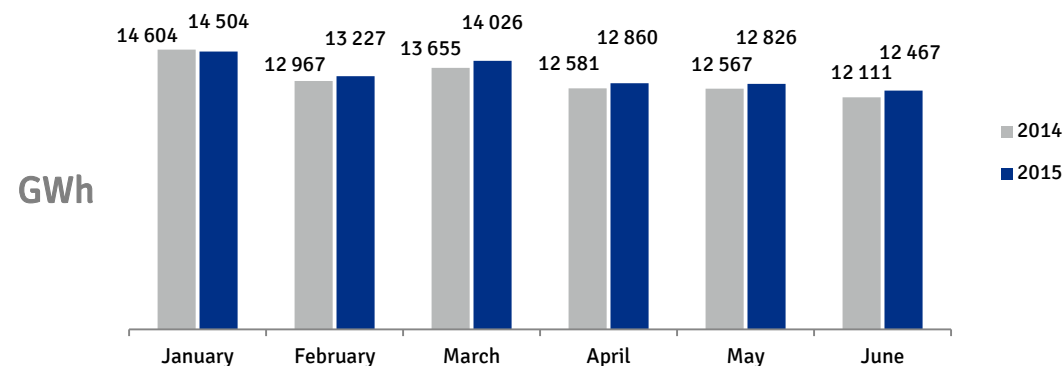
Pursuant to the data published by Polskie Sieci Energetyczne, in H1 2015 the domestic consumption of electricity was greater by 1.8% as compared to the energy consumption in H1 2014.

In H1 2015, a yoy decrease in the domestic consumption of electricity was reported only in January. During the other months the consumption of electricity grew in relation to the same periods of 2014.

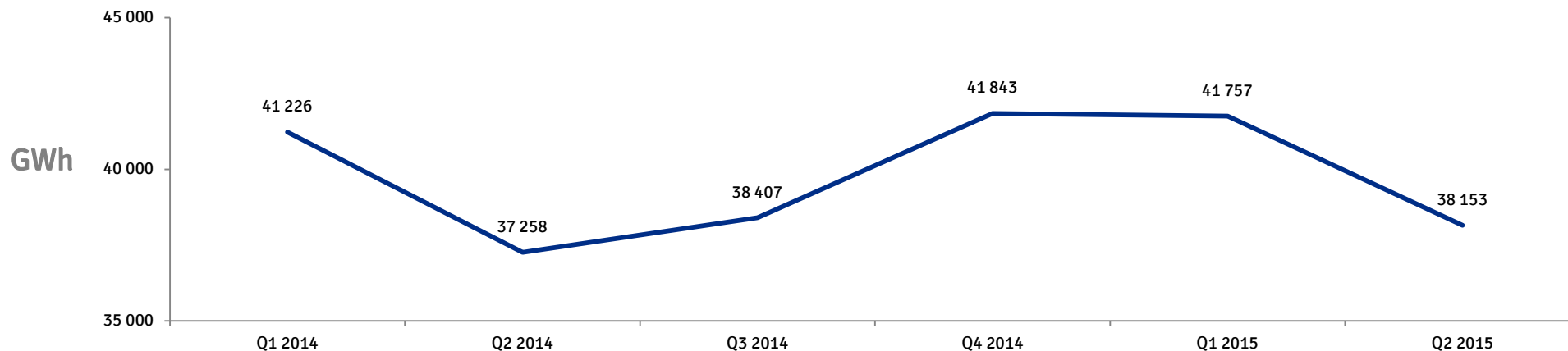
Domestic consumption of electricity in H1 2014 and H1 2015



Domestic consumption of electricity in H1 2014 and H1 2015



Domestic consumption of electricity in 2014 and H1 2015

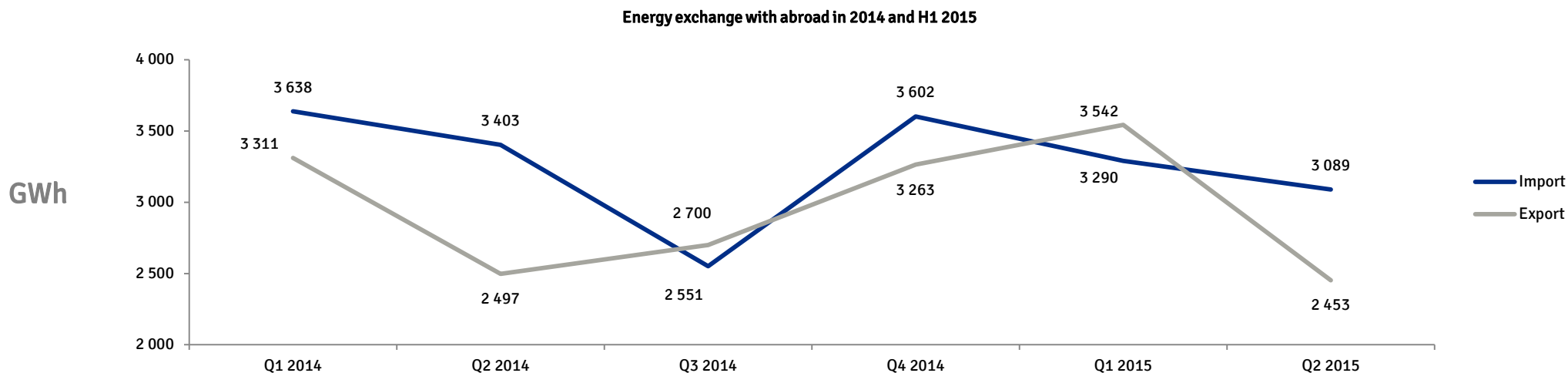
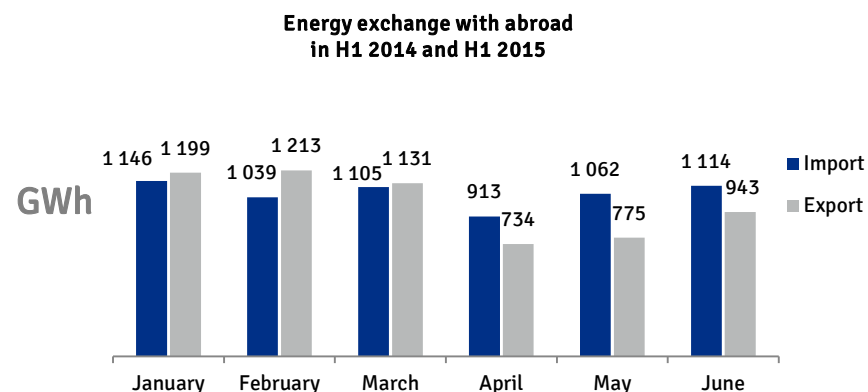
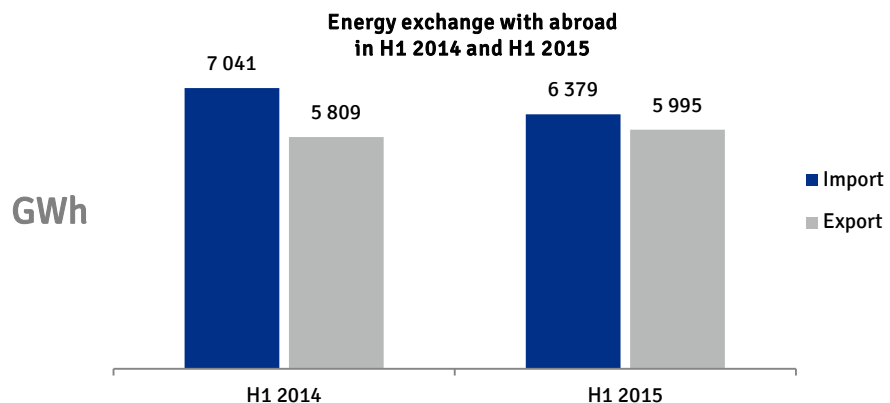


Source: [http://www.pse.pl/index.php?modul=8&id\\_rap=212](http://www.pse.pl/index.php?modul=8&id_rap=212)

**Intersystemic exchange**

In H1 2015 a negative intersystemic exchange balance was generated resulting from the surplus of energy imported from abroad over the energy exported in the amount of (-) 384 GWh. For comparison, in H1 2014 the balance of intersystemic exchange of electricity amounted to (-) 1,232 GWh.

In H1 2015, a monthly balance of electricity exchange with the abroad was positive and indicated the prevalence of export in the period of January - March. In the period from April to June 2015 a surplus of energy imported over the energy exported occurred each month.



Source: [http://www.pse.pl/index.php?modul=8&id\\_rap=222](http://www.pse.pl/index.php?modul=8&id_rap=222)

### Regulatory surrounding

The legal basis for energy market functioning in Poland is the act of 10 April 1997 Energy Law and related secondary legislation (regulations), in particular of the Minister of Economy and Environment.

At the same time, along with Poland accessing the European Union, the Polish legal regulations relating to the energy market were adjusted to the European laws, including in particular EU Directives regarding the principles of the common electricity market.

The central public administration body nominated pursuant to the Energy Law to realise the duties relating to the fuel and energy management and promote the competition is the President of the Energy Regulatory Office. The objective of the President of the Energy Regulatory Office is regulation of the operations of generators, distributors and companies trading in energy compliant with the Energy Law and Polish energy policy strategies with a concurrent pursue of balancing the interests of particular participants of the energy market.

Enea SA's operations are conducted in the environment subject to detailed legal regulations, both in Poland and in the European Union. Legal regulations relating to the energy sector are often derivatives of political decisions, therefore there is a risk of frequent changes within this area which the Company is not able to foresee, and which may, as a consequence, result in a lack of unity and uniformity of regulations, based on which Enea SA performs its operations.

### Amendments within regulatory surrounding

#### Act of 20 February 2015 on energy renewable sources.

In H1 2015, the President of the Republic of Poland signed an act on renewable energy sources.

The goal of the act is increasing the energy security and environment protection, e.g. as a result of an efficient use of renewable energy sources. The act foresees e.g. achievement of at least 15% share of energy from renewable sources in the gross final consumption of energy in 2020. Within ordering activities relating to the RES supporting system the following was anticipated:

- maintaining the present system of support for the existing RES installations (respecting acquired rights), but electricity generators will have a choice between the current rules of support and declaring joining another auction system
- shortening the period of support maximally to 15 years from the first generation of electricity in RES installation confirmed in the issued certificate of origin
- introduction of limitations for the existing RES installations, e.g. through excluding the system of support for hydroenergetics over 5 MW
- introduction of auction system for new and modernised after 1 January 2016 RES installations
- promotion of a prosumer generation of energy from RES in microinstallations (prosumer is concurrently a producer and consumer of electricity); prosumer energy sector is consuming electricity generated in RES for own needs and selling its surpluses to a seller obliged to purchase it; the system foresees e.g. the obligation to purchase the surplus of electricity which was generated in a microinstallation for subsequent 15 years, at the price specified in the act
- reducing charges relating to the acquisition and redemption of energy certificates of origin of electricity from RES for specific industrial customers, and additionally the realisation of obligations within RES and cogeneration by oneself are foreseen for the so called industrial consumers (i.e. entities consuming not less than 100 GWh annually)

Enea SA will be a so called "obliged seller", i.e. an entity obliged to purchase electricity generated in RES installations connected to the grid of Enea Operator sp. z o.o.

The act entered into force on 4 May 2015, and the new system of RES support will be in force from 1 January 2016.

#### Allowances for emissions of CO<sub>2</sub>

On 17 July 2015 the President of the Republic of Poland signed a bill on the greenhouse gases allowance trading system. The act presents the principles and method of allocating emission allowances until 2020. The existing allowances are allocated by the government on the auction platform kept by EEX (European Energy Exchange), but the act will establish a possibility of developing a Polish auction platform. In H1 2015 on three auctions (January, February, March) Poland sold 8,562,000 allowances, i.e. 50% of those 17,125,500 planned for 2015. In July a fourth auction was conducted on which 2,854,000 allowances were sold. Auctions of Polish allowances take place once in two months - subsequent ones are planned for September and November. At least 50% of inflows from sales is to be allocated to purposes strictly defined in the act and related to the climate policy. The act foresees also two exceptions from the auction system - derogations for energy sector and national execution measures. The act will enter into force after 14 days of the date of announcement in the Journal of Laws of the Republic of Poland, which should occur in Q3 2015.

#### Reduction of emission of pollutants

Pursuant to the community regulations, in particular the Directive 1001/80 relating to the limitation of emissions of some pollutants to the air from large combustion sources, Directive 2001/81 regarding National Emission Ceilings for SO<sub>2</sub> and NO<sub>x</sub>, starting from 2016, new environment protection standards are to enter into force. In relation to the above, all producers of electricity in Poland who presently use mainly high-emission coal technologies, will be obliged to adjust the units to new environment requirements.





**Wholesale electricity prices**

In H1 2015, the SPOT market reported very low prices. Comparing to the previous year, the drop amounted to almost 10% (Table 1). SPOT market's low prices were affected e.g. by:

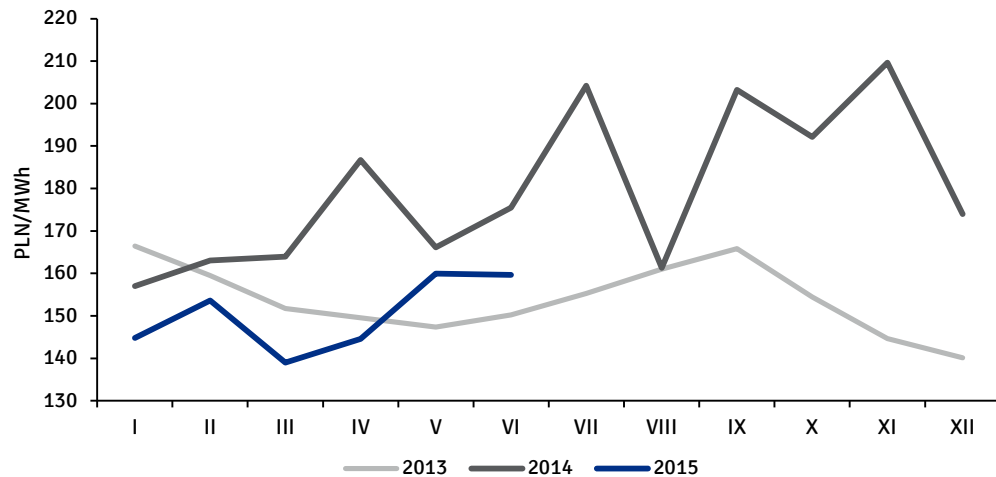
- relatively high level of power available for OTSs
- high level of wind generation
- mild winter
- high level of market participants contracting

Table 1. Average prices on SPOT market (PPE Day Ahead Market)

Period	Average price [PLN/MWh]	Change [%]
H1 2013	154.10	-
H1 2014	168.66	↑ 9.4
H1 2015	150.20	↓ 10.9

Source: Own paper based on data from PPE.

Average electricity prices on Intraday Market



Source: Own paper based on data from PPE.

Lower electricity prices resulting from fundamental factors (oversupply of fuel coal, planned increases in the capacity in wind power plants, plans of increasing the possibilities of importing energy to Poland, low prices on foreign markets) were reported also for the forward market. In H1 2015, the price of the most liquid product, BASE Y-16, dropped from 181.00 PLN/MWh at the beginning of January to 161.91 PLN/MWh at the end of June.

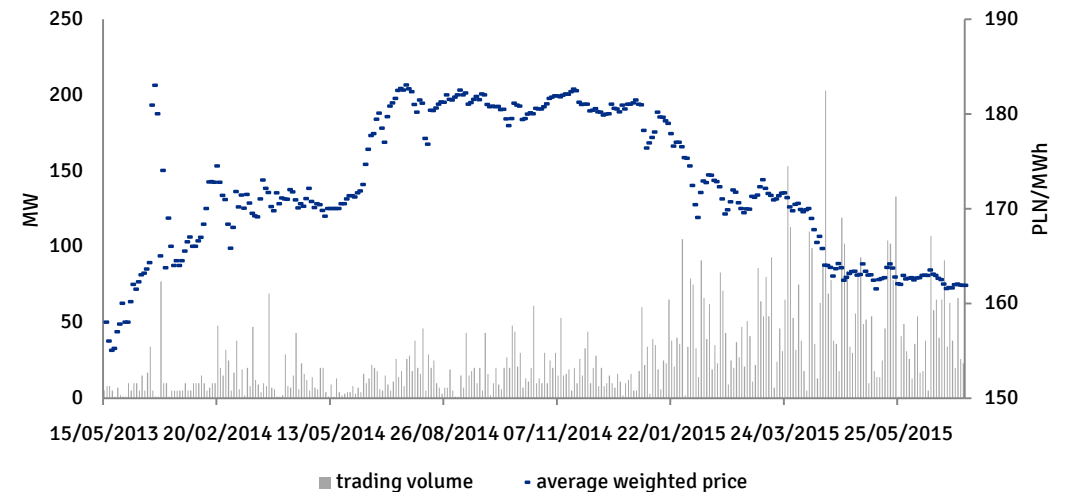
Table 2. Prices on the forward market

Product	Price at the end of quotations [PLN/MWh]	Change yoy [%]	Average price from quotations [PLN/MWh]	Change yoy [%]
BASE Y-13	169.50	↓ 15.9	191.23	↓ 5.6
BASE Y-14	151.00	↓ 10.9	160.27	↓ 16.2
BASE Y-15	177.00	↑ 17.2	168.13	↑ 4.9
BASE Y-16	161.91 <sup>1)</sup>	↓ 8.5	170.80	↑ 1.6

1) At the end of H1 2015

Source: own development based on data from PPE, TFS and WSEInfoEngine.

Transaction prices and volumes – BASE Y-16



Source: own development based on data from PPE, TFS and WSEInfoEngine.

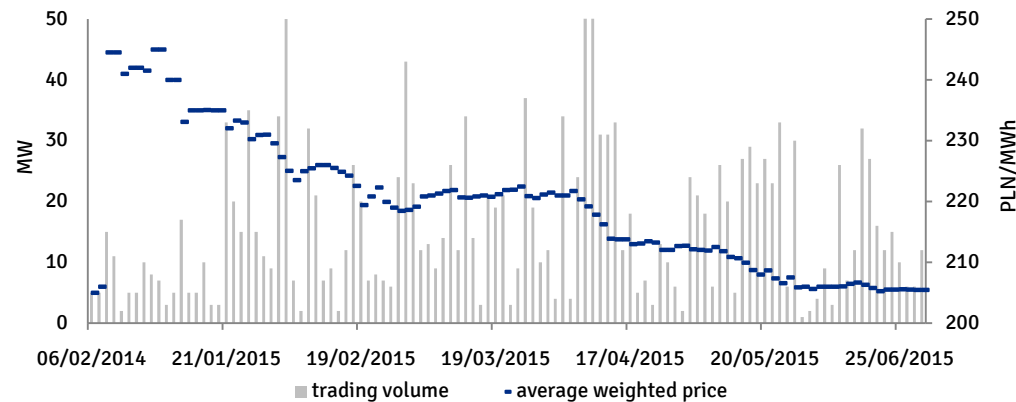
PEAK Y-16 behaved similarly to BASE Y-16 and its price dropped regularly in H1 2015. At the beginning of January the market valuation for this product amounted to 233.00-235.00 PLN/MWh, and at the end of June the price dropped to 205.50 PLN/MWh.

After a growth in electricity prices in 2014, in H1 2015 the trend reversed and both on the SPOT and forward markets significant price decreases were noted. They occur despite good forecasts relating to macroeconomic factors for Poland. The factors which still favour price drops are:

- coal surpluses on fuel market reflected in low coal prices
- high level of power connected with planned significant growth in installed capacity in wind power plants in Poland
- planned growth in possibilities of importing energy to Poland in conjunction with considerably lower energy prices on foreign markets

The question of introducing potential changes in the Community Emission Trading Scheme and fluctuations of prices of allowances for emissions of CO<sub>2</sub> (EUA) is still a factor of uncertainty in the long run.

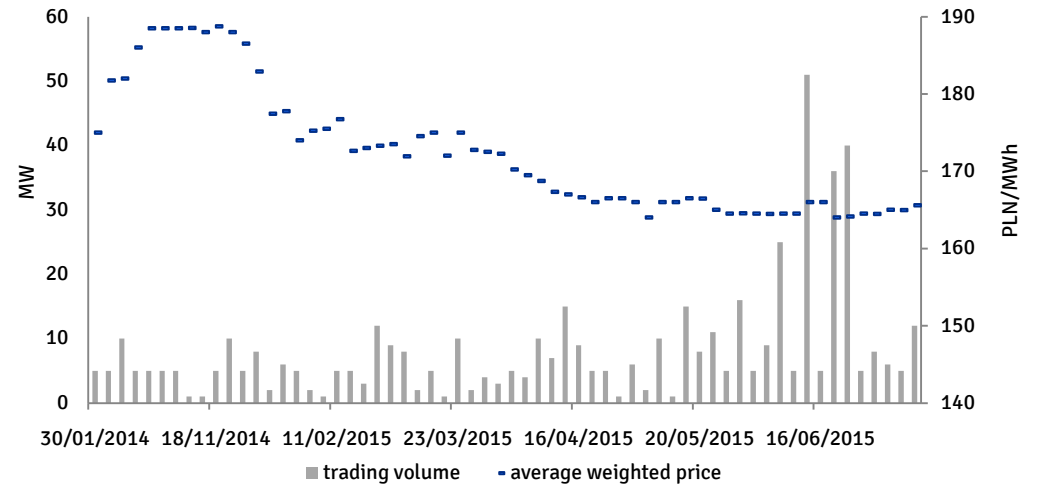
Transaction prices and volumes - PEAK Y-16



Source: own development based on data from PPE, TFS and WSEInfoEngine.

