

Selected consolidated financial data of ENEA Group

	in PLN '000		in EUR '000	
	6 months ended	6 months Ended	6 months ended	6 months Ended
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Net sales revenue	5 599 432	4 612 247	1 278 263	1 115 659
Operating profit	610 571	524 207	139 384	126 801
Profit before tax	587 833	522 848	134 193	126 472
Net profit for the reporting period	471 226	418 270	107 574	101 176
Net cash flows from operating activities	1 162 073	782 925	265 283	189 382
Net cash flows from investing activities	(1 392 491)	(1 192 169)	(317 884)	(288 374)
Net cash flow from financing activities	511 574	1 029 811	116 784	249 102
Total net cash flows	281 156	620 567	64 184	150 109
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)	1.00	0.94	0.23	0.23
Diluted earnings per share (in PLN / EUR per share)	1.00	0.94	0.23	0.23
	Balance as at	Balance as at	Balance as at	Balance as at
	30.06.2016	31.12.2015	30.06.2016	31.12.2015
Total assets	23 375 703	22 988 996	5 282 048	5 394 578
Total liabilities	10 812 337	10 866 393	2 443 190	2 549 899
Non-current liabilities	8 577 474	8 457 838	1 938 193	1 984 709
Current liabilities	2 234 863	2 408 555	504 997	565 189
Equity	12 563 366	12 122 603	2 838 858	2 844 680
Share capital	588 018	588 018	132 870	137 984
Book value per share (in PLN / EUR per share)	28.46	27.46	6.43	6.44
Diluted book value per share (in PLN/EUR per share)	28.46	27.46	6.43	6.44

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

- individual assets and liabilities - at the average exchange rate as of 30 June 2016 - 4.4255 PLN/EUR (as at 31 December 2015 - 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 30 June 2016 - 4.3805 PLN/EUR for the period from 1 January to 30 June 2015 - 4.1341 PLN/EUR).



**Condensed interim consolidated financial statements
of the ENEA Group
for the period
from 1 January to 30 June 2016**

Poznań, 9 August 2016

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ENEA GROUP

Condensed interim consolidated financial statements for the period from 1 January to 30 June 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 **Mirosław Kowalik**

Member of the Management Board **Piotr Adamczak**

Member of the Management Board **Mikołaj Franzkowiak**

Member of the Management Board **Wiesław Piosik**

ENEA Centrum Sp. z o.o.

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

.....

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

Poznań, 9 August 2016

**ENEA GROUP**

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

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

		Balance as at	
	Note	30.06.2016	31.12.2015
ASSETS			
Non-current assets			
Property, plant and equipment	7	17 549 951	17 074 978
Perpetual usufruct of land		73 720	74 160
Intangible assets	8	330 237	272 116
Investment property		24 911	20 624
Investments in subsidiaries		3 739	748
Deferred tax assets	18	383 388	616 795
Financial assets available for sale		38 982	23 982
Derivatives	15	-	844
Trade and other receivables		91 967	28 323
Cash deposits at Mine Closure Fund		101 360	90 872
		18 598 255	18 203 442
Current assets			
CO2 emission rights		97 008	307 521
Inventories	11	628 933	649 509
Trade and other receivables	10	1 664 853	1 732 744
Current income tax assets		30 247	31 956
Financial assets held to maturity		483	479
Financial assets measured at fair value through profit or loss	14	232 503	222 011
Cash and cash equivalents	13	2 103 250	1 822 094
Assets held for sale	9	20 171	19 240
		4 777 448	4 785 554
Total assets		23 375 703	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.

		Balance as at	
	Note	30.06.2016	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		880	814
Other capital		(45 883)	(45 883)
Reserve capital from valuation of hedging instruments		(19 586)	3 980
Retained earnings		7 594 178	7 158 352
		11 750 071	11 337 745
Non-controlling interests		813 295	784 858
Total equity		12 563 366	12 122 603
LIABILITIES			
Non-current liabilities			
Loans, borrowings and debt securities	15	6 200 312	5 933 360
Trade and other liabilities		39 724	16 527
Finance lease liabilities		1 020	992
Deferred income due to subsidies, connection fees and other	17	669 326	674 682
Deferred tax liability	18	170 327	388 117
Liabilities due to employee benefits		830 566	818 772
Derivatives	15	25 822	-
Provisions for other liabilities and charges	19	640 377	625 388
		8 577 474	8 457 838
Current liabilities			
Loans, borrowings and debt securities	15	368 241	43 399
Trade and other liabilities		888 784	1 223 320
Finance lease liabilities		1 275	1 025
Deferred income due to subsidies, connection fees and other	17	81 877	83 666
Current income tax liability		8 454	87 022
Liabilities due to employee benefits		339 904	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	19	542 158	567 556
Provisions for other liabilities and charges	9	3 889	4 300
		2 234 863	2 408 555
Total liabilities		10 812 337	10 866 393
Total equity and liabilities		23 375 703	22 988 996

