

## Selected separate financial data

	in PLN '000		in EUR '000	
	6 months ended 30.06.2014	6 months ended 30.06.2013 (restated)*	6 months ended 30.06.2014	6 months ended 30.06.2013 (restated)*
Net sales revenue	2 434 549	2 536 877	582 651	602 012
Operating profit	48 923	138 079	11 709	32 767
Profit before tax	669 484	532 405	160 225	126 342
Net profit for the reporting period	669 123	499 197	160 139	118 462
Net cash flows from operating activities	296 815	(12 701)	71 036	(3 014)
Net cash flows from investing activities	(788 995)	27 982	(188 827)	6 640
Net cash flows from financing activities	519 614	(1 452)	124 357	(345)
Total net cash flows	27 434	13 829	6 566	3 282
Weighted average number of shares	441 442 578	441 442 578	441 442 578	441 442 578
Net earnings per share (in PLN)	1.52	1.13	0.36	0.27
Diluted earnings per share (in PLN / EUR)	1.52	1.13	0.36	0.27

  

	Balance as at 30.06.2014	Balance as at 31.12.2013	Balance as at 30.06.2014	Balance as at 31.12.2013
Total assets	14 277 120	12 981 983	3 431 258	3 130 301
Total liabilities	2 700 600	1 826 565	649 042	440 433
Non-current liabilities	1 357 965	852 248	326 363	205 500
Current liabilities	1 342 635	974 317	322 679	234 934
Equity	11 576 520	11 155 418	2 782 215	2 689 867
Share capital	588 018	588 018	141 320	141 787
Book value per share (in PLN / EUR)	26.22	25.27	6.30	6.09
Diluted book value per share (in PLN/EUR)	26.22	25.27	6.30	6.09

The above financial data for I half year 2014 and 2013 were translated into EUR in line with the following principles:

- individual assets and liabilities – at the average exchange rate as of 30 June 2014 – PLN/EUR – 4.1609 (as at 31 December 2013 – PLN/EUR 4.1472),
- individual items from the statement of profit or loss and other comprehensive income and the statement of cash flows – as per the arithmetic mean of the average exchange rates determined by the National Bank of Poland as at the last day of each month of the financial period from 1 January to 30 June 2014 – PLN/EUR – 4.1784 (for the period from 1 January to 30 June 2013 – 4.2140 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 30 June 2014

**Condensed interim separate  
financial statements  
of ENEA S.A.  
for the period from 1 January to 30 June 2014**

**Poznań, 5 August 2014**

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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**                      .....

**Poznań, 5 August 2014**

**ENEA S.A.**

Condensed interim separate financial statements for the period from 1 January to 30 June 2014.

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

	Note	Balance as at	
		30.06.2014	31.12.2013
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	34 419	36 533
Perpetual usufruct of land		1 551	1 562
Intangible assets	8	2 993	2 459
Investment property		16 641	16 910
Investments in subsidiaries and associates	9	8 951 216	8 951 213
Deferred tax asset	16	12 422	45 544
Financial assets held to maturity	25	2 361 972	1 674 223
Financial assets measured at fair value through profit or loss		1 976	1 860
		<b>11 383 190</b>	<b>10 730 304</b>
<b>Current assets</b>			
Inventory		62 803	117 449
Trade and other receivables		1 538 940	978 529
Current income tax receivable		-	1 341
Financial assets held to maturity	25	53 132	38 109
Financial assets measured at fair value through profit or loss	14	391 709	296 339
Cash and cash equivalents	13	834 470	807 036
Non-current assets classified as held for sale	10	12 876	12 876
		<b>2 893 930</b>	<b>2 251 679</b>
<b>TOTAL ASSETS</b>		<b>14 277 120</b>	<b>12 981 983</b>

**ENEA S.A.**

Condensed interim separate financial statements for the period from 1 January to 30 June 2014.

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

	Note	Balance as at	
		30.06.2014	31.12.2013
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		588 018	588 018
Share premium		4 627 673	4 627 673
Share-based payments reserve	29	-	1 144 336
Reserve capital		2 151 228	1 569 385
Retained earnings		4 209 601	3 226 006
<b>Total equity</b>		<b>11 576 520</b>	<b>11 155 418</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans, borrowings and debt securities	16	1 291 346	777 130
Finance lease liabilities		-	103
Liabilities due to employee benefits		54 194	61 682
Provisions for other liabilities and charges	19	12 425	13 333
		<b>1 357 965</b>	<b>852 248</b>
<b>Current liabilities</b>			
Trade and other liabilities		760 720	645 479
Finance lease liabilities		769	1 052
Current income tax liabilities		19 607	-
Liabilities due to employee benefits		17 680	24 118
Liabilities due to cash settled share-based payments		281	292
Other financial liabilities	17	408 923	-
Provisions for other liabilities and charges	19	134 655	303 376
		<b>1 342 635</b>	<b>974 317</b>
<b>Total liabilities</b>		<b>2 700 600</b>	<b>1 826 565</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>14 277 120</b>	<b>12 981 983</b>

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

	<b>For the period</b>			
	<b>6 months ended</b>	<b>3 months ended</b>	<b>6 months ended</b>	<b>3 months ended</b>
	<b>30 June 2014</b>	<b>30 June 2014</b>	<b>30 June 2013 (restated)*</b>	<b>30 June 2013 (restated)*</b>
Sales revenue	2 537 694	1 207 593	2 639 601	1 250 254
Excise tax	(103 145)	(49 111)	(102 724)	(47 581)
<b>Net sales revenue</b>	<b>2 434 549</b>	<b>1 158 482</b>	<b>2 536 877</b>	<b>1 202 673</b>
Other operating revenue	15 070	10 366	31 252	3 760
Depreciation/amortization	(4 133)	(2 038)	(8 714)	(4 405)
Costs of employee benefits	(21 818)	(9 011)	(29 495)	(14 751)
Consumption of materials and supplies and costs of goods sold	(1 433)	(803)	(1 875)	(975)
Energy purchase for sale	(1 543 197)	(762 072)	(1 483 319)	(730 218)
Transmission and distribution services	(720 907)	(334 191)	(784 360)	(368 929)
Other external services	(87 578)	(46 085)	( 86 116)	(41 047)
Taxes and charges	(2 423)	(417)	(5 324)	(2 050)
Profit/(loss) on sale and liquidation of property, plant and equipment	(4)	-	(35)	(25)
Other operating expenses	(19 203)	(9 228)	(30 812)	(6 373)
<b>Operating profit</b>	<b>48 923</b>	<b>5 003</b>	<b>138 079</b>	<b>37 660</b>
Financial expenses	(20 648)	(10 116)	(2 415)	(1 398)
Financial revenue	72 187	39 378	34 921	13 245
Dividend income	569 022	569 022	361 820	361 820
<b>Profit before tax</b>	<b>669 484</b>	<b>603 287</b>	<b>532 405</b>	<b>411 327</b>
Income tax	(361)	16 691	(33 208)	(10 073)
<b>Net profit for the reporting period</b>	<b>669 123</b>	<b>619 978</b>	<b>499 197</b>	<b>401 254</b>
Items that will not be reclassified to profit or loss				
- net actuarial gains/(losses) on defined benefit plans	4 446	4 446	1 038	1 038
- income tax	(845)	(845)	(197)	(197)
<b>Net other comprehensive income</b>	<b>3 601</b>	<b>3 601</b>	<b>841</b>	<b>841</b>
<b>Total comprehensive income</b>	<b>672 724</b>	<b>623 579</b>	<b>500 038</b>	<b>402 095</b>
Earnings attributable to the Company's shareholders	669 123	619 978	499 197	401 254
Weighted average number of ordinary shares	441 442 578	441 442 578	441 442 578	441 442 578
<b>Net earnings per share (in PLN per share)</b>	<b>1.52</b>	<b>1.40</b>	<b>1.13</b>	<b>0.91</b>
<b>Diluted earnings per share (in PLN per share)</b>	<b>1.52</b>	<b>1.40</b>	<b>1.13</b>	<b>0.91</b>

