

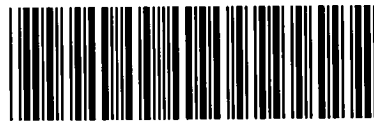
INTERNATIONAL POWER AUSTRALIA HOLDINGS (1) LIMITED

Company No: 04790836

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2016

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Strategic report

The Directors present the Strategic report of International Power Australia Holdings (1) Limited (the Company) for the year ended 31 December 2016.

Principal activities

The company is an investment holding company.

Business review and KPI's

The results of the Company are as follows:

	Year ended 31 December 2016 A\$'000	Year ended 31 December 2015 A\$'000
Loss for the financial year	(1,018)	(208,933)

As shown in the income statement on page 8, the loss for the year ended 31 December 2016 has decreased in comparison to the prior year due to the impairment of investments in subsidiaries with investments in Hazelwood Power Partnership of A\$207,881,000 in 2015.

The statement of financial position on page 9 of the financial statements shows the Company's financial position at the end of the current and preceding financial year. The net assets have decreased from \$164,133,000 reported at 31 December 2015 to \$163,115,000 as at 31 December 2016.

The Directors do not monitor the performance of the Company through the use of key performance indicators (KPIs). The ENGIE group manages its business and measures the delivery of its strategic objectives through the application of KPIs at both an ENGIE division and group level.

Principal risks and uncertainties*Investments in group undertakings*

The Company holds a number of investments in subsidiary companies. Although the Directors are satisfied that the recoverable amount of the Company's investments is not less than its book value, there is a risk that in future periods the book value may become impaired.

On 31 March 2017, the Hazelwood power generation business ceased operations. The Group is now focused on the closure and remediation phase of the Hazelwood business.

Interest rate risk

The Company has interest-bearing liabilities which are primarily loans owed to ENGIE group undertakings. As at 31 December 2016 interest-bearing liabilities with a carrying value of A\$30,955,000 (2015: A\$29,932,000) accrued interest at floating rates plus a margin. Although the rates of interest are variable and create volatility in earnings from period to period, the Directors have assessed this exposure as acceptable.

Going concern

The directors are satisfied that the Company has adequate resources to continue to operate for the foreseeable future. Accordingly, the directors continue to adopt the 'going concern' basis for the preparation of the financial statements.

Strategic report (continued)

Employees

The Company had no employees (2015: none) and incurred no related costs during the financial year (2015: A\$nil).

Events after the end of the reporting period and future developments

On 31 March 2017, the Hazelwood power generation business ceased operations. The Group is now focused on the closure and remediation phase of the Hazelwood business.

On 29 March 2017, the Company announced that the Pelican Point power station would return to its full available capacity of 479 MW. From 1 July 2017, both of the plant's gas-fired turbines will be operational and available to help meet South Australia's energy demand, when required.

Pelican Point Power Limited has secured gas supply and signed electricity offtake agreements with a number of customers to help underpin the operation of the capacity of the station's previously-mothballed second generation unit, subject to future market demands.

On 19 May 2017, the Company settled \$234,318 of loans payable to National Power Australia Investments Ltd (an ENGIE group undertaking) (see note 8) via assignment of intercompany receivables.

There are no other matters or circumstances occurring subsequent to the end of the financial year that have significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

The company has no significant future developments to report.

By order of the Board



L Kim
Company Secretary
21 June 2017

Directors' report

The Directors present their annual report and audited financial statements of International Power Australia Holdings (1) Limited for the year ended 31 December 2016.

Information disclosed in the Strategic report

The following information has been disclosed in the Strategic report and forms part of this report by cross-reference:

- Principal activities
- Business review
- Principal risks and uncertainties
- Employees
- Events after the end of the reporting period and future developments

Financial risk management objectives and policies

Please refer to the Strategic report where these have been disclosed.

Going concern

The directors are satisfied that the Company has adequate resources to continue to operate for the foreseeable future. Accordingly, the directors continue to adopt the 'going concern' basis for the preparation of the financial statements.

Directors

The Directors who held office during the financial year and to the date of this report were as follows:

<i>Name</i>	<i>Position held in the Company</i>
A J Keisser	Chairman
M Omura	Director

Political donations

The Company did not make any political donations during the year (2015: A\$nil).

Share capital

The Company's share capital comprises 254 ordinary shares of A\$1.00 each (2015: 254 ordinary shares of A\$1.00 each) which rank pari passu with each other in respect of all rights, including dividends, voting and return of capital.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Directors' report (continued)

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

Directors and officers liability insurance

ENGIE S.A. has implemented global insurance arrangements covering the Company's directors and officers against legal liabilities that arise from their position as directors or officers of the Company.

