



**Extended consolidated quarterly report
of the ENEA Group
for the first quarter of 2016**

Poznań, 4 May 2016

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Selected consolidated financial data of ENEA Group

	in PLN '000		in EUR '000	
	3 months ended 31.03.2016	3 months ended 31.03.2015	3 months ended 31.03.2016	3 months ended 31.03.2015
Net sales revenue	2 936 751	2 446 414	674 201	589 654
Operating profit	388 637	327 320	89 221	78 893
Profit before tax	366 965	329 252	84 246	79 359
Net profit for the reporting period	290 405	265 335	66 669	63 953
Net cash flows from operating activities	395 232	188 724	90 735	45 488
Net cash flows from investing activities	(573 393)	(446 580)	(131 636)	(107 638)
Net cash flow from financing activities	60 967	980 963	13 996	236 439
Total net cash flows	(117 194)	723 107	(26 905)	174 289
Weighted average number of shares	441 442 578	441 442 578	441 442 578	441 442 578
Net earnings per share (in PLN / EUR per share)	0.62	0.60	0.14	0.14
Diluted earnings per share (in PLN / EUR per share)	0.62	0.60	0.14	0.14
	Balance as at 31.03.2016	Balance as at 31.12.2015	Balance as at 31.03.2016	Balance as at 31.12.2015
Total assets	22 777 991	22 988 996	5 336 424	5 394 578
Total liabilities	10 389 124	10 866 393	2 433 962	2 549 899
Non-current liabilities	8 392 154	8 457 838	1 966 112	1 984 709
Current liabilities	1 996 970	2 408 555	467 850	565 189
Equity	12 388 867	12 122 603	2 902 462	2 844 680
Share capital	588 018	588 018	137 761	137 984
Book value per share (in PLN / EUR per share)	28.06	27.46	6.57	6.44
Diluted book value per share (in PLN/EUR per share)	28.06	27.46	6.57	6.44

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

- individual assets and liabilities – at the average exchange rate as of 31 March 2016 – PLN/EUR 4.2684 (as at 31 December 2015 – PLN/EUR 4.2615),
- individual items from the statement of profit or loss and other comprehensive income and the statement of cash flows – as per the arithmetic mean of the average exchange rates determined by the National Bank of Poland as at the last day of each month of the financial period from 1 January to 31 March 2016 – PLN/EUR 4.3559 (for the period from 1 January to 31 March 2015. – PLN/EUR 4.1489).



**Condensed interim consolidated financial statements
of the ENEA Group
for the period
from 1 January to 31 March 2016**

Poznań, 4 May 2016

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ENEA GROUP

Condensed interim consolidated financial statements for the period from 1 January to 31 March 2016

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

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

Members of the Management Board

President of the Management Board **Mirostaw Kowalik**

Member of the Management Board **Piotr Adamczak**

Member of the Management Board **Mikolaj Franzkowiak**

Member of the Management Board **Wiestaw Piosik**

ENEA Centrum Sp. z o.o.

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

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

Poznań, 4 May 2016

**ENEA GROUP**

Condensed interim consolidated financial statements for the period from 1 January to 31 March 2016

*(all amounts in PLN'000, unless specified otherwise)***Consolidated statement of financial position**

		Balance as at	
	Note	31.03.2016	31.12.2015
ASSETS			
Non-current assets			
Property, plant and equipment	7	17 156 821	17 074 978
Perpetual usufruct of land		74 238	74 160
Intangible assets	8	279 927	272 116
Investment property		20 432	20 624
Investments in subsidiaries		3 722	748
Deferred tax assets	18	382 971	616 795
Financial assets available for sale		23 982	23 982
Derivatives	16	-	844
Trade and other receivables		58 802	28 323
Cash deposits at Mine Closure Fund		100 370	90 872
		18 101 265	18 203 442
Current assets			
CO2 emission rights		306 044	307 521
Inventories	11	639 389	649 509
Trade and other receivables	10	1 752 972	1 732 744
Current income tax assets		27 623	31 956
Financial assets held to maturity		481	479
Financial assets measured at fair value through profit or loss	14	226 078	222 011
Cash and cash equivalents	13	1 704 900	1 822 094
Assets held for sale	9	19 239	19 240
		4 676 726	4 785 554
Total assets		22 777 991	22 988 996

The consolidated statement of financial position should be analyzed together with the notes, which constitute an integral part of the condensed interim consolidated financial statements.

	Note	Balance as at	
		31.03.2016	31.12.2015
EQUITY AND LIABILITIES			
Equity			
Equity attributable to shareholders of the Parent Company			
Share capital		588 018	588 018
Share premium		3 632 464	3 632 464
Financial instruments revaluation reserve		-	814
Other capital		(45 883)	(45 883)
Reserve capital from valuation of hedging instruments		(19 347)	3 980
Retained earnings		7 431 293	7 158 352
		11 586 545	11 337 745
Non-controlling interests		802 322	784 858
Total equity		12 388 867	12 122 603
LIABILITIES			
Non-current liabilities			
Loans, borrowings and debt securities	15	6 034 257	5 933 360
Trade and other liabilities		18 099	16 527
Finance lease liabilities		1 194	992
Deferred income due to subsidies, connection fees and other	17	673 623	674 682
Deferred tax liability	18	171 017	388 117
Liabilities due to employee benefits		827 081	818 772
Derivatives	16	26 136	-
Provisions for other liabilities and charges	19	640 747	625 388
		8 392 154	8 457 838
Current liabilities			
Loans, borrowings and debt securities	15	44 462	43 399
Trade and other liabilities		929 610	1 223 320
Finance lease liabilities		1 430	1 025
Deferred income due to subsidies, connection fees and other	17	83 726	83 666
Current income tax liability		7 304	87 022
Liabilities due to employee benefits		313 086	397 986
Liabilities due to an equivalent of the right to acquire shares free of charge		281	281
Financial liabilities measured at fair value through profit or loss		264	-
Provisions for other liabilities and charges	19	612 722	567 556
Liabilities related to non-current assets held for sale	9	4 085	4 300
		1 996 970	2 408 555
Total liabilities		10 389 124	10 866 393
Total equity and liabilities		22 777 991	22 988 996

Consolidated statement of profit or loss and other comprehensive income

	3 months ended	3 months ended
Note	31.03.2016	31.03.2015
Sales revenue	3 005 283	2 509 941
Excise tax	(68 532)	(63 527)
Net sales revenue	2 936 751	2 446 414
Other operating revenue	30 164	22 342
Depreciation	(279 708)	(181 736)
Costs of employee benefits	(362 731)	(238 556)
Consumption of materials and supplies and costs of goods sold	(366 990)	(453 358)
Energy and gas purchase for sale	(1 123 042)	(893 623)
Transmission and distribution services	(190 389)	(187 328)
Other external services	(131 005)	(59 871)
Taxes and charges	(93 571)	(79 264)
Loss on sale and liquidation of property, plant and equipment	(419)	(10 465)
Other operating expenses	(30 423)	(37 235)
Operating profit	388 637	327 320
Financial expenses	(35 736)	(16 642)
Financial revenue	14 064	18 574
Profit before tax	366 965	329 252
Income tax	18 (76 560)	(63 917)
Net profit for the reporting period	290 405	265 335
Other comprehensive income		
Items that are or may be reclassified to profit or loss:		
- change in fair value of financial assets available for sale	-	(6 114)
- valuation of hedging instruments	(28 799)	-
- other	(337)	(787)
- income tax	18 5 472	1 164
Net other comprehensive income	(23 664)	(5 737)
Total comprehensive income	266 741	259 598
Including net profit:		
attributable to shareholders of the Parent	272 941	262 732
attributable to non-controlling interests	17 464	2 603
Including comprehensive income:		
attributable to shareholders of the Parent	249 277	256 995
attributable to non-controlling interests	17 464	2 603
Net profit attributable to shareholders of the Parent	272 941	262 732
Weighted average number of ordinary shares	441 442 578	441 442 578
Basic earnings per share (in PLN per share)	0.62	0.60
Diluted earnings per share (in PLN per share)	0.62	0.60

**ENEA GROUP**

Condensed interim consolidated financial statements for the period from 1 January to 31 March 2016

*(all amounts in PLN'000, unless specified otherwise)***Consolidated statement of changes in equity****(a) I quarter 2016**

	Share capital (face value)	Revaluation of share capital	Total share capital	Share premium	Financial instruments revaluation reserve	Other capital	Hedging reserve	Retained earnings	Capital attributable to non- controlling interests	Total equity
Balance as at 01.01.2016	441 443	146 575	588 018	3 632 464	814	(45 883)	3 980	7 158 352	784 858	12 122 603
Net profit for the reporting period								272 941	17 464	290 405
Net other comprehensive income					(337)		(23 327)			(23 664)
Total comprehensive income recognized in the period					(337)		(23 327)	272 941	17 464	266 741
Other					(477)					(477)
Balance as at 31.03.2016	441 443	146 575	588 018	3 632 464	-	(45 883)	(19 347)	7 431 293	802 322	12 388 867

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

**ENEA GROUP**

Condensed interim consolidated financial statements for the period from 1 January to 31 March 2016

*(all amounts in PLN'000, unless specified otherwise)***(b) I quarter 2015**

	Share capital (face value)	Revaluation of share capital	Total share capital	Share premium	Financial instruments revaluation reserve	Other capital	Retained earnings	Capital attributable to non-controlling interests	Total equity
Balance as at 01.01.2015	441 443	146 575	588 018	3 632 464	34 777	(45 883)	7 804 989	49 648	12 064 013
Net profit for the reporting period							262 732	2 603	265 335
Net other comprehensive income					(5 737)				(5 737)
Total comprehensive income recognized in the period					(5 737)		262 732	2 603	259 598
Balance as at 31.03.2015	441 443	146 575	588 018	3 632 464	29 040	(45 883)	8 067 721	52 251	12 323 611

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

ENEA GROUP

Condensed interim consolidated financial statements for the period from 1 January to 31 March 2016

(all amounts in PLN'000, unless specified otherwise)
Consolidated statement of cash flows