ENEA GROUP

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

(all amounts in PLN'000, unless specified otherwise)
Consolidated statement of profit or loss and other comprehensive income

		6 months ended	3 months ended	6 months ended	3 months ended
	Note	30.06.2016	30.06.2016	30.06.2015	30.06.2015
Sales revenue		5 724 721	2 719 438	4 727 045	2 217 104
Excise tax		(125 289)	(56 757)	(114 798)	(51 271)
Net sales revenue		5 599 432	2 662 681	4 612 247	2 165 833
Other operating revenue		56 698	26 534	31 667	9 325
Depreciation		(553 951)	(274 243)	(369 934)	(188 198)
Costs of employee benefits		(708 494)	(345 763)	(473 473)	(234 917)
Consumption of materials and supplies and costs of goods sold		(706 231)	(339 241)	(935 138)	(481 780)
Energy and gas purchase for sale		(2 076 235)	(953 193)	(1 605 192)	(711 569)
Transmission and distribution services		(418 078)	(227 689)	(380 946)	(193 618)
Other external services		(291 229)	(160 224)	(140 203)	(80 332)
Taxes and charges		(170 899)	(77 328)	(147 374)	(68 110)
Profit/(Loss) on sale and liquidation of property, plant and equipment		(10 583)	(10 164)	(319)	10 146
Impairment loss of non-financial non-current assets		(42 000)	(42 000)	-	-
Other operating expenses		(67 859)	(37 436)	(67 128)	(29 893)
Operating profit		610 571	221 934	524 207	196 887
Financial expenses		(65 168)	(29 432)	(30 591)	(13 949)
Financial revenue		42 282	28 218	27 399	8 825
Dividend income		148	148	1 833	1 833
Profit before tax		587 833	220 868	522 848	193 596
Income tax	18	(116 607)	(40 047)	(104 578)	(40 661)
Net profit for the reporting period		471 226	180 821	418 270	152 935
Other comprehensive income					
Items that are or may be reclassified to profit or loss:					
- change in fair value of financial assets available for sale		-	-	(21 715)	(15 601)
- valuation of hedging instruments		(29 094)	(295)	66 904	66 904
- other		66	403	(272)	515
- income tax	18	5 528	56	(8 586)	(9 750)
Items that will not be reclassified to profit or loss:					
- remeasurement of defined benefit plan		(1 297)	(1 297)	14 436	14 436
- income tax		247	247	(2 743)	(2 743)
Net other comprehensive income		(24 550)	(886)	48 024	53 761
Total comprehensive income		446 676	179 935	466 294	206 696
Including net profit:					
attributable to shareholders of the Parent		442 789	169 848	416 222	153 490
attributable to non-controlling interests		28 437	10 973	2 048	(555)
Including comprehensive income:					
attributable to shareholders of the Parent		420 894	171 617	464 246	207 251
attributable to non-controlling interests		25 782	8 318	2 048	(555)
Net profit attributable to shareholders of the Parent		442 789	169 848	416 222	153 490
Weighted average number of ordinary shares		441 442 578	441 442 578	441 442 578	441 442 578
Basic earnings per share (in PLN per share)		1.00	0.38	0.94	0.35
Diluted earnings per share (in PLN per share)		1.00	0.38	0.94	0.35



ENEA GROUP

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

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

Consolidated statement of changes in equity

(a) I half 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								442 789	28 437	471 226
Net other comprehensive income					66		(23 566)	(1 050)		(24 550)
Total comprehensive income recognized in the period					66		(23 566)	441 739	28 437	446 676
Other								(5 913)		(5 913)
Balance as at 30.06.2016	441 443	146 575	588 018	3 632 464	880	(45 883)	(19 586)	7 594 178	813 295	12 563 366

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.