In addition, a local policy has been procured for International Power (Australia) Holdings Pty Ltd and its subsidiaries which cover the Company's directors and officers against similar liabilities.

The terms of the contracts of insurance prohibit the disclosure of the nature of the liabilities insured against and the amount of the premium.

Dividends

The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2016 (2015: A\$nil).

Auditor

Deloitte LLP was appointed as the Company's statutory auditor for the year ended 31 December 2016.

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

By order of the Board



M Omura
Director
21 June 2017

Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 *Reduced Disclosure Framework*.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of International Power Australia Holdings (1) Limited

We have audited the financial statements of International Power Australia Holdings (1) Limited for the year ended 31 December 2016 which comprise the Income statement, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:


- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.


Makhan Chahal (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
21 June 2017

INTERNATIONAL POWER AUSTRALIA HOLDINGS (1) LIMITED

Company No: 04790836

**Income statement
for the year ended 31 December 2016**

		Year ended 31 December 2016 A\$'000	Year ended 31 December 2015 A\$'000
	Note		
Amounts written off investments	6	-	(207,881)
Loss before interest and tax		-	(207,881)
Interest payable and similar expenses	4	(1,018)	(1,052)
Loss before taxation		(1,018)	(208,933)
Tax credit on loss	5	-	-
Loss for the financial year		(1,018)	(208,993)

All results are from continuing operations.

There is no other comprehensive income attributable to the shareholder of the Company (2015: nil).

The notes on pages 12 to 21 form part of these financial statements.

INTERNATIONAL POWER AUSTRALIA HOLDINGS (1) LIMITED


Company No: 04790836

**Statement of financial position
as at 31 December 2016**

		As at 31 December 2016 A\$'000	As at 31 December 2015 A\$'000
Fixed assets			
Investments	6	194,000	194,000
Current assets			
Debtors	7	234	234
Total assets less current liabilities		194,234	194,234
Creditors: amounts falling due after more than one year	8	(31,119)	(30,101)
Net assets		163,115	164,133
Capital and reserves			
Called-up share capital	9	-	-
Share premium account		873,731	873,731
Retained loss		(710,616)	(709,598)
Equity shareholder's funds		163,115	164,133

The notes on pages 12 to 21 form part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 21 June 2017 and signed on its behalf by:



**A Keisser
Director**

INTERNATIONAL POWER AUSTRALIA HOLDINGS (1) LIMITED

Company No: 04790836

**Statement of changes in equity
for the year ended 31 December 2016**

	Called up share capital A\$'000	Share premium account A\$'000	Retained loss A\$'000	Total A\$'000
Equity shareholder's funds at 1 January 2015	-	873,731	(500,665)	373,066
Loss for the financial year	-	-	(208,933)	(208,933)
Equity shareholder's funds at 31 December 2015	-	873,731	(709,598)	164,133
Loss for the financial year	-	-	(1,018)	(1,018)
Equity shareholder's funds at 31 December 2016	-	873,731	(710,616)	163,115

The notes on pages 12 to 21 form part of these financial statements.

INTERNATIONAL POWER AUSTRALIA HOLDINGS (1) LIMITED**Company No: 04790836****Statement of cash flows
for the year ended 31 December 2016**

	Year Ended 31 December 2016 A\$'000	Year Ended 31 December 2015 A\$'000
Cash flows from operating activities	-	-
Net cash flow from operating activities	-	-
Cash flows from investing activities	-	-
Net cash flow from investing activities	-	-
Cash flows from financing activities	-	-
Net cash flow from financing activities	-	-
Net increase/(decrease) in cash held	-	-
Cash and cash equivalents at 1 January	-	-
Cash and cash equivalents at 31 December	-	-

Note: The Company does not operate banking facilities.

The notes on pages 12 to 21 form part of these financial statements.

Notes to the financial statements
for the year ended 31 December 2016

General information

International Power Australia Holdings (1) Limited (the Company) is a private limited company incorporated in England and Wales and domiciled in Australia. The Company is limited by shares. The Company is limited by shares. The address of its registered office is Level 20, 25 Canada Square, London E14 5LQ, United Kingdom. The nature of the Company's operations and its principal activities are set out in the Strategic report on pages 2 to 3.