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

**ENEA S.A.**

Condensed interim separate financial statements for the period from 1 January to 30 June 2014.

*(all amounts in PLN'000, unless specified otherwise)***Separate statement of changes in equity**

	Note	Share capital (face value)	Revaluation of share capital	Total share capital	Share premium	Share-based payments reserve	Reserve capital	Retained earnings	Total equity
<b>Balance as at 1.01.2014</b>		441 443	146 575	<b>588 018</b>	<b>4 627 673</b>	<b>1 144 336</b>	<b>1 569 385</b>	<b>3 226 006</b>	<b>11 155 418</b>
Net profit								669 123	<b>669 123</b>
Other comprehensive income								3 601	<b>3 601</b>
<b>Total comprehensive income for the period</b>								<b>672 724</b>	<b>672 724</b>
Distribution of the net profit							581 843	(581 843)	-
Dividends	20							(251 622)	<b>(251 622)</b>
Settlement of the share- based payments program						(1 144 336)		1 144 336	-
<b>Balance as at 30.06.2014</b>		441 443	146 575	<b>588 018</b>	<b>4 627 673</b>	-	<b>2 151 228</b>	<b>4 209 601</b>	<b>11 576 520</b>
	Note	Share capital (face value)	Revaluation of share capital	Total share capital	Share premium	Share-based payments reserve	Reserve capital	Retained earnings	Total equity
<b>Balance as at 01.01.2013*</b>		441 443	146 575	<b>588 018</b>	<b>4 627 673</b>	<b>1 144 336</b>	<b>1 205 625</b>	<b>2 932 240</b>	<b>10 497 892</b>
Net profit**								499 197	499 197
Other comprehensive income								841	841
<b>Total comprehensive income for the period</b>								<b>500 038</b>	<b>500 038</b>
Distribution of the net profit							363 760	(363 760)	-
Dividends	20							(158 919)	(158 919)
<b>Balance as at 30.06.2013</b>		441 443	146 575	<b>588 018</b>	<b>4 627 673</b>	<b>1 144 336</b>	<b>1 569 385</b>	<b>2 909 599</b>	<b>10 839 011</b>

\* Restatements of comparative figures as at 1 January 2013 are presented in separate financial statements for the year ended 31 December 2013

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

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



**Separate statement of cash flows**

	Note	6 months ended 30.06.2014	6 months ended 30.06.2013 (restated)*
<b>Cash flows from operating activities</b>			
Net profit for the reporting period		669 123	499 197
Adjustments:			
Income tax disclosed in the statement of profit or loss and other comprehensive income		361	33 208
Depreciation		4 133	8 714
Loss on sale and liquidation of property, plant and equipment		4	35
Gain on disposal of financial assets		(11 330)	13 055
Interest income		(61 172)	(47 976)
Dividend income		(569 022)	(361 820)
Interest expense		20 697	2 415
		<u>(616 329)</u>	<u>(352 369)</u>
Changes in working capital			
Inventory		54 646	97 153
Trade and other receivables		24 652	(25 601)
Trade and other liabilities		271 946	(167 603)
Liabilities due to employee benefits		(9 480)	(1 016)
Deferred income due to subsidies and connection fees		-	(1 113)
Liabilities due to an equivalent of the right to acquire shares free of charge		(11)	(12)
Provisions for other liabilities and charges		(169 629)	(82 615)
		<u>172 124</u>	<u>(180 807)</u>
Paid income tax		(25 929)	(11 843)
Inflows due to settlements within Tax Capital Group		53 761	-
Interest received		61 008	33 892
Interest paid		(16 943)	(771)
		<u>296 815</u>	<u>(12 701)</u>
<b>Net cash flows from operating activities</b>			
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment and intangible assets		(4 108)	(12 116)
Receipts from disposal of property, plant and equipment and intangible assets		-	26
Receipts from disposal of financial assets		31 379	40 501
Acquisition of financial assets		(816 263)	-
Acquisition of shares in subsidiary	9	(3)	-
Other (payments for)/receipts from investing activities		-	(429)
		<u>(788 995)</u>	<u>27 982</u>
<b>Net cash flows from investing activities</b>			
<b>Cash flows from financing activities</b>			
Proceeds from credit and loans		170 000	-
Bond issue		350 000	-
Payment of finance lease liabilities		(386)	(1 452)
		<u>519 614</u>	<u>(1 452)</u>
<b>Net cash flows from financing activities</b>			
<b>Net increase/ (decrease) in cash</b>		<u>27 434</u>	<u>13 829</u>
Balance at the beginning of the reporting period		807 036	361 401
<b>Balance at the end of the reporting period</b>		<u>834 470</u>	<u>375 230</u>

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

**ENEA S.A.**

Condensed interim separate financial statements for the period from 1 January to 30 June 2014.

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

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

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

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

As at 30 June 2014 the shareholding structure of ENEA S.A. was the following: the State Treasury of the Republic of Poland – 51.50% of shares, other shareholders – 48.50%.

As at 30 June 2014 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.

Trade in electricity is the core business of ENEA S.A. (“ENEA”, “Company”).

On 12 September 2013 ENEA S.A. was granted a concession for trade in gas fuel, valid from 1 January 2014 till 31 December 2030. The Company plans to commence the retail sales of natural gas in 2014.

ENEA S.A. is the parent company in the ENEA Group (the “Group”). As at 31 March 2014 the Group comprised of 15 subsidiaries, 3 indirect subsidiaries and 1 associate.

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

**ENEA S.A.**

Condensed interim separate financial statements for the period from 1 January to 30 June 2014.