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

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

(b) I half 2015

	Note	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 01.01.2015		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									416 222	2 048	418 270
Net other comprehensive income						(17 861)		54 192	11 693		48 024
Total comprehensive income recognized in the period						(17 861)		54 192	427 915	2 048	466 294
Dividends	24								(207 478)	(5)	(207 483)
Balance as at 30.06.2015		441 443	146 575	588 018	3 632 464	16 916	(45 883)	54 192	8 025 426	51 691	12 322 824

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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 30 June 2016

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

	6 months ended 30.06.2016	6 months ended 30.06.2015
Cash flows from operating activities		
Net profit for the reporting period	471 226	418 270
Adjustments:		
Income tax in the profit or loss	116 607	104 578
Depreciation	553 951	369 934
Loss on sale and liquidation of property, plant and equipment	10 583	319
Impairment loss of non-financial non-current assets	42 000	-
(Gain)/Loss on disposal of financial assets	(3 404)	3 801
Interest income	(6 011)	(4 588)
Dividend income	(148)	(1 833)
Interest expense	44 682	19 822
(Gain)/loss on measurement of financial assets	-	8 744
Other adjustments	(17 225)	(3 707)
	741 035	497 070
Income tax paid	(173 856)	(176 643)
Changes in working capital		
CO2 emission rights	209 040	95 699
Inventory	21 923	(194 824)
Trade and other receivables	(130 191)	124 973
Trade and other liabilities	77 858	(86 637)
Liabilities due to employee benefits	(47 478)	7 857
Deferred income due to subsidies, connection fees and other	(7 382)	11 679
Non-current assets held for sale and related liabilities	(930)	(17 020)
Provisions for other liabilities and charges	828	102 501
	123 668	44 228
Net cash flows from operating activities	1 162 073	782 925
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(1 373 004)	(1 157 096)
Proceeds from disposal of property, plant and equipment and intangible assets	4 584	7 212
Acquisition of financial assets	(17 770)	(50 524)
Proceeds from disposal of financial assets	1 141	2 569
Acquisition of subsidiaries adjusted by acquired cash	(2 991)	-
Outflows to cash deposits at Mine Closure Fund	(10 488)	-
Interests received	4 444	5 333
Other proceeds from investing activities	1 593	337
Net cash flows from investing activities	(1 392 491)	(1 192 169)
Cash flows from financial activities		
Proceeds from loans and borrowings	404 247	102 999
Proceeds from bond issue	300 000	1 000 000
Loans and borrowings repaid	(6 896)	(30 471)
Repurchase of bonds	(100 000)	-
Dividend paid to shareholders of the Parent	-	(445)
Payment of finance lease liabilities	(635)	(858)
Interests paid	(72 975)	(33 315)
Expenses related to future issue of bonds	(2 719)	(7 282)
Other payments from financing activities	(9 448)	(817)
Net cash flows from financial activities	511 574	1 029 811
Net cash flows	281 156	620 567
Balance at the beginning of the reporting period	1 822 094	687 316
Balance at the end of the reporting period	2 103 250	1 307 883

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

As at 30 June 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 30 June 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 30 June 2016. The presented statements and explanations have been prepared using due diligence. These condensed interim consolidated financial statements have 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.

5. Composition of the Group – list of subsidiaries

	Nazwa i adres spółki	Share of ENEA S.A. in the total number of votes in % 30.06.2016	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. ⁴ Poznań, Strzeszyńska 58	100	100
4.	ENEA Trading Sp. z o.o. Świerże Górne, commune Kozienice, Kozienice 1	100	100
5.	Szpital Uzdrowskiwowy 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, Strzeszyńska 58	100	100
11.	ENEA Innovation Sp. z o.o. Warszawa, Aleja 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.

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

6. Segment reporting

The management of the Group'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 goods sold 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 EBIDTA which is operating result adjusted for depreciation and amortization.

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.


ENEA GROUP

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

(all amounts in PLN'000, unless specified otherwise)
Financial results by segments:

(a) Segment reporting for the period from 1 January to 30 June 2016:

	Trade	Distribution	Production	Mining	All other segments	Eliminations	Total
Net sales revenue	3 139 092	1 506 925	431 616	440 565	81 234	-	5 599 432
Inter-segment sales	307 585	24 336	1 257 643	408 097	187 314	(2 184 975)	-
Total net sales revenue	3 446 677	1 531 261	1 689 259	848 662	268 548	(2 184 975)	5 599 432
Total expenses	(3 396 451)	(1 202 514)	(1 520 694)	(748 305)	(252 735)	2 154 932	(4 965 767)
Segment profit/(loss)	50 226	328 747	168 565	100 357	15 813	(30 043)	633 665
Depreciation	(334)	(241 938)	(120 928)	(182 534)	(12 682)		
Impairment loss of non-financial non-current assets	-	-	(42 000)	-	-		
EBITDA	50 560	570 685	331 493	282 891	28 495		1 264 124
% of net sales revenue	1.5%	37.3%	19.6%	33.3%	10.6%		
Unassigned Group costs (general and administrative expenses))							(23 094)
Operating profit							610 571
Finance cost							(65 168)
Finance income							42 282
Dividend income							148
Income tax							(116 607)
Net profit							471 226
Share of non-controlling interests							28 437