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

(a) Basis of preparation

The Company meets the definition of a qualifying entity under FRS (Financial Reporting Standard) 100 issued by the Financial Reporting Council. Accordingly, the financial statements have been prepared in accordance with FRS 101 *Reduced Disclosure Framework* and in accordance with applicable accounting standards. These financial statements have also been prepared on the going concern basis, and under the historical cost convention.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to:

- (a) Financial instruments as required by IFRS 7 *Financial Instruments, Disclosures*;
- (b) the requirement in paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of paragraph 79(a)(iv) of IAS 1 (a reconciliation of the number of shares outstanding at the beginning and at the end of the period);
- (c) the following paragraphs of IAS 1:
 - i. 16 (the requirement to make an explicit and unreserved statement of compliance with IFRSs),
 - ii. 38B-D (the requirement to disclose comparative information for narrative disclosures information going beyond the requirements of IFRSs additional comparative information),
 - iii. 40A-D (the requirement to present a third statement of financial position), and
 - iv. 134 to 136 (the requirement to disclose the entity's objectives, policies and processes for managing capital);
- (d) the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* to disclose when an entity has not applied a new IFRS that has been issued but is not yet effective;
- (e) the requirements of paragraph 17 and 18A of IAS 24 *Related Party Disclosures* to disclose key management personnel compensation; and
- (f) the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Where relevant, equivalent disclosures have been given in the group accounts of ENGIE S.A.. The group accounts of ENGIE S.A. are available to the public and can be obtained as set out in note 11.

The Company is a wholly owned subsidiary of International Power Australia Holdings Limited and of its ultimate parent, ENGIE S.A. It is included in the consolidated financial statements of ENGIE S.A. which are publicly available. Therefore, under Section 400 of the Companies Act 2006 and paragraph 4(a) of IFRS 10 *Consolidated Financial Statements*, the Company is exempt from the requirement to prepare consolidated financial statements. Consequently, these financial statements present information about the Company as an individual undertaking and not its group.

**Notes to the financial statements
for the year ended 31 December 2016 (continued)**

The Company's functional currency is Australian dollars. The financial statements of the Company are presented in Australian dollars and are rounded to the nearest thousand Australian dollars.

New standards, interpretations and amendments adopted by the Company

The Company has not early adopted any standard, interpretations or amendment that has been issued but is not for an accounting period that begins on or after 1 January 2016.

The Company has applied a number of amendments to IFRSs and new Interpretations issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2016. These comprise:

- Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation,
- Amendments to IAS 1 Disclosure Initiative,
- Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception, and
- The Annual Improvements 2012-2014 cycle.

Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

(b) Foreign currencies

Foreign currency transactions are recorded in the functional currency at the exchange rates prevailing on the dates of the transactions. At each reporting date:

- Monetary assets and liabilities denominated in foreign currencies are translated at year end exchange rates. The related translation gains and losses are recorded in the income statement for the year to which they relate; and
- Non-monetary assets and liabilities denominated in foreign currencies are recognised at the historical cost applicable at the date of the transaction.

(c) Dividend income

Dividend income is recognised in the profit and loss account when the Company's rights to receive payment is established.

(d) Interest expense

Interest expense is accrued on a time basis; by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount.

Notes to the financial statements
for the year ended 31 December 2016 (continued)

(e) Taxation

Tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

In accordance with IAS 12 *Income Taxes*, deferred taxes are recognised according to the liability method on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their tax bases, using tax rates that have been enacted or substantively enacted by the reporting date. However, no deferred taxes are recognised for temporary differences arising from the initial recognition of an asset or liability in a transaction which, at the time of the transaction, affects neither accounting income nor taxable income. In addition, deferred tax assets are only recognised to the extent that it is probable that taxable income will be available against which the deductible temporary difference can be utilised.

Deferred taxes are reviewed at each reporting date to take into account factors including the impact of changes in tax laws and the prospects of recovering deferred tax assets arising from deductible temporary differences.

Deferred tax assets and liabilities are not discounted.

(f) Fixed asset investments

Fixed asset investments are stated at cost less provision for any impairment. At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of the asset's recoverable amount (greater of fair value less costs to sell and value in use). Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

(g) Financial Instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

Financial assets of the Company comprise loans and receivables carried at amortised cost including trade and other debtors, and financial assets measured at fair value through profit or loss, including derivative financial instruments. The Company determines the classification of its financial assets at initial recognition.

Loans and receivables at amortised cost

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These items primarily include amounts owed by ENGIE group undertakings, and trade and other debtors.

On initial recognition, loans and receivables are recorded at fair value plus transaction costs. At each reporting date, they are measured at amortised cost using the effective interest method.

On initial recognition, trade and other debtors are recorded at fair value, which generally corresponds to their nominal value.

Impairment losses are recognised based on the estimated risk of non-recovery.

