



**Extended consolidated quarterly report
of the ENEA Group
for the first quarter of 2015**

Poznań, 5 May 2015

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Selected consolidated financial data of ENEA Group

	in PLN '000		in EUR '000	
	3 months ended 31.03.2015	3 months ended 31.03.2014 (Restated)*	3 months ended 31.03.2015	3 months ended 31.03.2014 (Restated)*
Net sales revenue	2 446 414	2 373 743	589 654	566 607
Operating profit	327 320	269 614	78 893	64 356
Profit before tax	329 252	271 797	79 359	64 877
Net profit for the reporting period	265 335	211 659	63 953	50 523
Net cash flows from operating activities	188 724	50 579	45 488	12 073
Net cash flows from investing activities	(446 580)	(500 011)	(107 638)	(119 351)
Net cash flows from financing activities	980 963	165 015	236 439	39 389
Total net cash flows	723 107	(284 417)	174 289	(67 890)
Weighted average number of shares	441 442 578	441 442 578	441 442 578	441 442 578
Net earnings per share (in PLN per share)	0.60	0.48	0.14	0.11
Diluted earnings per share (in PLN / EUR per share)	0.60	0.48	0.14	0.11
	Balance as at 31.03.2015	Balance as at 31.12.2014	Balance as at 31.03.2015	Balance as at 31.12.2014
Total assets	19 287 476	18 108 040	4 716 918	4 248 420
Total liabilities	6 963 865	6 044 027	1 703 073	1 418 020
Non-current liabilities	5 210 007	4 190 197	1 274 152	983 084
Current liabilities	1 753 858	1 853 830	428 921	434 937
Equity	12 323 611	12 064 013	3 013 845	2 830 400
Share capital	588 018	588 018	143 805	137 958
Book value per share (in PLN / EUR per share)	27.92	27.33	6.83	6.41
Diluted book value per share (in PLN/EUR per share)	27.92	27.33	6.83	6.41

The above financial data for Q1 2015 and 2014 were translated into EUR in line with the following principles:

- individual assets and liabilities – at the average exchange rate as of 31 March 2015 – 4.0890 PLN/EUR (as at 31 December 2014 – PLN/EUR 4.2623),
- 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 2015 – 4.1489 PLN/EUR (for the period from 1 January to 31 March 2014 – 4.1894 PLN/EUR).

* Restatements of comparative figures are presented in note 4 of these condensed interim consolidated financial statements of ENEA Group for the period from 1 January to 31 March 2015



**Condensed interim consolidated
financial statements
of ENEA Group
for the period from 1 January to 31 March 2015**

Poznań, 5 May 2015

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These condensed interim consolidated financial statements have been prepared in compliance 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 **Krzysztof Zamasz**

Member of the Management Board **Dalida Gepfert**

Member of the Management Board **Grzegorz Kinelski**

Member of the Management Board **Paweł Orlof**

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, 60-201 Poznań

KRS 0000477231, NIP 777-000-28-43, REGON 630770227

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Poznań, 5 May 2015

Consolidated statement of financial position

	Note	As at	
		31.03.2015	31.12.2014
ASSETS			
Non-current assets			
Property, plant and equipment	8	14 020 317	13 701 956
Perpetual usufruct of land		73 860	77 281
Intangible assets	9	385 208	305 947
Investment property		20 937	23 431
Deferred tax assets	18	172 380	167 207
Financial assets available for sale		41 365	47 479
Financial assets measured at fair value through profit or loss		99	99
Trade and other receivables		59 724	20 739
		14 773 890	14 344 139
Current assets			
CO ₂ emission rights		208 486	208 720
Inventory	11	641 758	508 163
Trade and other receivables		1 761 053	1 764 128
Current income tax receivables		1 352	20
Financial assets held to maturity		484	189 789
Financial assets measured at fair value through profit or loss	14	476 335	392 251
Cash and cash equivalents	13	1 410 423	687 316
Non-current assets classified as held for sale		13 695	13 514
		4 513 586	3 763 901
TOTAL ASSETS		19 287 476	18 108 040

	Note	As at	
		31.03.2015	31.12.2014
EQUITY AND LIABILITIES			
Equity			
Equity attributable to shareholders of the Parent			
Share capital		588 018	588 018
Share premium		3 632 464	3 632 464
Share-based payments reserve		-	-
Revaluation reserve (financial instruments)		29 040	34 777
Other reserve		(45 883)	(45 883)
Retained earnings		8 067 721	7 804 989
		12 271 360	12 014 365
Non-controlling interest		52 251	49 648
Total equity		12 323 611	12 064 013
LIABILITIES			
Non-current liabilities			
Loans, borrowings and debt securities	15	3 217 691	2 209 648
Trade and other liabilities		148	3 275
Finance lease liabilities		695	814
Deferred income from subsidies and connection fees	17	641 006	637 357
Deferred tax liability	18	244 644	255 374
Liabilities due to employee benefits		621 508	618 092
Financial liabilities measured at fair value through profit or loss	16	17	917
Provisions for other liabilities and charges	19	484 298	464 720
		5 210 007	4 190 197
Current liabilities			
Loans, borrowings and debt securities	15	10 783	8 875
Trade and other liabilities		1 027 390	1 135 657
Financial lease liabilities		1 453	1 752
Deferred income from subsidies and connection fees	17	77 103	72 698
Current income tax liabilities		36 346	61 698
Liabilities due to employee benefits		217 181	268 277
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		661	-
Provisions for other liabilities and charges	19	382 203	304 374
Liabilities related to non-current assets held for sale		457	218
		1 753 858	1 853 830
Total liabilities		6 963 865	6 044 027
Total equity and liabilities		19 287 476	18 108 040

Consolidated statement of profit or loss and other comprehensive income

		3 months ended	3 months ended
	Note	31.03.2015	31.03.2014 (Restated)*
Sales revenue		2 509 941	2 427 938
Excise tax		(63 527)	(54 195)
Net sales revenue		2 446 414	2 373 743
Other operating revenue		22 342	27 762
Depreciation/amortization		(181 736)	(194 734)
Costs of employee benefits		(238 556)	(263 875)
Consumption of materials and supplies and costs of goods sold		(453 358)	(446 786)
Energy purchase for sale		(893 623)	(869 538)
Transmission and distribution services		(187 328)	(178 687)
Other external services		(59 871)	(78 187)
Taxes and charges		(79 264)	(75 517)
Gain/(loss) on sale and liquidation of property, plant and equipment		(10 465)	386
Other operating expenses		(37 235)	(24 953)
Operating profit		327 320	269 614
Financial expenses		(16 642)	(17 418)
Financial revenue		18 574	19 002
Share in (loss)/profit of associates measured using the equity method		-	599
Profit before tax		329 252	271 797
Income tax	18	(63 917)	(60 138)
Net profit for the reporting period		265 335	211 659
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)	(145)
- other		(787)	-
- income tax	18	1 164	27
Net other comprehensive income		(5 737)	(118)
Total comprehensive income		259 598	211 541
Including net profit:			
attributable to shareholders of the Parent		262 732	210 498
attributable to non-controlling interests		2 603	1 161
Including total comprehensive income:			
attributable to shareholders of the Parent		256 995	210 380
attributable to non-controlling interests		2 603	1 161
Net profit attributable to shareholders of the Parent		262 732	210 498
Weighted average number of ordinary shares		441 442 578	441 442 578
Net earnings per share (in PLN per share)		0.60	0.48
Diluted earnings per share (in PLN per share)		0.60	0.48

* Restatements of comparative figures are presented in note 4 of these condensed interim consolidated financial statements

Consolidated statement of changes in equity
(a) I quarter 2015

	Share capital (face value)	Revaluation of share capital	Total share capital	Share premium	Revaluation reserve (financial instruments)	Other reserves	Retained earnings	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/(loss) for the Reporting period							262 732	2 603	265 335
Net other comprehensive income					(5 737)				(5 737)
Total comprehensive income					(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 the condensed interim consolidated financial statements.

ENEA Group

Condensed interim consolidated financial statements for the period from 1 January to 31 March 2015.

(all amounts in PLN'000, unless specified otherwise)
(b) I quarter 2014

	Share capital (face value)	Revaluation of share capital	Total share capital	Share premium	Share-based payments reserve	Revaluation reserve (financial instruments)	Other reserves	Retained earnings	Non- controlling interests	Total equity
Balance as at 01.01.2014*	441 443	146 575	588 018	3 632 464	1 144 336	45 185	(20 664)	6 080 187	19 321	11 488 847
Net profit/(loss) for the Reporting period **								210 498	1 161	211 659
Net other comprehensive income						(118)				(118)
Total comprehensive income						(118)		210 498	1 161	211 541
Expiration of put option regarding redemption of non- controlling interests in subsidiaries							20 664			20 664
Other						212				212
Balance as at 31.03.2014	441 443	146 575	588 018	3 632 464	1 144 336	45 279	-	6 290 685	20 482	11 721 264

* - Restatements of comparative figures as at 1 January 2014 were presented in the consolidated financial statements as at 31 December 2014

** - Restatements of comparative figures are presented in note 4 of these condensed interim consolidated financial statements

Consolidated statement of cash flows

	3 months ended 31.03.2015	3 months ended 31.03.2014 (Restated)*
Cash flows from operating activities		
Net profit for the reporting period	265 335	211 659
Adjustments:		
Income tax disclosed in the statement of profit or loss and other comprehensive income	63 917	60 138
Depreciation	181 736	194 734
(Profit)/loss on sale and liquidation of property, plant and equipment	10 465	(386)
(Profit)/loss on sale of financial assets	(1 411)	(2 435)
Interest income	(6 101)	(3 747)
Interest expense	5 845	16 175
(Gain)/loss on measurement of financial assets	-	(515)
Share in the profit of associates	-	(599)
Exchange (profit)/losses on loans and borrowings	-	94
Other adjustments	(7 463)	(14 379)
	246 988	249 080
Income tax paid	(84 007)	(24 429)
Changes in working capital		
CO ₂ emission rights	234	(12 716)
Inventory	(128 012)	29 474
Trade and other receivables	(46 221)	(139 279)
Trade and other liabilities	(122 452)	(99 312)
Liabilities due to employee benefits	(47 435)	(10 594)
Deferred income from subsidies and connection fees	9 894	(12 082)
Non-current assets held for sale and related liabilities	58	43
Provisions for other liabilities and charges	94 342	(141 265)
	(239 592)	(385 731)
Net cash flows from operating activities	188 724	50 579
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(566 690)	(510 698)
Proceeds from disposal of property, plant and equipment and intangible assets	5 219	1 148
Acquisition of financial assets	(408)	(442)
Receipts from disposal of financial assets	111 397	4 043
Interests received	3 803	5 854
Other proceeds/(payments) for investing activities	99	84
Net cash flows from investing activities	(446 580)	(500 011)
Cash flows from financing activities		
Loans and borrowings received	-	174 970
Bond issue	1 000 000	-
Loans and borrowings repaid	(11 623)	(6 666)
Payment of finance lease liabilities	(427)	(691)
Interests paid	(6 849)	(673)
Other proceeds/(payments) for financing activities	(138)	(1 925)
Net cash flows from financing activities	980 963	165 015
Net increase/(decrease) in cash	723 107	(284 417)
Balance at the beginning of the reporting period	687 316	1 573 195
Change in cash and cash equivalents due to exchange rate differences	-	515
Balance at the end of the reporting period	1 410 423	1 289 293

* - Restatements of comparative figures are presented in note 4 of these consolidated financial statements

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

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
NUMBER IN NATIONAL COURT REGISTER (KRS):	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 ("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);
- trade in electricity (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).

As at 31 March 2015 the shareholding structure of the Parent was the following: the State Treasury of the Republic of Poland – 51.50% of shares, other shareholders – 48.50%.