In H1 2015, transactions were also concluded for BASE Y-17, however due to a distant delivery horizon, the trading volumes were significantly lower than for BASE Y-16.

Transaction prices and volumes – baseload for 2017



Source: own development based on data from PPE, TFS and WSEInfoEngine.

### Obligations with respect to obtaining energy certificates of origin

In accordance with the regulations being in force energy companies selling electricity to end users in 2015 are obliged to obtain and redeem the following types of certificates of origin:

- for energy generated in renewable sources, the so called "green" certificates - the obligation on the level of 14.0% of sales to end users
- for energy generated in methane-fired cogeneration, the so called "violet" certificates - the obligation on the level of 1.3% of sales to end users
- for energy generated in gaseous cogeneration units or units with the total installed capacity up to 1 MW, the so called "yellow" certificates - the obligation on the level of 4.9%
- for energy generated in other cogeneration sources, the so called "red" certificates - the obligation on the level of 23.2%
- energy efficiency certificates, the so-called "white" certificates

The next slide presents the contracting price structure on the PPE's session market for particular proprietary interests in H1 2015 is presented below. The analysis excludes PMOZE "green" PIs due to lack of trading volumes and their entire replacement with PMOZE\_A.

Table 3. Prices on the certificates of origin market (PPE's session market)

		Average price in H1 2015		Change in relation to Q4 2014		Maximum price	Minimum price
		PLN/MWh	%	PLN/MWh	PLN/MWh	PLN/MWh	
OZEX_A ("green" proprietary interests)		136.39	↓ -19.4%	↓ -32.90	163.00	105.60	
KGMX ("yellow" proprietary interests)	2014	107.59	↑ 1.8%	↑ 1.89	109.00	99.00	
	2015	114.56	-	-	118.00	110.00	
KECX ("red" proprietary interests)	2014	10.78	↑ 2.8%	↑ 0.30	10.93	8.80	
	2015	10.72	-	-	10.84	10.02	
KMETX ("violet" proprietary interests)	2014	61.84	↑ 1.8%	↑ 1.09	67.00	60.00	
	2015	61.78	-	-	62.00	61.50	
EFX ("white" proprietary interests)		966.62	↑ 1.0%	↑ 9.45	980.00	925.00	

Source: Own paper based on data from PPE.

### Limits of carbon dioxide emission allowances and their market prices

In H1 2015, the prices of allowances for emissions of CO<sub>2</sub> (EUA), despite the fundamental factors, were affected by the activities realised on the European Union's political scene, including mainly the findings of the environment committee (ENVI) and industry committee (ITRE) as regards the market stabilisation reserve.

MSR is a mechanism of steering the supply of emission allowances, which as a rule is to translate into the growth in EUA prices via a gradual liquidation of surplus of the units on the market. Higher prices of allowances are to constitute an encouragement for investing in low-emission energy technologies and renewable energy sources. In line with the original version of projected regulations, 12% of the total number of allowances being traded would go to the stabilisation reserve, and the units would be returned to the market when the total number of allowances in n-year was lower than 400 mln.



Although in March 2015 member states in the negotiation mandate for talks with EP determined the MSR starting date in 2021, then as a result of talks which took place on 5 May 2015 an agreement was concluded as a consequence of which the planned moment of launching the mechanism would be on 1 January 2019. On 8 July 2015 the European Parliament, during a voting over MSR, approved the establishment of a stabilisation reserve in 2018 and its launching from 1 January 2019 and allocation to the reserve of emission allowances (900 mln) which were withdrawn from the market in relation to launching the backloading (the preliminary date of their return to the market is 2019-2020). Such a change is in line with the voting result in ENVI commission of 24 February 2015.

Table 4. EUA and CER price change

Product	Price [EUR/t]			Change %
	Beginning of January 2015	End of June 2015		
EUA Spot	6.99	7.42	↑	6
CER SPOT	0.02	0.41	↑	1 950
EUA Dec-15	7.09	7.46	↑	5
CER Dec-15	0.49	0.40	↓	18

Source: Own development based on data from ICE.

Pursuant to the data relating to the verified emission rates within EU ETS for 2014 published by the European Commission, a drop in the emissions of CO<sub>2</sub> in European Union amounted to 4.5% yoy. For the heating and energy sectors the change amounted to as much as 7.0%, while only for the industry it was just 1.0%. Analysts estimate that EU has already realised the key purpose of the climate policy, i.e. reduced the total level of greenhouse gases emissions by ca. 20% below the level from 1990.



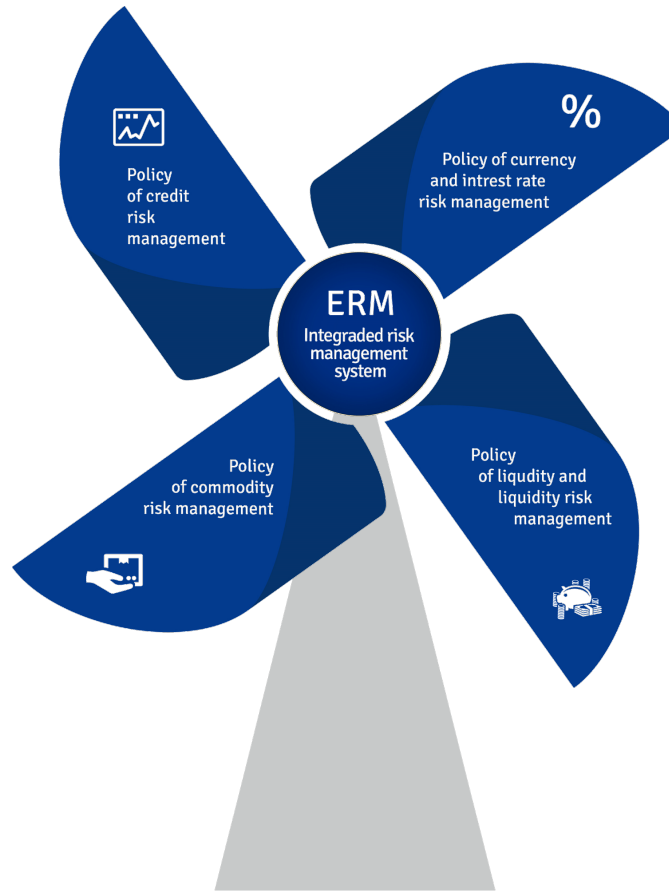
Source: Own development based on data from BlueNext and ICE.

**RISK MANAGEMENT SYSTEM**

- Enea Group in each segment of conducted operations is exposed to risks. Their materialisation may significantly and adversely affect the continuity of operations of particular Group Companies, their financial standing and ability to realise the set strategic goals.
- In reply to the threats Enea Group manages the risks via an integrated management system (**ERM**). The ERM system described in the Corporate Risk Management Policy and related documents includes a comprehensive approach to the risk identification and assessment, selection of key risks, monitoring the level of risk exposure and preparation and monitoring of mitigation plans.
- In the case of some corporate risks, such as credit, loss of liquidity, interest rate risks and commodity risks, a formalised approach to risk management takes the form of dedicated Policies and Procedures.
- Adopted rules of risk management are set based on the highest management standards and are compliant with best market practices.

**RISK MANAGEMENT MODEL**

The concept of the risk management organisation in Enea Group is based on the **coordinated model**. Enea SA, as a part of this model, plays a coordination function for the risk management process in the Group and setting the risk management standards, including the formula and scope of reporting within the risks in accordance with the Policies, Procedures and Methods.



**RISK COMMITTEE**

The key participant of the ERM system in Enea Group is **Risk Committee**. The Committee is an interdisciplinary body, grouping representatives of key business areas of Enea Group, representing all its core Companies in the committee.

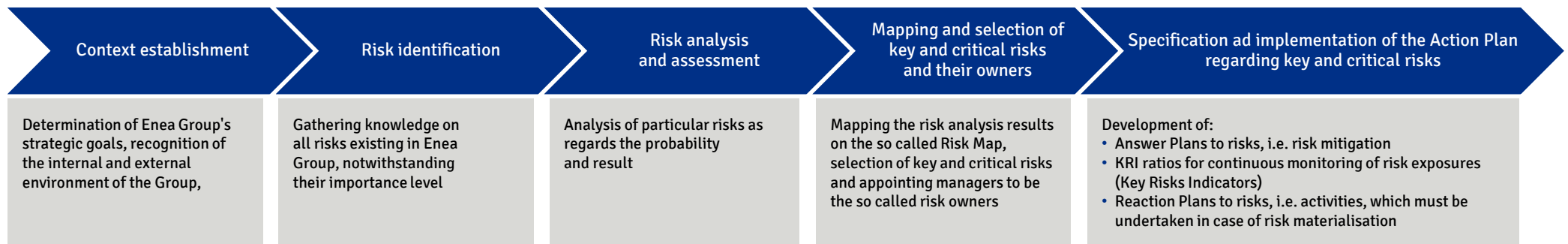
**The Committee's tasks include in particular:**

1. Accepting and recommending policies, strategies, risk management operating model and update amendments within this scope for Enea's Board's approval
2. Accepting and analysis of information on the exposure and level of risk in Enea and Key Companies
3. Making decisions on the following, in particular:
  - approving operating documentation regulating the risk management process with acceptance of update changes (procedures, methods, tools, instructions, guidelines, etc.)
  - approving the map of corporate risks, list of core risks of Core Companies with owners of these risks
  - approving the methods of risk mitigation, including in particular limit levels for risks

**CORPORATE RISK MANAGEMENT PROCESS**

The corporate risk management model includes **5 stages**:

1. Context setting
2. Risk identification
3. Risk analysis and assessment
4. Mapping and selection of key and critical risks
5. Description and implementation of mitigation plans



Enea Group's risk model

**RISK MODEL**

Enea Group identifies and locates risks within specified area categories.

**Key risks to which Enea Group is exposed in area categories**

**Examples of risk mitigating actions in area categories**

Strategic	<ul style="list-style-type: none"> <li>Shareholders/Stakeholders</li> <li>Corporate governance</li> <li>Environment</li> <li>Strategy and its implementation</li> </ul>	<ul style="list-style-type: none"> <li>Risk of unfavourable legal changes in Poland and EU and legislative environment uncertainty</li> <li>Risk of unfavourable changes in the macroeconomic situation in Poland</li> <li>Risk of operations performed contrary to regulators' requirements, in particular of Energy Regulatory Office, Office of Competition and Consumer Protection</li> <li>Risk of ineffective process of implementation of strategic investments and initiatives</li> <li>Risk of loss of core generating and distribution infrastructure as a result of natural disasters and other fortuitous events</li> <li>Risk of loss of income due to unfavourable volatility of atmospheric factors.</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring of probable directions of legislative changes in Poland and EU</li> <li>Performing compliance related activities</li> <li>Analysis and verification of efficiency of implemented strategic investments and initiatives</li> <li>Implementation and supervision over Enea Group's insurance policy</li> </ul>
Market-related	<ul style="list-style-type: none"> <li>Market</li> <li>Market structure</li> </ul>	<ul style="list-style-type: none"> <li>Risk of volatile prices of electricity and derivative products (price risk)</li> <li>Risk of volatile demand reported by consumers for electricity and gas volumes (volumetric risk)</li> <li>Risk of volatile currency exchange rates</li> <li>Risk of volatile percentage rates</li> <li>Risk of increased operations of the competition and insufficiently flexible adjustment to changes in sectoral trends</li> </ul>	<ul style="list-style-type: none"> <li>Dedicated market risk management corporate systems (price, currency, interest rate risks)</li> <li>Risk transferring to third parties</li> <li>Undertaking pre-emptive activities as regards market directions</li> </ul>
Financial	<ul style="list-style-type: none"> <li>Liquidity</li> <li>Credit</li> <li>Controlling</li> </ul>	<ul style="list-style-type: none"> <li>Risk of deterioration or loss of financial liquidity</li> <li>Risk of breaches of financing agreements</li> <li>Risk of failure to obtain receivables for electricity sales (credit risk)</li> </ul>	<ul style="list-style-type: none"> <li>Performance of a strict monitoring of keeping the core provisions of financing agreements</li> <li>Adjusting the schedule of key investments to the Group's predicted "balance sheet volume"</li> <li>Implementation of systematised methods of credit assessment of key customers of Enea Group</li> </ul>
Operating	<ul style="list-style-type: none"> <li>Market</li> <li>Market structure</li> </ul>	<ul style="list-style-type: none"> <li>Risk of failures to the core generating and distribution infrastructure</li> <li>Risk of discontinuation of fuel supplies</li> <li>Risk of no access to key IT systems</li> <li>Risk of inefficient process of sales agreement proceeding within notifications, readings and invoicing</li> <li>Risk related to human errors in key business processes</li> <li>Risk of no access to, improper allocation and non-optimal development of human resources</li> </ul>	<ul style="list-style-type: none"> <li>Maintenance and modernisation of assets</li> <li>Optimisation of asset management</li> <li>Internal supervision and control</li> <li>Succession and competence planning</li> </ul>



### 3. Financial position



**Consolidated profit and loss statement - H1 2015**

[PLN '000]	H1 2014	H1 2015	Change	Change %
Revenue from the sale of electricity	2 926 474	2 836 730	-89 744	-3.1%
Revenue from sale of heat energy	98 330	154 629	56 299	57.3%
Revenue from sale of natural gas	0	33 451	33 451	100.0%
Revenue from sale of distribution services	1 440 690	1 456 088	15 398	1.1%
Revenue from certificates of origin	22 686	5 010	-17 676	-77.9%
Revenue from sales of CO <sub>2</sub> emission allowances	4 920	0	-4 920	-100.0%
Revenue from sale of goods and materials	37 083	53 516	16 433	44.3%
Revenue from sale of other services	52 504	72 823	20 319	38.7%
Recovery of stranded costs	257 508	0	-257 508	-100.0%
<b>Net sales revenue</b>	<b>4 840 195</b>	<b>4 612 247</b>	<b>-227 948</b>	<b>-4.7%</b>
Amortisation/depreciation	344 580	369 934	25 354	7.4%
Employee benefit costs	480 704	473 473	-7 231	-1.5%
Consumption of materials and raw materials and value of goods sold	851 651	935 138	83 487	9.8%
Costs of energy purchases for resale	1 777 871	1 605 192	-172 679	-9.7%
Transmission services	352 195	380 946	28 751	8.2%
Other outsourced services	166 479	140 203	-26 276	-15.8%
Taxes and charges	135 904	147 374	11 470	8.4%
<b>Cost of sales</b>	<b>4 109 384</b>	<b>4 052 260</b>	<b>-57 124</b>	<b>-1.4%</b>
Other operating revenue	83 716	31 667	-52 049	-62.2%
Other operating expenses	49 908	67 128	17 220	34.5%
Profit / (loss) on sales and liquidation of tangible fixed assets	-1	-319	-318	-318.0%
<b>Operating profit (loss)</b>	<b>764 618</b>	<b>524 207</b>	<b>-240 411</b>	<b>-31.4%</b>
Financial expenses	36 108	30 591	-5,517	-15,3%
Financial revenue	40 974	27 399	-13 575	-33.1%
Share in (losses)/profits of affiliated entities accounted for using the equity method	720	0	-720	-100.0%
Dividend revenue	3 355	1 833	-1 522	-45.4%
<b>Profit (loss) before tax</b>	<b>773 559</b>	<b>522 848</b>	<b>-250 711</b>	<b>-32.4%</b>
Income tax	144 007	104 578	-39 429	-27.4%
<b>Net profit (loss) for the reporting period</b>	<b>629 552</b>	<b>418 270</b>	<b>-211 282</b>	<b>-33.6%</b>
<b>EBITDA</b>	<b>1 109 198</b>	<b>894 141</b>	<b>-215 057</b>	<b>-19.4%</b>

**H1 2015:**
**Change factors of EBITDA of Enea CG:**

**(-) recognition of revenue from Long-term Agreements in H1 2014 amounting to PLN 258 mln (one-off)**

(-) lower revenue from sales of electricity by PLN 90 mln:

(-) lower volumes sold in wholesale trading (1,815 GWh), which despite the growth in the average selling price (8.3%) affects a drop in revenue by PLN 215 mln

(+) higher volumes sold in retail trading (153 GWh) and growth in the average selling price (7.1%) affect a growth in revenue by PLN 163 mln

(+) revenue from sales of natural gas - extension of operations in the segment of Trade

(+) higher sales of distribution services by PLN 15 mln stem from:

(+) higher volumes of sales of distribution services to end users and higher rates in 2015 tariff (PLN 54 mln)

(-) lower revenue from sales to the balancing market (PLN 20 mln)

(-) lower fees for grid connection (PLN 20 mln)

(+) growth in revenue from sale of goods and materials by PLN 16 mln resulting from higher sales in Enea Logistyka

(+) higher volumes of sales of heat energy (10.8%) stemming from the acquisition of MPEC Białystok affects the growth in revenue by PLN 56 mln

(-) lower average price of proprietary interests (RES 17%) affects the lower revenue from trading in proprietary interests

(+) higher amortisation costs (PLN 25 mln) stem from higher assets from completed investment tasks and acquisition of MPEC Białystok, and also verification of the useful economic life of fixed assets

(-) higher costs of materials and value of goods sold by PLN 83 mln:

(+) purchase of natural gas in relation to extended operations

(-) higher costs of CO<sub>2</sub> emissions stemming from lower volume of allocated free emission allowances

(+) lower costs of external services result from the realised Fixed Costs Optimisation Programme

(-) higher costs of transmission services by PLN 29 mln stem from higher rates in PSE tariff

(+) lower costs of purchases of electricity by PLN 173 mln as a result of:

(+) lower volume (1,521 GWh), despite higher average purchase price by 2.1%

(-) higher costs of ecological and cogeneration obligations by PLN 60 mln (e.g. entry into force of yellow and red obligations from 30 April 2014)

(-) lower result on the other operating activity by PLN 69 mln stemming from:

(-) redemption of liabilities in the comparative period for the amount of PLN 10 mln (one-off)

(-) higher provisions from potential changes in the legal regulations relating to grid assets by PLN 38 mln (transmission corridors, property tax)

(-) lower revenue from removal of collisions on the grid assets (lower number of realised road investments)