	3 months ended 31.03.2016	3 months ended 31.03.2015
Cash flows from operating activities		
Net profit for the reporting period	290 405	265 335
Adjustments:		
Income tax in the profit or loss	76 560	63 917
Depreciation	279 708	181 736
Loss on sale and liquidation of property, plant and equipment	419	10 465
Gain on disposal of financial assets	(2 219)	(1 411)
Interest income	(3 255)	(6 101)
Interest expense	21 799	5 845
Gain on valuation of financial assets	(148 613)	-
Other adjustments	(5 359)	(7 463)
	219 040	246 988
Income tax paid	(134 433)	(84 007)
Changes in working capital:		
CO ₂ emission rights	1 478	234
Inventory	19 721	(128 012)
Trade and other receivables	(79 030)	(46 221)
Trade and other liabilities	94 427	(122 452)
Liabilities due to employee benefits	(76 570)	(47 435)
Deferred income due to subsidies, connection fees and other	(1 136)	9 894
Non-current assets held for sale and related liabilities	-	58
Provisions for other liabilities and charges	61 330	94 342
	20 220	(239 592)
Net cash flows from operating activities	395 232	188 724
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(562 743)	(566 690)
Proceeds from disposal of property, plant and equipment and intangible assets	2 440	5 219
Acquisition of financial assets	(2 173)	(408)
Proceeds from disposal of financial assets	601	111 397
Acquisition of subsidiaries adjusted for acquired cash	(2 974)	-
Outflows to cash deposits at Mine Closure Fund	(9 502)	-
Interests received	1 726	3 803
Other proceeds/(expenses) from investing activities	(768)	99
Net cash flows from investing activities	(573 393)	(446 580)
Cash flows from financial activities		
Proceeds from loans and borrowings	105 369	-
Proceeds from bond issue	-	1 000 000
Loans and borrowings repaid	(3 380)	(11 623)
Payments of finance lease liabilities	(300)	(427)
Interest paid	(37 267)	(6 849)
Expenses related to future issue of bonds	(124)	-
Other expenses from financial activities	(3 331)	(138)
Net cash flows from financial activities	60 967	980 963
Net cash flows	(117 194)	723 107
Balance at the beginning of the reporting period	1 822 094	687 316
Balance at the end of the reporting period	1 704 900	1 410 423

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

**ENEA GROUP**

Condensed interim consolidated financial statements for the period from 1 January to 31 March 2016

*(all amounts in PLN'000, unless specified otherwise)***Explanatory notes to the condensed interim consolidated financial statements****1. General information about ENEA S.A. and ENEA GROUP**

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

The main activities of the ENEA Group (the Group) are:

- production of electricity and heat (ENEA Wytwarzanie Sp. z o.o., Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. in Oborniki, Miejska Energetyka Ciepła Piła Sp. z o.o., Miejskie Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. in Białystok);
- electricity trade (ENEA S.A., ENEA Trading Sp. z o.o.);
- distribution of electricity (ENEA Operator Sp. z o.o.);
- distribution of heat (ENEA Wytwarzanie Sp. z o.o., Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. in Oborniki, Miejska Energetyka Ciepła Piła Sp. z o.o., Miejskie Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. in Białystok).
- mining and agglomeration of hard coal (Lubelski Węgiel „Bogdanka” S.A. Group).

As at 31 March 2016 the shareholding structure of ENEA S.A. was the following: the State Treasury of the Republic of Poland – 51.50% of shares, other shareholders – 48.50%.

As at 31 March 2016 the statutory share capital of ENEA S.A. equaled PLN 441,443 thousand (PLN 588,018 thousand upon adoption of IFRS-EU and considering hyperinflation and other adjustments) and was divided into 441,442,578 shares.

As at 31 March 2016 the Group comprised the parent company ENEA S.A. (the Company, the Parent), 13 subsidiaries and 9 indirect subsidiaries.

**ENEA GROUP**

Condensed interim consolidated financial statements for the period from 1 January to 31 March 2016

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

These condensed interim consolidated financial statements should be read together with consolidated financial statements of ENEA Group for the financial year ended at 31 December 2015.

The condensed interim consolidated financial statements have been prepared on the going concern basis. There are no circumstances indicating that the ability of ENEA Group to continue as going concern may be at risk.

2. Statement of compliance

These condensed interim consolidated financial statements were prepared in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting as endorsed by the European Union and were approved by the Management Board of ENEA S.A.

The Management Board of the Parent Company has used its best knowledge as to the application of standards and interpretations as well as measurement methods and principles applicable to the individual items of the consolidated financial statements of the ENEA Group in accordance with IFRS-EU as at 31 March 2016. The presented statements and explanations have been prepared using due diligence. These condensed interim consolidated financial statements have not been reviewed by a certified auditor.

3. Accounting principles

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

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

4. Material estimates and assumptions

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

ENEA GROUP

Condensed interim consolidated financial statements for the period from 1 January to 31 March 2016

(all amounts in PLN'000, unless specified otherwise)
5. Composition of the Group - list of subsidiaries

	Name and address of the Company	Share of ENEA S.A. in the total number of votes in % 31.03.2016	Share of ENEA S.A. in the total number of votes in % 31.12.2015
1.	ENEA Operator Sp. z o.o. Poznań, Strzeszyńska 58	100	100
2.	ENEA Wytwarzanie Sp. z o.o. Świerże Górne, commune Kozienice, Kozienice 1	100	100
3.	ENEA Oświetlenie Sp. z o.o. Poznań, Strzeszyńska 58	100	100
4.	ENEA Trading Sp. z o.o. Świerże Górne, commune Kozienice, Kozienice 1	100	100
5.	Szpital Uzdrawiskowy ENERGETYK Sp. z o.o. Inowrocław, Wilkońskiego 2	100	100
6.	ENEA Logistyka Sp. z o.o. Poznań, Strzeszyńska 58	100	100
7.	ENEA Serwis Sp. z o.o. Lipno, Gronówko 30	100	100
8.	ENEA Centrum Sp. z o.o. Poznań, Górecka 1	100	100
9.	ENEA Pomiary Sp. z o.o. Poznań, Strzeszyńska 58	100	100
10.	ENERGO-TOUR Sp. z o.o. in liquidation Poznań, Marcinkowskiego 27	100	100
11.	ENEA Innovation Sp. z o.o. Warszawa, Jana Pawła II 25	100	100
12.	Lubelski Węgiel BOGDANKA S. A. Bogdanka, Puchaczów	65,99	65,99
13.	Annacond Enterprises Sp. z o.o. Warszawa, Jana Pawła II 25	61	61
14.	Przedsiębiorstwo Energetyki Ciepłej Zachód Sp. z o.o. Białystok, Starosielce 2/1	100 ¹	100 ¹
15.	Centralny System Wymiany Informacji Sp. z o.o. Poznań, Strzeszyńska 58	100 ³	100 ³
16.	Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. Oborniki, Wybudowanie 56	99,91 ¹	99,91 ¹
17.	Miejskie Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. Białystok, Warszawska 27	86,36 ¹	86,36 ¹
18.	Miejska Energetyka Ciepła Piła Sp. z o.o. Piła, Kaczorska 20	71,11 ¹	71,11 ¹
19.	EkoTRANS Bogdanka Sp. z o.o. Bogdanka, Puchaczów	65,99 ²	65,99 ²
20.	RG Bogdanka Sp. z o.o. Bogdanka, Puchaczów	65,99 ²	65,99 ²
21.	MR Bogdanka Sp. z o.o. Bogdanka, Puchaczów	65,99 ²	65,99 ²
22.	Łęczyńska Energetyka Sp. z o.o. Bogdanka, Puchaczów	58,53 ²	58,53 ²

¹ – an indirect subsidiary held through interests in ENEA Wytwarzanie Sp. z o.o.

² – an indirect subsidiary held through interests in Lubelski Węgiel BOGDANKA S.A.

³ – an indirect subsidiary held through interests in ENEA Operator Sp. z o.o.



ENEA GROUP

Condensed interim consolidated financial statements for the period from 1 January to 31 March 2016

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

6. Segment reporting

The management of the Company's activities is conducted by division of operations into segments, which are separated based on types of products and services offered. The Group has five operating segments:

- trade – purchase and sale of electricity and gas,
- distribution – electricity transmission services,
- production – electricity and heat production,
- mining - production and sale of coal, companies supporting the activities of the mine,
- other activities - maintenance and modernization of road lighting equipment, transport, construction services, travel services, health care services.

Segment revenue is generated from sales to external clients and transactions with other segments, which are directly attributable to a given segment.

Segment costs include costs of sales to external clients and costs of transactions with other Group segments, which result from operations of a given segment and may be directly allocated to them.

The Group measures operating segment's financial results and assesses segment performance with EBITDA which is operating profit/loss adjusted by depreciation and impairment loss of non – financial non – current assets.

Market prices are used in inter-segment transactions, which allow individual units to earn a margin sufficient to carry out independent operations in the market.



ENE A GROUP

Condensed interim consolidated financial statements for the period from 1 January to 31 March 2016

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

Financial results by segments:

(a) Segment reporting for the period from 1 January to 31 March 2016:

	Trade	Distribution	Production	Mining	All other segments	Eliminations	Total
Net sales revenue	1 631 997	782 566	245 408	233 780	43 000	-	2 936 751
Inter-segment sales	164 709	5 783	631 420	186 506	95 974	(1 084 392)	-
Total net sales revenue	1 796 706	788 349	876 828	420 286	138 974	(1 084 392)	2 936 751
Total expenses	(1 779 062)	(615 350)	(733 952)	(352 853)	(131 416)	1 075 326	(2 537 307)
Segment profit/loss	17 644	172 999	142 876	67 433	7 558	(9 066)	399 444
Depreciation	(165)	(132 131)	(60 680)	(82 884)	(6 024)		
EBITDA	17 809	305 130	203 556	150 317	13 582		
<i>% of net sales revenue</i>	<i>1.0%</i>	<i>38.7%</i>	<i>23.2%</i>	<i>35.8%</i>	<i>9.8%</i>		
Unassigned Group costs (general and administrative expenses))							(10 807)
Operating profit							388 637
Finance cost							(35 736)
Finance income							14 064
Income tax							(76 560)
Net profit							290 405
Share of non-controlling interests							17 464

The notes presented on pages 13-34 constitute an integral part of the condensed interim consolidated financial statements.

**ENEA GROUP**

Condensed interim consolidated financial statements for the period from 1 January to 31 March 2016

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

(b) Segment reporting for the period from 1 January to 31 March 2015:

	Trade	Distribution	Production	All other segments	Eliminations	Total
Net sales revenue	1 383 328	768 774	247 139	47 173	-	2 446 414
Inter-segment sales	124 246	9 272	579 806	81 722	(795 046)	-
Total net sales revenue	1 507 574	778 046	826 945	128 895	(795 046)	2 446 414
Total expenses	(1 457 895)	(611 857)	(722 062)	(118 955)	798 848	(2 111 921)
Segment profit/loss	49 679	166 189	104 883	9 940	3 802	334 493
Depreciation	(189)	(106 588)	(71 491)	(4 671)		
EBITDA	49 868	272 777	176 374	14 611		
<i>% of net sales revenue</i>	<i>3.3%</i>	<i>35.1%</i>	<i>21.3%</i>	<i>11.3%</i>		
Unassigned Group costs (general and administrative expenses)						(7 173)
Operating profit						327 320
Finance cost						(16 642)
Finance income						18 574
Income tax						(63 917)
Net profit						265 335
Share of non-controlling interests						2 603

The notes presented on pages 13-34 constitute an integral part of the condensed interim consolidated financial statements.