As at 31 March 2015 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 2015 the Group comprised the parent ENEA S.A. (the "Company", the "Parent"), 12 subsidiaries and 3 indirect subsidiaries.

These condensed interim consolidated financial statements should be read together with the consolidated annual financial statements of the ENEA Group for the financial year ended 31 December 2014.

These condensed interim consolidated financial statements have been prepared under assumption that the Company will be able to continue as a going concern in the foreseeable future. No circumstances occur that would indicate a threat to the Company's operation as a going concern.

2. Statement of compliance

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

The Management Board of the Parent 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 consolidated financial statements of the ENEA Group in accordance with IFRS-EU as of 31 March 2015. 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 2014.

The Polish zloty has been used as the measurement and 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. Adjustment and changes in presentation of financial data for prior reporting period

The comparative data presented in these condensed interim consolidated financial statements derived from the approved condensed interim financial statements for the period from 1 January to 31 March 2014 have been restated in order to maintain comparability.

a) The Group changed recognition of commissions paid to partners for concluding energy sales contracts and complex contracts. Previously they were expensed when incurred. Currently they are recognized as prepayments. Costs of commissions are recognized on a straight-line basis during the term of electricity sales contracts / complex contracts in proportion to the number of months of a contract. Prepaid commissions are presented in the financial statements as non-current and current trade and other receivables.

b) The Group changed the presentation of cash flows. Payments concerning interest on loans and bonds paid are presented in cash flows from financial activities as interests paid while receipts of interest concerning cash deposits for more than 3 months are presented in cash flows from investing activities as interests received. There are also changes in the presentation of liabilities related to VAT regarding the acquisition of property, plant and equipment. They are included in payments for acquisition of property, plant and equipment and intangible assets. Previously change in liabilities related to investment VAT was recognized as changes in working capital in cash flows from operating activities.

Consolidated statement of profit or loss and other comprehensive income

	3 months ended 31.03.2014 Approved	(a)	3 months ended 31.03.2014 Restated
Sales revenue	2 427 938		2 427 938
Excise tax	(54 195)		(54 195)
Net sales revenue	2 373 743		2 373 743
Other operating revenue	27 762		27 762
Depreciation/amortization	(194 734)		(194 734)
Costs of employee benefits	(263 875)		(263 875)
Consumption of materials and supplies and costs of goods sold	(446 786)		(446 786)
Energy purchase for sale	(869 538)		(869 538)
Transmission and distribution services	(178 687)		(178 687)
Other external services	(81 062)	2 875	(78 187)
Taxes and charges	(75 517)		(75 517)
Gain/(loss) on sale and liquidation of property, plant and equipment	386		386
Other operating expenses	(24 953)		(24 953)
Operating profit	266 739	2 875	269 614
Financial expenses	(17 418)		(17 418)
Financial revenue	19 002		19 002
Share in profits of associates measured using the equity method	599		599
Profit before tax	268 922	2 875	271 797
Income tax	(59 592)	(546)	(60 138)
Net profit for the reporting period	209 330	2 329	211 659
Other comprehensive income			
Items that are or may be reclassified to profit or loss			
- change in fair value of financial assets available for sale	(145)		(145)
- income tax	27		27
Net other comprehensive income	(118)		(118)
Total comprehensive income for the reporting period	209 212	2 329	211 541
Including net profit:			
attributable to shareholders of the Parent	208 169	2 329	210 498
attributable to non-controlling interests	1 161	-	1 161
Including total comprehensive income:			
attributable to shareholders of the Parent	208 051	2 329	210 380
attributable to non-controlling interests	1 161	-	1 161

Consolidated statement of cash flows

	3 months ended 31.03.2014		3 months ended 31.03.2014	
	Approved	(a)	(b)	Restated
Cash flows from operating activities				
Net profit for the reporting period	209 330	2 329		211 659
Adjustments:				
Income tax	59 592	546		60 138
Depreciation	194 734			194 734
(Profit)/loss on sale and liquidation of property, plant and equipment	(386)			(386)
(Profit)/loss on sale of financial assets	(2 435)			(2 435)
Interest income	(15 704)		11 957	(3 747)
Interest expense	9 028		7 147	16 175
(Gain)/loss on measurement of financial assets	(515)			(515)
Share in the profit of associates	(599)			(599)
Exchange losses on loans and borrowings	94			194
Other adjustments	(14 379)			(14 379)
	229 430	546	19 104	249 080
Paid income tax	(24 429)			(24 429)
Interest received	20 040		(20 040)	-
Interest paid	4 245		(4 245)	-
Changes in working capital				
CO ₂ emission rights	(12 716)			(12 716)
Inventory	29 474			29 474
Trade and other receivables	(99 130)	(2 875)	(37 274)	(139 279)
Trade and other liabilities	(100 048)		736	(99 312)
Liabilities due to employee benefits	(10 594)			(10 594)
Deferred income due to subsidies and connection fees	(12 082)			(12 082)
Non-current assets held for sale and associated liabilities	43			43
Provisions for other liabilities and charges	(141 265)			(141 265)
	(346 318)	(2 875)	(36 538)	(385 731)
Net cash flows from operating activities	92 298		(41 719)	50 579
Cash flows from investing activities				
Acquisition of property, plant and equipment and intangible assets	(547 236)		36 538	(510 698)
Receipts from disposal of property, plant and equipment	1 148			1 148
Acquisition of financial assets	(442)			(442)
Receipts from disposal of financial assets	4 043			4 043
Interest received	-		5 584	5 854
Other proceeds/(payments) for investing activities	84			84
Net cash flows from investing activities	(542 403)		42 392	(500 011)
Cash flows from financing activities				
Loans and borrowings received	174 970			174 970
Loans and borrowings repaid	(6 666)			(6 666)
Payment of finance lease liabilities	(691)			(691)
Interest paid	-		(673)	(673)
Other proceeds/(payments) for financing activities	(1 925)			(1 925)
Net cash flows from financing activities	165 688		(673)	165 015
Net increase/(decrease) in cash	(284 417)			(284 417)
Balance at the beginning of the reporting period	1 573 195			1 573 195
Balance sheet change in cash and cash equivalents due to exchange rate differences	515			515
Balance at the end of the reporting period	1 289 293			1 289 293

5. Material estimates and assumptions

The preparation of these condensed interim consolidated financial statements in conformity with IAS 34 requires the Management Board to make certain judgments, estimates and assumptions that affect the application of the adopted accounting policies and the amounts reported 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 interim period.

6. Composition of the Group – list of subsidiaries and associates

No.	Name and address of the Company	Share of ENEA S.A. in the total number of votes [%] 31.03.2015	Share of ENEA S.A. in the total number of votes [%] 31.12.2014
1.	ENEA Operator Sp. z o.o. <i>Poznań, Strzeszyńska 58</i>	100	100
2.	ENEA Wytwarzanie Sp. z o.o. <i>Świerże Górne, commune Kozienice, Kozienice 1</i>	100	100
3.	ENEA Oświetlenie Sp. z o.o. (previously ENEOS Sp. z o.o.) ⁵ <i>Poznań, Strzeszyńska 58</i>	100	100
4.	ENEA Trading Sp. z o.o. <i>Świerże Górne, commune Kozienice, Kozienice 1</i>	100	100
5.	Hotel „EDISON” Sp. z o.o. <i>Baranowo near Poznań</i>	100	100
6.	Szpital Uzdrawiskowy ENERGETYK Sp. z o.o. <i>Inowrocław, Wilkońskiego 2</i>	100	100
7.	ENEA Logistyka Sp. z o.o. (previously BHU Sp. z o.o.) ⁴ <i>Poznań, Strzeszyńska 58</i>	100	100
8.	ENEA Serwis Sp. z o.o. (previously EP PUE Energobud Leszno Sp. z o.o.) ² <i>Lipno, Gronówko 30</i>	100	100
9.	ENEA Centrum Sp. z o.o. <i>Poznań, Górecka 1</i>	100	100
10.	ENEA Pomiary Sp. z o.o. (previously ENERGOMIAR Sp. z o.o.) ³ <i>Poznań, Strzeszyńska 58</i>	100	100
11.	ENERGO-TOUR Sp. z o.o. <i>Poznań, Strzeszyńska 58</i>	100 ⁶	99,92
12.	Annacond Enterprises Sp. z o.o. <i>Warszawa, Jana Pawła II 25</i>	61	61
13.	„Ecebe” Sp. z o.o. in liquidation <i>Augustów, Wojciech 8</i>	- ¹	100 ¹
14.	Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. <i>Oborniki, Wybudowanie 56</i>	99,91 ¹	99,91 ¹
15.	Miejskie Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. <i>Białystok, Warszawska 27</i>	86,36 ¹	86,36 ¹
16.	Miejska Energetyka Ciepła Piła Sp. z o.o. <i>Piła, Kaczorska 20</i>	71,11 ¹	71,11 ¹

1 - an indirect subsidiary held through interests in ENEA Wytwarzanie Sp. z o.o. On 30 January 2015 Ecebe Sp. z o.o. in liquidation has been removed from the National Court Register (KRS).

2 - On 20 January 2015 a change of the name of EP PUE Energobud Leszno Sp. z o.o. to ENEA Serwis Sp. z o.o. was registered in the National Court Register.

3 - On 26 January 2015 a change of the name of ENERGOMIAR Sp. z o.o. to ENEA Pomiary Sp. z o.o. was registered in the

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

National Court Register

4 - On 29 January 2015 a change of the name of BHU Sp. z o.o. to ENEA Logistyka Sp. z o.o. was registered in the National Court Register.

5- On 20 February 2015 a change of the name of Eneos Sp. z o.o. to ENEA Oświetlenie Sp. z o.o. was registered in National Court Register.

6 - On 23 and 25 February 2015 ENEA S.A. purchased 16 shares in the share capital of the company ENERGO-TOUR Sp. z o.o. with its registered office in Poznań, representing 0.08% of the share capital of the Company. On 30 March 2015 Extraordinary General Meeting of Shareholders adopted a resolution regarding dissolution of the company following liquidation, the resolution comes into force on 1 April 2015.

7. 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 four operating segments:

- trade – purchase and sale of electricity;
- distribution – electricity transmission services;
- production – electricity and heat production;
- other activities - maintenance and modernization of road lighting equipment, hotel services, 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 a given segment.

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.

Information about geographical areas

The Group's operations in the first quarter of 2015 and in the first quarter of 2014 were conducted in one geographical area i.e. on the territory of Poland.