**Consolidated profit and loss statement - Q2 2015**

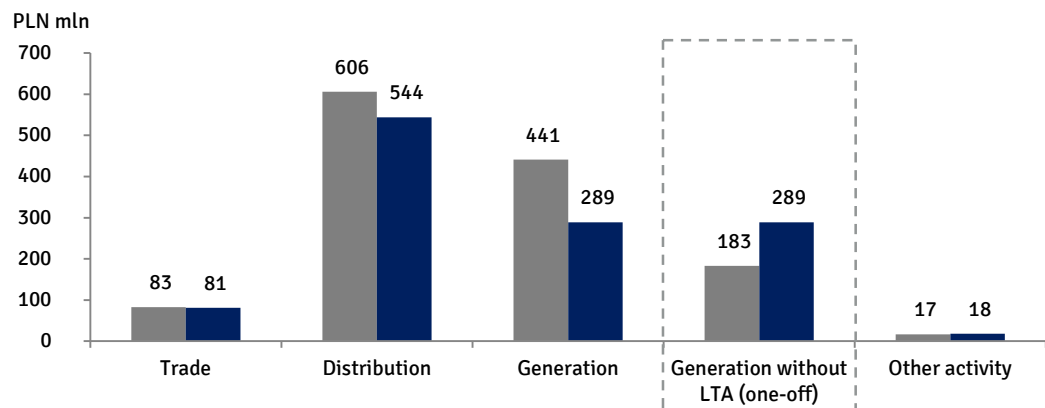
[PLN '000]	Q2 2014	Q2 2015	Change	Change %
Revenue from sale of electricity	1 433 089	1 314 236	-118 853	-8.3%
Revenue from sale of heat energy	31 639	51 573	19 934	63.0%
Revenue from sale of natural gas	0	18 354	18 354	100.0%
Revenue from sale of distribution services	687 469	694 192	6 723	1.0%
Revenue from certificates of origin	6 032	4 523	-1 509	-25.0%
Revenue from sales of CO <sub>2</sub> emission allowances	4 920	-3	-4 923	-100.1%
Revenue from sale of goods and materials	23 748	41 856	18 108	76.3%
Revenue from sale of other services	22 047	41 102	19 055	86.4%
Recovery of stranded costs	257 508	0	-257 508	-100.0%
<b>Net sales revenue</b>	<b>2 466 452</b>	<b>2 165 833</b>	<b>-300 619</b>	<b>-12.2%</b>
Amortisation/depreciation	149 846	188 198	38 352	25.6%
Employee benefit costs	216 829	234 917	18 088	8.3%
Consumption of materials and raw materials and value of goods sold	404 865	481 780	76 915	19.0%
Costs of energy purchases for resale	908 333	711 569	-196 764	-21.7%
Transmission services	173 508	193 618	20 110	11.6%
Other outsourced services	88 292	80 332	-7 960	-9.0%
Taxes and charges	60 387	68 110	7 723	12.8%
<b>Cost of sales</b>	<b>2 002 060</b>	<b>1 958 524</b>	<b>-43 536</b>	<b>-2.2%</b>
Other operating revenue	55 954	9 325	-46 629	-83.3%
Other operating expenses	24 955	29 893	4 938	19.8%
Profit / (loss) on sales and liquidation of tangible fixed assets	-387	10 146	10 533	2 721.7%
<b>Operating profit (loss)</b>	<b>495 004</b>	<b>196 887</b>	<b>-298 117</b>	<b>-60.2%</b>
Financial expenses	18 690	13 949	-4 741	-25.4%
Financial revenue	21 972	8 825	-13 147	-59.8%
Share in (losses)/profits of affiliated entities accounted for using the equity method	121	0	-121	-100.0%
Dividend revenue	3 355	1 833	-1 522	-45.4%
<b>Profit (loss) before tax</b>	<b>501 762</b>	<b>193 596</b>	<b>-308 166</b>	<b>-61.4%</b>
Income tax	83 869	40 661	-43 208	-51.5%
<b>Net profit (loss) for the reporting period</b>	<b>417 893</b>	<b>152 935</b>	<b>-264 958</b>	<b>-63.4%</b>
<b>EBITDA</b>	<b>644 850</b>	<b>385 085</b>	<b>-259 765</b>	<b>-40.3%</b>

**Q2 2015:**
**Change factors of EBITDA of Enea CG:**

- (-) recognition of revenue from Long-term Agreements in Q2 2014 amounting to PLN 258 mln (one-off)**
- (-) lower revenue from sales of electricity by PLN 119 mln:
  - (-) lower volumes sold in wholesale trading (932 GWh), which despite the growth in the average selling price (8.7%) affects a drop in revenue by PLN 109 mln
  - (+) lower volumes sold in retail trading (114 GWh) and growth in the average selling price (7.8%) affect a growth in revenue by PLN 38 mln
- (+) revenue from sales of natural gas as a result of extension of operations in the segment of Trade
- (+) higher revenue from sales of distribution services by PLN 7 mln stems from:
  - (+) higher volumes of sales of distribution services to end users and higher rates in 2015 tariff (PLN 14 mln)
  - (+) higher revenue from sales to the balancing market (PLN 7 mln)
  - (-) lower fees for grid connection (PLN 14 mln)
- (+) growth in revenue from sale of goods and materials by PLN 18 mln resulting from higher sales in Enea Logistyka
- (+) higher volumes of sales of heat energy (13.4%) stemming from the acquisition of MPEC Białystok affects the growth in revenue by PLN 20 mln
- (-) lower average price of proprietary interests (RES 34%) affects the lower revenue from trading in proprietary interests
- (+) higher amortisation costs (PLN 38 mln) stem from higher assets from completed investment tasks and acquisition of MPEC Białystok, and also verification of the useful economic life of fixed assets
- (-) higher costs of employee benefits by PLN 18 mln stemming from e.g. the acquisition of MPEC Białystok
- (-) higher costs of materials and value of goods sold by PLN 77 mln:
  - (+) purchase of natural gas in relation to extended operations in the segment of Trade
  - (+) higher consumption of coal (12%) in relation to higher production of electricity, despite prices of the material lower by 2%
  - (-) higher costs of CO<sub>2</sub> emissions stemming from lower volume of allocated free emission allowances
- (-) higher costs of transmission services by PLN 20 mln stem from higher rates in PSE tariff (20.6%)
- (+) lower costs of electricity purchases by PLN 197 mln as a result of lower volumes (679 GWh) with a simultaneous drop of the average purchase price by 2.7%
- (-) lower result on the other operating activity by PLN 52 mln stemming from:
  - (-) higher provisions from potential changes in the legal regulations relating to grid assets (transmission corridors, property tax)
  - (-) lower revenue from received damages

Results on particular segments of operations of Enea Capital Group

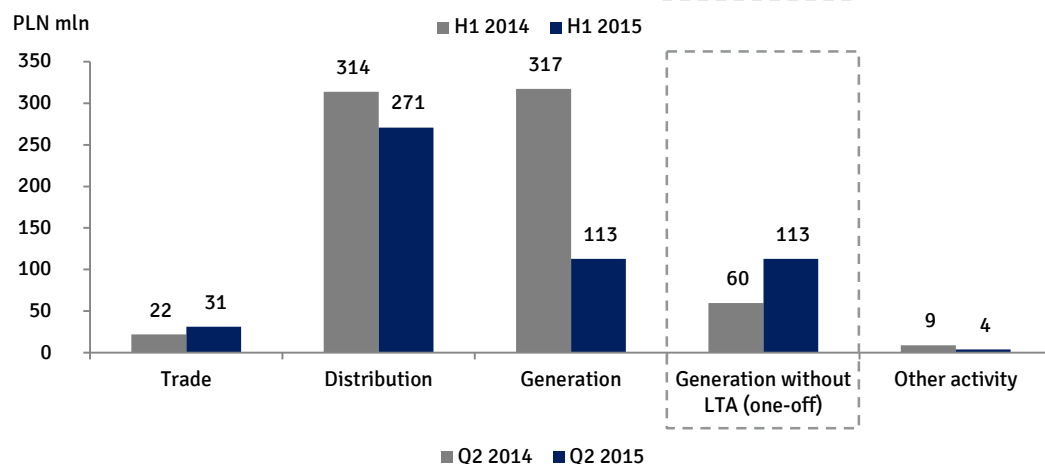
EBITDA [PLN '000]	H1 2014	H1 2015	Change	Change %	Q2 2014	Q2 2015	Change	Change %
Trade	82 923	81 065	-1 858	-2.2%	21 821	31 197	9 376	43.0%
Distribution	606 202	543 560	-62 642	-10.3%	313 733	270 783	-42 950	-13.7%
Generation	440 862	289 072	-151 790	-34.4%	317 182	112 698	-204 484	-64.5%
<i>Generation without Long-term Agreements (one-off)</i>	<i>183 362</i>	<i>289 072</i>	<i>105 710</i>	<i>57.7%</i>	<i>59 682</i>	<i>112 698</i>	<i>53 016</i>	<i>88.8%</i>
Other activity	16 733	18 337	1 604	9.6%	8 960	3 726	-5 234	-58.4%
Undistributed items and exclusions	-37 522	-37 893	-371	-1.0%	-16 846	-33 319	-16 473	-97.8%
<b>Total EBITDA</b>	<b>1 109 198</b>	<b>894 141</b>	<b>-215 057</b>	<b>-19.4%</b>	<b>644 850</b>	<b>385 085</b>	<b>-259 765</b>	<b>-40.3%</b>



**Enea CG H1 2015:**

**The highest EBITDA in the segment of Distribution**

**The greatest growth in EBITDA in the segment of Generation after exclusion of revenue from Long-term Agreements (PLN 258 mln)**



**Enea CG Q2 2015:**

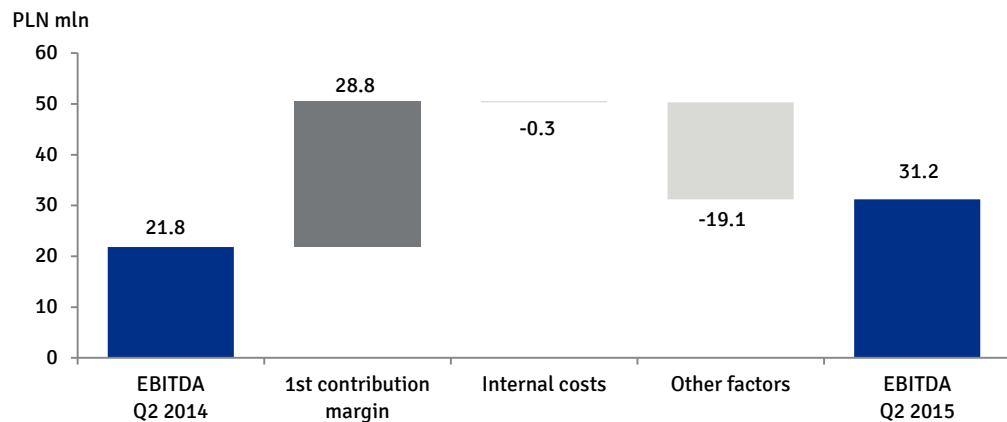
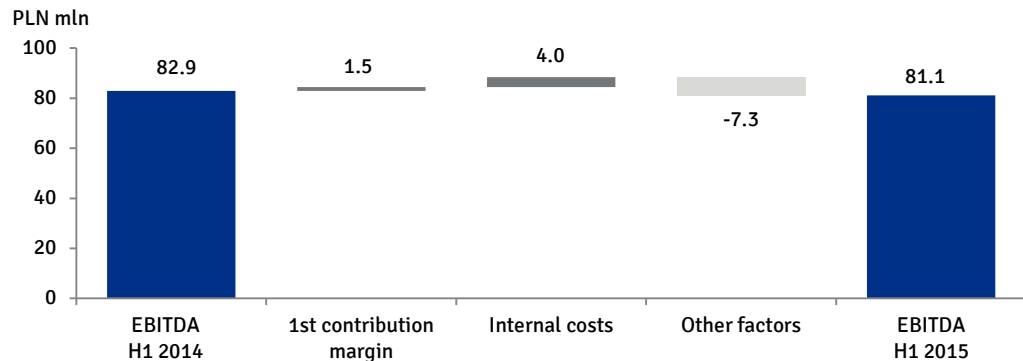
**The highest EBITDA in the segment of Distribution**

**The greatest growth in EBITDA in the segment of Generation after exclusion of revenue from Long-term Agreements (PLN 258 mln)**

**Segment of Trade**

[PLN '000]	H1 2014	H1 2015	Change	Change %	Q2 2014	Q2 2015	Change	Change %
Sales revenue	1 989 422	2 844 877	855 455	43.0%	988 101	1 337 303	349 202	35.3%
EBIT	82 575	80 697	-1 878	-2.3%	21 672	31 018	9 346	43.1%
Amortisation/depreciation	348	368	20	5.7%	149	179	30	20.1%
<b>EBITDA</b>	<b>82 923</b>	<b>81 065</b>	<b>-1 858</b>	<b>-2.2%</b>	<b>21 821</b>	<b>31 197</b>	<b>9 376</b>	<b>43.0%</b>
CAPEX	2 553	17 073	14 520	568.7%	643	17 027	16 384	2 548.1%
Share of sales revenue of the segment in the Group's sales revenue	36.6%	45.9%	-	-	35.6%	45.2%	-	-

Enea SA deals with retail sales of electricity  
Wholesale is realised by Enea Trading sp. z o.o.


**H1 2015 Change factors of EBITDA:**
**First contribution margin**

- (+) higher average selling price by 7.1%
- (-) higher costs of ecological obligations by PLN 60 mln
- (-) higher average purchase price of energy by 8.0%
- (+) higher volumes of sales by 153 GWh
- (+) result on gaseous fuel

**Internal costs**

- (+) lower costs of customer service and debt collection procedures PLN 11 mln
- (-) higher costs of commercial marketing PLN 3 mln
- (-) higher costs of commissions for business partners PLN 3 mln

**Other factors**

- (-) new provisions for litigation PLN 11 mln
- (+) analysis and verification of the balance of receivables PLN 3 mln

**Q2 2015 Change factors of EBITDA:**
**First contribution margin**

- (+) higher average selling price by 7.8%
- (-) higher costs of ecological obligations by PLN 8 mln
- (+) higher average purchase price of energy by 4.7%
- (-) lower volume of energy sales by 114 GWh
- (+) result on gaseous fuel

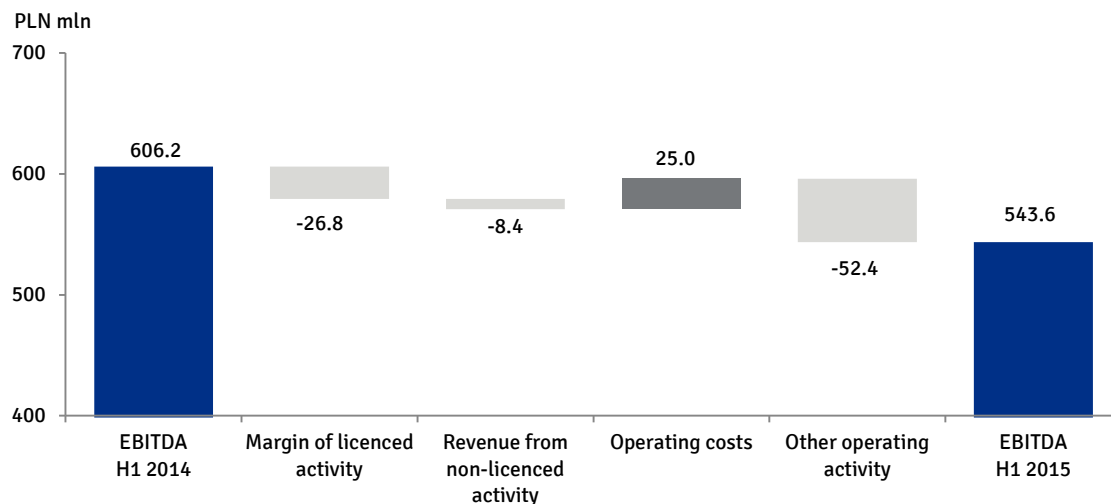
**Other factors**

- (-) new provisions for litigation PLN 12 mln
- (+) analysis and verification of the balance of receivables PLN 2 mln

**Segment of Distribution**

[PLN '000]	H1 2014	H1 2015	Change	Change %	Q2 2014	Q2 2015	Change	Change %
Sales revenue	1 502 276	1 500 355	-1 921	-0.1%	720 496	722 309	1 813	0.3%
<i>distribution services to end users</i>	1 343 018	1 408 830	65 812	4.9%	642 950	666 818	23 868	3.7%
<i>fees for grid connection</i>	51 306	31 161	-20 145	-39.3%	33 351	19 680	-13 671	-41.0%
<i>other</i>	107 952	60 364	-47 588	-44.1%	44 195	35 811	-8 384	-19.0%
EBIT	403 222	326 322	-76 900	-19.1%	215 234	160 133	-55 101	-25.6%
Amortisation/depreciation	202 980	217 238	14 258	7.0%	98 499	110 650	12 151	12.3%
<b>EBITDA</b>	<b>606 202</b>	<b>543 560</b>	<b>-62 642</b>	<b>-10.3%</b>	<b>313 733</b>	<b>270 783</b>	<b>-42 950</b>	<b>-13.7%</b>
CAPEX	240 475	257 645	17 170	7.1%	155 496	174 814	19 318	12.4%
Share of sales revenue of the segment in the Group's net sales revenue	27.6%	24.2%	-	-	25.9%	24.4%	-	-

Enea Operator sp. z o.o. is responsible for electricity distribution to 2.47 mln Customers in the western and north-western Poland on the area of 58,213 km<sup>2</sup>. The basic task of Enea Operator is a continuous and reliable supply of energy maintaining appropriate quality parameters. In the Segment of distribution financial data of the following companies is presented: Enea Operator sp. z o.o., Enea Serwis sp. z o.o., Enea Pomiary sp. z o.o. and Annacond Enterprises sp. z o.o.


**H1 2015 Change factors of EBITDA:**
**Margin from licenced operations**

- (+) higher revenue from the sale of distribution services to end users by PLN 66 mln
- (-) higher costs of purchasing transmission services by PLN 34 mln
- (-) lower revenue from grid connection fees by PLN 20 mln
- (-) recognition in 2014 of the final settlement of electricity purchases for coverage of the book-tax difference for 2013 in PLN 33 mln (one-off)
- (-) higher costs of electricity purchases for coverage of book-tax difference by PLN 5 mln

**Revenue from non-licenced operations**

- (-) lower revenue from services related to the shift of competences to Enea Centrum by PLN 21 mln
- (-) lower revenue in relation to a partial resignation from rendering street lighting maintenance services by PLN 6 mln
- (+) higher revenue from sale of services PLN 12 mln (Enea Serwis)
- (+) higher technical services, optimisation of employment and fixed costs by PLN 4 mln (Enea Pomiary)

**Operating expenses**

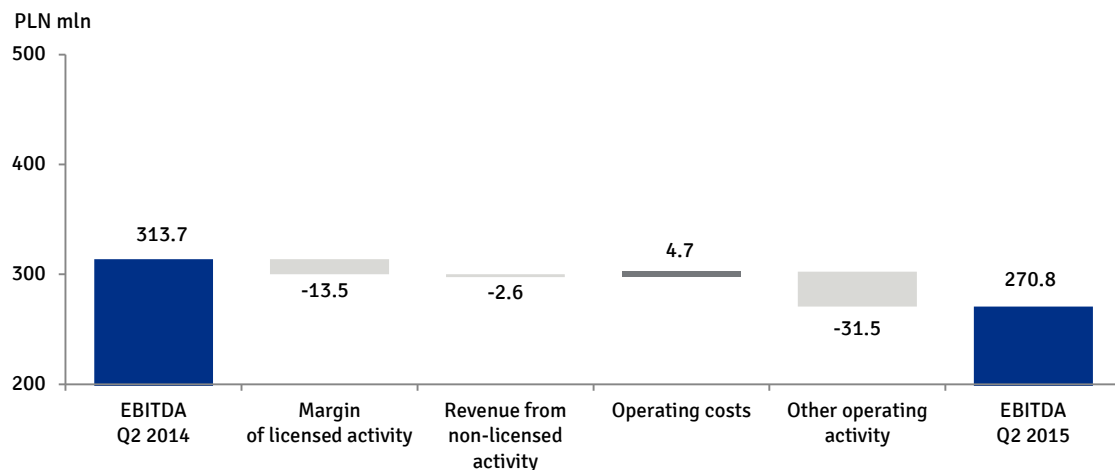
- (+) lower costs of employee benefits, materials and external services by PLN 32 mln
- (-) higher costs of taxes and charges by PLN 7 mln - greater grid assets as a result of completion of investment tasks

**Other operating activity**

- (-) recognition in 2014 of a reserve discount for transmission corridors in the amount of PLN 26 mln
- (-) higher provision on transmission corridors by PLN 8 mln
- (-) lower result relating to assets insurance and costs of removing fortuitous events by PLN 4 mln
- (-) settlement in 2014 of an agreement relating to State Forests in the amount of PLN 8 mln

**Segment of Distribution**

[PLN '000]	H1 2014	H1 2015	Change	Change %	Q2 2014	Q2 2015	Change	Change %
Sales revenue	1 502 276	1 500 355	-1 921	-0.1%	720 496	722 309	1 813	0.3%
<i>distribution services to end users</i>	1 343 018	1 408 830	65 812	4.9%	642 950	666 818	23 868	3.7%
<i>fees for grid connection</i>	51 306	31 161	-20 145	-39.3%	33 351	19 680	-13 671	-41.0%
<i>other</i>	107 952	60 364	-47 588	-44.1%	44 195	35 811	-8 384	-19.0%
EBIT	403 222	326 322	-76 900	-19.1%	215 234	160 133	-55 101	-25.6%
Amortisation/depreciation	202 980	217 238	14 258	7.0%	98 499	110 650	12 151	12.3%
<b>EBITDA</b>	<b>606 202</b>	<b>543 560</b>	<b>-62 642</b>	<b>-10.3%</b>	<b>313 733</b>	<b>270 783</b>	<b>-42 950</b>	<b>-13.7%</b>
CAPEX	240 475	257 645	17 170	7.1%	155 496	174 814	19 318	12.4%
Share of sales revenue of the segment in the Group's net sales revenue	27.6%	24.2%	-	-	25.9%	24.4%	-	-


**Q2 2015 Change factors of EBITDA:**
**Margin from licensed operations**

- (+) higher revenue from the sale of distribution services to end users by PLN 24 mln
- (-) higher costs of purchasing transmission services by PLN 18 mln
- (-) lower revenue from grid connection fees by PLN 14 mln
- (-) higher costs of electricity purchases for coverage of book-tax difference by PLN 5 mln