ENEA GROUP

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

Segment reporting information (continued)

(a) Other segment reporting information as at 31 March 2016:

	Trade	Distribution	Production	Mining	All other segments	Eliminations	Total
Property, plant and equipment	18 501	7 528 463	6 841 210	2 856 072	285 103	(384 714)	17 144 635
Trade and other receivables	924 644	484 136	306 119	190 355	138 677	(437 855)	1 606 076
Total	943 145	8 012 599	7 147 329	3 046 427	423 780	(822 569)	18 750 711
ASSETS excluded from segmentation							4 027 280
- including property, plant and equipment							12 186
- including trade and other receivables							205 698
TOTAL: ASSETS							22 777 991
Trade and other liabilities	264 038	295 796	250 587	200 468	273 179	(385 839)	898 229
Equity and liabilities excluded from segmentation							21 879 762
- including trade and other liabilities							49 480
TOTAL: EQUITY AND LIABILITIES							22 777 991

for the 3-month period ended 31 March 2016

Capital expenditure for tangible and intangible fixed assets	174	174 867	135 675	61 729	4 619	(10 979)	366 085
Capital expenditure for tangible and intangible fixed assets excluded from segmentation							-
Depreciation and amortization	165	132 131	60 680	82 884	6 024	(2 701)	279 183
Depreciation and amortization excluded from segmentation							525
Recognition/(derecognition/utilization) of receivables allowance	1 946	688	(243)	1 971	(380)	745	4 727

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(b) Other segment reporting information as at 31 December 2015:

	Trade	Distribution	Production	Mining	All other segments	Eliminations	Total
Property, plant and equipment	18 521	7 486 881	6 766 080	2 889 367	289 240	(387 861)	17 062 228
Trade and other receivables	911 560	453 446	401 867	232 143	105 722	(474 767)	1 629 971
Total	930 081	7 940 327	7 167 947	3 121 510	394 962	(862 628)	18 692 199
ASSETS excluded from segmentation							4 296 797
- including property, plant and equipment							12 750
- including trade and other receivables							131 096
TOTAL: ASSETS							22 988 996
Trade and other liabilities	229 234	429 474	473 841	197 420	209 924	(429 126)	1 110 767
Equity and liabilities excluded from segmentation							21 878 229
- including trade and other liabilities							129 080
TOTAL: EQUITY AND LIABILITIES							22 988 996

for the 3-month period ended 31 March 2015

Capital expenditure for tangible and intangible fixed assets	12	80 891	506 280	-	1 166	(12 207)	576 142
Capital expenditure for tangible and intangible fixed assets excluded from segmentation							-
Depreciation and amortization	189	106 588	71 491	-	4 671	(2 368)	180 571
Depreciation and amortization excluded from segmentation							1 165
Recognition/(derecognition/utilization) of receivables allowance	2 625	278	1 525	-	256	-	4 684

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7. Property, plant and equipment

During the 3-month period ended 31 March 2016 the Group acquired property, plant and equipment for the total amount of PLN 358,544 thousand (during the period of 3 months ended 31 March 2015 it was PLN 576,088 thousand). The mentioned above amount relates mainly to production segment (PLN 133,413 thousand) and distribution segment (PLN 159,289 thousand). Expenditures in the production segment relate primarily to the construction of a new power unit.

During the 3-month period ended 31 March 2016 the Group completed the sale and liquidation of property, plant and equipment in the total net book value of PLN 2,941 thousand (during the 3 months ended 31 March 2015 respectively: PLN 600 thousand).

During the 3-month period ended 31 March 2016 impairment loss on the book amount of property, plant and equipment decreased by the net amount of PLN 931 thousand (during the 3 months ended 31 March 2015 impairment loss on the book amount of property, plant and equipment decreased by the net amount of PLN 7,125 thousand).

As at 31 March 2016 the value of the impairment on the carrying amount of property, plant and equipment amounted to PLN 1,532,459 thousand (as at 31 December 2015 respectively: PLN 1,533,390 thousand).

8. Intangible assets

During the 3-month period ended 31 March 2016 the Group acquired intangible assets for the total amount of PLN 7,541 thousand (during the period of 3 months ended 31 March 2015 it was PLN 54 thousand).

During the 3-month period ended 31 March 2016 the Group has brought into use intangible assets under construction in the amount of PLN 21,384 thousand (during the period of 3 months ended 31 March 2015: PLN 86,118 thousand).

During the 3-month period ended 31 March 2016 the Group did not complete significant sales and liquidations of intangible assets (neither during the period of 3 months ended 31 March 2015).

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(all amounts in PLN'000, unless specified otherwise)
9. Assets held for sale

	31.03.2016	31.12.2015
Property, plant and equipment	25 108	25 108
Deferred tax asset	728	729
Total gross amount of assets held for sale	25 836	25 837
Impairment losses	(6 597)	(6 597)
Assets held for sale	19 239	19 240
Loans, borrowings and debt securities	4 085	4 300
Liabilities related to non-current assets held for sale	4 085	4 300

As at 31 March 2016 the assets of subsidiary Szpital Uzdrowiskowy ENERGETYK Sp. z o.o. are presented as non-current assets held for sale and liabilities are presented as liabilities related to non-current assets held for sale.

On the basis of a resolution of the Management Board of ENEA S.A. No. 40/2016 dated 24 February 2016 the Company commenced proceedings related to the sale of shares in Szpital Uzdrowiskowy ENERGETYK Sp. z o.o. in a public invitation to negotiations. The time frame for submission of initial offers ended on 30 March 2016. Potential investors who made an initial offer may examine Szpital Uzdrowiskowy ENERGETYK Sp. z o.o. on their own. The time frame for submission of binding offers ends on 10 May 2016.

10. Allowance on trade and other receivables

	31.03.2016	31.12.2015
Opening balance of receivables allowance	116 161	122 439
Addition	12 134	32 942
Reversed	(2 915)	(2 542)
Utilized	(4 492)	(36 678)
Closing balance of receivables allowance	120 888	116 161

During the 3-month period ended 31 March 2016 the allowance on the carrying amount of trade and other receivables increased by PLN 4,727 thousand (during the period of 3 months ended 31 March 2015 the impairment allowance increased by PLN 4,684 thousand).

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

	31.03.2016	31.12.2015
Materials	229 770	313 641
Semi-finished products and work in progress	410	336
Finished products	203 755	136 248
Certificates of origin	200 995	195 885
Goods for sale	12 402	11 582
Gross carrying amount of inventory	647 332	657 692
Inventory allowance	(7 943)	(8 183)
Net carrying amount of inventory	639 389	649 509

During the 3-month period ended 31 March 2016 the inventory allowance decreased by PLN 240 thousand (during the period of 3 months ended 31 March 2015 the inventory allowance decreased by PLN 1,694 thousand).

12. Certificates of origin

	31.03.2016	31.12.2015
Net carrying amount opening balance	196 077	201 633
Self-production	22 735	132 595
Acquisition	127 470	202 520
Redemption	(145 095)	(343 575)
Change of impairment loss	-	3 580
Other changes	-	(676)
Net carrying amount closing balance	201 187	196 077

13. Restricted cash

As at 31 March 2016 the restricted cash amounted to PLN 69,700 thousand. The total restricted cash of the Group comprised transaction deposits related to trading in electricity and CO₂ emission rights and deposits received from suppliers.

As at 31 December 2015 the restricted cash amounted to PLN 59,262 thousand.

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

As at 31 March 2016 the carrying amount of the portfolio of financial instruments managed by a specialized institution amounted to PLN 219,744 thousand and comprised financial assets measured at fair value through profit or loss - treasury bills and bonds in the amount of PLN 219,261 thousand (as at 31 December 2015, carrying amount of the portfolio amounted to PLN 216,826 thousand, including financial assets at fair value through profit or loss - treasury bills and bonds in the amount of PLN 215,488 thousand).

Additionally, within financial assets measured at fair value through profit or loss the Group recognizes future contracts for the purchase of CO₂ emission rights - PLN 6,817 thousand (as at 31 December 2015: PLN 6,523 thousand).

15. Loans, borrowings and debt securities

	31.03.2016	31.12.2015
Bank loans	1 628 659	1 529 220
Borrowings	36 891	35 433
Bonds	4 368 707	4 368 707
Long-term	6 034 257	5 933 360
Bank loans	12 019	5 342
Borrowings	10 729	9 583
Bonds	21 714	28 474
Short-term	44 462	43 399
Total	6 078 719	5 976 759

During the 3-month period ended 31 March 2016 the carrying amount of loans, borrowings and debt securities increased by net amount of PLN 101,960 thousand (during the period of 3 months ended 31 March 2015 the carrying amount of loans, borrowings and debt securities increased by net amount of PLN 1,009,951 thousand).

Loans

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

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

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

Bond issue programmes

ENE A S.A. concludes agreements for bonds issue programmes to finance current operations and investments of the Group.

No.	Name of bonds issue programme	Date of the conclusion of programme	Amount of the programme	Amount issued as at 31.03.2016	Amount issued as at 31.12.2015	Redemption date
1.	Bonds Issue Programme Agreement with PKO BP S.A., Bank Pekao S.A., BZ WBK S.A. and Bank Handlowy S.A.	21 June 2012	3 000 000	1 201 000	1 201 000	Redemption from June 2020 till June 2021.
2.	Bonds Issue Programme Agreement with Bank Gospodarstwa Krajowego	15 May 2014	1 000 000	1 000 000	1 000 000	Redemption in installments, final maturity is December 2026.
3.	Bonds Issue Programme Agreement with ING Bank Śląski S.A., PKO BP S.A., Bank PEKAO S.A. and mBank S.A.	30 June 2014	5 000 000	1 500 000	1 500 000	Redemption of a given series in February 2020 and September 2021
4.	Bonds Issue Programme Agreement with Bank Gospodarstwa Krajowego	3 December 2015	700 000	-	-	Redemption in installments, final maturity is September 2027.
TOTAL			9 700 000	3 701 000	3 701 000	

In the first quarter of 2016, ENEA SA did not change the Programme Agreements, neither concluded any new agreements.

Interest rate risk hedging transactions

During the 3-month period ended 31 March 2016, ENEA S.A. concluded interest rate swap transactions to hedge interest rate risk related to the debt of PLN 440,000 thousand. The transactions are connected with realization of an interest rate risk management policy. On 31 March 2016, the total value of the IRS's transactions amounted to PLN

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3,435,000 thousand. Concluded transactions will substantially affect the predictability of the cash relating flows of expenditure and financial costs. The valuation of these financial instruments is presented in "Derivatives".

Financing conditions – covenants

Financing agreements assume compliance by the Company and the ENEA Group with certain financial ratios. As at 31 March 2016 and the date of these condensed interim consolidated financial statements, the Group did not breach the regulations of loan agreements, on the basis of which the Group would be required to early repayment of long-term debt.