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(all amounts in PLN'000, unless specified otherwise)
Results by Segments:

(a) 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		
% of net sales revenue	3.3%	35.1%	21.3%	11.3%		
Unassigned Group costs (general and administrative expenses)						(7 173)
Operating profit						327 320
Financial expenses						(16 642)
Financial revenue						18 574
Income tax						(63 917)
Net profit						265 335
Share of non-controlling interests						2 603

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

(b) Segment reporting for the period from 1 January to 31 March 2014:

	Trade	Distribution	Production	All other segments	Eliminations	Total
Net sales revenue	884 867	760 999	694 907	32 970	-	2 373 743
Inter-segment sales	116 454	20 781	121 741	30 528	(289 504)	-
Total net sales revenue	1 001 321	781 780	816 648	63 498	(289 504)	2 373 743
Total expenses	(940 418)	(593 792)	(779 620)	(59 507)	285 464	(2 087 873)
Segment profit/(loss)	60 903	187 988	37 028	3 991	(4 040)	285 870
Depreciation	(199)	(104 481)	(86 652)	(3 782)		
EBITDA	61 102	292 469	123 680	7 773		
% of net sales revenue	6.1%	37.4%	15.1%	12.2%		
Unassigned Group costs (general and administrative expenses)						(16 256)
Operating profit						269 614
Financial expenses						(17 418)
Financial revenue						19 002
Share in profit/(loss) of associates measured using the equity method						599
Income tax						(60 138)
Net profit						211 659
Share of non-controlling interests						1 161

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(all amounts in PLN'000, unless specified otherwise)
Segment reporting (cont'd)

(a) Other segment reporting information as at 31 March 2015:

	Trade	Distribution	Production	All other segments	Eliminations	Total
Property, plant and equipment	16 264	6 996 602	7 036 293	265 513	(308 422)	14 006 250
Trade and other receivables	941 877	511 031	803 045	157 827	(655 670)	1 758 110
Total:	958 141	7 507 633	7 839 338	423 340	(964 092)	15 764 360
ASSETS excluded from segmentation						3 523 116
- including property, plant and equipment						14 067
- including trade and other receivables						62 667
TOTAL ASSETS						19 287 476
Trade and other liabilities	221 887	254 450	504 106	184 301	(626 729)	538 015
Equity and liabilities excluded from segmentation						18 749 461
- including trade and other liabilities						489 523
TOTAL EQUITY AND LIABILITIES						19 287 476
for the 3-month period ended 31 March 2015						
Capital expenditure for property, plant and equipment and intangible assets	12	80 891	506 280	1 166	(12 207)	576 142
Capital expenditure for property, plant and equipment and intangible assets excluded from segmentation						-
Depreciation/amortization	189	106 588	71 491	4 671	(2 368)	180 571
Depreciation/amortization excluded from segmentation						1 165
Recognition/(derecognition/utilization) of receivables allowance	2 625	278	1 525	256	-	4 684

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Condensed interim consolidated financial statements for the period from 1 January to 31 March 2015.

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

(b) Other segment reporting information as at 31 December 2014:

	Trade	Distribution	Production	All other segments	Eliminations	Total
Property, plant and equipment	16 337	7 072 950	6 600 818	301 116	(304 620)	13 686 601
Trade and other receivables	791 414	596 613	715 989	143 267	(565 072)	1 682 211
Total:	807 751	7 669 563	7 316 807	444 383	(869 692)	15 368 812
ASSETS excluded from segmentation						2 739 228
- including property, plant and equipment						15 355
- including trade and other receivables						102 656
TOTAL ASSETS						18 108 040
Trade and other liabilities	199 244	507 328	443 058	164 844	(562 923)	751 551
Equity and liabilities excluded from segmentation						17 356 489
- including trade and other liabilities						387 381
TOTAL EQUITY AND LIABILITIES						18 108 040
for the 3-month period ended 31 March 2014						
Capital expenditure for fixed assets and intangible assets	9 904	84 942	222 653	1 037	(8 461)	310 075
Capital expenditure for fixed assets and intangible assets excluded from segmentation						-
Depreciation/amortization	199	104 481	86 652	3 782	(2 161)	192 953
Depreciation/amortization excluded from segmentation						1 781
Recognition/(derecognition/utilization) of receivables allowance	6 112	373	(820)	(254)	-	5 411

8. Property, plant and equipment

During the 3-month period ended 31 March 2015 the Group acquired property, plant and equipment for the total amount of PLN 576,088 thousand (during the period of 3 months ended 31 March 2014 it was PLN 300.645 thousand). The mentioned above amount relates mainly to production segment (PLN 496,332 thousand) and distribution segment (PLN 76,717 thousand). Expenditures in the production segment relate primarily to the construction of a new power unit.

During the 3-month period ended 31 March 2015 the Group completed the sale and liquidation of fixed assets in the total net book value of PLN 600 thousand (during the 3 months ended 31 March 2014 respectively: PLN 693 thousand).

During the 3-month period ended 31 March 2015, impairment loss on the book amount of property, plant and equipment decreased by net amount of PLN 7,125 thousand (during the 3 months ended 31 March 2014 impairment loss on the book amount of property plant and equipment decreased by net amount of PLN 2,344 thousand).

As at 31 March 2015 the value of the impairment on the book amount of property, plant and equipment amounted to PLN 49,788 thousand (as at 31 December 2014 respectively: PLN 56,913 thousand).

9. Intangible assets

During the 3-month period ended 31 March 2015 the Group acquired intangible assets for the total amount of PLN 54 thousand (during the period of 3 months ended 31 March 2014 it was PLN 9,430 thousand).

During the 3-month period ended 31 March 2015 the Group has transferred intangible assets from fixed assets under construction in the amount of PLN 86,118 thousand (during the 3-month period ended 31 March 2014 respectively: PLN 5,175 thousand)

During the 3-month period ended 31 March 2015 the Group did not complete significant sales and liquidations of intangible assets (during the period of 3 months ended 31 March 2014 the Group also did not complete significant sales and liquidations of intangible assets).

The most significant item of intangible assets is goodwill.

The following table presents goodwill by individual cash generating unit:

Goodwill	Net carrying amount
Wind farm Windfarm (currently part of ENEA Wytwarzanie Sp. z o.o.)	102 435
Miejskie Przedsiębiorstwo Energetyki Ciepłej in Białystok	79 414
Wind farm Darżyno (currently part of ENEA Wytwarzanie Sp. z o.o.)	18 686
Miejska Energetyka Ciepła Piła	1 806
Hydro-electric power plants (currently part of ENEA Wytwarzanie Sp. z o.o.)	667
	203 008

10. Allowance on trade and other receivables

	31.03.2015	31.12.2014
Opening balance of receivables allowance	122 439	120 588
Addition	7 135	29 249
Reversed	(2 451)	(16 928)
Utilized	-	(10 470)
Closing balance of receivables allowance	127 123	122 439

During the 3-month period ended 31 March 2015 the allowance on the carrying amount of trade and other receivables increased by PLN 4.684 thousand (during the period of 3 months ended 31 March 2014 the impairment allowance increased by PLN 5.411 thousand).

11. Inventory

	31.03.2015	31.12.2014
Materials	384 943	306 242
Semi-finished products and work in progress	897	744
Finished products	849	202
Certificates of origin	254 181	205 881
Goods for resale	15 099	10 999
Total gross carrying amount of inventory	655 969	524 068
Inventory allowance	(14 211)	(15 905)
Total net carrying amount of inventory	641 758	508 163

During the 3-month period ended 31 March 2015 the inventory allowance decreased by PLN 1.694 thousand (during the period of 3 months ended 31 March 2014 the inventory allowance increased by PLN 8.249 thousand).

12. Certificates of origin

	31.03.2015	31.12.2014
Net carrying amount opening balance	201 633	240 521
Self-production	49 291	199 838
Acquisition	59 405	252 197
Redemption	(58 860)	(486 472)
Impairment loss	(1 725)	(4 451)
Other changes	(676)	-
Net carrying amount closing balance	249 068	201 633

13. Restricted cash

As at 31 March 2015 the restricted cash amounted to PLN 67,521 thousand. The total restricted cash of the Group comprised transaction deposits related to trading in energy and CO₂ emission rights and deposits received from suppliers.

As at 31 December 2014 the restricted cash amounted to PLN 77,335 thousand.

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

As at 31 March 2015 the carrying amount of the portfolio of financial instruments managed by a specialized institution amounted to PLN 495,986 thousand and comprised financial assets measured at fair value through profit or loss - treasury bills and bonds in the amount of PLN 472,661 thousand (as at 31 December 2014, carrying amount of the portfolio amounted to PLN 607,218 thousand, including financial assets at fair value through profit or loss - treasury bills and bonds in the amount of PLN 391,901 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 3,773 thousand (as at 31 December 2014: PLN 449 thousand).

15. Loans, borrowings and debt securities

	31.03.2015	31.12.2014
Bank loans	1 076 467	1 073 203
Borrowings	26 723	31 484
Bonds	2 114 501	1 104 961
Long-term	3 217 691	2 209 648
Bank loans	3 869	4 489
Borrowings	6 914	4 386
Short-term	10 783	8 875
Total	3 228 474	2 218 523

During the 3-month period ended 31 March 2015 the carrying amount of loans, borrowings and debt securities increased by net amount of PLN 1,009,951 thousand (during the period of 3 months ended 31 March 2014 the carrying amount of loans, borrowings and debt securities increased by net amount of PLN 180,382 thousand).

On 10 February 2015 the first bonds issue was carried out under the Bond Issue Programme up to the amount of PLN 5,000,000 thousand. The total amount of the issue was PLN 1,000,000 thousand. The interest rate on the bonds will be calculated based on WIBOR rate for 6-month deposits plus margin of 0.85%. Payments of interest will be due half-yearly on 10 August and 10 February each year. The total redemption of bonds is planned at 10 February 2020. Proceeds from the bonds issue will be used to finance the capital expenditures in line with the strategy of the ENEA Group.

Pursuant to Resolution No. 177/15 of the Board of the Central Securities Depository of Poland dated 20 March 2015, above mentioned bonds were registered on 24 March 2015 in the Central Securities Depository of Poland.

During the 3-month period ended 31 March 2015 ENEA S.A. implementing a policy of interest rate risk management concluded 7 interest rate swap transactions hedging the interest rate risk of a debt amounting to PLN 1,120,000 thousand. Concluded transactions will substantially affect the predictability of the flows of expenditure and financial costs.

Terms of funding – covenants

Financing agreements requires the Company and ENEA Group, inter alia, to maintain particular financial ratios at appropriate levels. As at 31 March 2015 and as at the date of these consolidated financial statements these ratios were met.

16. Financial instruments

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

	31.03.2015		31.12.2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current financial assets available for sale (shares in unrelated parties)	41 365	41 365	47 479	47 479
Non-current financial assets measured at fair value through profit or loss	99	99	99	99
Current financial assets held to maturity	484	484	189 789	189 789
Current financial assets measured at fair value through profit or loss	476 335	476 335	392 251	392 251
Trade and other receivables	1 820 777	(*)	1 784 867	(*)
Cash and cash equivalents	1 410 423	1 410 423	687 316	687 316
Loans, borrowings and debt securities	3 228 474	3 228 474	2 218 523	2 218 523
Finance lease liabilities	2 148	2 148	2 566	2 566
Trade and other liabilities	1 027 538	(*)	1 138 932	(*)
Non-current financial liabilities at fair value through profit or loss	17	17	917	917
Current financial liabilities at fair value through profit or loss	661	661	-	-

(*) The carrying amounts of trade and other receivables 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 fair value of not listed assets is estimated using a discounted cash flows method. The fair value of listed assets is determined using quotations from the active market.

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

Current financial assets held to maturity include bank deposits with the original maturity from 3 months to 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.

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, not based on any observable market information.