**Revenue from non-licensed operations**

- (-) lower revenue from services related to the shift of competences to Enea Centrum by PLN 11 mln
- (-) lower revenue in relation to a partial resignation from rendering street lighting maintenance services by PLN 2 mln
- (+) higher revenue from sale of services by PLN 9 mln (Enea Serwis)
- (+) higher technical services, optimisation of employment and fixed costs by PLN 2 mln (Enea Pomiary)

**Operating expenses**

- (+) lower costs of employee benefits, materials and external services by PLN 9 mln
- (-) higher costs of taxes and charges by PLN 3 mln - greater grid assets in relation to completion of investment tasks

**Other operating activity**

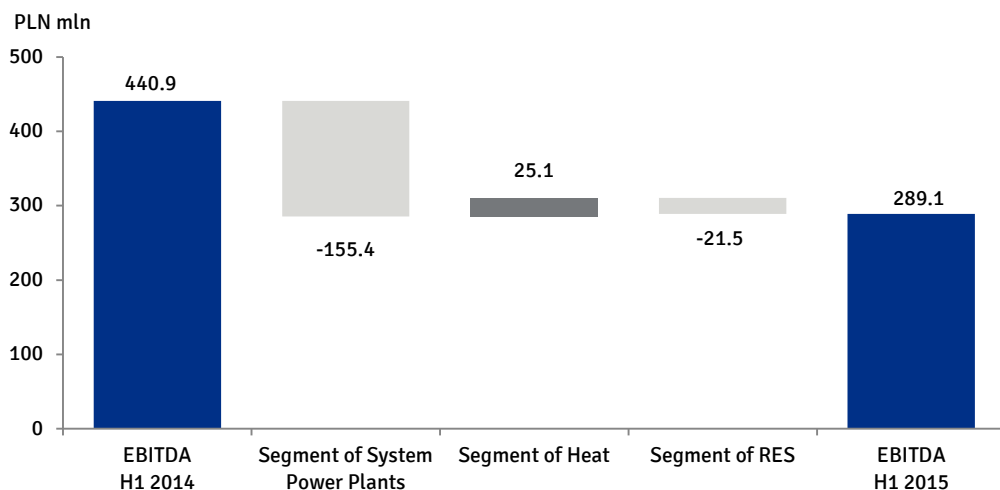
- (-) recognition in 2014 of a reserve discount for transmission corridors in the amount of PLN 26 mln
- (+) lower provisions for transmission corridors by PLN 6 mln
- (-) lower result relating to assets insurance and costs of removing fortuitous events by PLN 3 mln
- (-) settlement in 2014 of an agreement relating to State Forests in the amount of PLN 8 mln



**Segment of Generation**

[PLN '000]	H1 2014	H1 2015	Change	Change %	Q2 2014	Q2 2015	Change	Change %
Sales revenue	1 800 032	1 608 448	-191,584	-10,6%	983 384	781 503	-201 881	-20,5%
<i>electricity</i>	1 334 041	1 376 553	42 512	3,2%	645 189	701 625	56 436	8,7%
<i>certificates of origin</i>	95 912	63 698	-32 214	-33,6%	38 462	20 080	-18 382	-47,8%
<i>sales of allowances for emissions of CO<sub>2</sub></i>	4 925	0	-4 925	-100,0%	4 925	0	-4 925	-100,0%
<i>heat</i>	98 330	155 627	57 297	58,3%	31 639	52 571	20 932	66,2%
<i>recovery of stranded costs</i>	257 508	0	-257 508	-100,0%	257 508	0	-257 508	-100,0%
<i>other</i>	9 316	12 570	3 254	34,9%	5 661	7 227	1 566	27,7%
EBIT	305 730	142 998	-162 732	-53,2%	268 702	38 115	-230 587	-85,8%
Amortisation/depreciation	135 132	146 074	10 942	8,1%	48 480	74 583	26 103	53,8%
<b>EBITDA</b>	<b>440 862</b>	<b>289 072</b>	<b>-151 790</b>	<b>-34,4%</b>	<b>317 182</b>	<b>112 698</b>	<b>-204 484</b>	<b>-64,5%</b>
CAPEX	735 970	821 294	85 324	11,6%	513 303	314 285	-199 018	-38,8%
Share of sales revenue of the segment in the Group's net sales revenue	33,1%	25,9%	-	-	35,4%	26,4%	-	-

The segment of Generation presents financial data of Enea Wytwarzanie sp. z o.o. and its subsidiaries. Enea Wytwarzanie holds e.g. 10 highly-efficient and modernised power units in the Segment of System Power Plants. Annual generation capacity amounts to ca. 16 TWh electricity in this segment.


**H1 2015 Change factors of EBITDA:**
**Segment of System Power Plants:**

- (-) recognition in 2014 of revenue from Long-term Agreements in the amount of PLN 258 mln (one-off)
- (+) higher margin on generation by PLN 51 mln
- (+) higher margin on trade and the Balancing Market by PLN 32 mln
- (+) higher revenue from Regulatory System Services by PLN 11 mln
- (+) lower fixed costs by PLN 5 mln

**Segment of Heat:**

- (+) EBITDA MPEC H1 2015: PLN 16 mln (takeover of the Company on 16 September 2014)

**In the other areas of the Segment:**

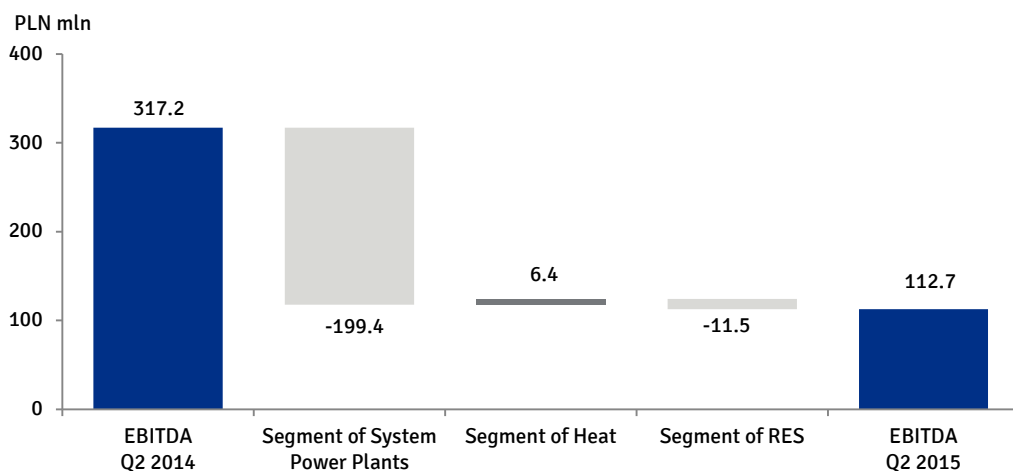
- (+) higher revenue from sales of electricity by PLN 8 mln
- (+) lower costs of outsourced services by PLN 2 mln
- (-) lower revenue from certificates of origin by PLN 4 mln

**Segment of RES:**

- (-) Area of Wind (PLN -18 mln): lower revenue from certificates of origin and revenue from electricity by PLN 9 mln, lower fixed costs by PLN 4 mln, in the comparative period redemption of liabilities in the amount of PLN 10 mln (one-off)
- (-) Area of Biogas (PLN -3 mln): higher costs of substrates by PLN 1 mln and higher fixed costs by PLN 1 mln
- (-) Area of Water (PLN -1 mln): lower revenue from certificates of origin and revenue from electricity and lower fixed costs by PLN 4 mln and lower fixed costs by PLN 3 mln

**Segment of Generation**

[PLN '000]	H1 2014	H1 2015	Change	Change %	Q2 2014	Q2 2015	Change	Change %
Sales revenue	1 800 032	1 608 448	-191 584	-10.6%	983 384	781 503	-201 881	-20.5%
<i>electricity</i>	1 334 041	1 376 553	42 512	3.2%	645 189	701 625	56 436	8.7%
<i>certificates of origin</i>	95 912	63 698	-32 214	-33.6%	38 462	20 080	-18 382	-47.8%
<i>sales of allowances for emissions of CO<sub>2</sub></i>	4 925	0	-4 925	-100.0%	4 925	0	-4 925	-100.0%
<i>heat</i>	98 330	155 627	57 297	58.3%	31 639	52 571	20 932	66.2%
<i>recovery of stranded costs</i>	257 508	0	-257 508	-100.0%	257 508	0	-257 508	-100.0%
<i>other</i>	9 316	12 570	3 254	34.9%	5 661	7 227	1 566	27.7%
EBIT	305 730	142 998	-162 732	-53.2%	268 702	38 115	-230 587	-85.8%
Amortisation/depreciation	135 132	146 074	10 942	8.1%	48 480	74 583	26 103	53.8%
<b>EBITDA</b>	<b>440 862</b>	<b>289 072</b>	<b>-151 790</b>	<b>-34.4%</b>	<b>317 182</b>	<b>112 698</b>	<b>-204 484</b>	<b>-64.5%</b>
CAPEX	735 970	821 294	85 324	11.6%	513 303	314 285	-199 018	-38.8%
Share of sales revenue of the segment in the Group's net sales revenue	33.1%	25.9%	-	-	35.4%	26.4%	-	-


**Q2 2015 Change factors of EBITDA:**
**Segment of System Power Plants:**

- (-) recognition in 2014 of revenue from Long-term Agreements amounting to PLN 258 mln (one-off)
- (+) higher margin on generation by PLN 32 mln
- (+) higher margin on trade and the Balancing Market by PLN 12 mln
- (+) higher revenue from Regulatory System Services by PLN 7 mln

**Segment of Heat:**

- (+) EBITDA MPEC Q2 2015: PLN 2 mln (takeover of the Company on 16 September 2014)

**In the other areas of the Segment:**

- (+) higher revenue from sales of heat by PLN 10 mln
- (+) higher revenue from sales of electricity by PLN 4 mln
- (+) lower costs of outsourced services by PLN 2 mln
- (-) higher costs of materials by PLN 11 mln
- (-) lower revenue from certificates of origin by PLN 2 mln

**Segment of RES:**

- (-) Area of Wind (PLN -11 mln): in the comparative period redemption of liabilities in the amount of PLN 10 mln (one-off)
- (-) Area of Biogas (PLN -2 mln): mainly higher costs of substrates by PLN 1 mln
- (+) Area of Water (PLN 1 mln): lower fixed costs by PLN 2 mln, lower revenue from certificates of origin and electricity by PLN 1 mln

**Segment of Other activity**

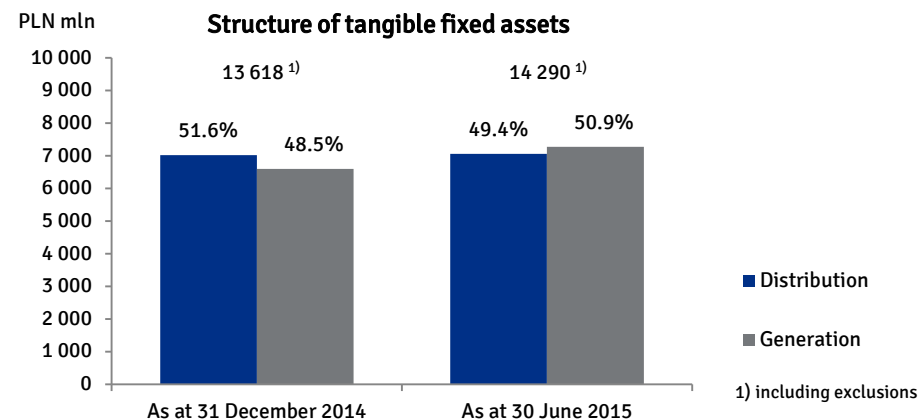
[PLN '000]	H1 2014	H1 2015	Change	Change %	Q2 2014	Q2 2015	Change	Change %
Sales revenue	150 053	247 715	97 662	65.1%	86 555	118 820	32 265	37.3%
EBIT	9 957	9 338	-619	-6.2%	5 966	-602	-6 568	-110.1%
Amortisation/depreciation	6 776	8 999	2 223	32.8%	2 994	4 328	1 334	44.6%
<b>EBITDA</b>	<b>16 733</b>	<b>18 337</b>	<b>1 604</b>	<b>9.6%</b>	<b>8 960</b>	<b>3 726</b>	<b>-5 234</b>	<b>-58.4%</b>
CAPEX	24 936	26 721	1 785	7.2%	14 466	20 098	5 632	38.9%
Share of sales revenue of the segment in the Group's sales revenue	2.8%	4.0%	-	-	3.1%	4.0%	-	-


**In the segment of Other activity companies from the three areas below are presented:**

- support for the other companies in the Capital Group:**  
 Enea Centrum sp. z o.o. – being the Shared Service Centre in the Group within accounting, staff, teleinformation, customer service  
 Enea Logistyka sp. z o.o. - a company specialising in logistics, storage, supply
- auxiliary activities:**  
 Enea Oświetlenie sp. z o.o. - a company specialising in internal and external lighting of buildings; it designs and constructs street lighting, illuminations of urban areas, lighting of monumental buildings and public utility objects, and also renders services within the construction and comprehensive service of photovoltaic power plants
- other activity:**  
 The Group performs restructuring activities whose objective is keeping in the structure only those companies from the basic value chain and supporting and auxiliary companies.  
 This group of companies comprises: Hotel EDISON, Energo-Tour, Szpital Uzdrowiskowy ENERGETYK.

**Assets - structure of assets and liabilities of Enea Capital Group**

Assets [PLN '000]	As at:		Change	Change %
	31 December 2014	30 June 2015		
<b>Fixed assets</b>	<b>14 344 139</b>	<b>15 101 803</b>	<b>757 664</b>	<b>5.3%</b>
Property, plant and equipment	13 617 942	14 290 103	672 161	4.9%
Perpetual usufruct	77 281	73 809	-3 472	-4.5%
Intangible assets	389 961	402 819	12 858	3.3%
Investment properties	23 431	20 641	-2 790	-11.9%
Deferred tax assets	167 207	164 771	-2 436	-1.5%
Financial assets held for sale	47 479	42 171	-5 308	-11.2%
Financial assets valued at fair value through financial result	99	2 592	2 493	2 518.2%
Derivatives	0	66 182	66 182	100,0%
Trade and other receivables	20 739	38 715	17 976	86.7%
<b>Current assets</b>	<b>3 763 901</b>	<b>4 350 309</b>	<b>586 408</b>	<b>15.6%</b>
Allowances for emissions of CO <sub>2</sub>	208 720	113 022	-95 698	-45.8%
Inventories	508 163	708 661	200 498	39.5%
Trade and other receivables	1 764 128	1 576 623	-187 505	-10.6%
Current income tax assets	20	110	90	450.0%
Financial assets held to maturity	189 789	487	-189 302	-99.7%
Financial assets valued at fair value through financial result	392 251	607 831	215 580	55.0%
Cash and cash equivalents	687 316	1 307 883	620 567	90.3%
Fixed assets for sale	13 514	35 692	22 178	164.1%
<b>Total assets</b>	<b>18 108 040</b>	<b>19 452 112</b>	<b>1 344 072</b>	<b>7.4%</b>


**Change factors of fixed assets (growth by PLN 758 mln):**

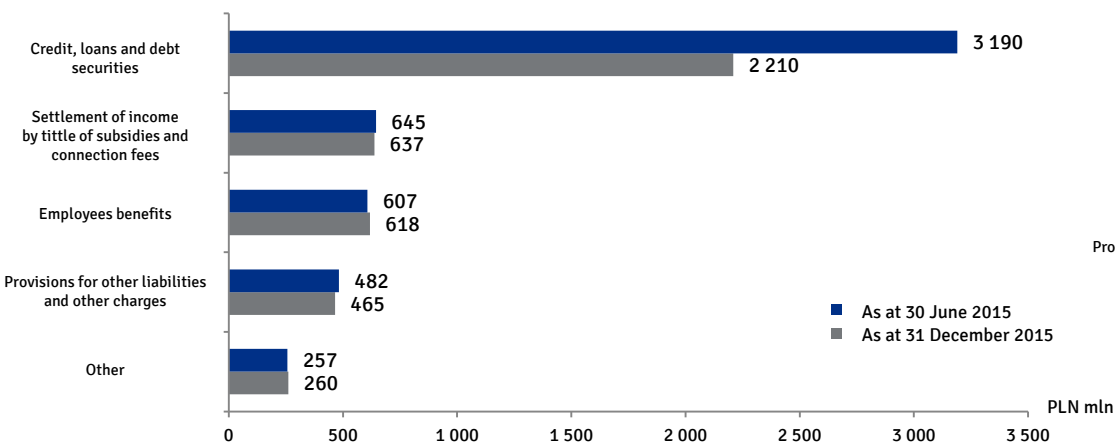
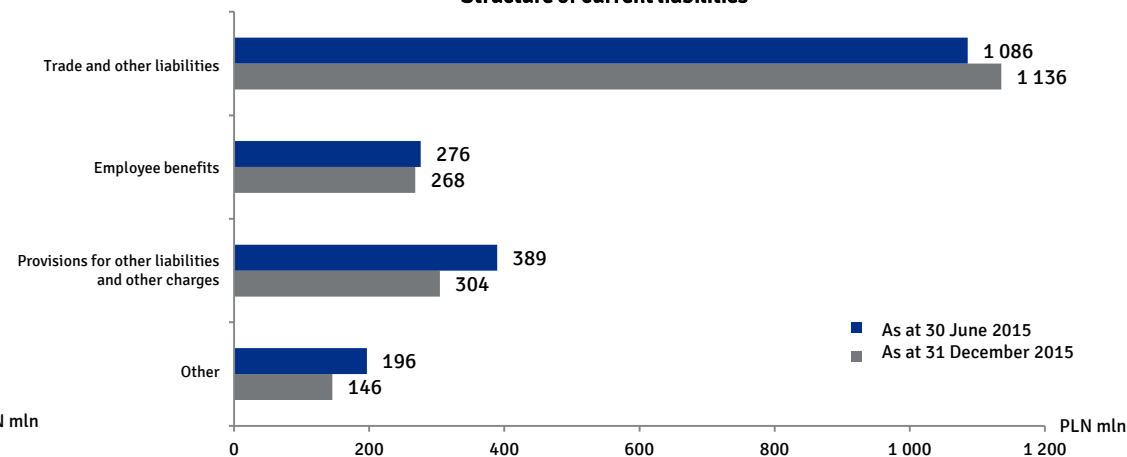
- tangible fixed assets higher by PLN 672 mln stem mainly from higher expenditures in the segment of Generation (realisation of capital expenditures on the construction of a power unit No. 11 in Koziernice)
- intangibles higher by PLN 13 mln stem mainly from the development of software for the Capital Group being the support in the companies' operating activities (e.g. ERP class systems)
- financial assets measured at fair value through P&L statement higher by PLN 69 mln stem from a positive current valuation of IRS contracts hedging the financial instrument's interests

**Change factors of current assets (growth by PLN 586 mln):**

- CO<sub>2</sub> emission allowances lower by PLN 96 mln stem mainly from lower allocation of free emission allowances
- receivables lower by PLN 188 mln due to the occurrence of Long-term Agreement receivables in the comparative period
- inventories higher by PLN 200 mln stem from the stock of coal greater by PLN 108 mln with greater stock of certificates of origin for energy by PLN 108 mln
- changes in the portfolio structure of financial instruments managed by specialist institutions resulted on one hand in a drop in financial assets kept to maturity (expiry of deposits maturing over 3 months), and on the other hand in a growth in assets valued at fair value through result (acquisition of bonds and treasury bills)
- a growth in cash and cash equivalents by PLN 621 mln was possible despite incurring significant capital expenditures due to PLN 1 billion obtained in February 2015 from market bonds issue

**Assets - structure of assets and liabilities of Enea Capital Group**

Liabilities [PLN '000]	As at:		Change	Change %
	31 December 2014	30 June 2015		
<b>Total equity</b>	<b>12 064 013</b>	<b>12 322 824</b>	<b>258 811</b>	<b>2.1%</b>
Share capital	588 018	588 018	-	-
Share premium	3 632 464	3 632 464	-	-
Financial instruments revaluation reserve	34 777	16 916	-17 861	-51.4%
Other reserves	-45 883	-45 883	-	-
Hedging instruments reserve capital	0	54 192	54 192	100.0%
Retained earnings	7 804 989	8 025 426	220 437	2.8%
Non-controlling interests	49 648	51 691	2 043	4.1%
<b>Total liabilities</b>	<b>6 044 027</b>	<b>7 129 288</b>	<b>1 085 261</b>	<b>18.0%</b>
Non-current liabilities	4 190 197	5 181 628	991 431	23.7%
Current liabilities	1 853 830	1 947 660	93 830	5.1%
<b>Total equity and liabilities</b>	<b>18 108 040</b>	<b>19 452 112</b>	<b>1 344 072</b>	<b>7.4%</b>