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

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## **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.

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 30 June 2014. The presented statements and explanations have been prepared using due diligence. These condensed interim separate financial statements have been reviewed by a certified auditor.

## **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 2013.

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. Changes in accounting policies and presentation of financial data**

The comparative data presented in these condensed interim separate financial statements for the period from 1 January to 30 June 2014 have been restated in order to maintain comparability.

a) The Company performed analysis of electricity balancing market settlements and the imbalance of energy sales and purchase, presented in financial statements in trade and other receivables. As the result of the analysis performed, the asset related to the imbalanced energy trade was assessed to be incorrect and respective balances as at 31 December 2013, as well as at the end of preceding reporting periods, i.e. 31 December 2012 and 31 December 2011 were adjusted.

**ENEA S.A.**

Condensed interim separate financial statements for the period from 1 January to 30 June 2014.

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

	<b>6 month period ended 30.06.2013 Approved</b>	<b>(a)</b>	<b>6 month period ended 30.06.2013 Restated</b>
Sales revenue	2 639 601		2 639 601
Excise tax	(102 724)		(102 724)
<b>Net sales revenue</b>	<b>2 536 877</b>		<b>2 536 877</b>
Other operating revenue	31 252		31 252
Depreciation/amortization	(8 714)		(8 714)
Costs of employee benefits	(29 495)		(29 495)
Consumption of materials and supplies and costs of goods sold	(1 875)		(1 875)
Energy purchase for sale	(1 451 205)	(32 114)	(1 483 319)
Transmission and distribution services	(784 360)		(784 360)
Other external services	(86 116)		(86 116)
Taxes and charges	(5 324)		(5 324)
Profit/(loss) on sale and liquidation of property, plant and equipment	(35)		(35)
Other operating expenses	(30 812)		(30 812)
<b>Operating profit</b>	<b>170 193</b>	<b>(32 114)</b>	<b>138 079</b>
Financial expenses	(2 415)		(2 415)
Financial revenue	34 921		34 921
Dividend income	361 820		361 820
<b>Profit before tax</b>	<b>564 519</b>	<b>(32 114)</b>	<b>532 405</b>
Income tax	(39 310)	6 102	(33 208)
<b>Net profit for the reporting period</b>	<b>525 209</b>	<b>(26 012)</b>	<b>499 197</b>
<b>Other comprehensive income:</b>			
Items that will not be reclassified to profit or loss			
- net actuarial gains/(losses) of the defined benefit plans	1 038	-	1 038
- income tax	(197)	-	(197)
<b>Net other comprehensive income</b>	<b>841</b>	<b>-</b>	<b>841</b>
<b>Total comprehensive income</b>	<b>526 050</b>	<b>(26 012)</b>	<b>500 038</b>

The notes presented on pages 9 to 30 constitute an integral part of the condensed interim separate financial statements.

**ENEA S.A.**

Condensed interim separate financial statements for the period from 1 January to 30 June 2014.

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

	<b>3 month period ended 30.06.2013 Approved</b>	<b>(a)</b>	<b>3 month period ended 30.06.2013 Restated</b>
Sales revenue	1 250 254		1 250 254
Excise tax	(47 581)		(47 581)
<b>Net sales revenue</b>	<b>1 202 673</b>		<b>1 202 673</b>
Other operating revenue	3 760		3 760
Depreciation/amortization	(4 405)		(4 405)
Costs of employee benefits	(14 751)		(14 751)
Consumption of materials and supplies and costs of goods sold	(975)		(975)
Energy purchase for sale	(712 666)	(17 552)	(730 218)
Transmission and distribution services	(368 929)		(368 929)
Other external services	(41 047)		(41 047)
Taxes and charges	(2 050)		(2 050)
Profit/(loss) on sale and liquidation of property, plant and equipment	(25)		(25)
Other operating expenses	(6 373)		(6 373)
<b>Operating profit</b>	<b>55 212</b>	<b>(17 552)</b>	<b>37 660</b>
Financial expenses	(1 398)		(1 398)
Financial revenue	13 245		13 245
Dividend income	361 820		361 820
<b>Profit before tax</b>	<b>428 879</b>	<b>(17 552)</b>	<b>411 327</b>
Income tax	(13 408)	3 335	(10 073)
<b>Net profit for the reporting period</b>	<b>415 471</b>	<b>(14 217)</b>	<b>401 254</b>
<b>Other comprehensive income:</b>			
Items that will not be reclassified to profit or loss			
- net actuarial gains/(losses) of the defined benefit plans	1 038	-	1 038
- income tax	(197)	-	(197)
<b>Net other comprehensive income</b>	<b>841</b>	<b>-</b>	<b>841</b>
<b>Total comprehensive income</b>	<b>416 312</b>	<b>(14 217)</b>	<b>402 095</b>

The notes presented on pages 9 to 30 constitute an integral part of the condensed interim separate financial statements.

**ENEA S.A.**

Condensed interim separate financial statements for the period from 1 January to 30 June 2014.

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

	<b>6 months ended 30.06.2013 Approved</b>	<b>(a)</b>	<b>6 months ended 30.06.2013 Restated</b>
<b>Cash flows from operating activities</b>			
Net profit for the reporting period	525 209	(26 012)	499 197
Adjustments:			
Income tax disclosed in the profit or loss	39 310	(6 102)	33 208
Depreciation	8 714		8 714
(Gain) / loss on sale and liquidation of property, plant and equipment	35		35
(Gain)/loss on disposal of financial assets	13 055		13 055
Interest income	(47 976)		(47 976)
Dividend income	(361 820)		(361 820)
Interest expense	2 415		2 415
	(346 267)	(6 102)	(352 369)
Changes in working capital			
Inventory	97 153		97 153
Trade and other receivables	(57 715)	32 114	(25 601)
Trade and other liabilities	(167 603)		(167 603)
Liabilities due to employee benefits	(1 016)		(1 016)
Deferred income due to subsidies and connection fees	(1 113)		(1 113)
Liabilities due to an equivalent of the right to acquire shares free of charge	(12)		(12)
Provisions for other liabilities and charges	(82 615)		(82 615)
	(212 921)	32 114	(180 807)
Paid income tax	(11 843)		(11 843)
Interest received	33 892		33 892
Interest paid	(771)		(771)
<b>Net cash flows from operating activities</b>	<b>(12 701)</b>	<b>-</b>	<b>(12 701)</b>

**ENEA S.A.**

Condensed interim separate financial statements for the period from 1 January to 30 June 2014.