16. Financial instruments

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

	31.03.2016		31.12.2015	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current financial assets available for sale (shares in unrelated parties)	23 982	23 982	23 982	23 982
Derivatives	-	-	844	844
Current financial assets held to maturity	481	481	479	479
Current financial assets measured at fair value through profit or loss	226 078	226 078	222 011	222 011
Trade and other receivables	1 538 737	(*)	1 423 461	(*)
Cash and cash equivalents	1 704 900	1 704 900	1 822 094	1 822 094
Cash deposits at Mine Closure Fund	100 370	100 370	90 872	90 872
Loans, borrowings and debt securities	6 078 719	6 116 377	5 976 759	6 015 494
Finance lease liabilities	2 624	2 624	2 017	2 017
Trade and other liabilities	703 164	(*)	1 042 611	(*)
Derivatives	26 136	26 136	-	-
Current financial liabilities measured at fair value through profit or loss	264	264	-	-

(*) The carrying amounts of trade and other receivables and trade and other liabilities approximate their fair values.

Financial assets available for sale include shares in unrelated parties for which the ratio of interest in equity is lower than 20%. The positions comprises also shares in PGE EJ1 Sp. o.o. in the amount of PLN 23,402 thousand for which there is no quoted market price in an active market and whose fair value - because of the initial phase of the company's activity - is based on incurred cost and other shares in unrelated parties no quoted in active market (PLN 580 thousand).

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

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

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

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

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

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

	31.03.2016			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Forward contracts	-	6 817	-	6 817
Non-derivative financial assets held for trading	219 261	-	-	219 261
Financial assets available for sale				
Not listed equity instruments	-	-	580	580
Total	219 261	6 817	580	226 658
Financial liabilities measured at fair value through profit or loss				
Forward contracts	-	(264)	-	(264)
Derivatives				
Interest Rate Swap used for hedging	-	(26 136)	-	(26 136)
Total	-	(26 400)	-	(26 400)

	31.12.2015			
	Level 1	Level 2	Level 3	Total
Derivatives				
Interest Rate Swap used for hedging	-	844	-	844
Financial assets measured at fair value through profit or loss				
Forward contracts	-	6 523	-	6 523
Non-derivative financial assets held for trading	215 488	-	-	215 488
Financial assets available for sale				
Not listed equity instruments	-	-	580	580
Total	215 488	7 367	580	223 435

17. Deferred income from subsidies, connection fees and other

	31.03.2016	31.12.2015
Non-current		
Deferred income due to subsidies	216 462	215 699
Deferred income due to connection fees	429 222	433 043
Deferred income due to street lighting modernization services	27 939	25 940
	673 623	674 682
Current		
Deferred income due to subsidies	14 886	14 890
Deferred income due to connection fees	66 928	65 891
Deferred income due to street lighting modernization services	765	687
Valuation of building contracts	1 147	2 198
	83 726	83 666

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Deferred income schedule

	31.03.2016	31.12.2015
Up to 1 year	83 726	83 666
1 to 5 years	143 261	142 664
Over 5 years	530 362	532 018
	757 349	758 348

During the 3-month period ended 31 March 2016 the carrying amount of deferred income from subsidies, connection fees and other decreased by the net amount of PLN 999 thousand (during period of 3 months ended 31 March 2015 the carrying amount increased by PLN 8,054 thousand).

18. Deferred income tax

Changes in deferred income tax assets and liabilities (considering the net-off of the asset and liability) are as follows:

	31.03.2016	31.12.2015
Opening balance	(228 678)	88 167
Acquisition of subsidiaries	-	(12 523)
Change recognized in profit or loss	22 196	(305 069)
Change recognized in other comprehensive income	(5 472)	747
Closing balance (asset)	(211 954)	(228 678)

During the 3-month period ended 31 March 2016, the Group's profit before tax was debited with PLN 22,196 thousand as a result of the decrease in net deferred tax asset (during the period of 3 months ended 31 March 2015 the Group's profit before tax was credited by PLN 14,739 thousand as a result of the decrease in net deferred tax liability).

19. Provisions for other liabilities and charges
Non-current and current provisions for other liabilities and charges

	31.03.2016	31.12.2015
Non-current	640 747	625 388
Current	612 722	567 556
Total	1 253 469	1 192 944

During the 3-month period ended 31 March 2016 the provisions for other liabilities and charges increased by the net amount of PLN 60,525 thousand (during the period of 3 months ended 31 March 2015 the provisions for other liabilities and charges increased by the net amount of PLN 97,407 thousand).

Change in provisions for other liabilities and charges
for the period ended 31.03.2016

	Provision for non-contractual use of land	Provision for other claims	Provision for land reclamation	Provision for certificates of origin	Provision for CO ₂ emissions rights	Mine liquidation	Other	Total
Opening balance	189 429	60 456	55 409	250 024	193 034	124 441	320 151	1 192 944
Increase in provisions	11 591	476	33	123 952	67 324	871	6 141	210 388
Provisions used	(3)	(10)	-	(145 579)	(374)	(38)	(1 306)	(147 310)
Provision reversed	(2 095)	(16)	(208)	-	(130)	-	(104)	(2 553)
Closing balance	198 922	60 906	55 234	228 397	259 854	125 274	324 882	1 253 469

Other provisions include mainly:

- potential liabilities related with electricity infrastructure and resulting from differences in interpretation of laws and regulations - PLN 133,962 thousand (as at 31 December 2015 PLN 129,197 thousand),
- costs of using forest lands managed by State Forests - PLN 111,679 thousand (as at 31 December 2015 PLN 112,680 thousand),
- real property tax in Lubelski Węgiel Bogdanka S.A. - PLN 25,975 thousand (as at 31 December 2015 PLN 23,881 thousand),
- ZUS claims arising from accident contribution in Lubelski Węgiel Bogdanka S.A. - PLN 19,055 thousand (as at 31 December 2015 PLN 18,727 thousand),
- removal of mining damages - PLN 8,397 thousand (as at 31 December 2015 PLN 8,497 thousand).

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Description of significant claims and liabilities in this regard are described in note 22.

20. Related party transactions

The Group companies conclude transactions with the following related parties:

- the companies comprising the Group – transactions are eliminated at the consolidation stage;
- transactions concluded between the Group and Members of its governing bodies fall within two categories:
 - those resulting from appointment of Members of the Supervisory Boards;
 - resulting from other agreements under civil law;
- transactions with entities whose shares are held by the State Treasury of the Republic of Poland.

Transactions with members of the Company's governing bodies:

Item	Management Board of the Company		Supervisory Board of the Company	
	01.01.2016 - 31.03.2016	01.01.2015 - 31.03.2015	01.01.2016 - 31.03.2016	01.01.2015 - 31.03.2015
Remuneration under managerial contracts and consultancy agreements	6 694*	1 005	-	-
Remuneration relating to appointment of members of supervisory bodies	-	-	112	83
TOTAL	6 694	1 005	112	83

* remuneration includes bonuses for 2015 and compensation resulting from non-competition agreements for former members of the Management Board in the amount of PLN 5 960 thousand.

During the 3-month period ended 31 March 2016 there were no loans granted from the Company's Social Benefits Fund to the members of the Supervisory Board (PLN 0 thousand during the 3-month period ended 31 March 2015). During this period repayments of the loans amounted to PLN 2 thousand (PLN 1 thousand during the 3-month period ended 31 March 2015).

Other transactions resulting from agreements under civil law concluded between ENEA S.A. and Members of the Parent's Bodies relate only to private use of Company's cars by Members of the Management Board of ENEA S.A.

The Group also concludes business transactions with entities of the central and local administration and entities controlled by the State Treasury of the Republic of Poland.

The transactions concern mainly:

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

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Such transactions are concluded under arm's length terms and their conditions do not differ from those applied in transactions with other entities. The Group does not keep a register which would allow to aggregate the values of all transactions with state institutions and entities controlled by the State Treasury.

21. Future liabilities under contracts concluded as at the end of the reporting period

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

	31.03.2016	31.12.2015
Acquisition of property, plant and equipment	2 412 548	2 402 418
Acquisition of intangible assets	7 951	12 301
	2 420 499	2 414 719

22. Contingent liabilities and proceedings before courts, arbitration or public administration bodies
22.1. Guarantees and warranties

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

Guarantee date	Guarantee period	Company from ENEA Group	Recipient	Bank - contractor	Amount of guarantee in PLN thousand
21.12.2014	21.12.2016	ENEA Serwis Sp. z o.o.	Ardagh Glass S.A.	Pekao S.A.	101
01.06.2015	31.01.2017	ENEA S.A.	Atrium Tower Sp. z o.o.	BZ WBK S.A.	145
12.06.2015	31.05.2018	ENEA Wytwarzanie Sp. z o.o.	Izba Rozliczeniowa Giełd Towarowych S.A.	BZ WBK S.A.	6 000
29.06.2015	31.05.2018	ENEA Trading Sp. z o.o.	Izba Rozliczeniowa Giełd Towarowych S.A.	BZ WBK S.A.	15 000
07.08.2015	31.07.2016	ENEA Operator Sp. z o.o.	Gmina Cekcyn	Pekao S.A.	300
17.11.2015	10.08.2018	ENEA Serwis Sp. z o.o.	Skarb Państwa Państw. Gosp. Leśne Lasy Państwowe - Nadleśnictwo Krusz	BZ WBK S.A.	31
24.11.2015	31.01.2018	ENEA S.A.	AQUA SA	BZ WBK S.A.	257
27.11.2015	31.01.2018	ENEA S.A.	Szpital Kliniczny im. H. Święickiego UM in Poznań	BZ WBK S.A.	854
01.01.2016	28.02.2017	ENEA S.A.	Górecka Projekt Sp. z o.o.	BZ WBK S.A.	1 650
10.03.2016	10.05.2016	ENEA S.A.	Uniwersytet Medyczny in Lublin	BZ WBK S.A.	140
31.03.2016	29.05.2016	ENEA S.A.	Powiat Strzyżowski	BZ WBK S.A.	65
Total of guarantees issued					24 543



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22.2. Pending proceedings before courts of general jurisdiction

Actions brought by the Group

Actions which ENEA S.A. and ENEA Operator Sp. z o.o. brought to courts of general jurisdiction refer to claims for receivables due to provision of electricity (the so-called electricity cases) and claims for other receivables – illegal consumption of electricity, connections to the grid and other specialized services (the so-called non-electricity cases).

Actions brought to courts of general jurisdiction by ENEA Wytwarzanie Sp. z o.o. are connected mainly with claims for outstanding invoice payments and contractual penalties from the Company's contractors.

As at 31 March 2016, the total of 10,546 cases brought by the Group were pending before common courts for the total amount of PLN 220,725 thousand (11,584 cases for the total amount of PLN 219,468 thousand as at 31 December 2015).

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

Actions brought against the Group

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

Actions brought to courts of general jurisdiction against ENEA Wytwarzanie Sp. z o.o. are connected mainly with compensations and contractual penalties

As at 31 March 2016 there were 2,305 cases pending before common courts which have been brought against the Group for the total amount of PLN 312,579 thousand (2,282 cases for the total amount of PLN 301,815 thousand as at 31 December 2015). Provisions related to the court cases are presented in note 19.