	31.03.2015			Total
	Level 1	Level 2	Level 3	
Financial assets measured at fair value through profit or loss				
Forward contracts	-	3 773	-	3 773
Non-derivative financial assets held for trading	472 661	-	-	472 661
Financial assets available for sale				
Listed equity instruments	40 840	-	-	40 840
Not listed equity instruments	-	-	525	525
Total	513 501	3 773	525	517 799
Financial liabilities measured at fair value through profit or loss				
Forward contracts	-	(678)	-	(678)
Total	-	(678)	-	(678)

	31.12.2014			Total
	Level 1	Level 2	Level 3	
Financial assets measured at fair value through profit or loss				
Forward contracts	-	449	-	449
Non-derivative financial assets held for trading	391 901	-	-	391 901
Financial assets available for sale				
Listed equity instruments	46 954	-	-	46 954
Not listed equity instruments	-	-	525	525
Total	438 855	449	525	439 829
Financial liabilities measured at fair value through profit or loss				
Forward contracts	-	(917)	-	(917)
Total	-	(917)	-	(917)

17. Deferred income from subsidies and connection fees

	31.03.2015	31.12.2014
Non-current		
Deferred income due to subsidies	178 113	167 026
Deferred income due to connection fees	444 564	454 084
Deferred income due to street lighting modernization services	18 329	16 247
	641 006	637 357
Current		
Deferred income due to subsidies	11 630	11 359
Deferred income due to connection fees	64 900	56 917
Deferred income due to street lighting modernization services	500	1 318
Valuation of building contracts	73	3 104
	77 103	72 698
Deferred income schedule		
	31.03.2015	31.12.2014
Up to 1 year	77 103	72 698
1 to 5 years	128 520	129 122
Over 5 years	512 486	508 235
	718 109	710 055

During the 3-month period ended 31 March 2015 the carrying amount of deferred income from subsidies and connection fees increased by net amount of PLN 8,054 thousand (during period of 3 months ended 31 March 2014 the carrying amount decreased by PLN 7,134 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:

	31.03.2015	31.12.2014
Opening balance	88 167	39 184
Acquisition of subsidiaries	-	5 867
Change recognized in profit or loss	(14 739)	63 946
Change recognized in other comprehensive income	(1 164)	(20 830)
Closing balance	72 264	88 167

During the 3-month period ended 31 March 2015, the Company's profit before tax was credited with PLN 14,739 thousand as a result of the decrease in deferred tax liability (during the period of 3 months ended 31 March 2014 the Company's profit before tax was debited by PLN 29,051 thousand as a result of the increase in deferred tax liability).

19. Provisions for other liabilities and charges

Non-current and current provisions for other liabilities and charges

	31.03.2015	31.12.2014
Non-current	484 298	464 720
Current	382 203	304 374
Total	866 501	769 094

During the 3-month period ended 31 March 2015 the provisions for other liabilities and charges increased by net amount of PLN 97,407 thousand, mainly due to settlement of obligation related to sale to end users of electricity generated in a renewable source or in cogeneration and settlement of CO₂ emission rights (during the period of 3 months ended 31 March 2014 the provisions other liabilities and charges decreased by net amount of PLN o 141,256 thousand).

Change in provisions for other liabilities and charges
for the period ended 31 March 2015

	Provision for non-contractual use of land	Provision for other claims	Provision for land reclamation	Provision for the environmental fee	Provision for certificates of origin	Provision for CO ₂ emissions rights	Other	Total
Opening balance	172 854	27 362	57 551	-	164 878	105 758	240 691	769 094
Increase in provisions	15 865	-	67	-	142 667	39 998	7 778	206 375
Provisions used	-	-	-	-	(98 194)	(890)	(3 373)	(102 457)
Provision reversed	(4 694)	(771)	(338)	-	-	(71)	(637)	(6 511)
Closing balance	184 025	26 591	57 280	-	209 351	144 795	244 459	866 501

for the period ended 31 December 2014

	Provision for non-contractual use of land	Provision for other claims	Provision for land reclamation	Provision for the environmental fee	Provision for certificates of origin	Provision for CO ₂ emissions rights	Other	Total
Opening balance	186 916	22 071	30 464	394	274 643	105 149	226 239	845 876
Reversal of discount and discount rate change	(7 619)	-	2 527	-	-	-	-	(5 092)
Increase in provisions	12 871	6 452	24 724	-	413 403	106 678	23 488	587 616
Provisions used	(7 993)	-	(164)	-	(522 772)	(105 149)	(6 377)	(642 455)
Provision reversed	(11 321)	(1 161)	-	(394)	(396)	(920)	(2 659)	(16 851)
Closing balance	172 854	27 362	57 551	-	164 878	105 758	240 691	769 094

Other provisions include mainly:

- potential liabilities related with electricity infrastructure and resulting from differences in interpretation of laws and regulations - PLN 114,471 thousand (as at 31 December 2014 PLN 109,563 thousand),

- costs of using forest lands managed by State Forests - PLN 115,082 thousand (as at 31 December 2014 PLN 115,921 thousand).

Description of significant claims and liabilities in this regard are described in note 23.

20. Related party transactions

The Group companies conclude transactions with the following related parties:

- the companies subject to consolidation – 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	
	01.01.2015 - 31.03.2015	01.01.2014 - 31.03.2014	01.01.2015 - 31.03.2015	01.01.2014 - 31.03.2014
	Remuneration under managerial contracts and consultancy agreements	1 005	4 049	-
Remuneration relating to appointment of members of supervisory bodies	-	-	83	85
TOTAL	1 005	4 049	83	85

During the 3-month period ended 31 March 2015 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 2014). During this period repayments of the loans amounted to PLN 1 thousand (PLN 1 thousand during the 3-month period ended 31 March 2014).

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 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, connection to the grid and other related fees, 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. Long-term contracts for the sale of electricity (LTC)

The European Commission has considered long-term contracts for sale of power and electricity (LTC) as disallowed public aid, therefore the Polish Parliament passed an act intended to eliminate those contracts. In accordance with the Act on compensations for costs incurred by producers in connection with early termination of long-term contracts for sale of power and electricity dated 29 June 2007 ("LTC Termination Act") the Company is eligible to receive compensation for stranded costs resulting from the early termination of long-term contracts since 1 April 2008.

The maximum amount of stranded costs for power plant Kozienice (currently ENEA Wytwarzanie Sp. z o.o.) in accordance with Annex No. 2 to the LTC Termination Act dated 29 June 2007 amounts to 623,612 PLN thousand (discounted amount as at 1 January 2007). This amount includes the amount of stranded costs is also attributable to the year 2007 and the first quarter of 2008, which is the period when the agreements were still in force (termination of contracts took place on 1 April 2008).

1. Status of cases:

The amount of annual adjustments determined by the President of the Energy Regulatory Office is being disputed by the Company (and is the subject of court proceedings), as a result of divergent interpretation of the LTC Act regarding the calculation of the adjustment, especially the appropriateness of application of any indicators to adjust the amounts presented in the Appendices to the Act. The revenue due to compensation was recognized in the amount of PLN 257,508 thousand (in 2014). This amount includes the projected annual adjustment for 2014 and full amount of expected final adjustment of stranded costs.

Year of adjustments	Decision of ERO [thousand PLN]	ENEA Wytwarzanie Sp. z o.o. [thousand PLN]	Legally binding decision [thousand PLN]	Court proceedings status
2008	(-) 89,537	(-) 4,192	(-) 4,192	27 January 2014 the President of the ERO submitted a cassation appeal to the Supreme Court
2009	(+) 15,580	(+) 114,672	(+) 16,544	30 October 2013 the Company ERO submitted a cassation appeal to the Supreme Court - cassation appeal was accepted
2010	(+) 2,472	(+) 112,808		13 January 2014 annual adjustment decision of the Court of Competition and Consumer Protection (+) PLN 78,640 thousand – the President of the ERO and the Company submitted an appeal
2011	(-) 37,397	(+) 67,734		13 February 2015 annual adjustment decision of the Court of Competition and Consumer Protection (+) PLN 67,734 thousand - the President of the ERO announced an appeal
2012	(-) 17,687	(+) 74,841		24 November 2014 (+) PLN 74,841 thousand - the President of the ERO submitted an appeal
2013	(-) 22,570	(+) 54,827		18 August 2014 the Company submitted an appeal

2. Events of 2015:

Annual adjustment for 2009:

- On 5 December 2014 the Company submitted pleading to the Supreme Court – the date of the hearing has been set for 6 May 2015.

Annual adjustment for 2010:

- On 10 March 2015 the Court of Appeal suspended the proceedings until the sentence and preparation of the justification on the III SK 87/13 case (annual adjustment for the year 2009).

Annual adjustment for 2011:

- On 29 January 2015 the President of the Energy Regulatory Office issued a decision to suspend the proceeding concerning interests for 2011 based on the Article 35 of LTC Act until the annual adjustment for 2011 is legally binding.
- On 13 February 2015 the Court of Competition and Consumer Protection announced the decision considering the Company's appeal and has established the annual adjustment for 2011 in the amount of (+) PLN 67,734 thousand.

Annual adjustment for 2012:

- On 27 January 2015 the Company submitted to the Court of Appeal in Warsaw a response to the appeal of the President of the Energy Regulatory Office.

Annual adjustment for 2013

- On 29 January 2015 the President of the Energy Regulatory Office made a decision to suspend the proceeding concerning interests for 2013 in accordance with the Article 35 of LTC Act until the annual adjustment for 2013 is legally binding.

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

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

	31.03.2015	31.12.2014
Acquisition of property, plant and equipment	3 187 456	3 660 776
Acquisition of intangible assets	12 449	14 168
	3 199 905	3 674 944

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

23.1. 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 S.A. are connected mainly with claims for receivables due to breaches of forwarding agreements, outstanding invoice payments and contractual penalties from the Company vendors.

As at 31 March 2015, the total of 8,813 cases brought by the Group were pending before common courts for the total amount of PLN 95,786 thousand (10,662 cases for the total amount of PLN 105,621 thousand as at 31 December 2014).

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

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.

As at 31 March 2015 there were 1,985 cases pending before common courts which have been brought against the Group for the total amount of PLN 282.987 thousand (1,928 cases for the total amount of PLN 281.481 thousand as at 31 December 2014). Provisions related to the court cases have been presented in note 19.

23.2. Proceedings before public administration bodies

Regarding ENEA Wytwarzanie Sp. z o.o. before the public administration bodies and administrative courts are carried out proceedings on:

1) Submitted by ENEA Wytwarzanie Sp. z o.o. applications for the refund of overpaid excise tax from previous years. In 2013 the Supreme Administrative Court in Warsaw with decisions from January and early February dismissed 38 cassation appeals for the years 2006, 2007, 2008, 2009 in the scope of in refusal to confirm and return overpaid excise tax.

With decisions dated 28 March 2014 the Head of the Customs Office in Radom dismissed as unnecessary tax proceedings on the determination of tax liability duty for the months August 2006, April, May, June and October 2007.

2) Reinstatement of the due date for submitting a declaration of the quantities of the electricity used in the process of production of electricity (legal period for submitting statements is 15th day of the following month). In relation to the application submitted on 20 January 2011 by ENEA Wytwarzanie Sp. z o.o. to reinstate the due date to submit a statement of the quantities of electricity consumed in the process of production of electricity, released from

excise duty for the month of December 2010. On 3 February 2011 the Head of the Radom Custom Office refused the reinstatement of the due date to forward the abovementioned declaration. As a result of a complaint filed the Director of the Customs Chamber in Warsaw reversed the decision of and remanded the case for reconsideration to the Head of the Radom Custom Office.

With a decision of 20 February 2013 the Head of the Radom Custom Office discontinued the proceeding on reinstatement the deadline. ENEA Wytwarzanie Sp. z o.o. From above mentioned decision ENEA Wytwarzanie S.A. filed an appeal. With a decision of 31 January 2014 Director of the Customs Chamber in Warsaw upheld the decision of first instance of the tax authority (the Head of the Customs Office in Radom). On 19 March 2014 ENEA Wytwarzanie Sp. z o.o. appealed against the above decision to the Administrative Court in Warsaw, Department VII in Radom. With ordinance dated 20 April 2014 the Administrative Court in Warsaw, Department VII in Radom called Enea Wytwarzanie S.A. to pay court fees in the amount of PLN 500 for complaints against decisions of the Director of the Customs Chamber in Warsaw. The fee was paid on 14 May 2014.

On 23 March 2015 the Company received a sentence dated 11 March 2015 (sign VIII SA / Wa 426/14) - after examining the case of the complaint for decision of the Director of the Customs Chamber in Warsaw dated 31 January 2014 filed by ENEA Wytwarzanie. The court reversed the decision and the former decision of the Head of Tax Office in Radom dated 23 February 2013, and stated that the contested decision is not enforceable entirely until the sentence is legally binding.