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

	<b>6 months ended 30.06.2013 Approved</b>	<b>(a)</b>	<b>6 months ended 30.06.2013 Restated</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment and intangible assets	(12 116)		(12 116)
Receipts from disposal of property, plant and equipment and intangible assets	26		26
Receipts from disposal of financial assets	40 501		40 501
Other expenses from investing activities	(429)		(429)
<b>Net cash flows from investing activities</b>	<b>27 982</b>	-	<b>27 982</b>
<b>Cash flows from financing activities</b>			
Payment of finance lease liabilities	(1 452)		(1 452)
<b>Net cash flows from financing activities</b>	<b>(1 452)</b>	-	<b>(1 452)</b>
<b>Net increase/ (decrease) in cash</b>	<b>13 829</b>	-	<b>13 829</b>
Opening balance of cash	361 401	-	361 401
<b>Closing balance of cash</b>	<b>375 230</b>	-	<b>375 230</b>

**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.

**ENEA S.A.**

Condensed interim separate financial statements for the period from 1 January to 30 June 2014.

*(all amounts in PLN'000, unless specified otherwise)***6. Composition of the Group – list of subsidiaries and associates**

	<b>Name and address of the company</b>	<b>Share of ENEA S.A. in the total number of votes in % 30.06.2014</b>	<b>Share of ENEA S.A. in the total number of votes in % 31.12.2013</b>
1.	ENERGOMIAR Sp. z o.o. <i>Poznań, Strzeszyńska 58</i>	100	100
2.	BHU S.A. <i>Poznań, Strzeszyńska 58</i>	100	100
3.	ENEA Centrum S.A. <i>Poznań, Górecka 1</i>	100	100
4.	Hotel „EDISON” Sp. z o.o. <i>Baranowo near Poznań</i>	100	100
5.	Energetyka Poznańska Zakład Transportu Sp. z o.o. <i>Poznań, Strzeszyńska 58</i>	100	100
6.	Energetyka Poznańska Przedsiębiorstwo Usług Energetycznych Energobud Leszno Sp. z o.o. <i>Lipno, Gronówko 30</i>	100	100
7.	ENERGO-TOUR Sp. z o.o. <i>Poznań, Marcinkowskiego 27</i>	99,92	99,92
8.	ENEOS Sp. z o.o. <i>Poznań, Strzeszyńska 58</i>	100	100
9.	ENTUR Sp. z o.o. <i>Szczecin, Malczewskiego 5/7</i>	100***	100***
10.	Szpital Uzdrawiskowy ENERGETYK Sp. z o.o. <i>Inowrocław, Wilkońskiego 2</i>	99,94	99,94
11.	Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. <i>Oborniki, Wybudowanie 56</i>	99,91*	99,89*
12.	„IT SERWIS” Sp. z o.o. <i>Zielona Góra, Zacisze 28</i>	100	100
13.	ENEA Operator Sp. z o.o. <i>Poznań, Strzeszyńska 58</i>	100	100
14.	ENEA Wytwarzanie S.A. <i>Świerże Górne, commune Kozienice, Kozienice 1</i>	100	100
15.	Miejska Energetyka Ciepła Piła Sp. z o.o. <i>64-920 Piła, Kaczorska 20</i>	71,11*	65,03*
16.	Annacond Enterprises Sp. z o.o. <i>Warszawa, Jana III Sobieskiego 1/4</i>	61	61
17.	Windfarm Polska Sp. z o.o. <i>Koszalin, Wojska Polskiego 24-26</i>	_*****	100*
18.	ENEA Trading Sp. z o.o. <i>Świerże Górne, commune Kozienice, Kozienice 1</i>	100	100
19.	„Ecebe” Sp. z o.o. <i>Augustów, Wojciech 8</i>	100*	100*
20.	Energ-Inwest-Broker S.A. <i>Toruń, Jęczmienna 21</i>	38,46**	38,46**

\* - an indirect subsidiary held by interests in ENEA Wytwarzanie S.A.

\*\* - an associate of ENEA Wytwarzanie S.A.

\*\*\* - on 27 February 2013 the Extraordinary Shareholders' Meeting of Entur Sp. z o.o. with registered office in Szczecin adopted the Resolution No. 3 about the dissolution of the company after liquidation proceedings. On 16 April 2014 the Extraordinary Shareholders' Meeting of Entur Sp. z o.o. in liquidation with registered office in Szczecin adopted the Resolution No. 1 about the revocation of dissolution of the company and its going concern.

\*\*\*\* - on 30 June 2014 ENEA Wytwarzanie S.A. merged with Windfarm Poland Sp. z o.o. ENEA Wytwarzanie S.A. assumed all the rights and obligations of the acquired company.



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

On 27 June 2014 the change of the name was registered in National Court Register (KRS) of Niepubliczny Zakład Opieki Zdrowotnej Centrum Uzdrawiskowe ENERGETYK Sp. z o.o. to Szpital Uzdrawiskowy ENERGETYK Sp. z o.o.

**7. Property, plant and equipment**

During the 6-month period ended 30 June 2014, the Company acquired property, plant and equipment for the total amount of PLN 2,277 thousand (during the period of 6 months ended 30 June 2013 it was PLN 8,794 thousand).

During the 6-month period ended 30 June 2014, the Company sold and liquidated property, plant and equipment for the total net amount of PLN 35 thousand (during the period of 6 months ended 30 June 2013 it was PLN 54 thousand).

As at 30 June 2014 the total impairment loss on the carrying amount of property, plant and equipment amounted to PLN 680 thousand (as at ended 30 June 2013: PLN 1,592 thousand).

**8. Intangible assets**

During the 6-month period ended 30 June 2014, the Company did not acquire intangible assets (during the period of 6 months ended 30 June 2013: PLN 0 thousand).

During the 6-month period ended 30 June 2014 intangible assets of PLN 1,226 thousand were transferred from fixed assets under construction (PLN 332 thousand during the period of 6 months ended 30 June 2013).

**9. Investments in subsidiaries and associates**

	<b>30.06.2014</b>	<b>31.12.2013</b>
<b>Opening balance</b>	<b>8 951 213</b>	<b>8 820 100</b>
Acquisition of shares in subsidiary	3	134 343
Disposal of investment	-	(3 000)
Impairment loss	-	(230)
<b>Closing balance</b>	<b>8 951 216</b>	<b>8 951 213</b>
<b>Impairment loss</b>		
<b>Opening balance of impairment loss on investments</b>	<b>30 104</b>	<b>29 874</b>
Recognized	-	230
<b>Closing balance of impairment loss on investments</b>	<b>30 104</b>	<b>30 104</b>

**ENEA S.A.**

Condensed interim separate financial statements for the period from 1 January to 30 June 2014.

*(all amounts in PLN'000, unless specified otherwise)***10. Non-current assets held for sale**

	<b>30.06.2014</b>	<b>31.12.2013</b>
<b>Opening balance</b>	<b>12 876</b>	<b>12 876</b>
<b>Closing balance</b>	<b>12 876</b>	<b>12 876</b>

During the 6-month period ended 30 June 2014 there were no changes in non-current assets held for sale.