22.3. Arbitration proceedings

Proceeding brought by Mostostal Warszawa S.A. and Acciona Infraestructuras S.A. against Lubelski Węgiel Bogdanka S.A. is conducted before the Arbitration Court at the Polish Chamber of Commerce in Warsaw under file number SA 64/15. Arbitration proceeding was commenced on the basis of request for arbitration filed by the Consortium on 7 April 2015. The Consortium ordered that LWB should pay to the Consortium the amount of PLN 574 thousand with statutory interests on the above amount from 23 April 2015 (i.e. from the date of submission of letters extending the call for arbitration) to the date of payment. The Consortium reserved the right to further claims in the course of this or any other proceeding. On 18 January 2016 the Panel of the Arbitration Court issued a decision stating no jurisdiction on most claims of the Consortium, and on 21 January 2016 it issued a decision obligating both parties of the arbitration case to file a joint statement on the further course of the proceeding. As a result of the above, each party may pursue their claims to the general court.

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*(all amounts in PLN'000, unless specified otherwise)***22.4. Motions for settlements of not balanced energy trading in 2012**

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

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

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

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

In the absence of amicable settlement of the above case, ENEA S.A. filed the following lawsuits against entities mentioned above

- FITEN S.A. - lawsuit of 24 November 2015, the amount of dispute: PLN 207 thousand,
- TAURON Polska Energia S.A. – lawsuit of 10 December 2015, the amount of dispute: PLN 17,086 thousand,
- TAURON Sprzedaż GZE Sp. z o. o. – lawsuit of 10 December 2015, the amount of dispute: PLN 1,826 thousand,
- PKP Energetyka S.A. – lawsuit of 28 December 2015, the amount of dispute: PLN 1,272 thousand,
- PGE Polska Grupa Energetyczna S.A. – lawsuit of 29 December 2015, the amount of dispute: PLN 7,410 thousand.

Claim of ENEA S.A. against FITEN S.A. is pending before the District Court in Katowice under file number XIII GC 561/15/IW. In the course of the dispute, defendant prepared a response to the lawsuit on 22 December 2015.

ENEA S.A., in response to the position of the Defendant, upheld in full the demands contained in the lawsuit of 24 November 2015. During the proceeding held on 17 March 2016, the representative of the Defendant challenged the legitimacy of action brought by ENEA S.A. against FITEN S.A., thus new evidence is likely to be provided as part of the proceedings in the form of examination of a witness of PSE. The next hearing is scheduled for 5 May 2016.

Claim of ENEA S.A. against TAURON Polska Energia S.A. is pending before the District Court in Katowice under file number XIII GC 600/15 / AM. On 20 January 2016 the Defendant requested an extension of the deadline for submission of the response to the lawsuit due to the complexity of the facts in the case and the extensive evidence attached to the lawsuit, which - according to the defendant - requires detailed analysis. Ultimately, the response was filed on 8 February 2016, as part of which the Defendant requested that the entire action be dismissed. As at the date of preparation of these condensed interim consolidated financial statements, the date of the hearing was not defined.

The case brought by ENEA S.A. against TAURON Sprzedaż GZE Sp. z o. o. is pending before the District Court in Gliwice under file no. X GC 546/15. In the course of the proceedings, the Defendant responded to the action on 4 February 2016



ENE A GROUP

Condensed interim consolidated financial statements for the period from 1 January to 31 March 2016

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

and requested that the entire action be dismissed. As at the date of preparation of these condensed interim consolidated financial statements, the date of the hearing was not defined.

The case brought by ENEA S.A. against PKP Energetyka S.A. is pending before the District Court in Warsaw under file no. XX GC 1166/15. In the course of the proceedings, the Defendant responded to the action on 17 February 2016 and requested that the entire action be dismissed. As at the date of preparation of these condensed interim consolidated financial statements, the date of the hearing was not defined.

The case brought by ENEA S.A. against PGE Polska Grupa Energetyczna S.A. is pending before the District Court in Warsaw under file no. XX GC 1163/15. In the course of the proceedings, the Defendant responded to the action on 25 February 2016 and requested that the entire action be dismissed. As at the date of preparation of these condensed interim consolidated financial statements, the date of the hearing was not defined.

23. The participation in the construction of the atomic power plant programme

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

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

In Q1 2016, KGHM, PGE, TAURON, and ENEA continued their work on the preparation to the construction of the nuclear plant in Poland project.

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

24. Subsequent events

In April 2016, ENEA S.A. concluded interest rate swaps transactions to hedge interest rate risk related to the debt (credits and bond issues) of PLN 500,000 thousand. As at the date of the preparation of these condensed interim consolidated financial statements, the total value of IRS's transactions amounted to PLN 3,935,000 thousand.

Selected separate financial data

	in PLN '000		in EUR '000	
	3 months ended	3 months ended	3 months ended	3 months ended
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Net sales revenue	1 477 944	1 472 088	339 297	354 814
Operating profit	7 097	41 788	1 629	10 072
Profit before tax	20 462	64 165	4 698	15 466
Net profit for the reporting period	15 150	50 239	3 478	12 109
Net cash flows from operating activities	66 573	43 086	15 283	10 385
Net cash flows from investing activities	(290 321)	(204 702)	(66 650)	(49 339)
Net cash flows from financing activities	63 128	992 922	14 493	239 322
Total net cash flows	(160 620)	831 306	(36 874)	200 368
Weighted average number of shares	441 442 578	441 442 578	441 442 578	441 442 578
Net earnings per share (in PLN)	0.03	0.11	0.01	0.03
Diluted earnings per share (in PLN / EUR)	0.03	0.11	0.01	0.03
	Balance as at	Balance as at	Balance as at	Balance as at
	31.03.2016	31.12.2015	31.03.2016	31.12.2015
Total assets	17 008 532	16 847 310	3 984 756	3 953 376
Total liabilities	6 728 704	6 559 305	1 576 400	1 539 201
Non-current liabilities	5 378 270	5 253 551	1 260 020	1 232 794
Current liabilities	1 350 434	1 305 754	316 379	306 407
Equity	10 279 828	10 288 005	2 408 356	2 414 175
Share capital	588 018	588 018	137 761	137 984
Book value per share (in PLN / EUR)	23.29	23.31	5.46	5.47
Diluted book value per share (in PLN/EUR)	23.29	23.31	5.46	5.47

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

- individual assets and liabilities – at the average exchange rate as of 31 March 2016– 4.2684 PLN/EUR (as at 31 December 2015 – PLN/EUR 4.2615),
- individual items from the statement of profit or loss and other comprehensive income and the statement of cash flows – as per the arithmetic mean of the average exchange rates determined by the National Bank of Poland as at the last day of each month of the financial period from 1 January to 31 March 2016– 4.3559 PLN/EUR (for the period from 1 January to 31 March 2015 – 4.1489 PLN/EUR).



**Condensed interim separate
financial statements
of ENEA S.A.
for the period from 1 January to 31 March 2016**

Poznań, 4 May 2016

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

Members of the Management Board

President of the Management Board **Mirosław Kowalik**

Member of the Management Board **Piotr Adamczak**

Member of the Management Board **Mikołaj Franzkowiak**

Member of the Management Board **Wiesław Piosik**

ENEA Centrum Sp. z o.o.

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

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

Poznań, 4 May 2016

Separate statement of financial position

	Note	Balance as at	
		31.03.2016	31.12.2015
ASSETS			
Non-current assets			
Property, plant and equipment	6	30 135	30 699
Perpetual usufruct of land		1 991	1 998
Intangible assets	7	3 835	4 005
Investment property		15 818	15 955
Investments in subsidiaries	8	8 523 392	8 323 493
Deferred tax assets	18	51 670	63 316
Financial assets available for sale		23 402	23 402
Financial assets held to maturity	10	5 431 695	5 339 352
Derivatives		-	844
Trade and other receivables		102 256	73 557
		14 184 194	13 876 621
Current assets			
Inventories	12	167 097	152 318
Trade and other receivables	11	1 130 351	1 141 808
Financial assets held to maturity	10	62 207	55 033
Financial assets measured at fair value through profit or loss	14	219 261	215 488
Cash and cash equivalents	13	1 237 012	1 397 632
Assets classified as held for sale	9	8 410	8 410
		2 824 338	2 970 689
TOTAL ASSETS		17 008 532	16 847 310

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

	Note	Balance as at	
		31.03.2016	31.12.2015
EQUITY			
Share capital		588 018	588 018
Share premium		4 627 673	4 627 673
Reserve capital from valuation of hedging instruments		(19 347)	3 980
Reserve capital		2 640 358	2 640 358
Retained earnings		2 443 126	2 427 976
Total equity		10 279 828	10 288 005
LIABILITIES			
Non-current liabilities			
Loans, borrowings and debt securities	16	5 287 274	5 187 381
Liabilities due to employee benefits		54 739	55 265
Derivatives	16	26 136	-
Provisions for other liabilities and charges	19	10 121	10 905
		5 378 270	5 253 551
Current liabilities			
Loans, borrowings and debt securities	16	31 824	31 905
Trade and other liabilities		596 673	582 824
Finance lease liabilities		43	43
Current income tax liabilities		5 150	85 363
Liabilities due to employee benefits		11 414	16 486
Liabilities due to an equivalent of the right to acquire shares free of charge		281	281
Other financial liabilities	17	467 268	327 318
Provisions for other liabilities and charges	19	237 781	261 534
		1 350 434	1 305 754
Total liabilities		6 728 704	6 559 305
TOTAL EQUITY AND LIABILITIES		17 008 532	16 847 310

Separate statement of profit or loss and other comprehensive income

	For the period	
	3 months ended 31.03.2016	3 months ended 31.03.2015
Sales revenue	1 546 406	1 535 552
Excise tax	(68 462)	(63 464)
Net sales revenue	1 477 944	1 472 088
Other operating revenue	2 591	5 374
Depreciation	(924)	(1 590)
Costs of employee benefits	(14 650)	(9 069)
Consumption of materials and supplies and costs of goods sold	(470)	(129)
Energy and gas purchase for sale	(1 007 020)	(986 497)
Transmission and distribution services	(403 924)	(400 672)
Other external services	(37 681)	(30 498)
Taxes and charges	(1 548)	(1 534)
Loss on sale and liquidation of property, plant and equipment	(8)	-
Other operating expenses	(7 213)	(5 685)
Operating profit	7 097	41 788
Financial expenses	(35 301)	(20 531)
Financial revenue	48 666	42 908
Profit before tax	20 462	64 165
Income tax	(5 312)	(13 926)
Net profit for the reporting period	15 150	50 239
Other comprehensive income		
Items that are or may be reclassified to profit or loss		
- valuation of hedging instruments	(28 799)	-
- income tax	5 472	-
Net other comprehensive income	(23 327)	-
Total comprehensive income	(8 177)	-
Earnings attributable to the Company's shareholders	15 150	50 239
Weighted average number of ordinary shares	441 442 578	441 442 578
Net earnings per share (in PLN per share)	0.03	0.11
Diluted earnings per share (in PLN per share)	0.03	0.11