3) Segment heat (former Elektrociepłownia Białystok) is prosecuting the case against the President of the Energy Regulatory Office, Local Branch in Lublin. The case on a request ENEA Wytwarzanie Sp. z o.o. to establish the conditions of the contract of sale of electricity produced from renewable energy sources to PGE Obrót S.A. in Rzeszów (ex officio seller); OLB sign-5111-3 (15) / 2013 / GS. The decision of the President of the Energy Regulatory Office dated 25 October 2013 under which the President of the Energy Regulatory Office ruled an agreement with PGE Obrót S.A. of the content attached to the decision. The decision is not legally binding. On 12 November 2013 PGE Obrót S.A. submitted an appeal to the District Court in Warsaw-the Court of Competition and Consumer Protection. On the date of 28 January 2014 directed the respondent. The date of the hearing has been set on 9 February 2015, on which the case was postponed till 16 March 2015.

On 16 March 2015 the Court of Competition and Consumer Protection dismissed application of the attorney of PGE Obrót for a referral to the Constitutional Court and entirely dismissed the appeal of PGE Obrót.

23.3. Motions for settlement of not balanced energy trading in 2012

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

PGE Polska Grupa Energetyczna S.A. in the amount of	PLN 7,410 thousand
PKP Energetyka S.A. in the amount of	PLN 1,272 thousand
TAURON Polska Energia S.A. in the amount of	PLN 17,086 thousand
TAURON Sprzedaż GZE Sp. z o.o. in the amount of	PLN 1,826 thousand
FITEN S.A. in the amount of	PLN 207 thousand
Total:	PLN 27,801 thousand

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 four proceedings were conducted (with PGE, PKP, FITEN and TAURON Polska Energia) but claims of ENEA S.A. were not accepted.

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

On 5 September 2012 ENEA S.A. (ENEA), PGE Polska Grupa Energetyczna S.A. (PGE), TAURON Polska Energia S.A.(TAURON) and KGHM Polska Miedź S.A. have signed a letter of intent concerning the purchase of shares in the first special purpose vehicle, established for the construction and operation of the first nuclear power plant in Poland. In accordance with the letter the companies will undertake the development of a draft agreement for the purchase of shares of PGE EJ 1 Sp. z o.o., a special purpose vehicle, which is responsible for the direct preparation of the investment process of the construction and operation of the first nuclear power plant in Poland. The agreement is to regulate the rights and obligations of each party by the realization of the project, assuming that PGE Polska Grupa Energetyczna S.A. will act, directly or through a subsidiary, as a leader in the process of the project preparation and realization. On 28 December 2012 the Parties to the letter of intent agreed to extend its validity period till 31 March 2013.

On 25 June 2013 ENEA, KGHM, PGE and TAURON concluded an Agreement on continuation of development of a draft agreement for the purchase of PGE EJ 1 Sp. z o.o. (Agreement), which was announced in the Current Report No. 28/2013 dated 26 June 2013.

On 23 September 2013 ENEA, PGE, KGHM and Tauron, as a result of working out the draft agreement for the purchase of shares in the special purpose vehicle for the construction and operation of the nuclear power plant, initialed the Agreement of Shareholders. The Agreement of Shareholders will commit the Parties to conclude a purchase agreement of shares in PGE EJ1 ("Share Purchase Agreement"). In accordance with the Agreement, PGE will sell a block of 438.000 shares representing 30% of PGE EJ1 share capital to other Parties of the Agreement, and as a result PGE will own 70% of shares of PGE EJ1. The shares will be purchased in the following way:

- ENEA S.A. will purchase 146.000 shares which represents 10% of share capital of PGE EJ1.
- KGHM Polska Miedź S.A will purchase 146.000 shares which represents 10% of share capital of PGE EJ1.
- TAURON Polska Energia S.A. will purchase 146.000 shares which represents 10% of share capital of PGE EJ1.

Initialed on 23 September 2014 draft of the Agreement of Shareholders also determines the rules of the participation of all Parties in the preparation of the project and construction of nuclear power plant in Poland. PGE and other Parties will be obliged to conclude the Share Purchase Agreement after realization of two precedent conditions:

- obtaining the unconditional approval of the President of the Office for Competition and Consumer Protection for the concentration.
- the adoption of Polish Nuclear Power Programme by the Council of Ministers in 2013.

Despite the failure of the conditions precedent provided in the draft shareholders agreement initialed on 23 September 2013, the parties agreed to continue work on the project preparation and construction of the nuclear power plant in Poland and develop the updated records in the draft shareholders agreement.

On 28 January 2014 The Council of Ministers accepted by resolution of Polish Nuclear Power Program, as indicated in the Shareholders Agreement initialled the project as one of the two conditions suspending the conclusion of the Share Purchase Agreement.

During 2014 the Parties agreed the final draft of the shareholders agreement.

On 3 September 2014 Shareholders Agreement was concluded between ENEA, PGE, TAURON and KGHM under which ENEA, TAURON and KGHM as Business Partners will acquire together from PGE. under a separate agreement, 30% of shares (each Business Partner will acquire 10% of shares) in the special purpose vehicle - PGE EJ 1 Sp. z o.o., which is responsible for the preparation and implementation of investment involving the construction and operation of the first Polish nuclear power plant with a capacity of approx. 3.000 MWe (the "Project"). According to the assumptions, the PGE Group will act as the project leader, and PGE EJ 1 will act as plant operator. The condition of the acquisition of shares in PGE EJ 1 by Business Partners is to obtain the consent for the concentration from the President of the Office for Competition and Consumer Protection. The application on this matter has been submitted by the parties to the Shareholders Agreement on 1 August 2014.

The Company informed about signing of the Shareholders Agreement in the current report No. 30/2014 dated 3 September 2014.

The President of the Office of Competition and Consumer Protection issued an unconditional permission to the concentration involving the establishment by the Applicants (PGE, ENEA, TAURON. a common enterprise under the name of PGE EJ 1 Sp z o.o (current report No. 31/2014).

In the first quarter of 2015 KGHM, PGE, TAURON and ENEA continued work on the project preparation and construction of the nuclear plant in Poland. KGHM).

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.

In accordance with the Shareholder Agreement dated 3 September 2014, the parties jointly oblige, in proportion to their shareholding, to finance the activities as part of the initial phase of the Project ("Initial Phase").

The Initial Phase aims to identify elements such as potential partners, including strategic partner, technology providers, contractors EPC (Engineering, Procurement, Construction) supplier of nuclear fuel and obtaining financing for the Project, as well as organizational and competence preparation of PGE EJ 1 to the future role of nuclear power plant operator, responsible for its safe and efficient exploitation ("Integrated Disposal"). In accordance with the Shareholder Agreement, the financial commitment of ENEA during the Initial Phase will not exceed the amount of approximately PLN 107 million in a front of contributions to the share capital of PGE EJ 1.

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

25. Subsequent events

In April 2015 ENEA S.A. implementing a policy of interest rate risk management concluded 5 interest rate swap transactions hedging the interest rate risk of a debt amounting to PLN 1.000.000 thousand.

Selected separate financial data

	in PLN '000		in EUR '000	
	3 months ended 31.03.2015	3 months ended 31.03.2014 (Restated)*	3 months ended 31.03.2015	3 months ended 31.03.2014 (Restated)*
Net sales revenue	1 472 088	1 276 067	354 814	304 594
Operating profit	41 788	46 795	10 072	11 170
Profit before tax	64 165	69 072	15 466	16 487
Net profit for the reporting period	50 239	51 474	12 109	12 287
Net cash flows from operating activities	43 086	(115 291)	10 385	(27 520)
Net cash flows from investing activities	(204 702)	(338 575)	(49 339)	(80 817)
Net cash flows from financing activities	992 922	169 015	239 322	40 343
Total net cash flows	831 306	(284 851)	200 368	(67 993)
Weighted average number of shares	441 442 578	441 442 578	441 442 578	441 442 578
Net earnings per share (in PLN)	0.11	0.12	0.03	0.03
Diluted earnings per share (in PLN / EUR)	0.11	0.12	0.03	0.03

	Balance as at 31.03.2015	Balance as at 31.12.2014	Balance as at 31.03.2015	Balance as at 31.12.2014
Total assets	16 092 375	14 859 164	3 935 528	3 486 184
Total liabilities	4 439 610	3 256 638	1 085 745	764 056
Non-current liabilities	3 238 040	2 226 207	791 890	522 302
Current liabilities	1 201 570	1 030 431	293 854	241 755
Equity	11 652 765	11 602 526	2 849 784	2 722 128
Share capital	588 018	588 018	143 805	137 958
Book value per share (in PLN / EUR per share)	26.40	26.28	6.46	6.17
Diluted book value per share (in PLN/EUR per share)	26.40	26.28	6.46	6.17

The above financial data for Q1 2015 and 2014 were translated into EUR in line with the following principles:

- individual assets and liabilities – at the average exchange rate as of 31 March 2015– 4.0890 PLN/EUR (as at 31 December 2014 – PLN/EUR 4.2623),
- 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 2015– 4.1489 PLN/EUR (for the period from 1 January to 31 March 2014 – 4.1894 PLN/EUR).

*- Restatements of comparative figures are presented in note 4 of these condensed interim separate financial statements of ENEA S.A. for the period from 1 January to 31 March 2015



**Condensed interim separate
financial statements
of ENEA S.A.
for the period from 1 January to 31 March 2015**

Poznań, 5 May 2015

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

These condensed interim separate financial statements have been prepared in compliance 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 **Krzysztof Zamasz**

Member of the Management Board **Dalida Gepfert**

Member of the Management Board **Grzegorz Kinelski**

Member of the Management Board **Paweł Orlof**

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, 60-201 Poznań

KRS 0000477231, NIP 777-000-28-43, REGON 630770227

Poznań, 5 May 2015

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

Separate statement of financial position

	Note	Balance as at	
		31.03.2015	31.12.2014
ASSETS			
Non-current assets			
Property, plant and equipment	7	29 743	31 087
Perpetual usufruct of land		1 639	1 645
Intangible assets	8	2 600	2 932
Investment property		16 232	16 367
Investments in subsidiaries, associates and joint ventures	9	8 951 281	8 951 265
Deferred tax asset	19	39 309	25 726
Financial assets held to maturity		2 954 043	2 620 528
Trade and other receivables		40 138	11 895
		12 034 985	11 661 445
Current assets			
Inventory	13	191 827	116 117
Trade and other receivables	12	1 141 702	1 077 592
Financial assets held to maturity		966 203	1 158 418
Financial assets measured at fair value through profit or loss	15	472 661	391 901
Cash and cash equivalents	14	1 272 121	440 815
Non-current assets classified as held for sale	10	12 876	12 876
		4 057 390	3 197 719
TOTAL ASSETS		16 092 375	14 859 164

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

	Note	Balance as at	
		31.03.2015	31.12.2014
EQUITY AND LIABILITIES			
EQUITY			
Share capital		588 018	588 018
Share premium		4 627 673	4 627 673
Reserve capital		2 151 228	2 151 228
Retained earnings		4 285 846	4 235 607
Total equity		11 652 765	11 602 526
LIABILITIES			
Non-current liabilities			
Loans, borrowings and debt securities	17	3 165 398	2 152 139
Liabilities due to employee benefits		62 708	63 266
Provisions for other liabilities and charges	20	9 934	10 802
		3 238 040	2 226 207
Current liabilities			
Trade and other liabilities		560 986	504 484
Finance lease liabilities		143	172
Current income tax receivables		33 285	58 193
Liabilities due to employee benefits		16 972	20 921
Liabilities due to cash settled share-based payments		281	281
Other financial liabilities		373 233	269 094
Provisions for other liabilities and charges	20	216 670	177 286
		1 201 570	1 030 431
Total liabilities		4 439 610	3 256 638
TOTAL EQUITY AND LIABILITIES		16 092 375	14 859 164