As at 30 June 2014 the shares in Hotel "EDISON" Sp. z o.o. are presented as non-current assets held for sale. On 23 January 2014 the announcement of the sale of the hotel was published in Gazeta Wyborcza – an invitation to negotiation for purchase of the package of all shares in Hotel Edison Sp. z o.o. The Memorandum was requested by four entities. Three of them submitted preliminary offers within the prescribed period (3 February 2014). On 21 March 2014 binding offers were obtained from potential investors.

As at 30 June 2014 the negotiation process is continued.

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

	<b>30.06.2014</b>	<b>31.12.2013</b>
<b>Opening balance of receivables allowance</b>	<b>55 753</b>	<b>85 666</b>
Addition	12 258	9 514
Reversed	(4 455)	(775)
Utilized	-	(38 652)
<b>Closing balance of receivables allowance</b>	<b>63 556</b>	<b>55 753</b>

During the 6-month period ended 30 June 2014 the allowance on the carrying amount of trade and other receivables increased by PLN 7,803 thousand (during the period of 6 months ended 30 June 2013 the impairment allowance decreased by PLN 29,479 thousand).

**12. Inventory**

	<b>30.06.2014</b>	<b>31.12.2013</b>
Certificates of origin	62 803	117 449
<b>Total inventory</b>	<b>62 803</b>	<b>117 449</b>

Certificates of origin:

	<b>30.06.2014</b>	<b>31.12.2013</b>
<b>Opening balance</b>	<b>117 449</b>	<b>120 160</b>
Acquisition	243 464	321 157
Redemption	(298 110)	(323 868)
<b>Closing balance</b>	<b>62 803</b>	<b>117 449</b>

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*(all amounts in PLN'000, unless specified otherwise)***13. Cash and cash equivalents**

	<b>30.06.2014</b>	<b>31.12.2013</b>
<b>Cash in hand and at bank</b>	<b>834 470</b>	<b>807 036</b>
- cash in hand	-	19
- cash at bank	834 470	807 017
<b>Total cash and cash equivalents</b>	<b>834 470</b>	<b>807 036</b>
<b>Cash disclosed in the cash flows statement</b>	<b>834 470</b>	<b>807 036</b>

As at 30 June 2014 the restricted cash amounted to PLN 50 thousand and comprised cash at bank (cash blocked due to a transaction deposit). As at 31 December 2013 the restricted cash amounted to PLN 50 thousand.

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

As at 30 June 2014 the book value of investments portfolio amounted to PLN 489,999 thousand, including financial assets measured at fair value through profit or loss - treasury bills and bonds of PLN 391,709 thousand and bank deposits of PLN 98,290 thousand presented as cash and cash equivalents (as at 31 December 2013 the book value of investments portfolio amounted to PLN 328,603 thousand, including financial assets measured at fair value through profit or loss - treasury bills and bonds of PLN 296,339 thousand and bank deposits of PLN 32,264 thousand presented as cash and cash equivalents). The Company also has units in the "Pioneer" Investment Fund, presented as long-term assets.

**15. Financial instruments**

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

	<b>30.06.2014</b>		<b>31.12.2013</b>	
	<b>Carrying amount</b>	<b>Fair value</b>	<b>Carrying amount</b>	<b>Fair value</b>
Non-current financial assets held to maturity	2 361 972	2 361 972	1 674 223	1 674 223
Non-current financial assets measured at fair value through profit or loss	1 976	1 976	1 860	1 860
Short-term financial assets held to maturity	53 132	53 132	38 109	38 109
Short-term financial assets measured at fair value through profit or loss	391 709	391 709	296 339	296 339
Trade and other receivables	1 536 192	(*)	977 734	(*)
Cash and cash equivalents	834 470	834 470	807 036	807 036
Bank loans, borrowings and debt securities	1 291 346	1 291 346	777 130	777 130
Finance lease liabilities	769	769	1 155	1 155
Other financial liabilities	408 923	408 923	-	-
Trade and other liabilities	723 191	(*)	552 243	(*)

(\*) The carrying amount of trade and other receivables and trade and other liabilities approximates their fair values.

The notes presented on pages 9 to 30 constitute an integral part of the condensed interim separate financial statements.

**ENEA S.A.**

Condensed interim separate financial statements for the period from 1 January to 30 June 2014.

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

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

Long-term financial assets measured at fair value through profit or loss include units in the “Pioneer” Investment Fund which can be traded on an active market, as a result of which their fair value may be determined. The fair value of the above units was measured at the market price of participation units, whereas its changes in the financial period recognized in profit or loss.

Short-term 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.

Short-term financial assets held to maturity include acquired debt instruments – bonds with the original maturity not exceeding 1 year.

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

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

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.

	<b>30.06.2014</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets measured at fair value through profit or loss</b>				
Non-derivative financial assets held for trading	393 685	-	-	393 685
<b>Total</b>	<b>393 685</b>	<b>-</b>	<b>-</b>	<b>393 685</b>

	<b>31.12.2013</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets measured at fair value through profit or loss</b>				
Non-derivative financial assets held for trading	298 199	-	-	298 199
<b>Total</b>	<b>298 199</b>	<b>-</b>	<b>-</b>	<b>298 199</b>

The notes presented on pages 9 to 30 constitute an integral part of the condensed interim separate financial statements.

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Condensed interim separate financial statements for the period from 1 January to 30 June 2014.

*(all amounts in PLN'000, unless specified otherwise)***16. Bank loans, borrowings and debt securities**

	<b>30.06.2014</b>	<b>31.12.2013</b>
<b>Long-term</b>		
Bank loans	947 959	777 130
Bonds	343 387	-
<b>Total</b>	<b>1 291 346</b>	<b>777 130</b>

**17. Other financial liabilities**

Cash management in ENEA Group is performed centrally, allowing efficient cash surplus management (economies of scale) and elimination of external financing costs. Cash management covers subsidiaries which constitute participants of Tax Capital Group (PGK ENEA) and is based on “cash management system among bank accounts” – cash pooling.

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

**18. Deferred income tax**

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

	<b>1.01.2014 – 30.06.2014</b>	<b>1.01.2013 – 31.12.2013</b>
<b>Opening balance</b>	<b>(45 544)</b>	<b>(47 795)</b>
Change recognized in profit or loss	32 277	557
Change recognized in other comprehensive income	845	1 694
<b>Closing balance</b>	<b>(12 422)</b>	<b>(45 544)</b>

During the 6-month period ended 30 June 2014, the Company’s profit before tax was debited with PLN 32,277 thousand as a result of a decrease in net deferred tax asset (during the period of 6 months ended 30 June 2013 the Company’s profit before tax was debited with PLN 18,328 thousand as a result of a decrease in net deferred tax assets).