Separate statement of changes in equity

	Share capital (face value)	Revaluation of share capital	Total share capital	Share premium	Hedging reserve	Reserve capital	Retained earnings	Total equity
Balance as at 01.01.2016	441 443	146 575	588 018	4 627 673	3 980	2 640 358	2 427 976	10 288 005
Net profit							15 150	15 150
Net other comprehensive income					(23 327)			(23 327)
Total comprehensive income recognized in period					(23 327)		15 150	(8 177)
Balance as at 31.03.2016	441 443	146 575	588 018	4 627 673	(19 347)	2 640 358	2 443 126	10 279 828

	Share capital (face value)	Revaluation of share capital	Total share capital	Share premium	Reserve capital	Retained earnings	Total equity
Balance as at 01.01.2015	441 443	146 575	588 018	4 627 673	2 151 228	4 235 607	11 602 526
Net profit						50 239	50 239
Balance as at 31.03.2015	441 443	146 575	588 018	4 627 673	2 151 228	4 285 846	11 652 765

(all amounts in PLN '000, unless specified otherwise)
Separate statement of cash flows

	3 months ended 31.03.2016	3 months ended 31.03.2015
Cash flows from operating activities		
Net profit for the reporting period	15 150	50 239
Adjustments:		
Income tax in the profit or loss and other comprehensive income	5 312	13 926
Depreciation	924	1 590
Loss on sale and liquidation of property, plant and equipment	8	-
Gain on disposal of financial assets	(2 225)	(1 411)
Interest income	(39 815)	(34 324)
Interest expense	35 272	20 043
	<u>(524)</u>	<u>(176)</u>
Income tax paid	(117 775)	(104 040)
Inflows due to settlements within Tax Group	101 795	83 177
Changes in working capital		
Inventory	(14 779)	(75 710)
Trade and other receivables	(42 114)	(71 956)
Trade and other liabilities	154 955	127 543
Liabilities due to employee benefits	(5 598)	(4 507)
Provisions for other liabilities and charges	(24 537)	38 516
	<u>67 927</u>	<u>13 886</u>
Net cash flows from operating activities	<u>66 573</u>	<u>43 086</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(1 466)	-
Proceeds from disposal of property, plant and equipment and intangible assets	9	-
Proceeds from disposal of financial assets	9 993	10 274
Acquisition of financial assets	(132 173)	(239 622)
Acquisition of subsidiaries, associates and joint ventures	-	(16)
Repayable contribution to the share capital of a subsidiary	(199 899)	-
Proceeds related to future acquisition of financial assets	119	-
Interests received	33 096	24 662
Net cash flows from investing activities	<u>(290 321)</u>	<u>(204 702)</u>
Cash flows from financing activities		
Proceeds from loans and borrowings	100 000	-
Proceeds from bond issue	-	1 000 000
Payments of finance lease liabilities	-	(29)
Payments related to future issue of bonds	(124)	-
Interests paid	(36 748)	(7 049)
Net cash flows from financial activities	<u>63 128</u>	<u>992 922</u>
Net increase/(decrease) in cash	<u>(160 620)</u>	<u>831 306</u>
Balance at the beginning of the reporting period	1 397 632	440 815
Balance at the end of the reporting period	<u>1 237 012</u>	<u>1 272 121</u>

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

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

Explanatory notes to the financial statements

1. General information about ENEA S.A.

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

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

As at 31 March 2016 the shareholding structure of ENEA S.A. was the following: the State Treasury of the Republic of Poland – 51.5% of shares, other shareholders – 48.5%.

As at 31 March 2016 the statutory share capital of ENEA S.A. equaled PLN 441,443 thousand (PLN 588,018 thousand upon adoption of IFRS-EU and considering hyperinflation and other adjustments) and was divided into 441,442,578 shares.

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

ENEA S.A. is the parent company in the ENEA Group (the Group). As at 31 March 2016 the Group comprised of 13 subsidiaries and 9 indirect subsidiaries.

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

2. Statement of compliance

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

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

The Management Board of the Company has used its best knowledge as to the application of standards and interpretations as well as measurement methods and principles applicable to individual items of the condensed interim separate financial statements of ENEA S.A. in accordance with IFRS-EU as of 31 March 2016. The presented statements and explanations have been prepared using due diligence. These condensed interim separate financial statements have not been reviewed by a certified auditor.

The Company prepares condensed interim consolidated financial statements of ENEA Group as a 31 March 2016 and for the three-month period then ended. These condensed interim separate financial statements ought to be read together with those condensed interim consolidated financial statements and with the separate financial statements of ENEA S.A. for the financial year ended 31 December 2015.

3. Accounting principles

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

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

4. Material estimates and assumptions

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

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

5. Composition of the Group – list of subsidiaries

	Name and address of the Company	Share of ENEA S.A. in the total number of votes in % 31.03.2016	Share of ENEA S.A. in the total number of votes in % 31.12.2015
1.	ENEA Operator Sp. z o.o. Poznań, Strzeszyńska 58	100	100
2.	ENEA Wytwarzanie Sp. z o.o. Świerże Górne, commune Kozienice, Kozienice 1	100	100
3.	ENEA Oświetlenie Sp. z o.o. Poznań, Strzeszyńska 58	100	100
4.	ENEA Trading Sp. z o.o. Świerże Górne, commune Kozienice, Kozienice 1	100	100
5.	Szpital Uzdrawiskowy ENERGETYK Sp. z o.o. Inowrocław, Wilkońskiego 2	100	100
6.	ENEA Logistyka Sp. z o.o. Poznań, Strzeszyńska 58	100	100
7.	ENEA Serwis Sp. z o.o. Lipno, Gronówko 30	100	100
8.	ENEA Centrum Sp. z o.o. Poznań, Górecka 1	100	100
9.	ENEA Pomiary Sp. z o.o. Poznań, Strzeszyńska 58	100	100
10.	ENERGO-TOUR Sp. z o.o. in liquidation Poznań, Marcinkowskiego 27	100	100
11.	ENEA Innovation Sp. z o.o. Warszawa, Jana Pawła II 25	100	100
12.	Lubelski Węgiel BOGDANKA S. A. Bogdanka, Puchaczów	65,99	65,99
13.	Annacond Enterprises Sp. z o.o. Warszawa, Jana Pawła II 25	61	61
14.	Przedsiębiorstwo Energetyki Ciepłej Zachód Sp. z o.o. Białystok, Starosielce 2/1	100 ¹	100 ¹
15.	Centralny System Wymiany Informacji Sp. z o.o. Poznań, Strzeszyńska 58	100 ³	100 ³
16.	Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. Oborniki, Wybudowanie 56	99,91 ¹	99,91 ¹
17.	Miejskie Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. Białystok, Warszawska 27	86,36 ¹	86,36 ¹
18.	Miejska Energetyka Ciepła Piła Sp. z o.o. Piła, Kaczorska 20	71,11 ¹	71,11 ¹
19.	ekoTRANS Bogdanka Sp. z o.o. Bogdanka, Puchaczów	65,99 ²	65,99 ²
20.	RG Bogdanka Sp. z o.o. Bogdanka, Puchaczów	65,99 ²	65,99 ²
21.	MR Bogdanka Sp. z o.o. Bogdanka, Puchaczów	65,99 ²	65,99 ²
22.	Łęczyńska Energetyka Sp. z o.o. Bogdanka, Puchaczów	58,53 ²	58,53 ²

¹ – an indirect subsidiary held through interests in ENEA Wytwarzanie Sp. z o.o.

² – an indirect subsidiary held through interests in Lubelski Węgiel BOGDANKA S.A.

³ – an indirect subsidiary held through interests in ENEA Operator Sp. z o.o.

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

6. Property, plant and equipment

During the 3-month period ended 31 March 2016, the Company acquired property, plant and equipment amounted to PLN 172 thousand (during the period of 3 months ended 31 March 2015: PLN 12 thousand).

During the 3-month period ended 31 March 2016 the Company sold and liquidated property, plant and equipment for the total net amount of PLN 17 thousand (during the period of 3 months ended 31 March 2015: PLN 0 thousand).

As at 31 March 2016 the value of the impairment on the book amount of property, plant and equipment amounted to PLN 680 thousand (as at 31 March 2015 respectively: PLN 680 thousand).

7. Intangible assets

During the 3-month period ended 31 March 2016, the Company did not acquire intangible assets (during the period of 3 months ended 31 March 2015: PLN 0 thousand).

During the 3-month period ended 31 March 2016, there was no transfer of intangible assets from fixed assets under construction (during the period of 3 months ended 31 March 2015: PLN 0 thousand).

During the 3-month period ended 31 March 2016 the Company did not complete significant sales and liquidations of intangible assets (during the period of 3 months ended 31 March 2015: PLN 0 thousand).

8. Investments in subsidiaries

	31.03.2016	31.12.2015
Opening balance	8 323 493	8 951 265
Acquisition of investments	-	1 486 240
Repayable contribution to the share capital of a subsidiary	199 899	-
Disposal of investments	-	(8 854)
Transfer to assets held for sale	-	(17 487)
Change in impairment loss	-	(2 087 671)
Closing balance	8 523 392	8 323 493

Impairment loss on investments

	31.03.2016	31.12.2015
Opening balance of impairment loss on investments	2 117 775	30 104
Addition	-	2 089 754
Utilized	-	(1 356)
Reclassification to assets held for sale	-	(727)
Closing balance of impairment loss on investments	2 117 775	2 117 775

2016

On 14 March 2016 ENEA S.A. issued repayable contributions to the share capital of ENEA Wytwarzanie Sp. z o.o. amounting to PLN 199 899 thousand. The amount will be used to finance the investment expenditure of ENEA Wytwarzanie Sp. z o.o. The maturity date has not been defined.

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

2015

On 23 and 25 February 2015 ENEA S.A. signed with a trade union Organizacja Podzakładowa NSZZ „Solidarność” ENEA Poznań and with a trade union Zakładowa Organizacja Związkowa Międzyzakładowego Związku Zawodowego Pracowników Grupy Kapitałowej ENEA in Poznań agreements for purchase of 16 shares in the share capital of ENERGO-TOUR Sp. z o.o., with its registered office in Poznań, for PLN 16 thousand.

On 29 June 2015 ENEA S.A. acquired all new shares issued by ENEA Centrum Sp. z o.o. for contribution in kind in the amount of PLN 502 thousand.