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

Separate statement of profit or loss and other comprehensive income

	For the period	
	3 months ended 31 March 2015	3 months ended 31 March 2014 (Restated)*
Sales revenue	1 535 552	1 330 101
Excise tax	(63 464)	(54 034)
Net sales revenue	1 472 088	1 276 067
Other operating revenue	5 374	4 704
Depreciation/amortization	(1 590)	(2 095)
Costs of employee benefits	(9 069)	(12 807)
Consumption of materials and supplies and costs of goods sold	(129)	(630)
Energy purchase for sale	(986 497)	(781 125)
Transmission and distribution services	(400 672)	(386 716)
Other external services	(30 498)	(38 618)
Taxes and charges	(1 534)	(2 006)
Gain/(Loss) on sale and liquidation of property, plant and equipment	-	(4)
Other operating expenses	(5 685)	(9 975)
Operating profit	41 788	46 795
Financial expenses	(20 531)	(10 532)
Financial revenue	42 908	32 809
Profit before tax	64 165	69 072
Income tax	(13 926)	(17 598)
Net profit for the reporting period	50 239	51 474
Total comprehensive income for the reporting period	50 239	51 474
Net profit attributable to the Company's shareholders	50 239	51 474
Weighted average number of ordinary shares	441 442 578	441 442 578
Net earnings per share (in PLN per share)	0.11	0.12
Diluted earnings per share (in PLN per share)	0.11	0.12

* - Restatements of comparative figures are presented in note 4 of these condensed interim separate financial statements

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

Separate statement of changes in equity

	Share capital (face value)	Revaluation of share capital	Total share capital	Share premium	Reserve capital	Retained earnings	Total equity
Balance as at 1.01.2015	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

	Share capital (face value)	Revaluation of share capital	Total share capital	Share premium	Share-based payments reserve	Reserve capital	Retained earnings	Total equity
Balance as at 1.01.2014*	441 443	146 575	588 018	4 627 673	1 144 336	1 569 385	3 233 162	11 162 574
Net profit**							51 474	51 474
Balance as at 31.03.2014	441 443	146 575	588 018	4 627 673	1 144 336	1 569 385	3 284 636	11 214 048

* - Restatements of comparative figure as at 1 January 2014 were presented in the separate financial statements for the period ended 31 December 2014

** - Restatements of comparative figures are presented in note 4 of these condensed interim separate financial statements

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

Separate statement of cash flows

	For the period	
	3 months ended 31.03.2015	3 months ended 31.03.2014 (Restated)*
Cash flows from operating activities		
Net profit for the reporting period	50 239	51 474
Adjustments:		
Income tax disclosed in the statement of profit or loss and other comprehensive income	13 926	17 598
Depreciation	1 590	2 095
(Gain) / Loss on sale and liquidation of property, plant and equipment	-	4
(Gain) / Loss on disposal of financial assets	(1 411)	(2 435)
Interest income	(34 324)	(18 751)
Interest expense	20 043	6 863
	<u>(176)</u>	<u>5 374</u>
Paid income tax	(104 040)	51 978
Capital Group tax	83 177	-
Changes in working capital		
Inventory	(75 710)	49 422
Trade and other receivables	(71 956)	(93 736)
Trade and other liabilities	127 543	(1 036)
Liabilities due to employee benefits	(4 507)	(6 604)
Provisions for other liabilities and charges	38 516	(172 163)
	<u>13 886</u>	<u>(224 117)</u>
Net cash flows from operating activities	<u>43 086</u>	<u>(115 291)</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	-	(3 935)
Receipts from disposal of financial assets	10 274	12 670
Acquisition of financial assets	(239 622)	(360 442)
Acquisition of subsidiaries, associates and joint ventures	(16)	(3)
Interests received	24 662	13 135
Net cash flows from investing activities	<u>(204 702)</u>	<u>(338 575)</u>
Cash flows from financing activities		
Loans and borrowings received	-	170 000
Bond issue	1 000 000	-
Payment of finance lease liabilities	(29)	(190)
Interests paid	(7 049)	(795)
Net cash flows from financing activities	<u>992 922</u>	<u>169 015</u>
Net increase/ (decrease) in cash	<u>831 306</u>	<u>(284 851)</u>
Balance at the beginning of the reporting period	<u>440 815</u>	<u>807 036</u>
Balance at the end of the reporting period	<u>1 272 121</u>	<u>522 185</u>

* - Restatements of comparative figures are presented in note 4 of these condensed interim separate financial statements

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

Notes to the separate 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 entered in the National Court Register at the District Court in Poznań under KRS number 0000012483 on 21 May 2001.

As at 31 March 2015 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 2015 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 2015 the Group comprised of 12 subsidiaries and 3 indirect subsidiaries.

These condensed interim separate financial statements have been prepared under assumption that the Company will be able to continue as a going concern in the foreseeable future. No circumstances occur that would indicate a threat to the Company’s operation as a going concern.

2. Statement of compliance

These condensed interim separate financial statements have been prepared in compliance 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 2015. 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 prepared condensed interim consolidated financial statements of ENEA Group as at 31 March 2015 and for the three-month period then ended. These condensed interim separate financial statements should be read together with condensed interim consolidated financial statements and with the separate financial statements of ENEA S.A. for the financial year ended at 31 December 2014.

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 2014.

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. Adjustment and changes in presentation of financial data for prior reporting period

The comparative data presented in these separate financial statements derived from the approved financial statements for the year ended 31 December 2014 have been restated in order to maintain comparability. Restatements relate to the following:

- a) The Company changed recognition of commissions paid to partners for concluding energy sales contracts and complex contracts. Previously they were expensed when incurred. Currently they are recognized as prepayments. Costs of commissions are recognized on a straight-line basis during the term of electricity sales contracts /complex contracts in proportion to the number of months of a contract. Prepaid commissions are presented in the financial statements as non-current and current trade and other receivables.
- b) The Company changed the presentation of cash flows. Payments concerning interest on loans and bonds paid are presented in cash flows from financial activities as interests paid while receipts of interest concerning cash deposits for more than 3 months are presented in cash flows from investing activities as interests received.
There are also changes in the presentation of liabilities related to VAT regarding the acquisition of property, plant and equipment. They are included in payments for acquisition of property, plant and equipment and intangible assets. Previously change in liabilities related to investment VAT was recognized as changes in working capital in cash flows from operating activities.

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

Restatement of separate statement of profit or loss and other comprehensive income

	3-month period ended 31.03.2014 Approved	(a)	3-month period ended 31.03.2014 Restated
Sales revenue	1 330 101		1 330 101
Excise duty	(54 034)		(54 034)
Net sales revenue	1 276 067	-	1 276 067
Other operating revenue	4 704		4 704
Depreciation	(2 095)		(2 095)
Costs of employee benefits	(12 807)		(12 807)
Consumption of materials and supplies and costs of goods sold	(630)		(630)
Energy purchase for resale	(781 125)		(781 125)
Transmission and distribution services	(386 716)		(386 716)
Other external services	(41 493)	2 875	(38 618)
Taxes and charges	(2 006)		(2 006)
Gain/(loss) on sale and liquidation of property, plant and equipment	(4)		(4)
Other operating expenses	(9 975)		(9 975)
Operating profit	43 920	2 875	46 795
Finance cost	(10 532)		(10 532)
Finance income	32 809		32 809
Profit before tax	66 197	2 875	69 072
Income tax	(17 052)	(546)	(17 598)
Net profit for the reporting period	49 145	2 329	51 474
Total comprehensive income for the reporting period	49 145	2 329	51 474

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

Restatement of separate statement of cash flows

	3 months ended 31.03.2014		3 months ended 31.03.2014	
	Approved	(a)	(b)	Restated
Cash flows from operating activities				
Net profit for the reporting period	49 145	2 329		51 474
Adjustments:				
Income tax in the profit or loss	17 052	546		17 598
Depreciation	2 095			2 095
Loss on sale and liquidation of property, plant and equipment	4			4
Gain on disposal of financial assets	(2 435)			(2 435)
Interest income	(30 374)		11 623	(18 751)
Interest expense	10 532		(3 669)	6 863
	(3 126)	546	7 954	5 374
Income tax paid	51 978			51 978
Interests received	27 201		(27 201)	-
Interests paid	(3 638)		3 638	-
Changes in working capital				
Inventory	49 422			49 422
Trade and other receivables	(94 130)	(2 875)	3 269	(93 736)
Trade and other liabilities	(1 772)		736	(1 036)
Liabilities due to employee benefits	(6 604)			(6 604)
Provisions for other liabilities and charges	(172 163)			(172 163)
	(225 247)	(2 875)	4 005	(224 117)
Net cash flows from operating activities	(103 687)	-	(11 604)	(115 291)
Cash flows from investing activities				
Acquisition of property, plant and equipment and intangible assets	(3 199)		(736)	(3 935)
Acquisition of financial assets	(360 442)			(360 442)
Proceeds from disposal of financial assets	12 670			12 670
Acquisition of subsidiaries and associates	(3)			(3)
Interests received	-		13 135	13 135
Net cash flows from investing activities	(350 974)	-	12 399	(338 575)
Net cash flows from financing activities				
Loans and borrowings received	170 000			170 000
Payment of finance lease liabilities	(190)			(190)
Interests paid	-	-	(795)	(795)
Net cash flows from financing activities	169 810	-	(795)	169 015
Net increase/ (decrease) in cash	(284 851)	-	-	(284 851)
Balance at the beginning of the reporting period	807 036	-	-	807 036
Balance at the end of the reporting period	522 185	-	-	522 185

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

5. Material estimates and assumptions

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

6. Composition of the Group – list of subsidiaries, associates and joint ventures

No.	Name and address of the Company	Share of ENEA S.A. in the total number of votes [%] 31.03.2015	Share of ENEA S.A. in the total number of votes [%] 31.12.2014
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. (previously ENEOS Sp. z o.o.) ⁵ Poznań, Strzeszyńska 58	100	100
4.	ENEA Trading Sp. z o.o. Świerże Górne, commune Kozienice, Kozienice 1	100	100
5.	Hotel „EDISON” Sp. z o.o. Baranowo near Poznań	100	100
6.	Szpital Uzdrawiskowy ENERGETYK Sp. z o.o. Inowrocław, Wilkońskiego 2	100	100
7.	ENEA Logistyka Sp. z o.o. (previously BHU Sp. z o.o.) ⁴ Poznań, Strzeszyńska 58	100	100
8.	ENEA Serwis Sp. z o.o. (previously EP PUE Energobud Leszno Sp. z o.o.) ² Lipno, Gronówko 30	100	100
9.	ENEA Centrum Sp. z o.o. Poznań, Górecka 1	100	100
10.	ENEA Pomiar Sp. z o.o. (previously ENERGOMIAR Sp. z o.o.) ³ Poznań, Strzeszyńska 58	100	100
11.	ENERGO-TOUR Sp. z o.o. Poznań, Strzeszyńska 58	100 ⁶	99,92
12.	Annacond Enterprises Sp. z o.o. Warszawa, Jana Pawła II 25	61	61
13.	„Ecebe” Sp. z o.o. in liquidation Augustów, Wojciech 8	¹	100 ¹
14.	Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. Oborniki, Wybudowanie 56	99,91 ¹	99,91 ¹
15.	Miejskie Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. Białystok, Warszawska 27	86,36 ¹	86,36 ¹
16.	Miejska Energetyka Ciepła Piła Sp. z o.o. Piła, Kaczorska 20	71,11 ¹	71,11 ¹

1 - an indirect subsidiary held through interests in ENEA Wytwarzanie Sp. z o.o. On 30 January 2015 “Ecebe” Sp. z o.o. in liquidation has been removed from the National Court Register (KRS)

2 - On 20 January 2015 a change of the name of EP PUE Energobud Leszno Sp. z o.o. to ENEA Serwis Sp. z o.o. was registered in the National Court Register

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

3 - On 26 January 2015 a change of the name of ENERGOMIAR Sp. z o.o. to ENEA Pomiar Sp. z o.o. was registered in the National Court Register

4 - On 29 January 2015 a change of the name of BHU Sp. z o.o. to ENEA Logistyka Sp. z o.o. was registered in the National Court Register

5 - On 20 February 2015 a change of the name of Eneos Sp. z o.o. to ENEA Oświetlenie Sp. z o.o. was registered in National Court Register

6 - On 23 and 25 February 2015 ENEA S.A. purchased 16 shares in the share capital of the company ENERGO-TOUR Sp. z o.o. with its registered office in Poznań, representing 0.08% of the share capital of the Company. On 30 March 2015 Extraordinary General Meeting of Shareholders adopted a resolution regarding dissolution of the company following liquidation, the resolution comes into force on 1 April 2015.