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

(b) Segment reporting for the period from 1 April to 30 June 2016:

	Trade	Distribution	Production	Mining	All other segments	Eliminations	Total
Net sales revenue	1 507 095	724 359	186 208	206 785	38 234	-	2 662 681
Inter-segment sales	142 876	18 553	626 223	221 591	91 340	(1 100 583)	-
Total net sales revenue	1 649 971	742 912	812 431	428 376	129 574	(1 100 583)	2 662 681
Total expenses	(1 617 389)	(587 164)	(786 742)	(395 452)	(121 319)	1 079 606	(2 428 460)
Segment profit/(loss)	32 582	155 748	25 689	32 924	8 255	(20 977)	234 221
Depreciation	(169)	(109 807)	(60 248)	(99 650)	(6 658)		
Impairment loss of non-financial non-current assets	-	-	(42 000)	-	-		
EBITDA	32 751	265 555	127 937	132 574	14 913		573 730
% of net sales revenue	2.0%	35.7%	15.7%	30.9%	11.5%		
Unassigned Group costs (general and administrative expenses)							(12 287)
Operating profit							221 934
Finance cost							(29 432)
Finance income							28 218
Dividend income							148
Income tax							(40 047)
Net profit							180 821
Share of non-controlling interests							10 973



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(c) Segment reporting for the period from 1 January to 30 June 2015:

	Trade	Distribution	Production	All other segments	Eliminations	Total
Net sales revenue	2 615 881	1 473 686	439 932	82 748	-	4 612 247
Inter-segment sales	228 996	26 669	1 168 516	164 967	(1 589 148)	-
Total net sales revenue	2 844 877	1 500 355	1 608 448	247 715	(1 589 148)	4 612 247
Total expenses	(2 764 180)	(1 174 033)	(1 465 450)	(238 377)	1 574 704	(4 067 336)
Segment profit/(loss)	80 697	326 322	142 998	9 338	(14 444)	544 911
Depreciation	(368)	(217 238)	(146 074)	(8 999)		
EBITDA	81 065	543 560	289 072	18 337		932 034
% of net sales revenue	2.8%	36.2%	18.0%	7.4%		
Unassigned Group costs (general and administrative expenses)						(20 704)
Operating profit						524 207
Finance cost						(30 591)
Finance income						27 399
Dividend income						1 833
Income tax						(104 578)
Net profit						418 270
Share of non-controlling interests						2 048



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

(d) Segment reporting for the period from 1 April to 30 June 2015:

	Trade	Distribution	Production	All other segments	Eliminations	Total
Net sales revenue	1 232 553	704 912	192 793	35 575	-	2 165 833
Inter-segment sales	104 750	17 397	588 710	83 245	(794 102)	-
Total net sales revenue	1 337 303	722 309	781 503	118 820	(794 102)	2 165 833
Total expenses	(1 306 285)	(562 176)	(743 388)	(119 422)	775 856	(1 955 415)
Segment profit/(loss)	31 018	160 133	38 115	(602)	(18 246)	210 418
Depreciation	(179)	(110 650)	(74 583)	(4 328)		
EBITDA	31 197	270 783	112 698	3 726		418 404
% of net sales revenue	2.3%	37.5%	14.4%	3.1%		
Unassigned Group costs (general and administrative expenses)						(13 531)
Operating profit						196 887
Finance cost						(13 949)
Finance income						8 825
Dividend income						1 833
Income tax						(40 661)
Net profit						152 935
Share of non-controlling interests						(555)



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Financial results by segments (continued)

(a) Other segment reporting information as at 30 June 2016:

	Trade	Distribution	Production	Mining	All other segments	Eliminations	Total
Property, plant and equipment	15 927	7 653 192	7 161 080	2 813 299	297 228	(404 834)	17 535 892
Trade and other receivables	894 792	446 722	382 858	223 469	657 642	(1 073 703)	1 531 780
Total	910 719	8 099 914	7 543 938	3 036 768	954 870	(1 478 537)	19 067 672
ASSETS excluded from segmentation							4 308 031
- including property, plant and equipment							14 059
- including trade and other receivables							225 040
TOTAL: ASSETS							23 375 703
Trade and other liabilities	360 964	813 371	224 814	239 790	184 500	(988 931)	834 508
Equity and liabilities excluded from segmentation							22 541 195
- including trade and other liabilities							94 000
TOTAL: EQUITY AND LIABILITIES							23 375 703

for the 6-month period ended 30 June 2016

Capital expenditure for tangible and intangible fixed assets	185	424 209	557 279	152 468	6 612	(28 556)	1 112 197
Capital expenditure for tangible and intangible fixed assets excluded from segmentation							-
Depreciation and amortization	334	241 938	120 928	182 534	12 682	(5 447)	552 969
Depreciation and amortization excluded from segmentation							982
Recognition/(derecognition/utilization) of receivables allowance	2 708	2 139	377	2 426	(67)	745	8 328