On 14 September 2015 ENEA S.A. delivered to Warsaw Stock Exchange S.A. subscription to a tender offer for 21 962 189 shares in Lubelski Węgiel “Bogdanka” S.A, located in Bogdanka (LWB) at PLN 67.39 per share, entitling to execute 64.57% voting rights at the General Meeting of the LWB (Tender offer). The tender was submitted through Dom Maklerski Banku Handlowego S.A. On 16 October 2015 ENEA S.A. received the information that within the tender offer announced on 14 September 2015 for the sale of Lubelski Węgiel “Bogdanka” S.A., until 15 October 2015 subscriptions were submitted in the number exceeding 21,962,189 shares of LWB. The indicated number of shares authorities to exercise 64.57% of the total number of votes at a General Meeting of LWB, which means that the condition of subscribing for a minimum number of LWB’s shares was satisfied. On 19 October 2015 ENEA S.A. received information on the issue on that day by the President of the Office of Competition and Consumer Protection of a decision regarding granting consent for the concentration, being the takeover by ENEA S.A. of a control over Lubelski Węgiel “Bogdanka” S.A. Thereby the legal condition to subscribe for the sale of shares of LWB was satisfied. On 26 October 2015 the purchase order for tender shares offer was made. The whole transaction was settled on 29 October 2015.

Based on the resolution No. 13 dated 3 November 2015 adopted by the Extraordinary Shareholders’ Meeting of ENERGO-TOUR Sp. z o.o. in liquidation, it was resolved to approve the distribution of the company’s assets.

Assets of ENERGO-TOUR Sp. o.o. in liquidation, remaining after all required liquidation activities – based on the regulations of the Art. No. 286 par. 2 and 3 of the Code of Commercial Companies – were transferred to the shareholder holding 100% of shares in the Company, i.e. ENEA S.A. based in Poznań.

On 5 November 2016 the request for deletion from National Court Register was submitted. Until the date of these condensed interim separate financial statements, the request has not been registered yet.

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

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

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

9. Assets held for sale

	31.03.2016	31.12.2015
Opening balance	8 410	12 876
Acquisition of investments	-	70
Reclassification from investments in subsidiaries	-	16 760
Impairment loss	-	(13 087)
Disposal of investments	-	(8 209)
Closing balance	8 410	8 410

During the 3-month period ended 31 March 2016 there were no changes in non-current assets held for sale.

As at 31 March 2016 the shares in Szpital Uzdrowiskowy ENERGETYK Sp. z o.o. are presented as non-current assets held for sale. On the basis of a resolution of the Management Board of ENEA S.A. No. 40/2016 dated 24 February 2016 the Company commenced proceedings related to the sale of shares in Szpital Uzdrowiskowy ENERGETYK Sp. z o.o. in a public invitation to negotiations. The time frame for submission of initial offers ended on 30 March 2016. Potential investors who made an initial offer may examine Szpital Uzdrowiskowy ENERGETYK Sp. z o.o. on their own. The time frame for submission of binding offers ends on 10 May 2016.

10. Financial assets – intercompany bonds

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

Date of contracts	Issuer	Final redemption	Credit limit in PLN '000	Amount used in PLN '000	Bonds issued as at 31.03.2016 (principal) in PLN '000	Bonds issued as at 31.12.2015 (principal) in PLN '000
10 March 2011	ENEA Wytwarzanie Sp. z o.o.	31 March 2023	26 000	26 000	26 000	26 000
29 September 2011	ENEA Wytwarzanie Sp. z o.o.	29 September 2019	14 500	14 500	9 500	9 500
23 July 2012	ENEA Wytwarzanie Sp. z o.o.	22 July 2019	158 500	158 500	74 500	80 050
8 September 2012, agreement for the amount of PLN 4,000,000 thousand reduced by annex No. 2 dated 21 January 2015 to the amount of PLN 3,000,000 thousand	ENEA Wytwarzanie Sp. z o.o.	15 June 2020 or 15 December 2020 depending on dates of bond series issue, the remaining amounts at the latest 15 June 2022	3 000 000	1 201 000	1 201 000	1 201 000
20 June 2013 as amended by annex No. 1 dated 9 October 2014 and annex No.2 dated 7 July 2015	ENEA Operator Sp. z o.o.	Depending on dates of bond series issue, but not later than 17 June 2030	1 425 000	1 425 000	1 425 000	1 425 000
16 July 2013 as amended by annex No. 1 dated 17 January 2014 and annex No.2 dated 13 July 2015	ENEA Wytwarzanie Sp. z o.o.	15 July 2021	936 000	936 000	936 000	936 000

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

12 August 2014 in the amount of PLN 260,000 thousand, increased to PLN 1,000,000 thousand by annex No. 1 dated 11 February 2015 and reduced by annex No. 2 dated 30 December 2015 to the amount of PLN 260,000 thousand	ENE A Wytwarzanie Sp. z o.o.	Redemption in installments – final maturity 15 December 2026	260 000	260 000	260 000	260 000
17 November 2014	ENE A Wytwarzanie Sp. z o.o.	31 March 2020	740 000	350 000	350 000	350 000
17 February 2015 in the amount of PLN 760,000 thousand, increased by annex No. 1 dated 3 June 2015 to amount of PLN 1,000,000 thousand	ENE A Wytwarzanie Sp. z o.o.	10 February 2020	1 000 000	1 000 000	1 000 000	1 000 000
7 July 2015	ENE A Operator Sp. z o.o.	Redemption in installments – final maturity 17 June 2030	946 000	200 000	200 000	100 000
30 October 2015	Miejskie Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o.	Redemption in installments – final maturity 31 March 2020	18 000	18 000	16 000	17 000
			Total		5 498 000	5 404 550

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

11. Allowance on trade and other receivables

	31.03.2016	31.12.2015
Opening balance of receivables allowance	52 697	53 640
Addition	8 644	27 810
Reversed	(2 584)	-
Utilized	(4 130)	(28 753)
Closing balance of receivables allowance	54 627	52 697

During the 3-month period ended 31 March 2016 the allowance on the carrying amount of trade and other receivables increased by PLN 1 930 thousand (during the period of 3 months ended 31 March 2015 the impairment allowance increased by PLN 2 884 thousand).

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

12. Inventory

Certificates of origin

	31.03.2016	31.12.2015
Opening balance	152 318	116 117
Acquisition	160 093	389 761
Redemption	(145 027)	(343 212)
Disposal Sale	(287)	(10 348)
Closing balance	167 097	152 318

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

13. Cash and cash equivalents

	31.03.2016	31.12.2015
Cash in hand and at bank	1 833	2 791
Other cash	1 235 179	1 394 841
- bank deposits	1 235 129	1 394 789
- other	50	52
Total cash and cash equivalents	1 237 012	1 397 632
Cash disclosed in the statement of cash flows	1 237 012	1 397 632

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

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

As at 31 March 2016 the carrying amount of the portfolio of financial instruments managed by a specialized institution amounted to PLN 219 744 thousand and comprised financial assets measured at fair value through profit or loss - treasury bills and bonds in the amount of PLN 219 261 thousand (as at 31 December 2015, carrying amount of the portfolio amounted to PLN 216 826 thousand, including financial assets measured at fair value through profit or loss - treasury bills and bonds in the amount of PLN 215 488 thousand).

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

15. Financial instruments

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

	31.03.2016		31.12.2015	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current financial assets available for sale	23 402	23 402	23 402	23 402
Non-current financial assets held to maturity	5 431 695	5 520 471	5 339 352	5 423 882
Derivatives	-	-	844	844
Current financial assets held to maturity	62 207	55 394	55 033	49 227
Current financial assets measured at fair value through profit or loss	219 261	219 261	215 488	215 488
Trade and other receivables	1 103 075	(*)	1 048 669	(*)
Cash and cash equivalents	1 237 012	1 237 012	1 397 632	1 397 632
Non-current loans, borrowings and debt securities	5 287 274	5 331 281	5 187 381	5 231 070
Derivatives	26 136	26 136	-	-
Current loans, borrowings and debt securities	31 824	25 475	31 905	26 951
Finance lease liabilities	43	43	43	43
Other financial liabilities	467 268	467 268	327 318	327 318
Trade and other liabilities	440 654	(*)	423 060	(*)

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

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

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

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

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

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

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

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

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

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

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

	31.03.2016			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Non-derivative financial assets held for trading	219 261	-	-	219 261
Total	219 261	-	-	219 261
Financial liabilities measured at fair value through profit or loss				
Interest Rate Swap used for hedging	-	26 136	-	26 136
Total	-	26 136	-	26 136

	31.12.2015			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Non-derivative financial assets held for trading	215 488	-	-	215 488
Interest Rate Swap used for hedging	-	844	-	844
Total	215 488	844	-	216 332

16. Loans, borrowings and debt securities

	31.03.2016	31.12.2015
Long-term		
Bank loans	1 618 567	1 518 674
Bonds	3 668 707	3 668 707
Total	5 287 274	5 187 381
Short-term		
Bank loans	10 201	3 523
Bonds	21 623	28 382
Total	31 824	31 905
Total loans, borrowings and debt securities	5 319 098	5 219 286

Loans

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

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

In January 2016, ENEA S.A. received the second tranche of a loan within C Agreement that was awarded by the European Investment Bank in the amount of PLN 100,000 thousand. The loan is denominated in PLN with a floating

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

interest rate based on the WIBOR 6-month plus the Bank's margin. The tranche will be repaid in installments, and the final loan repayment is planned for September 2030.

Bond issue programs

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

No.	Name of bonds issue programme	Date of the conclusion of programme	Amount of the programme	Amount issued as at 31.03.2016	Amount issued as at 31.12.2015	Redemption date
1.	Bonds Issue Programme Agreement with PKO BP S.A., Bank Pekao S.A., BZ WBK S.A. and Bank Handlowy S.A.	21 June 2012	3 000 000	1 201 000	1 201 000	Redemption from June 2020 till June 2021.
2.	Bonds Issue Programme Agreement with Bank Gospodarstwa Krajowego	15 May 2014	1 000 000	1 000 000	1 000 000	Redemption in installments, final maturity is December 2026.
3.	Bonds Issue Programme Agreement with ING Bank Śląski S.A., PKO BP S.A., Bank PEKAO S.A. and mBank S.A.	30 June 2014	5 000 000	1 500 000	1 500 000	Redemption of a given series in February 2020 and September 2021
4.	Bonds Issue Programme Agreement with Bank Gospodarstwa Krajowego	3 December 2015	700 000	-	-	Redemption in installments, final maturity is September 2027.
TOTAL			9 700 000	3 701 000	3 701 000	

In the first quarter of 2016 ENEA SA did not change the Programme Agreements, neither concluded any new agreements.

Interest rate risk hedging transactions

During the 3-month period ended 31 March 2016, ENEA S.A. concluded interest rate swap transactions to hedge interest rate risk related to the debt of PLN 440,000 thousand. On 31 March 2016, the total value of the IRS's transactions amounted to PLN 3,435,000 thousand. Concluded transactions will substantially affect the predictability of the cash relating flows of expenditure and financial costs. The valuation of these financial instruments is presented in "Derivatives".