**19. Provisions for other liabilities and charges**

Long-term and short-term provisions for other liabilities and charges:

	<b>30.06.2014</b>	<b>31.12.2013</b>
Long-term	12 425	13 333
Short-term	134 655	303 376
<b>Balance as at the reporting date</b>	<b>147 080</b>	<b>316 709</b>

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

	<b>Provision for non-contractual use of property</b>	<b>Provision for other claims</b>	<b>Provisions for certificates of origins</b>	<b>Other</b>	<b>Total</b>
<b>Balance as at 01.01.2013</b>	<b>39 406</b>	<b>4 439</b>	<b>235 754</b>	<b>9 744</b>	<b>289 343</b>
Provisions made	4 239	196	370 997	-	<b>375 432</b>
Provisions used	-	(48)	(324 155)	(3 600)	<b>(327 803)</b>
Reversal of provisions	(5 447)	(1 772)	(9 050)	(3 994)	<b>(20 263)</b>
<b>Balance as at 31.12.2013</b>	<b>38 198</b>	<b>2 815</b>	<b>273 546</b>	<b>2 150</b>	<b>316 709</b>
Provisions made	38	-	180 767	-	<b>180 805</b>
Provisions used	(7 972)	-	(333 657)	-	<b>(341 629)</b>
Reversal of provisions	(7 741)	(824)	(240)	-	<b>(8 805)</b>
<b>Balance as at 30.06.2014</b>	<b>22 523</b>	<b>1 991</b>	<b>120 416</b>	<b>2 150</b>	<b>147 080</b>

A description of material claims and contingent liabilities has been presented in note 24.2 and 24.3.

During the 6-month period ended 30 June 2014 the provisions for other liabilities and charges decreased by net amount of PLN 169,629 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 6 months ended 30 June 2013 the provisions for other liabilities and charges decreased by PLN 82,615 thousand).

**20. Dividend**

On 24 April 2014 the General Shareholders' Meeting of ENEA S.A. adopted Resolution no. 7 concerning net profit distribution for the financial period from 1 January 2013 to 31 December 2013 under which the dividend for shareholders amounts to PLN 251,622 thousand. Dividend per share amounted to PLN 0.57 (the dividend paid in 2013 for the financial period from 1 January 2012 to 31 December 2012 amounted to PLN 158,919 thousand, PLN 0.36 per share). Until the reporting date the dividend was not paid to shareholders.

**ENEA S.A.**

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*(all amounts in PLN'000, unless specified otherwise)***21. Related party transactions**

The Company concludes transactions with the following related parties:

## (i) Companies of the ENEA Group

	<b>01.01.2014 - 30.06.2014</b>	<b>01.01.2013-30.06.2013</b>
<b>Purchases, including:</b>	<b>2 019 106</b>	<b>2 005 507</b>
investment purchases	162	5 224
materials	225	327
services	768 736	845 024
other (including energy)	1 249 983	1 154 932
<b>Sales, including:</b>	<b>21 099</b>	<b>27 280</b>
energy	10 762	12 950
services	6 222	6 235
other	4 115	8 095
<b>Interest income, including:</b>	<b>43 311</b>	<b>16 901</b>
bond	43 311	16 901
<b>Dividend income</b>	<b>569 022</b>	<b>361 820</b>
	<b>30.06.2014</b>	<b>31.12.2013</b>
Receivables	606 852	18 878
Liabilities	796 155	398 289
Financial assets - bonds	2 400 081	1 712 332

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

(ii) 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:

<b>Item</b>	<b>Management Board of the Company</b>		<b>Supervisory Board of the Company</b>	
	<b>01.01.2014 - 30.06.2014</b>	<b>01.01.2013 - 30.06.2013</b>	<b>01.01.2014 - 30.06.2014</b>	<b>01.01.2013 - 30.06.2013</b>
Remuneration under managerial and consultancy agreements	5 241*	2 941	-	-
Remuneration relating to appointment of members of management or supervisory bodies	-	23	168	207
Other employee benefits (including electricity allowance)	-	33	-	-
<b>TOTAL</b>	<b>5 241</b>	<b>2 997</b>	<b>168</b>	<b>207</b>

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

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During the 6-month period ended 30 June 2014 there were no loans granted from the Company's Social Benefits Fund to the members of the Supervisory Board (during the 6-month period ended 30 June 2013 PLN 11 thousand). During this period repayments of these loans amounted to PLN 2 thousand (PLN 2 thousand during the 6-month period ended 30 June 2013).

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 cars by Members of the Management Board of ENEA S.A.

(iii) 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 whose shares are held 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 entities whose shares are held 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 record of the aggregate value of all transactions concluded with all state institutions and entities controlled by the State Treasury, the turnover and balances of transactions 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. Commitments under contracts binding as at the reporting date**

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

	<u>30.06.2014</u>	<u>31.12.2013</u>
Acquisition of property, plant and equipment	172	1358
Acquisition of intangible assets	3 160	977
	<u>3 332</u>	<u>2 335</u>

**23. Explanations of the seasonal and the cyclical nature of the Company's business**

Seasonality of electricity consumption by customers is connected with lower temperatures and shorter day in the winter months. These factors, however, have a diminishing impact on the volume of energy sales, due to very high dynamics of the energy supplier changes, especially among customers from A and B tariff groups and also

The notes presented on pages 9 to 30 constitute an integral part of the condensed interim separate financial statements.



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in the segment of customers connected to the low voltage (C and G tariff group). In the near future the process of changing the supplier will have an increasing impact on the sales in different periods of the year and the electricity consumption by customers will be less important factor of seasonality of the Company's business.

**24. Contingent liabilities and proceedings before courts, arbitration or public administration bodies****24.1. Guarantees for credit facilities and loans as well as other sureties granted by the Company**

On 25 February 2014 ENEA S.A. entered into contract of surety with Zespół Elektrowni Pątnów-Adamów-Konin S.A. Under this contract, ENEA S.A. guarantees the liabilities of its subsidiary ENEA Trading Sp. z o.o. regarding wholesale electricity trading, up to the maximum amount of PLN 12,000 thousand.

The contract was concluded based on the Framework Agreement of Sureties, providing rules of guaranting liabilities of ENEA Trading Sp. z o.o. by ENEA S.A to third parties.

On 14 April 2014 Bank PEKAO S.A. issued, based on ENEA S.A's request a bank guarantee to the Warsaw Commodity Clearing House up to the amount of PLN 50 million for the liabilities of ENEA Trading Sp. z o.o. The guarantee expires on 31 December 2014.

**24.2. Pending proceedings before courts of general jurisdiction****Actions brought by the Company**

Actions which ENEA S.A. brought to common courts of law refer to claims for receivables due to provision of electricity (the so-called electricity cases) and claims for other receivables – illegal consumption of electricity, connections to the power grid and other specialist services rendered by the Company (the so-called non-electricity cases).