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

(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 6-month period ended 30 June 2015

Capital expenditure for tangible and intangible fixed assets	23	261 697	820 721	-	21 613	(30 181)	1 073 873
Capital expenditure for tangible and intangible fixed assets excluded from segmentation							-
Depreciation and amortization	368	217 238	146 074	-	8 999	(4 856)	367 823
Depreciation and amortization excluded from segmentation							2 111
Recognition/(derecognition/utilization) of receivables allowance	(3 909)	1 631	1 431	-	(1 264)	(4)	(2 115)

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

7. Property, plant and equipment

During the 6-month period ended 30 June 2016 the Group acquired property, plant and equipment for the total amount of PLN 1,076,717 thousand (during the period of 6 months ended 30 June 2015 it was PLN 1,062,109 thousand). The above mentioned amount relates mainly to the production segment (PLN 548,656 thousand) and distribution segment (PLN 383,924 thousand). Expenditures in the production segment relate primarily to the construction of a new power unit.

During the 6-month period ended 30 June 2016 the Group completed the sale and liquidation of fixed assets in the total net book value of PLN 14,827 thousand (during the 6 months ended 30 June 2015 respectively: PLN 2,933 thousand).

Impairment of property, plant and equipment

As at 30 June 2016 the Company analyzed indicators for impairment of property, plant and equipment. As a result of the implementation of the act of 20 May 2016 on investments in wind farms, the method for qualifying of fixed assets in wind farms into real property taxation basis shall change starting from 2017. Due to the change in calculating real property taxes, the Company updated the impairment tests performed in 2015 in a subsidiary which deals with energy generation from wind sources and assessed the impact of the increased taxes upon the value-in-use of property, plant and equipment. Based on the analysis, impairment on property, plant and equipment has been identified of PLN 42,000 thousand. The impairment loss reduced the Group's net result by PLN 34,020 thousand.

8. Intangible assets

During the 6-month period ended 30 June 2016 the Group acquired intangible assets for the total amount of PLN 66,159 thousand (during the period of 6 months ended 30 June 2015 it was PLN 11,764 thousand).

During the 6-month period ended 30 June 2016 the Group has brought into use intangible assets from intangible assets under construction in the amount of 26,512 thousand (during the period of 6 months ended 30 June 2015: PLN 65,986 thousand).

During the 6-month period ended 30 June 2016 the Group did not complete significant sales and liquidations of intangible assets (neither during the period of 6 months ended 30 June 2015).

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(all amounts in PLN'000, unless specified otherwise)
9. Non-current assets held for sale

	30.06.2016	31.12.2015
Non-current assets	26 039	25 108
Deferred tax asset	729	729
Total gross amount of non-current assets held for sale	26 768	25 837
Impairment loss	(6 597)	(6 597)
Non-current assets held for sale	20 171	19 240
Loans, borrowings and debt securities	3 889	4 300
Liabilities related to non-current assets held for sale	3 889	4 300

In the 6-month period ended 30 June 2016, the amount of assets held for sale increased by PLN 931 thousand. The increase relates to the property of Zakład Ceramiki Budowlanej, which belongs to Lubelski Węgiel "Bogdanka" S.A. Under the agreement concluded, the sale of shares is expected to be completed at the end of 2016.

As at 30 June 2016 assets of Szpital Uzdrowski ENERGETYK Sp. z o. o. are presented as non-current assets held for sale and liabilities of that company 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 Uzdrowski ENERGETYK Sp. z o.o. in a public invitation to negotiations. The time frame for submission of binding offers ended on 10 May 2016. At present, negotiations with potential investors are carried out.

10. Allowance on trade and other receivables

	30.06.2016	31.12.2015
Opening balance of receivables allowance	116 161	122 439
Addition	28 063	32 942
Reversed	(12 827)	(2 542)
Utilized	(6 908)	(36 678)
Closing balance of receivables allowance	124 489	116 161

During the 6-month period ended 30 June 2016 the allowance on the carrying amount of trade and other receivables increased by PLN 8,328 thousand (during the period of 6 months ended 30 June 2015 the impairment allowance decreased by PLN 2,115 thousand).

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

During the 6-month period ended 30 June 2016 the inventory allowance increased by PLN 7,071 thousand (during the period of 6 months ended 30 June 2015 the inventory allowance increased by PLN 6,740 thousand).