7. Property, plant and equipment

During the 3-month period ended 31 March 2015, the Company acquired property, plant and equipment for the total amount of PLN 12 thousand (during the period of 3 months ended 31 March 2014 it was PLN 187 thousand).

During the 3-month period ended 31 March 2015, the Company did not complete sales and liquidations of property, plant and equipment (during the period of 3 months ended 31 March 2014 it was PLN 4 thousand).

As at 31 March 2015 the total impairment loss on the book amount of property, plant and equipment amounted to PLN 680 thousand (as at 31 March 2014: PLN 680 thousand).

8. Intangible assets

During the 3-month period ended 31 March 2015, the Company did not acquire intangible assets (during the period of 3 months ended 31 March 2014: PLN 0 thousand).

During the 3-month period ended 31 March 2015 no intangible assets were transferred from fixed assets under construction (PLN 630 thousand during the period of 3 months ended 31 March 2014).

During the 3-month period ended 31 March 2015 the Company did not complete sales and liquidations of intangible assets (during the period of 3 months ended 31 March 2014: PLN 0 thousand).

9. Investments in subsidiaries, associates and joint ventures

	31.03.2015	31.12.2014
Opening balance	8 951 265	8 951 213
Acquisition of investments	16	52
Closing balance	8 951 281	8 951 265

Impairment loss

	31.03.2015	31.12.2014
Opening balance of impairment loss on investments	30 104	30 104
Closing balance of impairment loss on investments	30 104	30 104

2015

On 23 and 25 February 2015 ENEA S.A. signed agreements with a trade union Organizacja Podzakładowa NSZZ „Solidarność” ENEA Poznań and with a trade union Zakładowa Organizacja Związkowa Międzyzakładowego Związku

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

Zawodowego Pracowników Grupy Kapitałowej ENEA in Poznań, under which ENEA S.A. purchased 16 shares in the share capital of the company ENERGO-TOUR Sp. z o.o., with its registered office in Poznań, for PLN 16 thousand.

2014

On 4 December 2014 ENEA S.A. signed agreements with a trade union Organizacja Podzakładowa NSZZ „Solidarność” ENEA Bydgoszcz and with a trade union Zakładowa Organizacja Związkowa Międzyzakładowego Związku Zawodowego Pracowników Grupy Kapitałowej ENEA in Bydgoszcz, under which ENEA S.A. purchased 20 shares in the share capital of the company Szpital Uzdrawiskowy ENERGETYK Sp. z o.o., with its registered office in Inowrocław, for PLN 49 thousand.

10. Non-current assets held for sale

	31.03.2015	31.12.2014
Opening balance	12 876	12 876
Closing balance	12 876	12 876

During the 3-month period ended 31 March 2015 there were no changes in investments in non-current assets held for sale.

As at 31 March 2015 the shares in Hotel “Edison” 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. 308/2014 dated 23 September 2014, the Company commenced proceedings related to the sale of shares in Hotel EDESON Sp. z o.o. in a public invitation to negotiations for the sale of Hotel “Edison” Sp. z o.o. To the deadline (30 October 2014) two entities responded to the public invitation by submitting preliminary offers.

The sale of shares is expected to be completed in the second quarter of 2015.

11. 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 programmes of intra-group bonds issue pending as at 31 March 2015 and as at 31 December 2014:

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

Date of contracts	Issuer	Final redemption	Credit limit in PLN '000	Amount used in PLN '000	Bonds issued as at 31.03. 2015 (principal) in PLN '000	Bonds issued as at 31.12.2014 (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	104 882	113 159
8 September 2012, agreement for the amount of PLN 4,000,000 thousand reduced by annex 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	860 000	860 000	860 000
20 June 2013	ENEA Operator Sp. z o.o.	Depending on dates of bond series issue, but not later than 18 October 2029	1 425 000	1 050 000	1 050 000	1 050 000
16 July 2013 with an annex dated 17 January 2014	ENEA Wytwarzanie Sp. z o.o.	15 July 2015	936 000	936 000	936 000	936 000
12 August 2014	ENEA Wytwarzanie Sp. z o.o.	Redemption in installments – final maturity 15 December 2026	1 000 000	260 000	260 000	260 000
17 November 2014	ENEA Wytwarzanie Sp. z o.o.	31 March 2020	740 000	350 000	350 000	350 000
17 February 2015	Enea Wytwarzanie Sp. z o.o.	10 February 2020	760 000	330 000	330 000	-
			Total		3 926 382	3 604 659

On 21 January 2015 an Annex to the intra-group Bonds Issue Programme of 8 September 2012 for the amount of PLN 4,000,000 thousand was signed between ENEA S.A., ENEA Wytwarzanie Sp. z o.o. and mBank S.A. Programme has been reduced to the amount of PLN 3,000,000 thousand.

On 11 February 2015 an Annex to the intra-group Bonds Issue Programme of 12 August 2014 for the amount of PLN 260,000 thousand was signed between ENEA S.A., ENEA Wytwarzanie Sp. z o.o. and PKO Bank Polski S.A., under which the amount of the Programme has been increased up to PLN 1,000,000 thousand. Under the annex ENEA Wytwarzanie Sp. z o.o. is allowed to carry up to 8 bond issue until 31 December 2016.

On 17 February 2015 a Programme execution agreement for PLN 760,000 thousand bond issue was concluded between ENEA S.A. as guarantor, ENEA Wytwarzanie Sp. z o.o. as issuer and PKO Bank Polski S.A. as agent. The agreement provides possibility of up to 5 bond issue until 31 December 2015. The redemption date of bonds is 10 February 2020.

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

The interest rate will be calculated based on a variable WIBOR rate for 6-month deposits plus a margin. On 2 March 2015 the first bond issue was made under this programme in the amount of PLN 330,000 thousand.

12. Allowance on trade and other receivables

	31.03.2015	31.12.2014
Opening balance of receivables allowance	53 640	55 753
Addition	4 595	16 164
Reversed	(1 711)	(8 664)
Utilized	-	(9 613)
Closing balance of receivables allowance	56 524	53 640

During the 3-month period ended 31 March 2015 the allowance on the carrying amount of trade and other receivables increased by PLN 2,884 thousand (during the period of 3 months ended 31 March 2014 the impairment allowance increased by PLN 6,100 thousand).

13. Inventory

	31.03.2015	31.12.2014
Certificates of origin	191 827	116 117
Total inventory	191 827	116 117

Certificates of origin:

	31.03.2015	31.12.2014
Opening balance	116 117	117 449
Acquisition	134 570	484 413
Redemption	(58 860)	(485 745)
Closing balance	191 827	116 117

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

14. Cash and cash equivalents

	31.03.2015	31.12.2014
Cash in hand and at bank	40 453	55 783
Other cash	1 231 668	385 032
- bank deposits	1 229 603	384 719
- other	2 065	313
Total cash and cash equivalents	1 272 121	440 815
Cash disclosed in the statement of cash flows	1 272 121	440 815

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

As at 31 December 2014 ENEA S.A. had no restricted cash.

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

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

As at 31 March 2015 the carrying amount of the portfolio of financial instruments managed by a specialized institution amounted to PLN 495,986 thousand and comprised financial assets measured at fair value through profit or loss - treasury bills and bonds in the amount of PLN 472,661 thousand (as at 31 December 2014, carrying amount of the portfolio amounted to PLN 607,218 thousand, including financial assets at fair value through profit or loss - treasury bills and bonds in the amount of PLN 391,901 thousand).

16. Financial instruments

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

	31.03.2015		31.12.2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current financial assets held to maturity	2 954 043	2 954 043	2 620 528	2 620 528
Current financial assets held to maturity	966 203	966 203	1 158 418	1 158 418
Current financial assets measured at fair value through profit or loss	472 661	472 661	391 901	391 901
Trade and other receivables	1 181 840	(*)	1 089 487	(*)
Cash and cash equivalents	1 272 121	1 272 121	440 815	440 815
Loans, borrowings and debt securities	3 165 398	3 165 398	2 152 139	2 152 139
Finance lease liabilities	143	143	172	172
Other financial liabilities	373 233	373 233	269 094	269 094
Trade and other liabilities	482 811	(*)	419 668	(*)

(*) 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 fair value of not listed assets is estimated based on discounted cash flows. The fair value of listed assets is determined using the quotations from the active market.

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

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 15). The fair value of the investment portfolio is estimated based on market quotations.

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

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

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

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

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

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

	31.03.2015			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Non-derivative financial assets held for trading	472 661	-	-	472 661
Total	472 661	-	-	472 661

	31.12.2014			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Non-derivative financial assets held for trading	391 901		-	391 901
Total	391 901	-	-	391 901

17. Loans, borrowings and debt securities

	31.03.2015	31.12.2014
Long-term		
Bank loans	1 050 897	1 047 178
Bonds	2 114 501	1 104 961
Total	3 165 398	2 152 139

Loans

ENEA S.A. has entered into two loan agreements with European Investment Bank (EIB) for the total amount of PLN 1,425,000 thousand (Loan agreement A – PLN 950,000 thousand and Loan agreement B – PLN 475,000 thousand). The funds from the issue will be designated for financing of long-term investment plan (Programme) for the modernization and extension of power grids of ENEA Operator Sp. z o.o. The availability period of loan under agreement B expires on 31 December 2015. The interest rate of the loan can be fixed or floating.

In connection with loan agreements realization, the Agreement on the Programme realization between ENEA S.A., Bank and ENEA Operator Sp. z o.o. is also concluded. The Agreement settled issues relating the rules of the Programme realization within the scope financed by the EIB.

Under the agreements with European Investment Bank ENEA S.A. drawn in three tranches for a total amount of PLN 1,050,000 thousand. The currency of the loan is the Polish zloty. Two tranches in the total amount of PLN 950,000 thousand are at variable interest rate based on WIBOR rate for 6-month deposits plus a margin and one tranche of PLN 100,000 thousand is at a fixed interest rate.

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

Bond issue programs

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

No	Bonds issue programme	Date of the conclusion of programme	Programme amount	Amount issued as at 31.03.2015	Amount issued as at 31.12.2014
1.	Bonds Issue Programme Agreement with PKO BP S.A., Bank Pekao S.A., BZ WBK S.A. and Bank Handlowy S.A. (guaranteed)	21 June 2012	3 000 000	860 000	860 000
2.	Bonds Issue Programme Agreement with Bank Gospodarstwa Krajowego (guaranteed)	15 May 2014	1 000 000	260 000	260 000
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	1 000 000	-

On 10 February 2015 the first bond issue was carried out under the Bond Issue Programme up to the amount of PLN 5,000,000 thousand. The total amount of the issue was PLN 1,000,000 thousand. The interest rate on the bonds will be calculated based on WIBOR rate for 6-month deposits plus the margin of 0.85%. Interest will be paid half-yearly on 10 August and 10 February each year. The total redemption of bonds is planned at 10 February 2020. Proceeds from the bonds issue will be used to finance the capital expenditure in line with the strategy of the ENEA Group.