**Structure of Non-current liabilities**

**Structure of current liabilities**

**Change factors of non-current liabilities (growth by PLN 991 mln):**

- non-current liabilities higher by PLN 991 mln stem from market bonds issue

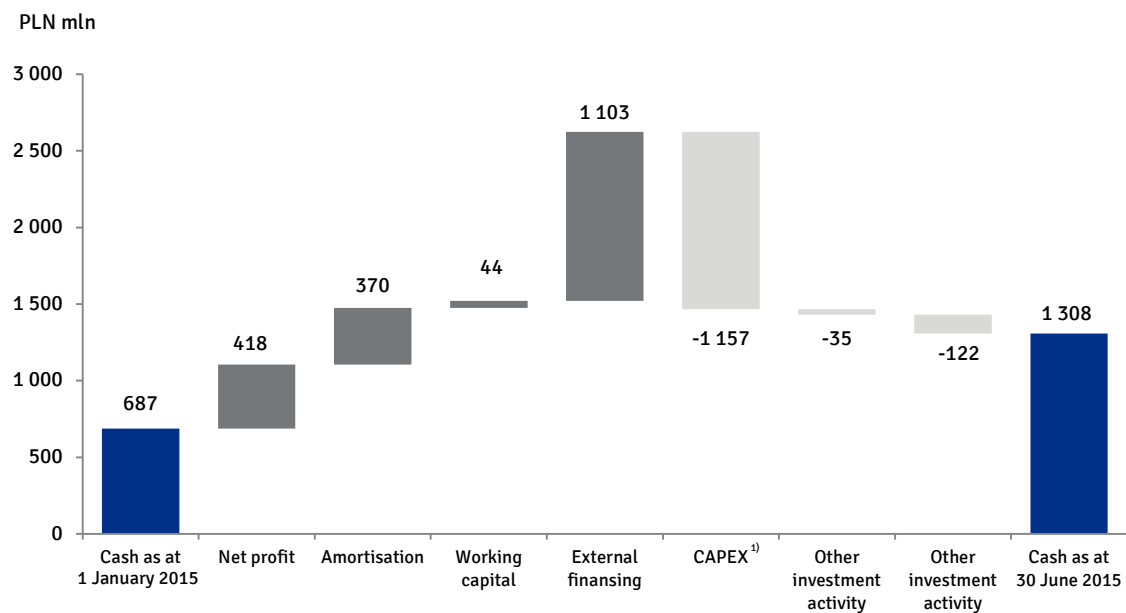
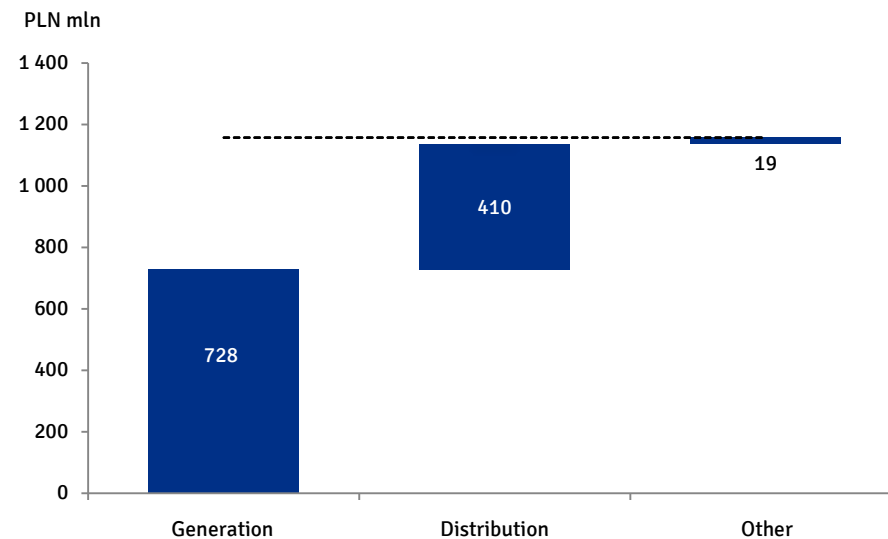
**Change factors of current liabilities (growth by PLN 94 mln):**

- energy certificates of origin relating to 2015, pending redemption by the President of ERO (PLN 102 mln)

**Cash situation of Enea Capital Group**

Cash flow statement [PLN '000]	H1 2014	H1 2015	Change	Change %
Net cash flows from operating activities	374 808	782 925	408 117	108.9%
Net cash flows from investing activities	-1 169 110	-1 192 169	-23 059	-2.0%
Net cash flows from financing activities	494 249	1 029 811	535 562	108.4%
Net increase / (decrease) in cash and cash equivalents	-299 582	620 567	920 149	307.1%
Opening balance of cash and cash equivalents	1 573 195	687 316	-885 879	-56.3%
<b>Closing balance of cash and cash equivalents</b>	<b>1 273 613</b>	<b>1 307 883</b>	34 270	2.7%

Cash flows in H1 2015


 Capital expenditures of Enea CG in H1 2015<sup>1)</sup>


1) Acquisition of property, plant and equipment and intangible assets of Enea CG in H1 2015



**Ratio analysis<sup>1)</sup>**

	H1 2014	H1 2015	Q2 2014	Q2 2015
<b>Profitability ratios</b>				
ROE - return on equity	10.6%	6.8%	14.1%	5.0%
ROA - return on assets	7.4%	4.3%	9.8%	3.1%
Net profitability	13.0%	9.1%	16.9%	7.1%
Operating profitability	15.8%	11.4%	20.1%	9.1%
EBITDA	22.9%	19.4%	26.1%	17.8%
<b>Liquidity and financial structure ratios</b>				
Current liquidity ratio	1.9	2.2	1.9	2.2
Equity-to-fixed assets ratio	90.3%	81.6%	90.3%	81.6%
Total debt ratio	30.1%	36.7%	30.1%	36.7%
Net debt / EBITDA	-0.2	0.8	-0.2	0.8
<b>Economic activity ratios</b>				
Current receivables turnover in days	56	63	56	68
Turnover of trade and other payables in days	74	68	67	71
Inventory turnover in days	29	34	28	36

**Principles for preparing financial statements**

Condensed financial statements of respectively Enea SA and Enea Capital Group included in the extended consolidated report of Enea SA for H1 2015 were prepared in accordance with International Accounting Standards and International Financial Reporting Standards (IASs/IFRS) approved by the European Union. Condensed financial statements were prepared with an assumption of continuing business operations by the Company in the foreseeable future. The Company's Board states, as at the execution of the condensed financial statements, no facts or circumstances that could indicate any threats to the possibility of continuing the activity during the period of 12 months after the balance sheet date as a result of a wilful or mandatory negligence or substantial limitation of the so far activities. Financial data presented in the statements, if not stated otherwise, was presented in thousands of PLN.

1) Ratio definitions are to be found on page 70

**Anticipated financial position**

A large share of the regulated segment of Distribution in Enea CG's EBITDA (in H1 2015 Distribution accounted for 61% of Enea CG's EBITDA) affects the predictability of cash flows and stabilises them over time.

Segment of Generation remains under the influence of the demanding situation on the energy market. The production concentrated on bituminous coal involves the exposure to risk related to carbon dioxide emission costs, which may affect the results of the segment of conventional generation over next years.

We are increasing energy sales in the area of Trade - thanks to the new product range we obtain Customers not only within our operational area and we are increasing the volume of sold energy. Higher costs related to the entry into force of cogeneration obligations on 30 April 2014 negatively affect the financial results of this segment and reduction in market prices of proprietary interests.

Despite difficult market and legal conditions, due to the realised cost restructuring and reducing operating costs Enea CG realises financial results on a satisfactory level.

The Group's financial standing is safe, supported with a significant volume of cash, which as at the end of H1 2015, including current financial assets kept to maturity and financial assets valued at fair value through result, amounted to PLN 1.9 billion. Due to the consistently maintained cost discipline and optimum allocation of held resources the Group is guaranteed a favourable financing of the investments described in the corporate strategy thanks to:

- Agreement relating to the bond issue programme up to the amount of PLN 3 billion concluded with PKO BP, Pekao, BZ WBK, Bank Handlowy w Warszawie and Nordea Bank Polska
- Agreement relating to the bond issue programme up to the maximum amount of PLN 5 billion concluded with PKO BP, ING Bank Śląski, Pekao and mBank
- Programme Agreement relating to the issue of long-term bonds totalling to PLN 1 billion concluded with Bank Gospodarstwa Krajowego
- Three loan agreements with the European Investment Bank for the total amount of PLN 2.371 billion

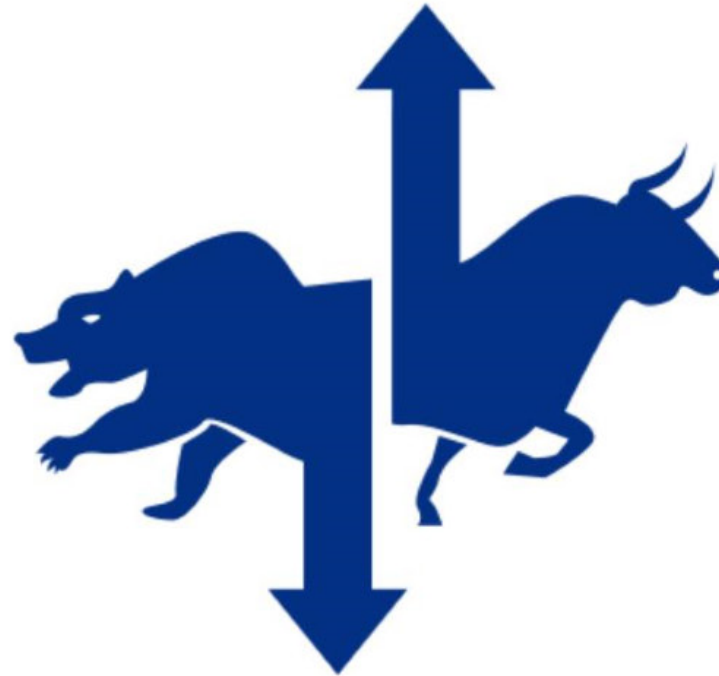
It is expected that in 2015 the ratio defined as net debt/EBITDA will not exceed the level of 2.5. The growth in the ratio stems from a vast CAPEX programme (capital expenditures) covering e.g. the segment of generation and distribution network. Enea CG's CAPEX programme for 2014-2020 relates mainly to the construction of the new coal-fired 1 GW unit in the Power Plant in Kozienice.

Enea CG's own cash, available credit facilities and bond issue programmes will allow to finance the investment programme in the perspective of the next several years.

The implementation of the investment programme and efficiency improvement programme will positively affect the financial results of Enea CG.

**Financial results forecasts**

The Management Board of Enea SA did not publish any financial forecasts for 2015.



## 4. Shares and shareholding

**Share capital structure**

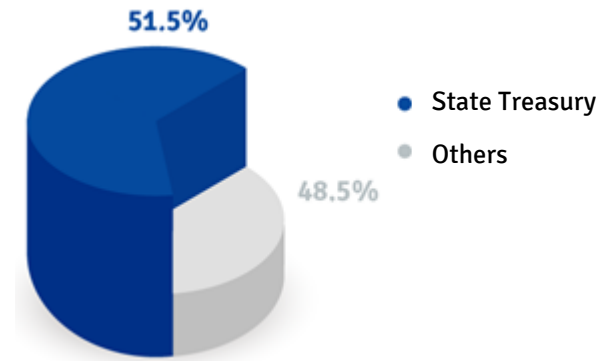
Enea SA's share capital as at the publication date of this report for H1 2015 amounts to PLN 441,442,578 and is divided into 441,442,578 ordinary bearer shares of the nominal value of PLN 1 each. The total number of votes resulting from all the issued shares of the Issuer corresponds to the number of shares and amounts to 441,442,578 votes. All the Company's shares are dematerialised bearer shares registered with the National Depository for Securities.

**Shareholding structure**

The table and diagram below present Enea SA's shareholding structure as at the publication date of the previous quarterly report, i.e. 15 May 2015 and as at the publication date of the periodic report for H1 2015, i.e. 28 August 2015.

Enea SA's shareholding structure as at 15 May 2015 and 28 August 2015

Shareholder	Number of shares/number of votes during GM	Share in the share capital/share in the total number of votes
State Treasury	227 364 428	51.5%
Others	214 078 150	48.5%
<b>TOTAL</b>	<b>441 442 578</b>	<b>100.0%</b>



**Changes in the shareholding structure from the date of publication of the previous quarterly report**

The Company holds no information on any changes in the structure of the Company's significant shareholders occurring from the date of publication of the extended consolidated report for Q1 2015.



### Quotations of Enea SA's shares on the Warsaw Stock Exchange

Enea SA's shares have been listed on the Warsaw Stock Exchange (WSE) since 17 November 2008.

On 30 June 2015 the Company belonged to the following exchange indices:

- WIG - covers all the companies listed on the Main Market of WSE which fulfil base criteria for the participation in indices
- WIG20 - covers 20 largest enterprises listed on the Main Market of WSE
- WIG30 - covers 30 largest enterprises listed on the Main Market of WSE
- WIG Energia – covers companies participating in the WIG index and simultaneously classified to the sector of "energy engineering"
- WIG-Poland - the index includes exclusively shares of domestic companies listed on the Main Market of WSE which fulfil base criteria for the participation in indices
- WIGdiv – includes up to 30 companies in its portfolio, which in the index rating (prepared based on the Resolution No. 871/2013 of the Board of the Stock Exchange, as amended) were located on the position not lower than 150 and characterise with the highest rate of dividend as at the end of November each year and which distributed dividends at least three times during the recent 5 financial years
- MSCI Poland Standard Index – selection criteria of companies to the portfolio of this index are compliant with the criteria concerning a company size, its liquidity and free float
- FTSE All-World – includes around 2,800 large and mid cap companies from the whole world

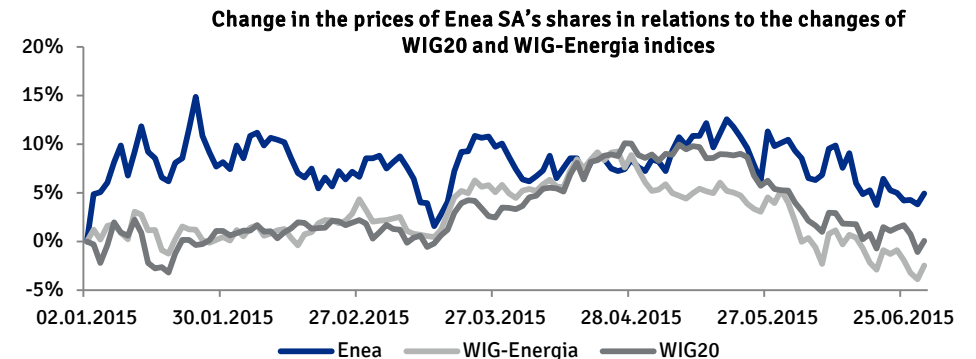
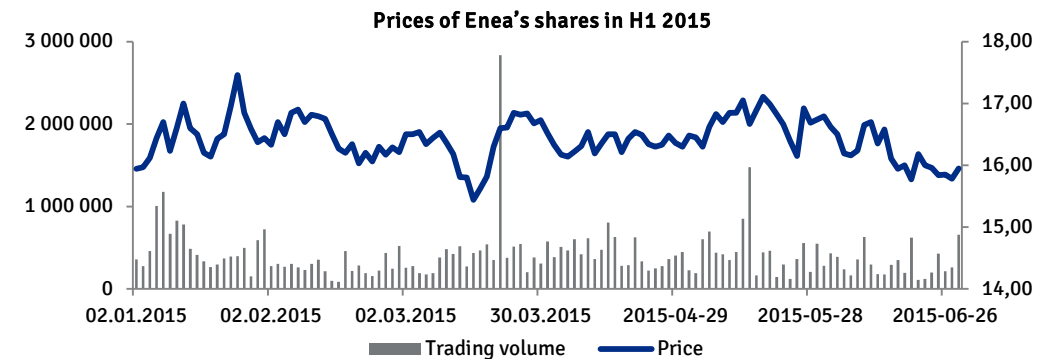
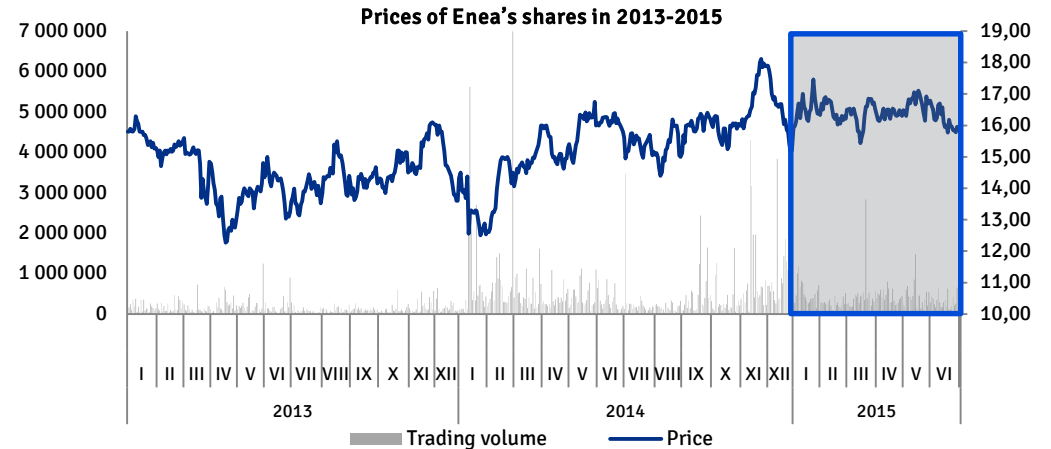
The table below demonstrates data relating to the Company's shares in H1 2015.

Data	H1 2015
Number of shares [pcs]	441 442 578
Minimum [PLN]	15.30
Maximum [PLN]	17.48
Closing price [PLN]	15.95
Opening price [PLN]	15.39
Average turnover [PLN]	6 802 340
Average volume [pcs]	413 737

The table below presents information relating to the percentage of the Company's shares in stock exchange indices

Index	Percentage of Enea SA's shares in the index as at 30 June 2015 [%]
WIG20	1.71
WIG30	1.60
WIG Energia	11.55
WIG – Poland	1.17
WIGdiv	3.08
MSCI Poland	1.57

In the period from 1 January to 30 June 2015 the price of Enea's shares grew from PLN 15.39 to PLN 15.95, i.e. by PLN 0.56 or 3.6%. Enea's shares reached the highest price in H1 2015 on 26 January, and the lowest on 26 June 2015.





## 5. Authorities



## Personal composition of Enea SA's Management Board

As at the date of this report, i.e. 28 August 2015, the Company's Management Board operates in the following composition:

Name and title	Scope of competence <sup>1)</sup>
<b>President of the Board</b> <b>Krzysztof Zamasz</b>	Coordinates tasks relating to the overall operations of the Company and Enea Capital Group.
<b>Vice-President of the Management Board for Financial Affairs</b> <b>Dalida Gefpert</b>	Controls and coordinates economic, financial and accounting affairs connected with risk management in the Company and Enea Capital Group, teleinformation and controlling.
<b>Vice-President of the Management Board for Commercial Affairs</b> <b>Grzegorz Kinelski</b>	Supervises and coordinates the overall tasks in connection with the trade in electricity and customers service.
<b>Vice-President of the Management Board for Corporate Affairs</b> <b>Paweł Orłof</b>	Supervises and coordinates the whole of issues related to the Corporate Governance, ownership supervision and services and purchases in Enea Capital Group.

## Changes in the composition

From 1 January 2015 to the date of publication of this report, i.e. till 28 August 2015 no changes occurred in the composition of the Management Board.

## Personal composition of Enea SA' Supervisory Board

On 30 June 2015 the following people were recalled from the composition of the Supervisory Board of Enea, effective as at the expiry date of the 8th term, i.e. as at the end of 1 July: Sławomir Brzeziński, Wojciech Chmielewski, Michał Kowalewski, Przemysław Łyczyński, Sandra Malinowska, Tadeusz Mikłoz, Jeremi Mordasewicz and Małgorzata Niezgoda.

At the same time, the following people were nominated as of 2 July 2015 into the composition of the Company's Supervisory Board of the 9th term: Sławomir Brzeziński, Wojciech Chmielewski, Marian Gorynia, Wojciech Klimowicz, Sandra Malinowska, Tadeusz Mikłoz, Małgorzata Niezgoda and Rafał Szymański.

On 22 July the resignation from the position held and membership in the Supervisory Board was filed by Wojciech Chmielewski. On 23 July Monika Macewicz was nominated into the composition of the Supervisory Board. On 27 August the EGM of Enea nominated into the composition of the Supervisory Board Radosław Winiarski and appointed Małgorzata Niezgoda the Chairman of the Supervisory Board of the Company.