12. Certificates of origin

	30.06.2016	31.12.2015
Net carrying amount opening balance	196 077	201 633
Self-production	36 875	132 595
Acquisition	195 269	202 520
Redemption	(170 694)	(343 575)
Impairment loss	(5 841)	3 580
Other changes	-	(676)
Net carrying amount closing balance	251 686	196 077

13. Restricted cash

As at 30 June 2016 the restricted cash amounted to PLN 51,426 thousand. The restricted cash of the Group comprised transaction deposits and related to trading in electricity and CO2 emission rights, security deposits received from suppliers, as well as cash blocked to secure due performance of contracts.

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 30 June 2016 the carrying amount of the portfolio of financial instruments managed by a specialized institution amounted to PLN 220,672 thousand and comprised financial assets measured at fair value through profit or loss - treasury bills and bonds in the amount of PLN 219,984 thousand (as at 31 December 2015, carrying amount of the portfolio amounted to PLN 216,826 thousand, including financial assets 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 12,519 thousand (as at 31 December 2015: PLN 6,523 thousand).

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(all amounts in PLN'000, unless specified otherwise)
15. Loans, borrowings and debt securities

	30.06.2016	31.12.2015
Bank loans	1 594 462	1 529 220
Borrowings	46 248	35 433
Bonds	4 559 602	4 368 707
Long-term	6 200 312	5 933 360
Bank loans	326 899	5 342
Borrowings	10 543	9 583
Bonds	30 799	28 474
Short-term	368 241	43 399
Total	6 568 553	5 976 759

During the 6-month period ended 30 June 2016 the carrying amount of loans, borrowings and debt securities increased by net amount of PLN 591,794 thousand (during the period of 6 months ended 30 June 2015 the carrying amount of loans, borrowings and debt securities increased by PLN 1,079,420 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 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 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.

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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. Also Lubelski Wegiel "Bogdanka" SA has liabilities arising from bond programmes.

No.	Name of bonds issue programme	Date of the conclusion of programme	Amount of the programme	Amount issued as at 30.06.2016	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. (ENEA S.A.)	21 June 2012	3 000 000	1 501 000	1 201 000	Redemption from June 2020 till June 2022.
2.	Bonds Issue Programme Agreement with Bank Gospodarstwa Krajowego. (ENEA S.A.)	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. (ENEA 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 (ENEA S.A.)	3 December 2015	700 000	-	-	Redemption in installments, final maturity is September 2027.
5.	Bonds Issue Programme Agreement with Bank PEKAO S.A. (LWB)	23 September 2013	300 000	300 018	300 040	Redemption in installments, final maturity is December 2018.
6.	Bonds Issue Programme Agreement with Bank PEKAO S.A. and Bank Gospodarstwa Krajowego (LWB)	30 June 2014	300 000	300 020	400 052	Redemption in June 2017.
TOTAL			10 300 000	4 601 038	4 401 092	
Transaction costs and the result of amortised cost valuation				(10 637)	(3 911)	
TOTAL			10 300 000	4 590 401	4 397 181	



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

Group liabilities relating to bonds include bonds issued by Lubelski Węgiel Bogdanka S.A. The carrying amount of the aforementioned liabilities amounts to PLN 600, 038 thousand.

Financial liabilities of LWB arising from issued bond relates to two programme contracts. Under the first Programme Contract concluded by the company on 23 September 2013 with Polska Kasa Opieki S.A. Bank 3,000 bonds of total value of PLN 300,000 thousand with maturity on 31 December 2018 were issued. The maturity date of bonds is 30 March 2018 (PLN 75,000 thousand), 30 June 2018 (75,000 thousand), 30 September 2018 (PLN 75,000 thousand) and 30 December 2018 (PLN 75,000 thousand). The interest of the bonds is based on WIBOR 3M plus fixed margin.

Under the second Programme Agreement concluded by LWB on 30 June 2014 with Polska Kasa Opieki S.A. Bank and with Bank Gospodarstwa Krajowego 400 bonds of PLN 400,000 thousand with maturity on 30 June 2016 were issued. According to the programme, the company is entitled to issue obligation series as part of a particular tranche for the purpose of refinancing of the previous issue of a particular tranche (rollover), which justifies long-term nature of bonds issue programme. 30 June 2016 was a maturity date of two issues of bonds issued as part of a particular tranche on 30 June 2015 of PLN 400,000 thousand. In order to refinance issue of the bonds with maturity date on 30 June 2016, the company issued total 300 registered bonds of a new series as part of Tranche No. 1, with a total value of PLN 300,000 thousand. The maturity date of the new series of bonds is 30 June 2017. Moreover, on the same date LWB redeemed remaining 100 bonds of PLN 100,000 thousand.