As at 30 June 2014, the total of 7,750 cases brought by the Company were pending before common courts of law for the total amount of PLN 20,395 thousand (6,264 cases for the total amount of PLN 16,444 thousand as at 31 December 2013).

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

**Actions brought against the Company**

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

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As at 30 June 2014, the total of 89 cases against the Company were pending before common courts of law for the total amount of PLN 12,088 thousand (98 cases for the total amount of PLN 18,681 thousand as at 31 December 2013). The provisions related to these cases are presented in note 19.

**24.3. Arbitration proceedings****Actions brought against the Company**

As at 30 June 2014, arbitration proceedings were pending, brought by Gestamp Eolica S.A. against ENEA S.A. for payment of damages under the "Joint Development Agreement between ENEA and Gestamp Eolica" dated 25 November 2008. In a judgement of Arbitration Court dated 19 January 2012, payment of the amount of EUR 3 321 926 was adjudicated against ENEA S.A. in favour of Gestamp Eolica S.A., together with the costs of the arbitration proceedings and the costs of representation, amounting to PLN 230,000. ENEA S.A. appealed against the above mentioned judgment to the Court of Appeal in Poznań which ruled to dismiss the Company's appeal against the Arbitration Court's judgment on 18 September 2013. On 22 November 2013, the Appeals Court in Poznań dismissed ENEA S.A.'s complaint against assignment of immediate enforcement clause to an arbitration court ruling.

A cassation appeal against the judgment of the Court of Appeal in Poznań of 18 September 2013 was brought to the Supreme Court on 18 January 2014, where it was registered under the signature II CSK 102/14. The case remains unresolved as at 30 June 2014. The Company has not created any provisions regarding those proceedings.

**Actions brought by the Company**

As at 30 June 2014, arbitration proceeding was pending, brought by ENEA S.A. against Equiventus Capital S.A.R.L. for payment of damages in the amount of EUR 171,912.57 pursuant to Annex No. 1 dated 17 April 2012 to the preliminary contract of sale of all shares in Windfarm Polska Sp. z o.o. executed by the above mentioned parties on 25 November 2011. Claim was referred to the Arbitration Tribunal in Paris. On 25 April 2014 the hearing in the case against Equiventus Capital S.A.R.L. for payment of damages took place without the participation of the opposing party. The Tribunal requested ENEA S.A. to submit until 16 May 2014 a post-hearing brief together with the submission on costs. A sentence of the Tribunal is expected to be pronounced on the turn of August and September 2014.

In addition as at 30 June 2014, arbitration proceeding was pending, brought by ENEA S.A. against Equiventus Capital S.A.R.L. for payment of the amount of EUR 8,556,735.25 pursuant to the preliminary contract of sale of all shares in Windfarm Polska Sp. z o. o., which is referred to above. Pursuant to the agreement Equiventus Capital S.A.R.L. was obliged to repay all the amounts payable by Windfarm Polska Sp. z o. o. to Vestas Poland Sp. z o. o. Claim was referred to the Arbitration Tribunal in Paris. The arbitration proceeding against Equiventus Capital S.A.R.L. is now in the final stage. After the hearing, on 23 May 2014 post-hearing brief with the Submission on costs was submitted. On 6 June 2014, the Arbitral Tribunal issued a procedural order No. 6, according to which the proceeding has been closed.

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Proceedings Equiventus Capital S.A.R.L. against Windfarm Polska Sp. z o.o. ended on 13 June 2014.

As of date of preparing these financial statements, the Company is awaiting for the sentence.

**25. Bond issue programmes****25.1. Bond issue programmes of ENEA S.A.**

On 21 June 2012 ENEA S.A. (Issuer) executed a Programme Agreement with five banks acting as issue guarantors. The Agreement relates to Bond Issue Programme to the amount of PLN 4 billion ("Programme A"). The Programme A was concluded for the term of 10 years and it finishes on 15 June 2022.

The Programme will finance current operations and investment needs of the ENEA S.A. and ENEA Group's companies.

As at 31 January 2014, the Issuer signed an annex to the Programme A Agreement, which changed the Programme terms adjusting them to the current market situation.

As at 30 June 2014 under above mentioned programme agreement ENEA S.A. issued two series of bonds totaling PLN 350 million. The issue has been acquired by the guarantors in the above mentioned Programme A i.e., Bank PKO BP SA, Pekao SA, BZ WBK SA, Bank Handlowy in Warsaw and Nordea Bank Poland SA.

On 22 July 2014 ENEA S.A. issued third serie of bonds in the amount of PLN 310 million pursuant to the Programme A mentioned above. The issue has been acquired by the guarantors in the above mentioned Programme A. As at the date of these condensed interim separate financial statements ENEA S.A. issued under the Programme A bonds in the total amount of PLN 660 million.

On 15 May 2014 ENEA S.A. and Bank Gospodarstwa Krajowego have signed an agreement concerning the programme of the issue of long-term bonds in the total amount of PLN 1 billion (the "Programme Agreement"). Bank Gospodarstwa Krajowego is acting functions of Guarantor, the Issue Agent, Paying Agent and the Depository (the "Bank Guarantor"). The Programme Agreement established the conditions of bond programme between the Issuer and the Bank Guarantor (the "Programme B").

The purpose of the bond issue will be financing of current operations and investments of the Issuer and its subsidiaries. The Programme B has been concluded for a period of 12 years and 7 months and ends on 15 December 2026, while the period of availability of the Programme B, in which the bond issue will be carried out ends on 15 December 2016. Programme Agreement provides possibility of bond issue in many series, the nominal value of each series will not be less than PLN 100 million and the nominal value of one bond will be PLN 1 million. Bonds will be registered and dematerialized. Under the Programme B Issuer shall be entitled to issue bonds with a total amount not exceeding the amount of the Programme B, i.e. PLN 1 billion. The interest rate on the bonds will be variable and determined annually based on WIBOR 6M rate plus a fixed margin. The bonds shall bear interest from the date of issue (inclusive) until redemption (excluding that date).

On 30 June 2014 the agreement between the Company and ING Bank Śląski S.A., Bank Pekao S.A., Poland, the Powszechna Kasa Oszczędności Bank Polski S.A. and mBank S.A. (collectively, the "Banks") concerning the bond issue programme of ENEA S.A. ("Programme C"), the maximum amount of

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The notes presented on pages 9 to 30 constitute an integral part of the condensed interim separate financial statements.

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PLN 5 billion (the "Agreement") has been signed, and these banks became dealers of bonds. The function of the calculation agent, paying agent and depositary will be performed by ING Bank Śląski S.A. Other banks beyond the role of dealers will act as sub-agents for payments and sub-depositaries. In addition, Powszechna Kasa Oszczędności Bank Polski S.A. will act the role of technical agent for the Programme C.