As at the date of publication of this report, i.e. 28 August 2015, the Supervisory Board of the Company of the 9th term is composed of nine members and operates in the following composition:

### Sławomir Brzeziński, Member of the Supervisory Board

Date of appointment: 2 July 2015

Sławomir Brzeziński has been connected with Enea SA since 2008. Currently, he is holding the position of the Safety and Organisation Office's Manager. Previously he was related to the International Fair of Poznań.

Sławomir Brzeziński is a graduate of the Faculty of Mechanical Engineering and Management at Poznań University of Technology. He also graduated from post-graduate studies at Poznań University of Economics within logistics and supply chain management and Poznań University of Technology majoring in quality management. He is currently studying Law at the Faculty of Law, Administration and Economics of the University of Wrocław.

### Marian Gorynia <sup>2)</sup>, Member of the Supervisory Board

Date of appointment: 2 July 2015

Marian Gorynia is a professor and rector of the University of Economics in Poznań with which he has been related since 1983. He holds a range of functions in scientific institutions and organisations supporting the development of entrepreneurship - he is e.g. a member of Research Council of the Polish Economic Society, member of the National Council of Entrepreneurship and the chairman of the Polish Agency for Enterprise Development.

Marian Gorynia graduated from the Poznań University of Economics, the faculty of International Trade Organization and Economics, where, in 2000, he was awarded the scientific title of a professor of economics.

### Wojciech Klimowicz, Member of the Supervisory Board

Date of appointment: 2 July 2015

Wojciech Klimowicz has been connected with Enea SA since 2003 and he is currently holding the position of the Senior Specialist for Portfolio Optimisation at the Portfolio and Product Management Department.

Wojciech Klimowicz graduated from MA studies at Adam Mickiewicz University in Poznań, Faculty of Social Sciences, majoring in Politology (specialisation: local government administration). Currently, he is continuing education at Post-graduate studies: Statistical analysis of data in administration and business, at Poznań University of Economics, Faculty of Economics.

### Monika Macewicz, Member of the Supervisory Board

Date of appointment: 23 July 2015

Monika Macewicz has been working in the Ministry of Treasury since 2005, where she holds a position of a Legal Counsel in the Department of Key Companies. Her professional duties include legal assistance for the Department which is responsible e.g. for the ownership supervision over the companies implementing strategic projects and over the companies considered key (in particular energy sector companies).

Monika Macewicz is a graduate of the Faculty of Law at the Cardinal Stefan Wyszyński University in Warsaw.

1) Pursuant to § 4 item 3 of the Rules of the Management Board being in force, normal business of the Company not reserved for a resolution of the Management Board is conducted by the President of the Management Board acting alone and by particular Members of the Board according to the division of competencies presented in the table. It does not however change a rule concerning making declarations of will on behalf of the Company mentioned in § 10 item 2 of the Company's Statute.  
 2) Member of the Supervisory Board fulfilling the independence criterion mentioned in § 22 item 7 of the Company's Statute.

**Sandra Malinowska, Secretary of the Supervisory Board**

Date of appointment: 2 July 2015

Sandra Malinowska has been working in the Ministry of Treasury since 1998 and she is a legal counsel there in the Department of Restructuring and State Aid. She was previously connected with e.g. the Civic Educational Association, Smoktunowicz & Partners and Hunton & Williams law firms. She was a member of numerous Supervisory Boards of companies with participation of the State Treasury.

Sandra Malinowska is a graduate of the Faculty of Law and Administration of the University of Warsaw.

**Tadeusz Mikłosz, Member of the Supervisory Board**

Date of appointment: 2 July 2015

Tadeusz Mikłosz holds long professional experience in the area of power engineering and ownership supervision. Since 1983 he has been connected with Enea SA and its predecessor entity, and currently he is an employee of the Operating Management Department. He has sat in various Supervisory Boards since 1997.

Tadeusz Mikłosz holds a higher qualification in team leadership and political science. Additionally, he graduated from Post-graduate Studies in commercial law at Poznań University of Economics.

**Małgorzata Niezgoda, Chairman of the Supervisory Board**

Date of appointment: 2 July 2015

Małgorzata Niezgoda currently works as the Deputy Director of the Department of Key Companies in the Ministry of Treasury. Since 2008 she has held various positions in the departments dealing with ownership supervision over the state owned enterprises. In the period from November 2014 - February 2015 she worked in the Mining Department of the Ministry of Economy (including the fact that she was the Director of the Department). In this period the bituminous coal mining restructuring process was prepared.

In the Ministry of Treasury in the supervision departments her duties included e.g. the supervision over the whole economic and legal issues related to the operations of State Treasury companies, including the analysis of documentation and preparation of ownership recommendations and decisions in relation to supervised companies.

Małgorzata Niezgoda holds a higher qualification, she graduated from the Warsaw University of Life Sciences – SGGW on the Faculty of Environmental Engineering

**Rafał Szymański, Member of the Supervisory Board**

Date of appointment: 2 July 2015

Rafał Szymański is an employee of the Ministry of Treasury, where he is the Head of the Department of Key Companies. His main duties include e.g. ownership supervision of State Treasury companies. His main duties include e.g. ownership supervision of State Treasury companies.

Rafał Szymański graduated from the University of Warmia and Mazury majoring in the Ecological Engineering and from Post-graduate Studies of "Energy Market Operation" at the Warsaw School of Economics.

**Radostaw Winiarski, Member of the Supervisory Board**

Date of appointment: 27 August 2015

Radostaw Winiarski is employed in the Ministry of Treasury as the Head of the Department of Pre-privatisation Analyses in the Analyses Department.

Radostaw Winiarski graduated from the University of Warsaw, Faculty of Management, and Postgraduate Studies within methods of valuation of a joint stock company at the Warsaw School of Economics. Holds a title of a PhD of economics.

Presently, he is a member of the Supervisory Board of H. Cegielski-Poznań S.A. Formerly, he was a member of the Supervisory Board in many state owned enterprises.

In relation to the nomination of the Supervisory Board of the 9th term, the Audit Committee and Nominations and Remuneration Committee were established after the end of the reporting period. As at the day of publication of this Report, the above mentioned committees had the following composition:

**Audit Committee:**

Name	Position
Stawomir Brzeziński	Member
Marian Gorynia	Member
Monika Macewicz	Member
Małgorzata Niezgoda	Member
Radostaw Winiarski	Member

**Nominations and Remuneration Committee:**

Name	Position
Marian Gorynia	Member
Sandra Malinowska	Member
Tadeusz Mikłosz	Member
Rafał Szymański	Member

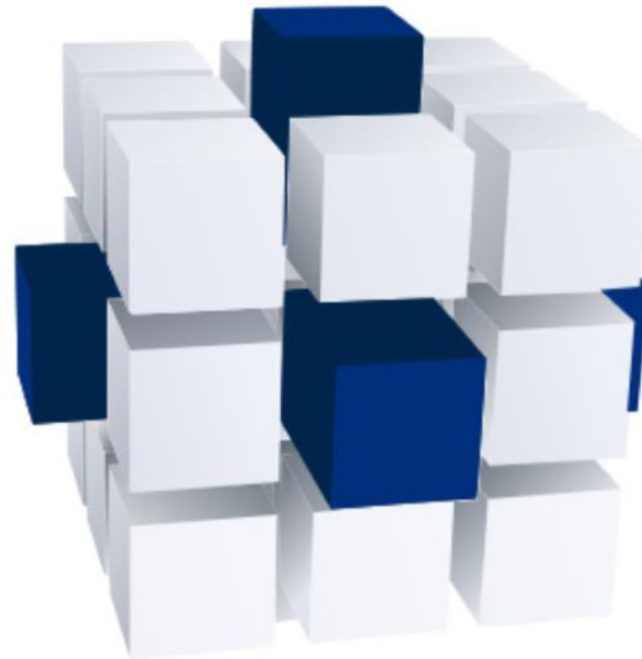
**List of shares and entitlements to shares of Enea SA held by members of the Management and Supervisory Boards**

Name	Position	Number of shares held in Enea SA as at 15 May 2015	Number of shares held in Enea SA as at 28 August 2015
Tadeusz Mikłosz	Member of the Supervisory Board	4 140	4 140

As at the date of publication of this periodic report the other persons from the Management and Supervisory Board do not hold Enea SA's shares.

As at the date of publication of this periodic report the other persons from the Management and Supervisory Board do not hold any entitlement to Enea SA's shares.

During the period from the publication of the previous quarterly report, i.e. extended interim report for Q1 2015 there were no changes in the shareholding of managing and supervising people.



## **6. Other information significant for the assessment of the Issuer's situation**

### Demand for energy

According to the Ministry of Economy the demand for electricity in the next years will grow in all the sectors of economy. Net production of electricity will increase until 2030 to 193.3 TWh against 141.9 TWh in 2010, which means a growth by 36.3% - as results from forecasts by the Ministry of Economy included in "Update of the projection of demand for fuels and energy until 2030"<sup>1)</sup>.

### Quality tariff

The so called quality tariff will be introduced by the President of ERO as of 2016. It means that the rates in the distribution tariff of Enea Operator (and other ODSs) will depend on the quality of services provided by these entities. Service quality assessment will be performed by measuring numerous ratios, in particular ratios of uninterrupted power supply and those related to the process of connecting Customers to the power grid. The detailed model of tariffing has not been yet developed. On the current stage the Company is not able to estimate the impact of the quality tariff on its results. Enea Operator implements a range of initiatives aiming at the preparation to the requirements of the President of ERO, and in particular realises a vast programme of improving the grid reliability and its uninterrupted power supply.

### Cooperation with Tauron Polska Energia within RES

Enea and Tauron Polska Energia signed a letter of intent relating to the cooperation by the implementation of the strategy guaranteeing an optimum increase in the renewable capacity. Pursuant to the letter of intent, working teams will be appointed - business decisions will be made based on the deliverables. Cooperation with Tauron is a part of 2014-2020 strategy, which foresees e.g. the development of renewable sources, with a particular inclusion of wind farms.

### Continuation of the cooperation on the construction of the first atomic power plant in Poland

On 3 September 2014, PGE Polska Grupa Energetyczna, Tauron Polska Energia, Enea and KGHM Polska Miedź (Business Partners) signed a Shareholder Agreement.

On 15 April 2015, pursuant to the Shareholder Agreement, an agreement was concluded for the sale of shares in PGE EJ1 Sp. z o.o., as a result of which each of the Business Partners acquired 10% of shares in PGE EJ1.

As a result of the sale of shares in PGE EJ1 by PGE to Business Partners, PGE holds 70% share in the share capital of PGE EJ1, and each of the Business Partners - 10%. In May 2015 the National Court Register registered the new wording of the Shareholder Agreement resulting from the provisions of the Shareholder Agreement and in May and June 2015 the composition of the Company's Supervisory Board was extended with representatives of the Business Partners.

Pursuant to the strategy, PGE Group is to be the leader of the project of construction and exploitation of the first atomic power plant in Poland with the capacity of ca. 3,000 MW, and PGE EJ1 is to be the power plant's operator in the future.

Pursuant to the Shareholder Agreement the Parties will jointly, in the proportion to the number of shares held, finance the operations as part of the preliminary stage of the Project (Development stage). The development stage is to specify such elements as potential partners, including the strategic partner, providers of technologies, EPC (Engineering, Procurement, Construction) contractors, suppliers of atomic fuel and obtaining the financing for the project, and also organisational and competence based preparation of PGE EJ1 to the role of the future atomic power plant's operator, responsible for its safe and efficient exploitation (Integrated proceedings). Enea's financial commitment at the development stage will not exceed the amount of PLN 107 mln.

On 29 July 2015 the Extraordinary General Meeting of Shareholders of PGE EJ1 sp. z o.o. was held during which the Shareholders decided to raise the share capital of the Company by PLN 70 mln, through the issue of 496,450 new shares of the nominal value of PLN 141 each, subscribe for the newly created shares and cover them with cash contribution. Pursuant to the decision of the EGM Enea took up 49,645 shares of the total nominal value of PLN 7 mln and covered them with cash totalling to PLN 7 mln.

The Parties to the Shareholder Agreement foresee that the decision relating to the declaration of further participation of particular Parties in the next stage of the Project will be made after the completion of the development stage, directly before making the final decision within the Integrated proceedings.

### Limits of allowances for emissions of CO<sub>2</sub>

A material element within costs, conditioning the profitability of electricity generation is the allocation of free allowances for emissions of CO<sub>2</sub> and other gases and substances in a given settlement period. Obtaining a free allocation of CO<sub>2</sub> emission is conditional on the implementation of dedicated investments in Enea CG notified in the National Investment Plan (NIP). The value of actual outlays is the base for obtaining allowances.

### Building generating portfolio

Within the realisation of the superlative goal of Enea CG, i.e. higher value for shareholders, the Group pursues the improvement in the core financial ratios. Building a competitive generating portfolio is one of the basic elements of realisation of the above strategic goal. The Group pursues the development of the generating capacities to the level of additional 1,075 MWe in the segment of system power plants in 2017. In 2020 it is planned to additionally achieve ca. 500 MWe power from RES and ca. 300 MWe and 1,500 MWT in cogeneration sources and heating networks.

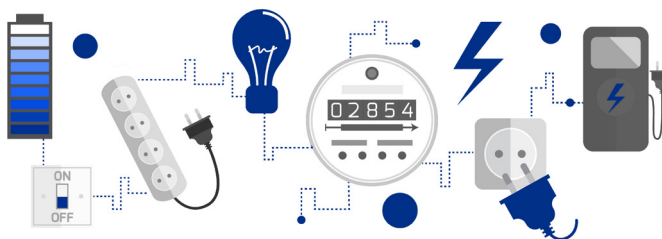
### Continuation of the construction of the power unit

In 2012 Enea Wytwarzanie and Hitachi Power Europe GmbH (presently Mitsubishi Hitachi Power Systems Europe GmbH) and Polimex-Mostostal SA consortium signed an agreement totalling to PLN 5.1 billion on the construction of 1,075 MWe gross supercritical bituminous coal fired power unit of the efficiency of 45.6% net. The investment in the construction of the new power unit is one of the key undertakings in order to increase generating capacities of Enea Group for a long-term satisfaction of the demand for electricity of all Enea Group's customers. The new power unit in Koźnice will be the most modern unit fired with bituminous coal in Poland and Europe. The completion of the investment will allow for increasing generating capacities of the power plant in Koźnice by ca. 30%.

### Guaranteeing bituminous coal supplies

Bituminous coal is the basic fuel used for the production of electricity. Due to the termination of a multiannual agreement for coal supplies concluded with Lubelski Węgiel "Bogdanka", the current price conditions for supplies to Enea Wytwarzanie will be valid until the end of 2017. During the next years the Group intends to guarantee coal supplies under more advantageous price conditions, which will contribute to a long-term enhancement of the competitiveness.

Notwithstanding the termination of the multiannual agreement mentioned above, LW Bogdanka will guarantee coal supplies for the needs of the 1,075 MW unit which will commence the operations in 2017.



<sup>1)</sup> More information on:

<http://www.mg.gov.pl/Bezpieczenstwo+gospodarcze/Energetyka/Polityka+energetyczna>

**Rating**

Maintaining, as in 2012-2014, for Enea SA on 27 April 2015 by Fitch Ratings agency of a long-term rating of an entity in national and foreign currency on the level of "BBB" and a long-term national rating on the level of "A(pol)" is of a key importance as to the investment intentions of the Group. The outlook of the ratings is stable.

On 23 March 2015 the Company was awarded by EuroRating a BBB credit rating with a stable perspective. The rating mentioned above was awarded by EuroRating on its own initiative, in reply to the information needs of market participants, and the credit risk assessment process was based on the publicly known information.

**Long-Term Power Purchase Agreements (LTPPA)**

2014 was the last year of Enea Wytwarzanie's remaining in the aid programme related to the earlier termination of long-term contracts for sale of energy and electric power. On 27 August 2015 the decision was delivered of the President of ERO relating to the so called final adjustment summing up the whole aid programme. The President of ERO determined the amount of the final adjustment of stranded costs for Enea Wytwarzanie in the amount of PLN (+)315.5 mln. The Decision is final and the amount specified therein should be paid for the account of Enea Wytwarzanie by Zarządca Rozliczeń S.A. until the end of 2015. Detailed information on this subject were published in the current report No 32/2015 of 27 August 2015.

**Collective labour disputes**

There are no collective labour disputes in any of the core companies comprising Enea CG. In order to eliminate the risk and occurrence of a potential collective dispute the boards of the companies have a regular dialogue with the society.

**Court and administrative proceedings**

As at the date of publication of this report, no proceedings are underway regarding liabilities or claims, the party to which would be Enea SA or its subsidiary, whose single or total value would amount to 10% or more of Enea SA's equity.

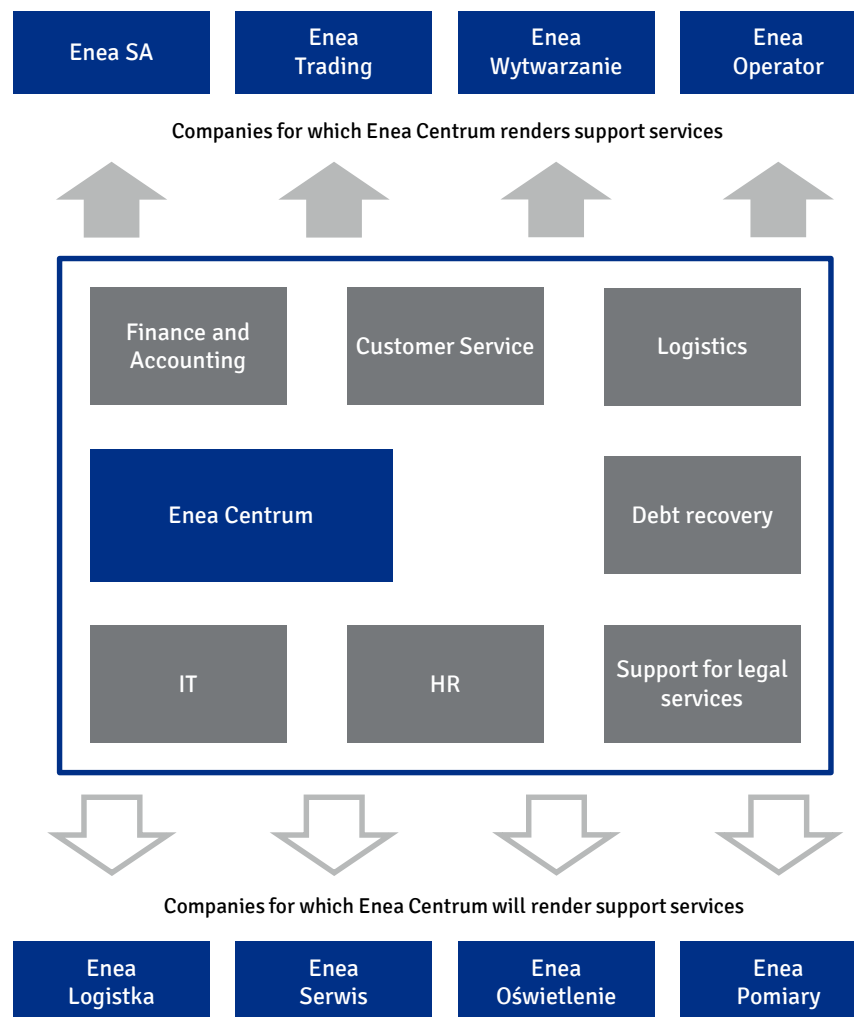
A detailed description of proceedings is presented in note 24 to the condensed interim consolidated financial statements of Enea CG for the period from 1 January to 30 June 2015.

**Enhancing the efficiency of the support area**

Works related to the construction of the Shared Service Centre (SSC) common for the whole Group are continued in Enea Centrum and cover the following support functions: customer service, IT, finance and accounting, HR, logistics, debt collection and legal services coordination. The objective is to raise the cost and organisational efficiency of processes realised in SSC.

In H1 2015 significant changes were implemented within HR services - on 1 May a new organisational and functional model was introduced of the Shared Service Centre within HR.

At the same time, Enea Centrum implements a range of optimisation projects in particular areas of SSC whose goal is the reduction in costs and raising the quality of services rendered for the other companies in Enea CG.



**SSC brings real benefits to Enea Group:**

- Increase in the level of competence and better use of knowledge in the Group's scale
- Standardisation and optimisation of processes, tools and information in the Group
- Better flexibility of business processes
- Greater efficiency of management, including risk management
- Increase in the level of support services quality
- Reduction in unit service costs within SSC



Corporate social responsibility in H1 2015 was concentrated on the implementation of the following actions:

### 2015 - Enea Group's Year of Values

2015 was announced "Enea Group's Year of Values". Common corporate values: **honesty, competence, responsibility and safety** were selected by employees. Thus, they became co-liable for the development of a company on solid foundations. Enea Group's employees are led by common values in contacts with Customers and all the stakeholders. They refer also to the built processes and offered services. The goals ahead of the Group will be realised observing the principles of corporate governance and through propagation of values common for us all.