Interest rate risk hedging transactions

During the 6-month period ended 30 June 2016, ENEA S.A. concluded interest rate swap transactions to hedge interest rate risk related to the debt of PLN 1,440,000 thousand. On 30 June 2016, the total value of the IRS's transactions amounted to PLN 4,435,000 thousand. Concluded transactions will substantially affect the predictability of the cash relating flows of expenditure and financial costs. The valuation of these financial instruments is presented in "Derivatives". As at 30 June 2016 the valuation of derivatives amounted to PLN 25,822 thousand.

Financing conditions – covenants

Financing agreements assume compliance by the Company, Lubelski Węgiel Bogdanka S.A. and the Group with certain financial ratios. As at 30 June 2016 and the date of these condensed consolidated interim separate 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.

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16. Financial instruments

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

	30.06.2016		31.12.2015	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current financial assets available for sale (shares in unrelated parties)	38 982	38 982	23 982	23 982
Derivatives	-	-	844	844
Current financial assets held to maturity	483	483	479	479
Current financial assets measured at fair value through profit or loss	232 503	232 503	222 011	222 011
Trade and other receivables	1 272 268	(*)	1 423 461	(*)
Cash and cash equivalents	2 103 250	2 103 250	1 822 094	1 822 094
Cash deposits at Mine Closure Fund	101 360	101 360	90 872	90 872
Loans, borrowings and debt securities	6 568 553	6 612 652	5 976 759	6 015 494
Finance lease liabilities	2 295	2 295	2 017	2 017
Trade and other liabilities	731 376	(*)	1 042 611	(*)
Derivatives	25 822	25 822	-	-

(*)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%, including shares in company PGE EJ1 Sp. z o.o. in the sum of PLN 23,402 thousand, for which there is no market price quoted on the active market and whose fair value – due to the initial phase of company activity – is defined on the basis of the expenses incurred.

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. 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 observable market information.

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	30.06.2016			Total
	Level 1	Level 2	Level 3	
Financial assets measured at fair value through profit or loss				
Forward contracts	-	12 519	-	12 519
Non-derivative financial assets held for trading	219 984	-	-	219 984
Financial assets available for sale				
Not listed equity instruments	-	-	580	580
Total	219 984	12 519	580	233 083
Derivatives				
Interest Rate Swap used for hedging	-	(25 822)	-	(25 822)
Total	-	(25 822)	-	(25 822)

	31.12.2015			Total
	Level 1	Level 2	Level 3	
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

	30.06.2016	31.12.2015
Non-current		
Deferred income due to subsidies	213 824	215 699
Deferred income due to connection fees	425 134	433 043
Deferred income due to street lighting modernization services	30 368	25 940
	669 326	674 682
Current		
Deferred income due to subsidies	14 890	14 890
Deferred income due to connection fees	65 882	65 891
Deferred income due to street lighting modernization services	803	687
Valuation of building contracts	302	2 198
	81 877	83 666
Deferred income schedule		
	30.06.2016	31.12.2015
Up to 1 year	81 877	83 666
1 to 5 years	142 447	142 664
Over 5 years	526 879	532 018
	751 203	758 348

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During the 6-month period ended 30 June 2016 the carrying amount of deferred income from subsidies, connection fees and other decreased by the net amount of PLN 7,145 thousand (during the period of 6 months ended 30 June 2015 the carrying amount of deferred income from subsidies, connection fees and other increased by PLN 10,332 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:

	30.06.2016	31.12.2015
Deferred tax asset – opening balance	616 795	167 207
Deferred tax liability – opening balance	388 117	255 374
Net deferred tax (asset)/liability -opening balance	(228 678)	88 167
Acquisition of subsidiaries	-	(12 523)
Change recognized in profit or loss	21 392	(305 069)
Change recognized in other comprehensive income	(5 775)	747
Net deferred tax asset - closing balance, including:	(213 061)	(228 678)
Deferred tax asset – closing balance	383 388	616 795
Deferred tax liabilities – closing balance	170 327	388 117

In the first half of 2016 the Group offset temporary differences (impairment loss on non-financial non-current assets) which resulted in the decrease of deferred tax asset and deferred tax liability, but did not affect the net deferred tax asset.