Pursuant to Resolution No. 177/15 of the Board of the Central Securities Depository of Poland dated 20 March 2015, above mentioned bonds were registered on 24 March 2015 in the Central Securities Depository of Poland.

During the 3-months period ended 31 March 2015 ENEA S.A. implementing a policy of interest rate risk management concluded 7 interest rate swaps hedging the interest rate risk of a debt amounting to PLN 1.120.000 thousand. Concluded transactions will substantially affect the predictability of the flows of expenditure and financial costs.

Terms of funding – covenants

Financing agreements requires the Company and ENEA Group, inter alia, to maintain particular financial ratios at appropriate levels. As at 31 March 2015 and as at the date of these consolidated financial statements these ratios were met.

18. Other financial liabilities

Cash management in the ENEA Group is performed by ENEA S.A allowing efficient cash surplus management (economies of scale). Cash management covers subsidiaries which constitute ENEA Tax Group and is based on "Cash management system between group of bank accounts" - cash pooling.

Under this service, at the end of each day cash surplus from a bank account of 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.

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

19. Deferred income tax

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

	31.03.2015	31.12.2014
Opening balance	(25 726)	(43 866)
Change recognized in profit or loss	(13 583)	19 320
Change recognized in other comprehensive income	-	(1 180)
Closing balance	(39 309)	(25 726)

During the 3-month period ended 31 March 2015, the Company's profit before tax was debited with PLN 13,583 thousand as a result of a increase in net deferred tax asset (during the period of 3 months ended 31 March 2014 the Company's profit before tax was debited with PLN 43,543 thousand as a result of a decrease in net deferred tax assets).

20. Provisions for other liabilities and charges

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

	31.03.2015	31.12.2014
Non-current	9 934	10 802
Current	216 670	177 286
Total	226 604	188 088

	Provision for non-contractual use of property	Provision for other claims	Provisions for certificates of origins	Other	Total
Balance as at 01.01.2014	38 198	2 815	273 546	2 150	316 709
Increase in provisions	2 981		412 534	-	415 515
Provisions used	(7 972)	-	(521 292)	-	(529 264)
Provision reversed	(11 321)	(1 161)	(240)	(2 150)	(14 872)
Balance as at 31.12.2014	21 886	1 654	164 548	-	188 088
Increase in provisions	324	-	141 737	-	142 061
Provisions used	-	-	(98 080)	-	(98 080)
Provision reversed	(4 694)	(771)	-	-	(5 465)
Balance as at 31.03.2015	17 516	883	208 205	-	226 604

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

During the 3-month period ended 31 March 2015 the provisions for other liabilities and charges increased by net amount of PLN 38,516 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 2014 the provisions for other liabilities and charges decreased by PLN 172,163 thousand).

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

21. Related party transactions

The Company concludes transactions with the following related parties:

1. Companies of the ENEA Group

	01.01.2015 - 31.03.2015	01.01.2014 - 31.03.2014
Purchases, including:	1 236 614	1 040 641
investment purchases	-	(17)
materials	2	83
services	427 447	24 117
other (including energy)	809 165	1 016 458
	01.01.2015 - 31.03.2015	01.01.2014 - 31.03.2014
Sales, including:	65 284	11 484
energy	57 905	2 748
services	452	2 437
other	6 927	6 299
Interest income, including:	29 676	19 726
bonds	29 676	19 726
	31.03.2015	31.12.2014
Receivables	64 369	59 941
Liabilities	784 779	629 767
Financial assets - bonds	3 920 246	3 589 638

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

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

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

The value of transactions has been presented below:

Item	Management Board of the Company		Supervisory Board of the Company	
	01.01.2015 - 31.03.2015	01.01.2014 - 31.03.2014	01.01.2015 - 31.03.2015	01.01.201 - 31.03.2014
Remuneration under managerial and consultancy agreements	1 005	4 049*	-	-
Remuneration relating to appointment of members of management or supervisory bodies	-	-	83	85
TOTAL	1 005	4 049	83	85

* Remuneration includes bonuses for 2013 paid to the members of the Management Board during first quarter of 2014.

During the 3-month period ended 31 March 2014 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 2014). During this period repayments of these loans amounted to PLN 1 thousand (PLN 1 thousand during the 3-month period ended 31 March 2014).

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

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

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

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

The transactions concern mainly:

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

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

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

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

	31.03.2015	31.12.2014
Acquisition of intangible assets	2 636	2 978
	2 636	2 978

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

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

Within the available guarantee line in the amount of PLN 100,000 thousand, Bank Pekao S.A. on behalf of ENEA S.A. issued a bank guarantee up to EUR 15,000 thousand for the obligations of ENEA Wytwarzanie Sp. z o.o towards the company Polskie Sieci Elektroenergetyczne S.A. The guarantee is valid from 1 January 2015 until 31 December 2015.

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

23.2. Pending proceedings before courts of general jurisdiction

Actions brought by the Company

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

As at 31 March 2015, the total of 6,732 cases brought by the Company were pending before courts of general jurisdiction for the total amount of PLN 20,158 thousand (8,024 cases for the total amount of PLN 22,111 thousand as at 31 December 2014).

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

Actions brought against the Company

Actions against the Company 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 Company 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 2015, there were 115 cases pending before common courts which have been brought against the Company for the total amount of PLN 8,175 thousand (102 cases for the total amount of PLN 12,738 thousand as at 31 December 2014). The provisions related to these cases are presented in note 20.

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

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

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

	Amount in PLN thousand
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 four proceedings were conducted (with PGE, PKP, FITEN and TAURON Polska Energia) but claims of ENEA S.A. were not accepted.

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

On 5 September 2012 ENEA S.A. ("ENEA"), PGE Polska Grupa Energetyczna S.A. ("PGE"), TAURON Polska Energia S.A. ("TAURON") and KGHM Polska Miedź S.A. ("KGHM") have signed a letter of intent concerning the purchase of shares in the special purpose vehicle, established for the construction and operation of the first nuclear power plant in Poland. In accordance with the letter the companies will undertake the development of a draft agreement for the purchase of shares of PGE EJ 1 Sp. z o.o. ("PGE EJ 1"), a special purpose vehicle, which is responsible for the direct preparation of the investment process of the construction and operation of the first nuclear power plant in Poland. The agreement is to regulate the rights and obligations of each party by the realization of the project, assuming that PGE will act, directly or through a subsidiary, as a leader in the process of the project preparation and realization. On 28 December 2012 the Parties to the letter of intent agreed to extend its validity period till 31 March 2013. On 25 June 2013 ENEA, KGHM, PGE and TAURON concluded an Agreement on continuation of development of a draft agreement for the purchase of PGE EJ 1 Sp. z o.o. ("Agreement"), which was announced in the Current Report No. 28/2013 dated 26 June 2013.

On 23 September 2013 ENEA, PGE, KGHM and Tauron, as a result of working out the draft agreement for the purchase of shares in the special purpose vehicle for the construction and operation of the nuclear power plant, initialed the Agreement of Shareholders. The Agreement of Shareholders will commit the Parties to conclude a purchase agreement of shares in PGE EJ1 ("Share Purchase Agreement"). In accordance with the Agreement. PGE will sell a block of 438.000 shares representing 30% of PGE EJ1 share capital to other Parties of the Agreement, and as a result PGE will own 70% of shares of PGE EJ1. The shares will be purchased in the following way:

- ENEA S.A. will purchase 146.000 shares which represents 10% of share capital of PGE EJ1,
- KGHM Polska Miedź S.A will purchase 146.000 shares which represents 10% of share capital of PGE EJ1,
- TAURON Polska Energia S.A. will purchase 146.000 shares which represents 10% of share capital of PGE EJ1.

Initialed on 23 September 2014 draft of the Agreement of Shareholders also determines the rules of the participation of all Parties in the preparation of the project and construction of nuclear power plant in Poland. PGE and other Parties will be obliged to conclude the Share Purchase Agreement after realization of two precedent conditions:

- obtaining the unconditional approval of the President of the Office for Competition and Consumer Protection for the concentration,
- the adoption of Polish Nuclear Power Programme by the Council of Ministers in 2013.

Despite the failure of the conditions precedent provided in the draft shareholders agreement initialed on 23 September 2013, the parties agreed to continue work on the project preparation and construction of the nuclear power plant in Poland and develop the updated records in the draft shareholders agreement.

On 28 January 2014 The Council of Ministers accepted by resolution of Polish Nuclear Power Program, as indicated in the Shareholders Agreement initialed the project as one of the two conditions suspending the conclusion of the Share Purchase Agreement.

During 2014 the Parties agreed the final draft of the shareholders agreement.

On 3 September 2014 Shareholders Agreement was concluded between ENEA, PGE, TAURON and KGHM under which ENEA, TAURON and KGHM as Business Partners will acquire together from PGE. under a separate agreement, 30% of shares (each Business Partner will acquire 10% of shares) in the special purpose vehicle - PGE EJ 1 Sp. z o.o., which is responsible for the preparation and implementation of investment involving the construction and operation of the first

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

Polish nuclear power plant with a capacity of approx. 3.000 MWe (the "Project"). According to the assumptions, the PGE Group will act as the project leader, and PGE EJ 1 will act as plant operator. The condition of the acquisition of shares in PGE EJ 1 by Business Partners is to obtain the consent for the concentration from the President of the Office for Competition and Consumer Protection. The application on this matter has been submitted by the parties to the Shareholders Agreement on 1 August 2014.

The Company informed about signing of the Shareholders Agreement in the current report No. 30/2014 dated 3 September 2014.

The President of the Office of Competition and Consumer Protection issued an unconditional permission to the concentration involving the establishment by the Applicants (PGE, ENEA, TAURON. a common enterprise under the name of PGE EJ 1 Sp z o.o (current report No. 31/2014).

In the first quarter of 2015 KGHM, PGE, TAURON and ENEA continued work on the project preparation and construction of the nuclear plant in Poland. KGHM).

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.

In accordance with the Shareholder Agreement dated 3 September 2014, the parties jointly oblige, in proportion to their shareholding, to finance the activities as part of the initial phase of the Project ("Initial Phase").

The Initial Phase aims to identify elements such as potential partners, including strategic partner, technology providers, contractors EPC (Engineering, Procurement, Construction) supplier of nuclear fuel and obtaining financing for the Project, as well as organizational and competence preparation of PGE EJ 1 to the future role of nuclear power plant operator, responsible for its safe and efficient exploitation ("Integrated Disposal"). In accordance with the Shareholder Agreement, the financial commitment of ENEA during the Initial Phase will not exceed the amount of approximately PLN 107 million in a front of contributions to the share capital of PGE EJ 1.

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

25. Subsequent events

In April 2015 ENEA S.A. implementing a policy of interest rate swaps hedging interest rate risk of a debt amounting to PLN 1.000.000 thousand.

On 29 April 2015 r ENEA S.A. covered the entire second series of bonds in the amount of PLN 180,000 thousand issued by ENEA Wytrwanie Sp. z o.o. based on the Programme executive agreement dated 17 February 2015 in the amount of PLN 760,000 thousand concluded between ENEA S.A. as the guarantor, ENEA Wytwarzanie Sp. z o.o. as issuer and PKO Bank Polski S.A. as an agent.