Selected tools promoting Enea Group's values:

- "Enea Group's Code of Values" - preparation of a special form of presenting its contents, available both in the corporate Intranet, and on the website
- Publication of the Letter of the President of the Board to the employees of Enea Group announcing "Year 2015 - Enea Group's Year of Values"
- Corporate Intranet - establishment of a special tab popularising knowledge on the values and ethical standards and behaviours
- Website - presentation of corporate values and "Enea Group's Code of Values" in "Career in Enea" section
- Educational articles using the Intranet and "ENEAnews" newsletter
- Corporate calendars with a graphic creation dedicated to the corporate values



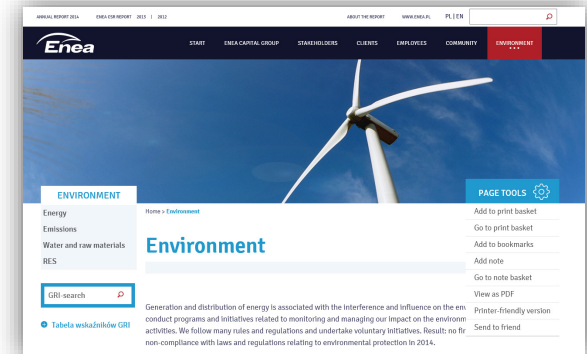


Corporate social responsibility in H1 2015 was concentrated on the implementation of the following actions:

## On-line publication of the fourth "Enea Group's Corporate social responsibility report 2014"

Non-financial reporting

Taking care for the Customers' world, caring for the safety and development of Employees, engagement into the life of local societies, respecting the natural environment - these are the good practices leading Enea's actions on a daily basis. In May 2015 Enea published the fourth already interactive Corporate Social Responsibility Report of Enea Group for 2014 - this was the year in which Enea reported as the first one from the energy sector. The document is available on-line on <http://raportcsr.enea.pl/2014/en>.

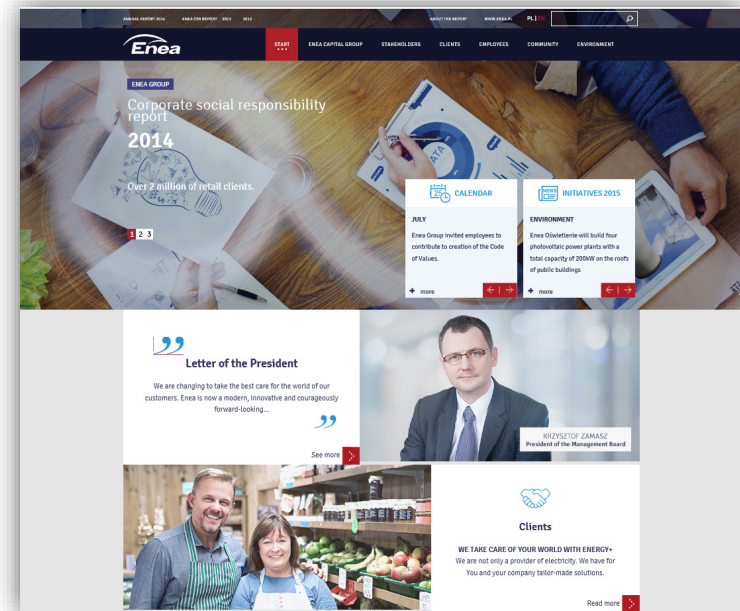


As one of the largest companies from the energy sector in Poland, which is responsible for the energy security of the country, we inform in detail in the report about what we do in the context of interacting with the society, economy and environment. We demonstrate what impact our operations have on the quality of life of millions of Poles, not only our Customers.

The most important aspects of Enea Group's balanced development are:

- within the environment: low emission of carbon dioxide and other greenhouse gases in the context of generation and distribution of energy, low consumption of energy and use of energy-saving solutions, caring for water resources;
- within the social area: caring for safety and health of Employees, trainings and education, cooperation with the local communities, high Customer service quality, protecting their privacy and personal data.

The report was prepared in compliance with the guidelines of the international standard of Global Reporting Initiative G4, on the level of Core application.



## Corporate volunteering in Enea Group

Enea Foundation

In H1 2015, corporate volunteering activities in Enea Group focused mainly on the competence volunteering related to the implementation of programmes such as "Power-not so scary" and "First aid - pre-medical rescue". Within safe use of power and providing first pre-medical aid a total of almost 2,000 people were trained, including children and youth. Volunteers devoted over 100 hours for educating activities.



In H1 2015, a new **model of corporate volunteering operation was developed in Enea Group** via transfer of competences within the management of this area to Enea Foundation. So far, the volunteering was coordinated by an employee in the Corporate Communication Department of Enea SA. The new model orders the volunteering in the whole Enea Group.

Due to the implementation of the changes Enea's volunteers may engage socially more effectively. The realisation of their activities is planned, coherent with the Foundation's goals and directed on the most valuable initiatives.

### Volunteering in practice

#### Accident? We show how to save human life

What to do when we witness an unfortunate accident was demonstrated by volunteers during the May season opening of beach volleyball. The event took place at Plac Wolności in Poznań. Adults and children, apart from exercising on phantoms, performing the resuscitation action, took part in practical classes covering the basic skills of applying a splint to limbs and dressing wounds using the most common available materials. Thanks to exercises they obtained knowledge and skills of the basic behaviour in relation to the injured. The classes were very popular.



#### Enea promotes engagement among business leaders

Invited by Enea and Philanthropy Development Academy in Poland presidents and representatives of the largest companies in Poland came to the power plant in Kozienice: Nowa Era, Aviva, Imperial Tobacco Polska Manufacturing, Budimex, TFI Skarbiec, AMS and OTTO Polska. The objective of the meeting was integration of managers, exchange of experiences related to socially responsible activities and promotion of volunteering and social engagement in business. Since 2011, Enea has been a member of Presidents-volunteers Coalition. The company's representatives share their time and experience for important social initiatives and support development of volunteering in Enea Group.



### Enea brand new strategy

Enea has a new brand strategy. It is a list of features which will distinguish us on the market - mainly in contacts with Customers. A simple and transparent communication with Customers is one of its fundamental elements. A consequence of the implementation of the new brand strategy is also a new brand architecture and change of companies' names.

So far, each company used its own trade mark - some companies used Enea mark supplemented with the name of the business area (Enea Operator or Enea Wytwarzanie), and the others had their own logotypes corresponding to the company name (e.g. BHU or Enecs). In relation to the introduction of the new brand strategy, the principles of using the trade marks were simplified: all the Group companies use the same Enea logotype, except Enea Operator due to the nature of energy seller and distributor. Names were also changed - the companies presently have "Enea" stem in their names + descriptor of their scope of operations, e.g. Enea Pomiar, Enea Oświetlenie, Enea Logistyka.



- Enea Wytwarzanie
- Enea Ciepło
- Enea Trading
- Enea Centrum
- Enea Oświetlenie
- Enea Pomiar
- Enea Logistyka
- Enea Serwis

The decision was made based on several aspects:

- a common logotype facilitates communication with Customers for whom Enea is a business partner, notwithstanding the area of their operations
- simple brand communication allows also for cost optimisation - mainly due to the orders' effect of scale and their standardisation
- the common brand reflects the direction of changes occurring in the Group which is to create the one economic body

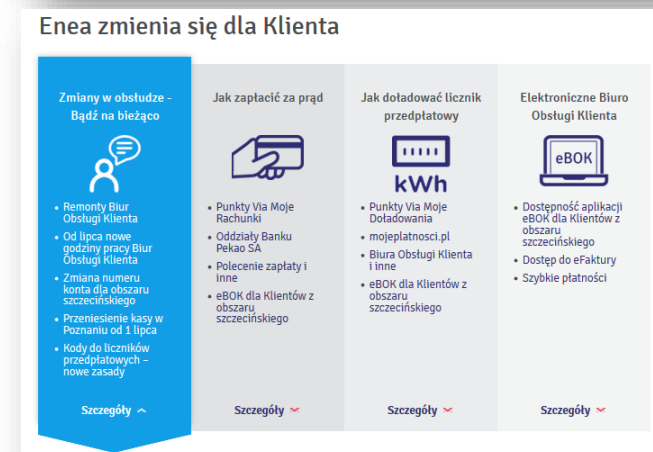
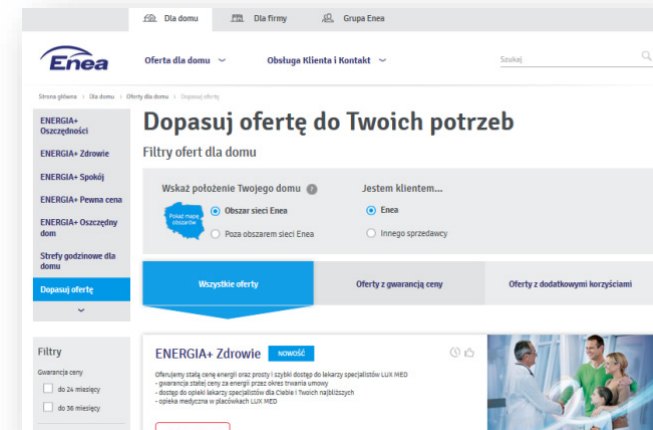
Introducing a common brand, we decided to also refresh our logotype. It is fully dark blue, which is to symbolise the brand professionalism, and on the other hand makes the Group's image more modern and refers to the simplicity - the pillar of the new brand strategy.

Changes related to the new brand strategy covered also the Company's internet portal which - in a completely new version - was made available to users on 31 March 2015.

[www.enea.pl](http://www.enea.pl) website gained a new graphic design and extensive modules for individual and business Customers. The portal was designed with the thought of the comfort of existing and future Customers of Enea. Pursuant to the latest trends, it has a simple, intuitive and user-friendly navigation. It has an ergonomic interface, precise navigation and information architecture. It is visually attractive and is not overloaded with content.

During the next months the service will be effectively connected with information systems supporting the sales and Customer service. New tools also occurred which support the communication with the media and investors.

The website was prepared in the responsive technology, i.e. adjusts to the resolution of the screen on which it is displayed. The portal is available on all the mobile devices. Finally, it will integrate the websites of all the Group companies.





**Attachments**

**Profit and loss statement of Enea SA - H1 2015**

[PLN '000]	H1 2014	H1 2015	Change	Change %
Sales of electricity to retail users	1 762 576	1 925 096	162 520	9.2%
Sales of gaseous fuel to retail users	0	32 287	32 287	100.0%
Sales of distribution services to users holding comprehensive agreements	718 474	745 904	27 430	3.8%
Sales of energy and gaseous fuel to other entities	48 547	98 383	49 836	102.7%
Sales of services	5 879	1 706	-4 173	-71.0%
Other revenue	2 218	8 485	6 267	282.5%
Excise tax	103 145	114 679	11 534	11.2%
<b>Net sales revenue</b>	<b>2 434 549</b>	<b>2 697 182</b>	<b>262 633</b>	<b>10.8%</b>
Amortisation/depreciation	4 133	2 954	-1 179	-28.5%
Employee benefit costs	21 818	23 038	1 220	5.6%
Consumption of materials and energy and value of sold materials	1 433	757	-676	-47.2%
Purchase of energy and gaseous fuel for sale	1 543 197	1 781 031	237 834	15.4%
Cost of providing distribution services for the performance of comprehensive agreements for the provision of electricity and distribution services	720 907	745 940	25 033	3.5%
Other outsourced services	81 878	71 657	-10 221	-12.5%
Taxes and charges	2 423	1 867	-556	-22.9%
<b>Cost of sales</b>	<b>2 375 789</b>	<b>2 627 244</b>	<b>251 455</b>	<b>10.6%</b>
Other operating revenue	15 070	11 425	-3 645	-24.2%
Other operating expenses	19 203	28 177	8 974	46.7%
Profit / loss on sales of fixed assets	-4	1 011	1 015	25 375.0%
<b>Operating profit</b>	<b>54 623</b>	<b>54 197</b>	<b>-426</b>	<b>-0.8%</b>
Financial revenue	72 187	74 955	2 768	3.8%
Dividend revenue	569 022	874 236	305 214	53.6%
Financial expenses	20 648	44 533	23 885	115.7%
<b>Profit before tax</b>	<b>675 184</b>	<b>958 855</b>	<b>283 671</b>	<b>42.0%</b>
Income tax	1 444	17 456	16 012	1 108.8%
<b>Net profit</b>	<b>673 740</b>	<b>941 399</b>	<b>267 659</b>	<b>39.7%</b>
<b>EBITDA</b>	<b>58 756</b>	<b>57 151</b>	<b>-1 605</b>	<b>-2.7%</b>

**H1 2015:**
**Change factors of EBITDA of Enea SA (drop by PLN 2 mln):**

- (+) higher first contribution margin by PLN 1 mln
- (+) higher average selling price by 7.1%
- (-) higher costs of ecological obligations by PLN 60 mln
- (-) higher average purchase price of energy by 8.0%
- (+) higher volumes of sales by 153 GWh
- (+) higher result on gaseous fuel by PLN 1 mln
- (+) lower costs of external services (by PLN 10 mln) stemming from:
  - (+) lower costs related to customer service and debt collection by PLN 10 mln
  - (+) lower costs of consulting and legal services by PLN 2 mln
  - (-) higher costs of commissions for business partners by PLN 3 mln
- (-) lower result on the other operating activity (by PLN 12 mln) stemming from:
  - (-) higher provisions for litigation by PLN 11 mln
  - (-) lower revenue from damages by PLN 5 mln
  - (+) analysis and verification of the balance of receivables PLN 3 mln



**Profit and loss statement of Enea SA - Q2 2015**

[PLN '000]	Q2 2014	Q2 2015	Change	Change %
Sales of electricity to retail users	840 129	878 618	38 490	4.6%
Sales of gaseous fuel to retail users	0	19 247	19 247	100.0%
Sales of distribution services to users holding comprehensive agreements	337 008	343 711	6 702	2.0%
Sales of energy and gaseous fuel to other entities	26 446	33 246	6 800	25.7%
Sales of services	2 099	902	-1 197	-57.0%
Other revenue	1 911	585	-1 326	-69.4%
Excise tax	49 111	51 215	2 104	4.3%
<b>Net sales revenue</b>	<b>1 158 482</b>	<b>1 225 094</b>	<b>66 612</b>	<b>5.7%</b>
Amortisation/depreciation	2 038	1 364	-674	-33.1%
Employee benefit costs	9 011	13 969	4 958	55.0%
Consumption of materials and energy and value of sold materials	803	628	-175	-21.8%
Purchase of energy and gaseous fuel for sale	762 072	794 534	32 462	4.3%
Cost of providing distribution services for the performance of comprehensive agreements for the provision of electricity and distribution services	334 191	345 268	11 077	3.3%
Other outsourced services	43 260	41 159	-2 101	-4.9%
Taxes and charges	417	333	-84	-20.2%
<b>Cost of sales</b>	<b>1 151 792</b>	<b>1 197 255</b>	<b>45 463</b>	<b>3.9%</b>
Other operating revenue	10 366	6 051	-4 315	-41.6%
Other operating expenses	9 228	22 492	13 264	143.7%
Profit / loss on sales of fixed assets	0	1 011	1 011	100.0%
<b>Operating profit</b>	<b>7 828</b>	<b>12 409</b>	<b>4 581</b>	<b>58.5%</b>
Financial revenue	39 378	32 047	-7 331	-18.6%
Dividend revenue	569 022	874 236	305 214	53.6%
Financial expenses	10 116	24 002	13 886	137.3%
<b>Profit before tax</b>	<b>606 112</b>	<b>894 690</b>	<b>288 578</b>	<b>47.6%</b>
Income tax	-16 154	3 530	19 684	121.9%
<b>Net profit</b>	<b>622 266</b>	<b>891 160</b>	<b>268 894</b>	<b>43.2%</b>
<b>EBITDA</b>	<b>9 866</b>	<b>13 773</b>	<b>3 907</b>	<b>39.6%</b>

**Q2 2015:**
**Change factors of EBITDA of Enea SA (growth by PLN 4 mln):**

- (+) higher first contribution margin by PLN 29 mln
- (+) higher average selling price by 7.8%
- (-) higher costs of ecological obligations by PLN 8 mln
- (+) higher average purchase price of energy by 4.7%
- (-) lower volume of sales by 114 GWh
- (+) higher result on gaseous fuel by PLN 1 mln
- (+) lower costs of external services (by PLN 2 mln) stemming from:
  - (+) lower costs related to customer service and debt collection by PLN 6 mln
  - (-) higher costs of advertising and representation by PLN 3 mln
  - (-) higher costs of commissions for business partners by PLN 1 mln
- (-) higher costs of employee benefits (by PLN 5 mln) due to higher costs of salaries with related items by PLN 3 mln and higher costs of actuarial provisions by PLN 3 mln
- (-) lower result on the other operating activity (by PLN 17 mln) stemming from:
  - (-) higher provisions for litigation by PLN 12 mln
  - (+) analysis and verification of the balance of receivables PLN 2 mln



**Profit and loss statement of Enea Operator sp. z o.o. - H1 2015**

[PLN '000]	H1 2014	H1 2015	Change	Change %
Revenue from sales of distribution services to end users	1 355 161	1 409 504	54 343	4.0%
Revenue from additional fees	3 292	2 417	-875	-26.6%
Revenue from non-invoiced sales of distribution services	-12 143	-674	11 469	94.4%
Clearing of the Balancing Market	29 726	430	-29 296	-98.6%
Fees for customer grid connection	51 306	31 161	-20 145	-39.3%
Revenue from the illegal collection of electricity	3 769	3 346	-423	-11.2%
Revenue from services	45 708	22 014	-23 694	-51.8%
Sales of distribution services to other entities	9 397	9 905	508	5.4%
Sales of goods and services and other revenue	1 647	794	-853	-51.8%
<b>Sales revenue</b>	<b>1 487 864</b>	<b>1 478 897</b>	<b>-8 967</b>	<b>-0.6%</b>
Depreciation and amortisation of fixed and intangible assets	200 177	214 307	14 130	7.1%
Employee benefit costs	238 881	194 484	-44 397	-18.6%
Consumption of materials and raw materials and value of goods sold	22 941	16 158	-6 783	-29.6%
Purchase of energy for own needs and grid losses	119 763	127 902	8 139	6.8%
Costs of transmission services	351 708	385 953	34 245	9.7%
Other outsourced services	94 362	123 331	28 969	30.7%
Taxes and charges	79 494	86 242	6 748	8.5%
<b>Cost of sales</b>	<b>1 107 326</b>	<b>1 148 377</b>	<b>41 051</b>	<b>3.7%</b>
Other operating revenue	38 958	8 901	-30 057	-77.2%
Other operating expenses	12 710	33 502	20 792	163.6%
Profit / loss on sales and liquidation of tangible fixed assets	-134	-1 355	-1 221	-911.2%
<b>Operating profit/loss</b>	<b>406 652</b>	<b>304 564</b>	<b>-102 088</b>	<b>-25.1%</b>
Financial revenue	2 758	4 664	1 906	69.1%
Financial expenses	15 825	14 889	-936	-5.9%
<b>Gross profit/loss</b>	<b>393 585</b>	<b>294 339</b>	<b>-99 246</b>	<b>-25.2%</b>
Income tax	74 359	57 751	-16 608	-22.3%
<b>Net profit/loss</b>	<b>319 226</b>	<b>236 588</b>	<b>-82 638</b>	<b>-25.9%</b>
<b>EBITDA</b>	<b>606 829</b>	<b>518 871</b>	<b>-87 958</b>	<b>-14.5%</b>

**H1 2015:**
**Change factors of EBITDA of Enea Operator sp. z o.o. (drop by PLN 88.0 mln):**

- (+) higher revenue from sales of distribution services to end users by PLN 65.8 mln as a result of higher volumes of sales of distribution services to end users by 189.2 GWh and higher rates
- (-) higher costs of purchasing transmission services by PLN 34.2 mln mainly as a result of higher rates in PSE tariff
- (-) lower revenue from grid connection fees by PLN 20.1 mln, as a result of lower rates for connection (2014 Tariff vs 2013 Tariff by ca. 60%)
- (-) recognition in 2014 of the final settlement of electricity purchases for coverage of the book-tax difference for 2013 in PLN 32.5 mln (one-off)
- (-) higher costs of purchasing electricity for coverage of book-tax difference by PLN 4.9 mln - higher average purchase price and lower volumes
- (-) lower revenue from services related to the shift of competences to Enea Centrum by PLN 21.4 mln
- (-) lower revenue in relation to a partial resignation from street lighting maintenance services by PLN 6.0 mln
- (+) lower costs of employee benefits, materials and outsourced services by PLN 31.8 mln as a result of optimisation of the level of employment, optimisation of the grid exploitation process and concentration of competences in Enea Centrum
- (-) higher costs of taxes and fees by PLN 6.7 mln, as a result of implemented investments and growth in fees
- (-) recognition in 2014 of a provision discount for transmission corridors in the amount of PLN 26.1 mln (one-off)
- (-) higher provisions on transmission corridors by PLN 8.0 mln - higher fees
- (-) lower result relating to assets insurance and costs of removing fortuitous events by PLN 4.3 mln
- (-) settlement in 2014 of an agreement relating to State Forests in the amount of PLN 7.9 mln (one-off)