During the 6-month period ended 30 June 2016, the Group's profit before tax was debited with PLN 21,392 thousand as a result of the decrease in net deferred tax asset (during the period of 6 months ended 30 June 2015 the Group's profit before tax was credited by PLN 18,370 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

	30.06.2016	31.12.2015
Non-current	640 377	625 388
Current	542 158	567 556
Total	1 182 535	1 192 944

During the 6-month period ended 30 June 2016 the provisions for other liabilities and charges decreased by the net amount of PLN 10,409 thousand (during the period of 6 months ended 30 June 2015 the provisions for other liabilities and charges increased by the net amount of PLN 102,462 thousand).

Change in provisions for other liabilities and charges
for the period ended 30.06.2016

	Provision for non-contractual use of land	Provision for other claims	Provision for land reclamation	Provision for certificates of origin	Provision for CO2 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
Unwinding of discount and discount rate change	(1 654)	-	(1 692)	-	-	1 742	-	(1 604)
Increase in provisions	20 188	2 674	66	219 516	144 076	-	13 303	399 823
Provisions used	(154)	(16 613)	-	(174 250)	(197 402)	-	(1 719)	(390 138)
Provision reversed	(3 969)	(24)	(416)	(324)	(913)	(8 535)	(4 309)	(18 490)
Closing balance	203 840	46 493	53 367	294 966	138 795	117 648	327 426	1 182 535

Other provisions include mainly:

- potential liabilities related with electricity infrastructure and resulting from differences in interpretation of laws and regulations - PLN 138,727 thousand (as at 31 December 2015 PLN 129,197 thousand),
- costs of using forest lands managed by State Forests - PLN 110,679 thousand (as at 31 December 2015 PLN 112,680 thousand),
- real property tax in Lubelski Węgiel Bogdanka S.A. - PLN 28,100 thousand (as at 31 December 2015 PLN 23,881 thousand),
- ZUS claims arising from accident contribution in Lubelski Węgiel Bogdanka S.A. - PLN 19,383 thousand (as at 31 December 2015 PLN 18,727 thousand),
- removal of mining damages - PLN 8,145 thousand (as at 31 December 2015 PLN 8,497 thousand).

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A description of material claims and contingent liabilities has been presented 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 Group's governing bodies:

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

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

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

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

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- 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).

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 as at the end of the reporting period

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

	30.06.2016	31.12.2015
Acquisition of property, plant and equipment	1 943 450	2 402 418
Acquisition of intangible assets	28 203	12 301
Acquisition of Investment properties	26 049	-
	1 997 702	2 414 719

22. Contingent liabilities and proceeding 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
2015-06-29	2018-05-31	ENEA Trading Sp. z o.o.	IRGIT	BZ WBK S.A.	10 000
2016-01-01	2017-02-28	ENEA S.A.	Górecka Projekt Sp. z o.o.	BZ WBK S.A.	1 650
2015-06-12	2018-05-31	ENEA Wytwarzanie Sp. z o.o.	IRGIT	BZ WBK S.A.	8 000
		Other guarantees		BZ WBKA S.A.	1 504
		Other guarantees		Pekao S.A.	401
Total of guarantees issued					21 555

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22.2. Pending proceedings before courts of general jurisdictionActions 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 30 June 2016, the total of 10,794 cases brought by the Group were pending before common courts for the total amount of PLN 180,105 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 claims from former employees, compensations and contractual penalties.

As at 30 June 2016 there were 2,335 cases pending before common courts which have been brought against the Group for the total amount of PLN 369,182 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. 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	<u>27 801</u>



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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.

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

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

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

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. Dividend

The Company will not pay out the dividend for the financial year from 1 January 2015 to 31 December 2015 due to the net loss incurred in that period. On 27 June 2016, the Extraordinary General Meeting of Shareholders of ENEA S.A.



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adopted Resolution no. 7 on the coverage of the net loss of PLN 1,116,888 thousand for the financial year from 1 January 2015 to 31 December 2015 from retained earnings.

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

25. Agreement of acquisition of Eco-Power Sp. z o.o.

On 7 August 2015 ENEA Wytwarzanie Sp. z o.o. and Fen Wind Farm B.V. signed a Conditional Preliminary Agreement for the purchase of 100% of shares in a special purpose entity Eco-Power Sp. z o.o., which owns wind farm Skoczylody with a capacity of 36 MW. The amount of the transaction is PLN 286,500 thousand. On 2 May 2016, ENEA Wytwarzanie Sp. z o.o. received a petition filed to the Regional Court in Łódź by Fen Wind Farm B.V. and Wento Holdings S.A.R.L. to execute the final contract. On 30 May 2016, ENEA Wytwarzanie filed a response to the petition where it requested to reject the petition in its entirety. The matter is pending and the Court allowed the petitioner to reply to the response to the petition. As of the date of this condensed interim consolidated financial statements, neither date nor the outcome of the dispute can be foreseen.