Financing conditions – covenants

Financing agreements assume compliance by the Company and the Group with certain financial ratios. As at 31 March 2016 and the date of these condensed interim separate financial statements, the Company did not breach the regulations of loan agreements, on the basis of which the Company would be required to early repayment of long-term debt.

17. Other financial liabilities

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

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

18. Deferred income tax

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

	31.03.2016	31.12.2015
Opening balance	63 316	25 726
Change recognized in profit or loss	(17 118)	39 899
Change recognized in other comprehensive income	5 472	(2 309)
Closing balance	51 670	63 316

During the 3-month period ended 31 March 2016, the Company’s profit before tax was debited with PLN 17 118 thousand as a result of decrease in net deferred tax asset (during the period of 3 months ended 31 March 2015 the Company’s profit before tax was credited with PLN 13,583 thousand as a result of an increase in net deferred tax assets).

19. Provisions for other liabilities and charges

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

	31.03.2016	31.12.2015
Non-current	10 121	10 905
Current	237 781	261 534
Total	247 902	272 439

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

	Provision for non-contractual use of property	Provision for other claims	Provision for certificates of origin	Total
Balance as at 01.01.2016	17 161	10 288	244 990	272 439
Increase in provisions	87	8	122 497	122 592
Provisions used	(3)	(4)	(145 027)	(145 034)
Provision reversed	(2 095)	-	-	(2 095)
Balance as at 31.03.2016	15 150	10 292	222 460	247 902

A description of material claims and contingent liabilities has been presented in note 22.

During the 3-month period ended 31 March 2016 the provisions for other liabilities and charges decreased by the net amount of PLN 24 537 thousand, mainly due to settlement of obligation related to sale to end users of electricity generated in a renewable source or in cogeneration (during the period of 3 months ended 31 March 2015 the provisions for other liabilities and charges increased by PLN 38 516 thousand).

20. Related party transactions

The Company concludes transactions with the following related parties:

1. Companies of the ENEA Group

	01.01.2016 - 31.03.2016	01.01.2015 - 31.03.2015
Purchases, including:	1 152 487	1 236 614
materials	-	2
services	415 192	427 447
other (including energy and gas)	737 295	809 165
Sales, including:	75 435	65 284
energy	66 969	57 905
services	320	452
other	8 146	6 927
Interest income, including:	37 646	29 676
bonds	37 591	29 606
loans	55	70
	31.03.2016	31.12.2015
Receivables	244 552	181 534
Liabilities	921 829	732 428
Financial assets - bonds	5 493 902	5 394 385

Such transactions are concluded under arm's length terms and their conditions do not differ from those applied in transactions with other entities.

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

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

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

The value of transactions has been presented below:

Item	Management Board of the Company		Supervisory Board of the Company	
	01.01.2016 - 31.03.2016	01.01.2015 - 31.03.2015	01.01.2016 - 31.03.2016	01.01.2015 - 31.03.2015
Remuneration under managerial and consultancy agreements	6 694*	1 005	-	-
Remuneration relating to appointment of members of management or supervisory bodies	-	-	112	83
TOTAL	6 694	1 005	112	83

* Remuneration includes bonuses for 2015 and compensation resulting from non – competition agreements for former members of the Management Board in the amount of PLN 5 960 thousand.

During the 3-month period ended 31 March 2016 there were no loans granted from the Company's Social Benefits Fund to the members of the Supervisory Board (PLN 0 thousand during the 3-month period ended 31 March 2015). During this period repayments of these loans amounted to PLN 2 thousand (PLN 1 thousand during the 3-month period ended 31 March 2015).

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

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

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

The transactions concern mainly:

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

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

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

21. Future liabilities under contracts concluded as at the end of the reporting period

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

	31.03.2016	31.12.2015
Acquisition of intangible assets	1 205	2 097
	1 205	2 097

22. Contingent liabilities and proceedings before courts, arbitration or public administration bodies

22.1 Guarantees for credit facilities and loans as well as other sureties granted by the Company

On 1 March 2016, ENEA S.A. – as Guarantor – entered into a contract of surety with Shell Energy Europe Limited. Under this contract ENEA S.A. guarantees liabilities of its subsidiary ENEA Trading Sp. z o.o. concerning purchase of natural gas up to the maximum amount of EUR 3,500 thousand (ca. PLN 14,939 thousand).

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

Guarantee date	Guarantee period	Company from ENEA Group	Recipient	Bank - contractor	Amount of guarantee in PLN thousand
21.12.2014	21.12.2016	ENEA Serwis Sp. z o.o.	Ardagh Glass S.A.	Pekao S.A.	101
01.06.2015	31.01.2017	ENEA S.A.	Atrium Tower Sp. z o.o.	BZ WBK S.A.	145
12.06.2015	31.05.2018	ENEA Wytwarzanie Sp. z o.o.	Izba Rozliczeniowa Giełd Towarowych S.A.	BZ WBK S.A.	6 000
29.06.2015	31.05.2018	ENEA Trading Sp. z o.o.	Izba Rozliczeniowa Giełd Towarowych S.A.	BZ WBK S.A.	15 000
07.08.2015	31.07.2016	ENEA Operator Sp. z o.o.	Gmina Cekcyn	Pekao S.A.	300
08.10.2015	30.09.2016	ENEA Logistyka Sp. z o.o.	ENEA Operator Sp. z o.o.	BZ WBK S.A.	384
08.10.2015	30.09.2016	ENEA Logistyka Sp. z o.o.	ENEA Operator Sp. z o.o.	BZ WBK S.A.	405
17.11.2015	10.08.2018	ENEA Serwis Sp. z o.o.	Skarb Państwa Państw. Gosp. Leśne Lasy Państwowe - Nadleśnictwo Krusz	BZ WBK S.A.	31
24.11.2015	31.01.2018	ENEA S.A.	AQUA SA	BZ WBK S.A.	257
27.11.2015	31.01.2018	ENEA S.A.	Szpital Kliniczny im. H. Święcickiego UM in Poznań	BZ WBK S.A.	854
01.01.2016	28.02.2017	ENEA S.A.	Górecka Projekt Sp. z o.o.	BZ WBK S.A.	1 650
14.01.2016	10.08.2018	ENEA Wytwarzanie Sp. z o.o.	ENEA Operator Sp. z o.o.	BZ WBK S.A.	36
11.02.2016	15.09.2016	ENEA Logistyka Sp. z o.o.	ENEA Operator Sp. z o.o.	BZ WBK S.A.	719

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

10.03.2016	10.05.2016	ENE A S.A.	Uniwersytet Medyczny in Lublin	BZ WBK S.A.	140
31.03.2016	29.05.2016	ENE A S.A.	Powiat Strzyżowski	BZ WBK S.A.	65
Total of guarantees issued					26 087

22.2 Pending proceedings before courts of general jurisdiction

Actions brought by the Company

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

As at 31 March 2016, the total of 6 110 brought by the Company were pending before common courts for the total amount of PLN 53 160 thousand (7 066 cases for the total amount of PLN 51 978 thousand as at 31 December 2015).

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

Actions brought against the Company

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

As at 31 March 2016 the total of 187 cases against the Company were pending before common courts for the total amount of PLN 18 628 thousand (117 cases for the total amount of PLN 18 229 thousand as at 31 December 2015). The provisions related to these cases are presented in note 19.

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

22.3 Motions for settlements of not balanced energy trading in 2012

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

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

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

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

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

In the absence of amicable settlement of the above case, ENEA S.A. filed the following lawsuits against entities mentioned above:

- FITEN S.A. - lawsuit of 24 November 2015, the amount of dispute: PLN 207 thousand,
- TAURON Polska Energia S.A. – lawsuit of 10 December 2015, the amount of dispute: PLN 17 086 thousand,
- TAURON Sprzedaż GZE Sp. z o. o. – lawsuit of 10 December 2015, the amount of dispute: PLN 1 826 thousand,
- PKP Energetyka S.A. – lawsuit of 28 December 2015, the amount of dispute: PLN 1 272 thousand,
- PGE Polska Grupa Energetyczna S.A. – lawsuit of 29 December 2015, the amount of dispute: PLN 7 410 thousand.

Claim of ENEA S.A. against FITEN S.A. is pending before the District Court in Katowice under file number XIII GC 561/15/IW. In the course of the dispute, defendant prepared a response to the lawsuit on 22 December 2015.

ENEA S.A., in response to the position of the Defendant, upheld in full the demands contained in the lawsuit of 24 November 2015. During the proceeding held on 17 March 2016, the representative of the Defendant challenged the legitimacy of action brought by ENEA S.A. against FITEN S.A., thus new evidence is likely to be provided as part of the proceedings in the form of examination of a witness of PSE. The next hearing is scheduled for 5 May 2016.

Claim of ENEA S.A. against TAURON Polska Energia S.A. is pending before the District Court in Katowice under file number XIII GC 600/15 / AM. On 20 January 2016 the Defendant requested an extension of the deadline for submission of the response to the lawsuit due to the complexity of the facts in the case and the extensive evidence attached to the lawsuit, which - according to the defendant - requires detailed analysis. Ultimately, the response was filed on 8 February 2016, as part of which the Defendant requested that the entire action be dismissed. As at the date of preparation of these condensed interim separate financial statements, the date of the hearing was not defined.

The case brought by ENEA S.A. against TAURON Sprzedaż GZE Sp. z o. o. is pending before the District Court in Gliwice under file no. X GC 546/15. In the course of the proceedings, the Defendant responded to the action on 4 February 2016 and requested that the entire action be dismissed. As at the date of preparation of these condensed interim separate financial statements, the date of the hearing was not defined.

The case brought by ENEA S.A. against PKP Energetyka S.A. is pending before the District Court in Warsaw under file no. XX GC 1166/15. In the course of the proceedings, the Defendant responded to the action on 17 February 2016 and requested that the entire action be dismissed. As at the date of preparation of these condensed interim separate financial statements, the date of the hearing was not defined.

The case brought by ENEA S.A. against PGE Polska Grupa Energetyczna S.A. is pending before the District Court in Warsaw under file no. XX GC 1163/15. In the course of the proceedings, the Defendant responded to the action on

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

25 February 2016 and requested that the entire action be dismissed. As at the date of preparation of these condensed interim separate financial statements, the date of the hearing was not defined.

23. The participation in the construction of the atomic power plant programme

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

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

In Q1 2016, KGHM, PGE, TAURON, and ENEA continued their work on the preparation to the construction of the nuclear plant in Poland project.

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

24. Subsequent events

In April 2016 ENEA S.A. concluded interest rate swap transactions to hedge interest rate risk related to the debt (credits and bond issues) of PLN 500 000 thousand. As at the date of the preparation of these condensed interim separate financial statements, the total value of IRS's transactions amounted to PLN 3,935,000 thousand.