**Profit and loss statement of Enea Operator sp. z o.o. - Q2 2015**

[PLN '000]	Q2 2014	Q2 2015	Change	Change %
Revenue from sales of distribution services to end users	655 746	685 597	29 851	4.6%
Revenue from additional fees	1 639	1 146	-492	-30.0%
Revenue from non-invoiced sales of distribution services	-12 796	-18 779	-5 983	-46.8%
Clearing of the Balancing Market	2 296	145	-2 151	-93.7%
Fees for customer grid connection	33 351	19 680	-13 671	-41.0%
Revenue from the illegal collection of electricity	1 438	1 704	266	18.5%
Revenue from services	22 992	10 909	-12 083	-52.6%
Sales of distribution services to other entities	5 683	4 772	-910	-16.0%
Sales of goods and services and other revenue	816	558	-258	-31.7%
<b>Sales revenue</b>	<b>711 164</b>	<b>705 732</b>	<b>-5 432</b>	<b>-0.8%</b>
Depreciation and amortisation of fixed and intangible assets	97 095	109 183	12 088	12.4%
Employee benefit costs	97 370	90 132	-7 238	-7.4%
Consumption of materials and raw materials and value of goods sold	11 033	9 236	-1 797	-16.3%
Purchase of energy for own needs and grid losses	57 409	60 593	3 184	5.5%
Costs of transmission services	172 374	190 742	18 368	10.7%
Other outsourced services	52 281	61 607	9 326	17.8%
Taxes and charges	35 022	38 455	3 433	9.8%
<b>Cost of sales</b>	<b>522 584</b>	<b>559 948</b>	<b>37 364</b>	<b>7.1%</b>
Other operating revenue	28 166	6 952	-21 214	-75.3%
Other operating expenses	1 352	10 265	8 913	659.2%
Profit / loss on sales and liquidation of tangible fixed assets	-431	-1 789	-1 358	-315.1%
<b>Operating profit/loss</b>	<b>214 963</b>	<b>140 682</b>	<b>-74 281</b>	<b>-34.6%</b>
Financial revenue	936	3 028	2 092	223.5%
Financial expenses	8 245	7 206	-1 039	-12.6%
<b>Gross profit/loss</b>	<b>207 654</b>	<b>136 504</b>	<b>-71 150</b>	<b>-34.3%</b>
Income tax	38 548	27 020	-11 528	-29.9%
<b>Net profit/loss</b>	<b>169 106</b>	<b>109 484</b>	<b>-59 622</b>	<b>-35.3%</b>
<b>EBITDA</b>	<b>312 058</b>	<b>249 865</b>	<b>-62 193</b>	<b>-19.9%</b>

**Q2 2015:**
**Change factors of EBITDA of Enea Operator sp. z o.o. (drop by PLN 62.2 mln):**

- (+) higher revenue from sales of distribution services to end users by PLN 23.9 mln as a result of higher volumes of sales of distribution services to end users by 94.8 GWh and higher rates
- (-) higher costs of purchasing transmission services by PLN 18.4 mln mainly as a result of higher rates in PSE tariff
- (-) lower revenue from grid connection fees by PLN 13.7 mln
- (-) higher costs of purchasing energy for coverage of book-tax difference by PLN 5.4 mln - higher average purchase price and higher volumes
- (-) lower revenue from services related to the shift of competences to Enea Centrum by PLN 10.7 mln
- (-) lower revenue in relation to a partial resignation from street lighting maintenance services by PLN 2.1 mln
- (+) lower costs of employee benefits, materials and outsourced services by PLN 9.3 mln as a result of optimisation of the level of employment, optimisation of the grid exploitation process and concentration of competences in Enea Centrum
- (-) higher costs of taxes and fees by PLN 3.4 mln - a result of implemented investments and growth in fees
- (-) recognition in 2014 of a provision discount for transmission corridors in the amount of PLN 26.1 mln (one-off)
- (+) lower provisions for transmission corridors by PLN 5.5 mln
- (-) lower result relating to assets insurance and costs of removing fortuitous events by PLN 2.8 mln
- (-) settlement in 2014 of an agreement relating to State Forests in the amount of PLN 7.9 mln (one-off)

**Profit and loss statement of Enea Wytwarzanie sp. z o.o. - H1 2015**

[PLN '000]	H1 2014	H1 2015	Change	Change %
Revenue from sale of electricity	1 334 041	1 372 036	37 995	2.8%
<i>generating licence</i>	1 087 085	1 189 697	102 612	9.4%
<i>trade licence</i>	246 956	182 339	-64 617	-26.2%
Revenue from certificates of origin	95 912	60 582	-35 330	-36.8%
Revenue from sales of CO <sub>2</sub> emission allowances	4 925	0	-4 925	-100.0%
Revenue from sale of heat	73 532	91 649	18 117	24.6%
Recovery of stranded costs	257 508	0	-257 508	-100.0%
Revenue from services	5 296	6 908	1 612	30.4%
Sales of goods and services and other revenue	3 764	5 422	1 658	44.0%
Excise tax	252	119	-133	-52.8%
<b>Net sales revenue</b>	<b>1 774 726</b>	<b>1 536 478</b>	<b>-238 248</b>	<b>-13.4%</b>
Depreciation and amortisation of fixed and intangible assets	133 060	135 820	2 760	2.1%
Employee benefit costs	144 698	132 134	-12 564	-8.7%
Consumption of materials and raw materials and value of goods sold	794 491	810 808	16 317	2.1%
Costs of energy purchases for resale	304 376	222 320	-82 056	-27.0%
Transmission services	0	1 188	1 188	100.0%
Other outsourced services	59 334	59 947	613	1.0%
Taxes and charges	45 821	46 637	816	1.8%
<b>Cost of sales</b>	<b>1 481 780</b>	<b>1 408 854</b>	<b>-72 926</b>	<b>-4.9%</b>
Other operating revenue	27 060	4 810 <sup>1)</sup>	-22 250	-82.2%
Other operating expenses	17 697	4 953	-12 744	-72.0%
Profit / loss on sales and liquidation of tangible fixed assets	72	13 <sup>1)</sup>	-59	-81.9%
<b>Operating profit/loss</b>	<b>302 381</b>	<b>127 494</b>	<b>-174 887</b>	<b>-57.8%</b>
Financial revenue	5 045	6 572	1 527	30.3%
Financial expenses	12 004	10 056	-1 948	-16.2%
Dividend revenue	3 355	3 890	535	15.9%
<b>Gross profit/loss</b>	<b>298 777</b>	<b>127 900</b>	<b>-170 877</b>	<b>-57.2%</b>
Income tax	-70 020	-22 836	47 184	67.4%
<b>Net profit/loss</b>	<b>228 757</b>	<b>105 064</b>	<b>-123 693</b>	<b>-54.1%</b>
<b>EBITDA</b>	<b>435 441</b>	<b>263 314</b>	<b>-172 127</b>	<b>-39.5%</b>

**H1 2015:**
**Change factors of EBITDA of Enea Wytwarzanie sp. z o.o. (drop by PLN 172 mln):**
**Segment of System Power Plants - drop in EBITDA by PLN 157 mln:**

- (-) recognition in 2014 of revenue from Long-term Agreements amounting to PLN 258 mln (one-off)
- (+) higher margin on generation (PLN 51 mln), resulting mainly from higher prices of electricity
- (+) higher margin on trade and on the Balancing Market (PLN 32 mln), which mainly results from higher average selling price
- (+) higher revenue from the Regulatory System Services (PLN 11 mln) - mainly higher revenue from operating power reserve
- (+) lower fixed costs (PLN 5 mln) - mainly lower costs of employee benefits

**Segment of Heat - growth in EBITDA by PLN 7 mln:**

- (+) higher first contribution margin (PLN 4 mln): higher revenue from heat and electricity (PLN 22.5 mln), lower revenue from certificates of origin (PLN 6.5 mln), higher costs of biomass consumption (PLN 12 mln)
- (+) lower costs of renovation services (PLN 2 mln)
- (+) sale of non-generation assets (PLN 1 mln)

**Segment of RES - EBITDA lower by PLN 22 mln:**

- (-) Area of Wind (PLN -18 mln): lower revenue from certificates of origin and revenue from electricity (PLN 9 mln), lower fixed costs, lower prices (PLN 4 mln) - mainly servicing, redemption of liabilities in the comparative period (PLN 10 mln, one-off)
- (-) Area of Biogas (PLN -3 mln): higher costs of substrates (PLN 1 mln) and higher fixed costs (PLN 1 mln)
- (-) Area of Water (PLN -1 mln): lower revenue from certificates of origin and revenue from electricity (PLN 4 mln), and lower fixed costs (PLN 3 mln) - mainly lower costs of employee benefits

1) presentation change after H1 2015

**Profit and loss statement of Enea Wytwarzanie sp. z o.o. - Q2 2015**

[PLN '000]	Q2 2014	Q2 2015	Change	Change %
Revenue from sale of electricity	645 189	699 741	54 552	8.5%
<i>generating licence</i>	501 198	629 561	128 363	25.6%
<i>trade licence</i>	143 991	70 180	-73 811	-51.3%
Revenue from certificates of origin	38 462	18 797	-19 665	-51.1%
Revenue from sales of CO <sub>2</sub> emission allowances	4 925	0	-4 925	-100.0%
Revenue from sale of heat	24 562	33 745	9 183	37.4%
Recovery of stranded costs	257 508	0	-257 508	-100.0%
Revenue from services	2 621	3 262	641	24.5%
Sales of goods and services and other revenue	2 808	4 231	1 423	50.7%
Excise tax	91	56	-35	-38.5%
<b>Net sales revenue</b>	<b>975 984</b>	<b>759 720</b>	<b>-216 264</b>	<b>-22.2%</b>
Depreciation and amortisation of fixed and intangible assets	47 435	69 398	21 963	46.3%
Employee benefit costs	69 760	68 844	-916	-1.3%
Consumption of materials and raw materials and value of goods sold	378 523	424 469	45 946	12.1%
Costs of energy purchases for resale	157 839	105 197	-52 642	-33.4%
Transmission services	-555	643	1 198	215.9%
Other outsourced services	34 530	30 290	-4 240	-12.3%
Taxes and charges	21 072	23 099	2 027	9.6%
<b>Cost of sales</b>	<b>708 604</b>	<b>721 940</b>	<b>13 336</b>	<b>1.9%</b>
Other operating revenue	17 582	-8 061 <sup>1)</sup>	-25 643	-145.8%
Other operating expenses	15 180	1 398	-13 782	-90.8%
Profit / loss on sales and liquidation of tangible fixed assets	68	10 938 <sup>1)</sup>	10 870	15 985.3%
<b>Operating profit/loss</b>	<b>269 850</b>	<b>39 259</b>	<b>-230 591</b>	<b>-85.5%</b>
Financial revenue	2 030	3 511	1 481	73.0%
Financial expenses	8 770	4 326	-4 444	-50.7%
Dividend revenue	3 355	3 890	535	15.9%
<b>Gross profit/loss</b>	<b>266 465</b>	<b>42 334</b>	<b>-224 131</b>	<b>-84.1%</b>
Income tax	-76 348	-38 040	38 308	50.2%
<b>Net profit/loss</b>	<b>202 773</b>	<b>4 294</b>	<b>-198 479</b>	<b>-97.9%</b>
<b>EBITDA</b>	<b>317,285</b>	<b>108 657</b>	<b>-208 628</b>	<b>-65.8%</b>

**Q2 2015:**
**Change factors of EBITDA of Enea Wytwarzanie sp. z o.o. (drop by PLN 209 mln):**
**Segment of System Power Plants - drop in EBITDA by PLN 201 mln:**

- (-) recognition in 2014 of revenue from Long-term Agreements amounting to PLN 258 mln (one-off)
- (+) higher margin on generation (PLN 32 mln), resulting mainly from higher prices of electricity
- (+) higher margin on trade and on the Balancing Market (PLN 12 mln), which mainly results from higher average selling price
- (+) higher revenue from the Regulatory System Services (PLN 7 mln) - mainly higher revenue from operating power reserve

**Segment of Heat - growth in EBITDA by PLN 4 mln:**

- (+) higher first contribution margin (PLN 3 mln): higher revenue from heat and electricity (PLN 12 mln), lower revenue from certificates of origin (PLN 3 mln), higher costs of biomass consumption (PLN 6 mln)
- (+) lower costs of renovation services (PLN 1 mln)

**Segment of RES - EBITDA lower by PLN 12 mln:**

- (-) Area of Wind (PLN -11 mln): lower revenue from certificates of origin (PLN 3 mln) - lower fixed costs, lower prices (PLN 3 mln) - mainly lower costs of servicing, redemption of liabilities in the comparative period (PLN 10 mln, one-off)
- (-) Area of Biogas (PLN -2 mln): mainly higher costs of substrates (PLN 1 mln)
- (+) Area of Wind (PLN 1 mln): lower fixed costs (PLN 2 mln) - mainly lower costs of employee benefits, lower revenue from certificates of origin and electricity (PLN 1 mln) - lower prices

1) presentation change after H1 2015

## Financial ratios

Below please find a glossary of terms and a list of acronyms used in this Report of the Management Board on the Operations of Enea Capital Group.

Ratio		Item
EBITDA	=	Operating profit (loss) + amortisation and depreciation
Return on equity (ROE)	=	$\frac{\text{Net profit (loss) for the reporting period}}{\text{Equity}}$
Return on assets (ROA)	=	$\frac{\text{Net profit (loss) for the reporting period}}{\text{Total assets}}$
Net profitability	=	$\frac{\text{Net profit (loss) for the reporting period}}{\text{Net sales revenue}}$
Operating profitability	=	$\frac{\text{Operating profit (loss)}}{\text{Net sales revenue}}$
EBITDA profitability	=	$\frac{\text{EBITDA}}{\text{Net sales revenue}}$
Current liquidity ratio	=	$\frac{\text{Current assets}}{\text{Current liabilities}}$
Equity-to-fixed assets ratio	=	$\frac{\text{Equity}}{\text{Fixed assets}}$
Total debt ratio	=	$\frac{\text{Total liabilities}}{\text{Total assets}}$
Net debt / EBITDA	=	$\frac{\text{interest-bearing liabilities - cash and cash equivalents}}{\text{EBITDA}}$
Current receivables turnover in days	=	$\frac{\text{Average trade and other receivables x number of days}}{\text{Net sales revenue}}$
Turnover of trade and other payables in days	=	$\frac{\text{Average trade and other liabilities x number of days}}{\text{Cost of products, goods and materials sold}}$
Inventory turnover in days	=	$\frac{\text{Average inventory x number of days}}{\text{Cost of products, goods and materials sold}}$
Cost of products, goods and materials sold	=	Use of materials and value of goods sold; Purchases of energy for resale; Transmission services; other outsourced services; taxes and charges; excise tax

**Sectoral terms/abbreviations**

Abbreviation/term	Full name/explanation
<b>BlueNext</b>	Trading platform enabling trade in allowances for emissions of CO <sub>2</sub> (EUA) and units of certified reduction of emissions (CER) on spot and futures market
<b>CAPEX</b>	Capital expenditures
<b>CO<sub>2</sub></b>	Carbon dioxide
<b>Price of baseload (BASE)</b>	Price of contract with delivery of the same volume of energy on each day hour
<b>Price of euro-peak (PEAK)</b>	Price of contract with delivery of the same volume of energy in euro-peak (i.e. from 7:00 to 22:00 on business days)
<b>CER</b>	Certified Emission Reduction
<b>ENVI</b>	The Committee on the Environment, Public Health and Food Safety in the European Parliament
<b>EUA</b>	EU Emission Allowance - allowances for emissions within the European Emissions Trading System
<b>European Emissions Trading System EU ETS</b>	European system supporting reduction of greenhouse gases emissions
<b>GUD-K (GDA-C)</b>	General Distribution Agreement for Comprehensive Services - an agreement on the provision of electricity distribution services concluded between the operator of the distribution system and electricity seller; its purpose is the realisation of a comprehensive agreement between the seller and consumer in a household connected to the grid of this operator
<b>ICE</b>	Trading platform enabling trade in allowances for emissions of CO <sub>2</sub> (EUA) and units of certified reduction of emissions (CER) on futures market
<b>IOS installation</b>	Fue gas desulphurisation plant
<b>SCR installation</b>	Installation of the catalytic denitrogenation of flue gases
<b>Cogeneration</b>	A technological process of a combined generation of electricity and usable heat energy in combined heat and power plants
<b>KPRU III/3rd settlement period</b>	National Allocation Plan of CO <sub>2</sub> emission allowances for 2013-2020
<b>MWe</b>	Megawatt of electrical power
<b>MWh</b>	Megawatthour (1 GWh = 1,000 MWh)
<b>MWt</b>	Megawatt of heating power

Abbreviation/term	Full name/explanation
<b>NOx</b>	Nitric oxides
<b>OSD (ODN)</b>	Operator of the Distribution System
<b>OSP (OTS)</b>	Operator of the Transmission System
<b>RES</b>	Energy renewable sources
<b>PMOZE</b>	Proprietary interests from certificates of origin for energy from renewable sources of energy
<b>"Green" proprietary interests</b>	Same as PMOZE
<b>OZEX_A</b>	Index for session transactions the subject of which are contracts for proprietary interests resulting from certificates of origin for energy generated in energy renewable sources whose production period (indicated in the certificate of origin) commenced on 1 March 2009 inclusive.
<b>"Yellow" proprietary interests</b>	Proprietary Interests in certificates of origin being the confirmation of electricity generation in a gas cogeneration unit or in a unit of the total installed capacity of up to 1 MW
<b>KGMX</b>	Index for session transactions the subject of which are contracts for proprietary interests resulting from certificates of origin for electricity generated in a gas cogeneration unit or in a unit of the total installed capacity of up to 1 MW
<b>"Red" proprietary interests</b>	Proprietary Interests in certificates of origin being the confirmation of electricity generation in other cogeneration sources
<b>KECX</b>	Index for session transactions the subject of which are contracts for proprietary interests resulting from certificates of origin for electricity generated in other cogeneration sources
<b>"Violet" proprietary interests</b>	Proprietary Interests in certificates of origin being the confirmation of electricity generation in a cogeneration unit fired with methane released and abstracted on pit mining works or with gas obtained from biomass processing in the meaning of Article 2 item 1(2) of the Act on biocomponents and liquid biofuels
<b>KMETX</b>	Index for session transactions the subject of which are contracts for proprietary interests resulting from certificates of origin for electricity generated in a cogeneration unit fired with methane released and abstracted on pit mining works or with gas obtained from biomass processing in the meaning of Article 2 item 1(2) of the Act on biocomponents and liquid biofuels



Abbreviation/term	Full name/explanation
<b>"White" proprietary interests</b>	Proprietary interests in certificates of origin resulting from energy efficiency certificates, the so called "white" certificates
<b>EFX</b>	Index for session transactions the subject of which are contracts for proprietary interests resulting from energy efficiency certificates, the so called "white" certificates
<b>Forward market</b>	Electricity market on which forward products are listed
<b>SPOT market</b>	Cash market (spot)
<b>Balancing market</b>	Technical market by an Operator of the transmission system Its objective is balancing, in real time, the demand for electricity with its production in the public power system (PPS, Polish "KSE")
<b>SAIDI</b>	System Average Interruption Duration Index - an index of the average systemic duration of long and very long interruption (expressed in minutes/customer)
<b>SAIFI</b>	System Average Interruption Frequency Index - an index of the average systemic frequency of long interruptions in supply of energy (expressed in number of interruptions/customer)
<b>SO<sub>2</sub></b>	Sulphur dioxide

Abbreviation/term	Full name/explanation
<b>TFS</b>	Tradition Financial Services, electricity trading platform designated for concluding various types of transactions, purchase and sale of conventional energy, proprietary interests, renewable energy and allowances for emissions of CO <sub>2</sub>
<b>TJ</b>	Terajoule
<b>TGE (PPE)</b>	Towarowa Giełda Energii (Polish Power Exchange)
<b>Energy Law</b>	The Act of 10 April 1997 - Energy Law (Journal of Laws 1997 No. 54 item 348, as amended)
<b>WIBOR</b>	Warsaw Interbank Offered Rate - interest rate for loans on the Polish interbank market
<b>Tariff group set A</b>	Energy sold and delivered to customers connected to a high-voltage grid
<b>Tariff group set B</b>	Energy sold and delivered to customers connected to a medium-voltage grid
<b>Tariff group set C</b>	Energy sold and delivered to customers connected to a low-voltage grid, with the exception of end users using electricity for household purposes
<b>Tariff group set G</b>	Energy sold and delivered to end users using electricity for household purposes, regardless of voltage of the grid to which they are connected

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