Bonds issued under the Programme C will be dematerialized, discount or coupon and unsecured. The nominal amount of one bond and the amount of the series will be determined in terms of each tranche. The interest rate or discount rate will be determined individually for each tranche in the process of offering bonds to investors. The maturity of bonds can range from 1 month to 10 years. Pursuant to the Agreement, the bonds will be able to be dematerialized in Krajowy Depozyt Papierów Wartościowych S.A. (KDPW), and then they can be marketed in the alternative trading system in the context of the markets operated by BondSpot or the Warsaw Stock Exchange S.A.

**25.2. Bond issue programmes of ENEA Wytwarzanie S.A.**

As described more in detail in the separate financial statements for the year ended 31 December 2013, on 16 July 2013 ENEA S.A. concluded with ENEA Wytwarzanie S.A. and BRE Bank S.A. an Agreement on the Bond Issue Programme for PLN 746 million.

On 17 January 2014 Annex No 1 to the Agreement on the Bond Issue Programme for PLN 746 million was concluded. The above mentioned Annex increased the amount of the Bond Issue Programme by PLN 190 million i.e. up to the amount of PLN 936 million.

As at 22 January 2014 ENEA S.A. has acquired the fifth series bonds issued under the Bond Issue Programme for the total amount of PLN 190 million.

As at 30 June 2014 and till the date of these condensed interim separate financial statements, ENEA S.A. has acquired under the above mentioned Programme five series of bonds amounting to PLN 936 million.

On 8 September 2012 ENEA S.A. executed a Programme Agreement with ENEA Wytwarzanie S.A. and BRE Bank S.A. (Bank). The Agreement relates to Bond Issue Programme up to the amount of PLN 4 bln (the "Agreement").

As at 30 June 2014 ENEA S.A. has acquired two series bonds for the total amount of PLN 350 million issued under the Programme Agreement dated 8 September 2012 by ENEA Wytwarzanie S.A.

On 22 July 2014 ENEA Wytwarzanie S.A. issued third serie of bonds in amount of PLN 310 million pursuant to the Programme mentioned above. The issue has been acquired by ENEA S.A.

As at the date of these condensed interim separate financial statements ENEA Wytwarzanie S.A. issued under this Programme bonds in total amount of PLN 660 milion.

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**25.3. Bond issue programme of ENEA Operator Sp. z o.o.**

As described more in detail in the separate financial statements for the year ended 31 December 2013, on 20 June 2013 ENEA S.A. executed a Programme Agreement with ENEA Operator Sp. z o.o and Nordea Bank Polska S.A. The Programme Agreement relates to Bond Issue Programme up to the amount of PLN 1,425 million (Agreement).

On 22 January 2014 ENEA S.A. acquired second series bonds for a total amount of PLN 170 million issued under the Agreement.

As at 30 June 2014 and till the date of these condensed interim separate financial statements, ENEA S.A. has acquired under the above mentioned Agreement two series of bonds amounting to PLN 950 million.

**26. Signing of the Loan Agreement with European Investment Bank**

As described more in detail in the separate financial statements for the year ended 31 December 2013, on 18 October 2012 ENEA S.A. executed a Bank Loan Agreement with European Investment Bank for the amount of PLN 950 million or its equivalent in Euro currency. On 19 June 2013 ENEA S.A. executed a Financial Agreement with European Investment Bank for the amount of PLN 475 million or its equivalent in Euro currency. Therefore the total amount of financing granted by the Bank over the last twelve months amounted to PLN 1,425 million.

On 21 January 2014 ENEA S.A. received the second tranche of the loan from European Investment Bank in the amount of PLN 170 million.

As at 30 June 2014 and till the date of these condensed interim separate financial statements, under the agreement with European Investment Bank ENEA S.A. received funds in the amount of PLN 950 million.

**27. 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.

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The notes presented on pages 9 to 30 constitute an integral part of the condensed interim separate financial statements.

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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.

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 including appendices.

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

On 28 January the Council of Ministers adopted the Polish Nuclear Power Programme, that was the one of conditions precedent the conclusion of Share Purchase Agreement. Currently the only condition precedent conclusion the Share Purchase Agreement is to obtain the unconditional approval of the President of the Office for Competition and Consumer Protection for the concentration.

As at the date of these condensed interim separate financial statements all Parties obtained corporate approvals for conclusion of the Agreement of Shareholders.

**28. Changes in the composition of the Supervisory Board of ENEA S.A.**

On 22 January 2014 Mr Torbjörn Wahlborg resigned from the position of the Member of Supervisory Board. The resignation was submitted together with the notice of sale of the Company's shares by Vattenfall AB.

**29. Share-based payments reserve**

The Employees Shares Programme implemented based on the Act of 30 August 1996 *The Commercialization and Privatization Act*, resulting in granting 15% of ENEA S.A. shares to entitled employees was executed and

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completed in prior years. Pursuant to the completion of the Programme, the share-based payments reserve amounted to PLN 1,144 thousand as at 31 December 2013 has been finally settled and reclassified to retained earnings as at 30 June 2014.

**30. Subsequent events**

On 1 July 2014 an agreement of corporate guarantee was concluded between the ENEA S.A. and the Municipality of Białystok up to the amount of PLN 50,000 thousand. Under the agreement, ENEA S.A. undertakes, in the event of default by ENEA Wytwarzanie S.A., obligation to pay to the Municipality of Białystok the selling price of the shares for which the Municipality of Białystok accepted an offer to purchase from ENEA Wytwarzanie S.A.

On 10 July 2014 on the request of ENEA S.A. the PKO BP S.A. issued the annex to the bank guarantee dated 19 November 2013, lowering the amount of security for the IRGIT S.A. (Warsaw Commodity Clearing House) transaction security deposit provided by ENEA Trading Sp. z o.o. from PLN 230,000 thousand to PLN 50,000 thousand.

On 21 July 2014 an Annex No. 3 to the guarantee agreement dated 21 July 2011 between ENEA S.A. and Warsaw Commodity Clearing House S.A., in the amount of PLN 50,000 thousand was concluded. The above mentioned Annex extended the duration of the guarantee period until 1 August 2017. As part of the agreement, ENEA S.A. vouch for any liabilities incurred by the ENEA Trading Sp. z o.o. to Warsaw Commodity Clearing House in connection with its membership in the Stock Exchange Clearing House.

At the same time, ENEA S.A. announces that the Company is in the course of the conclusion of the contract of guarantee between ENEA S.A. and the National Fund for Environmental Protection and Water Management to the amount of PLN 11,806 thousand under which ENEA S.A. undertakes to repay the obligations of the Miejska Energetyka Ciepła Piła Sp. z o.o. associated with funding by the National Fund for Environmental Protection and Water Management the project being developed by the Miejska Energetyka Ciepła Piła Sp. z o.o.