Notes to the financial statements
for the year ended 31 December 2016 (continued)

Financial liabilities

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

Financial liabilities include borrowings, amounts owed to ENGIE group undertakings, trade and other creditors, derivative financial instruments and other financial liabilities.

All financial liabilities are recognised initially at fair value, and in the case of loans and borrowings net of directly attributable transaction costs. These costs are taken into account when calculating the effective interest rate and are therefore recorded in the income statement over the life of the borrowings using the amortised cost method.

(h) Critical accounting estimates and judgements

The preparation of the financial statements in conformity with FRS 101 requires the use of estimates and judgements to determine the value of assets and liabilities, and contingent assets and liabilities at the balance sheet date, as well as income and expenses reported during the period.

The Company regularly revises its estimates and judgements in light of currently available information because of uncertainties inherent in the estimation process. Final outcomes could differ from those estimates and judgements.

The key estimates and judgements used in preparing the Company's financial statements predominately relate to:

- the recoverable amount of investments
- going concern

Recoverable amount of investments

Determining whether the Company's investments in its subsidiaries have been impaired requires estimation of the investments' value in use. The value in use calculations requires the entity to estimate the future cash flows expected to be generated from the investees and a suitable discount rate in order to calculate present values. The carrying amount of the investments at the reporting date was A\$194,000,000. No impairment loss was recognised during the year.

Going concern

The directors are satisfied that the Company has adequate resources to continue to operate for the foreseeable future. Accordingly, the directors continue to adopt the 'going concern' basis for the preparation of the financial statements.

INTERNATIONAL POWER AUSTRALIA HOLDINGS (1) LIMITED

Company No: 04790836

**Notes to the financial statements
for the year ended 31 December 2016 (continued)****2. Directors' and employees' remuneration**

The Directors did not receive any fees or emoluments from the Company during the year (2015: A\$nil) directly attributable to their position within the Company. There exist no qualifying services from Directors attributable to the company and Director fees are paid by other entities in their management of the group as a whole (of which nil is applicable to this entity).

The Company had no employees during the financial year (2015: none).

3. Auditor's remuneration

The auditor's remuneration in respect of the statutory audit for the year ended 31 December 2016 and 31 December 2015 was borne by International Power (Australia) Pty Ltd.

The auditor's remuneration was as follows:

	Year ended 31 December 2016 A\$000	Year ended 31 December 2015 A\$000
Auditor's remuneration for the year	8	8

4. Interest payable and similar expenses

	Year ended 31 December 2016 A\$'000	Year ended 31 December 2015 A\$'000
Interest payable to ENGIE group undertakings	1,018	1,052

ENGIE group undertakings are subsidiaries of ENGIE S.A.

INTERNATIONAL POWER AUSTRALIA HOLDINGS (1) LIMITED

Company No: 04790836

**Notes to the financial statements
for the year ended 31 December 2016 (continued)****5. Tax credit on loss.**

Reconciliation of the total tax credit	Year ended 31 December 2016 A\$'000	Year ended 31 December 2015 A\$'000
Loss before taxation	(1,018)	(208,933)
Current tax credit at 30% (2015: 30%)	305	62,680
Permanent difference for impairment of investments	-	(62,364)
De-recognition of Australian income tax asset	(305)	(316)
Total tax	-	-

De-recognition of Australian income tax asset relates to the contractual agreement for all Australian tax credits and charges recognised by International Power Australia Holdings (1) Limited to be settled within the group with no consideration due.

6. Investments

At 31 December 2016 and 31 December 2015, the Company had the following directly held investments:

Name		Address of registered office and business address	Type of share	Ownership
International Power (Australia) Pty Limited	R,B	Level 33, Rialto South Tower, 525 Collins Street, Melbourne, Victoria 3000 Australia.	Ordinary shares	100%
International Power (Energy) Pty Limited	R,B	Level 33, Rialto South Tower, 525 Collins Street, Melbourne, Victoria 3000 Australia.	Ordinary shares	100%
International Power Australia Funding (2)	R	Level 20, 25 Canada Square, London E14 5LQ, United Kingdom.	Ordinary shares	100%
	B	Level 33, Rialto South Tower, 525 Collins Street, Melbourne, Victoria 3000 Australia.		
National Power Australia Investments Limited	R	Level 20, 25 Canada Square, London E14 5LQ, United Kingdom.	Ordinary shares	100%
	B	Level 33, Rialto South Tower, 525 Collins Street, Melbourne, Victoria 3000 Australia.		

R: Registered office B: Business address

INTERNATIONAL POWER AUSTRALIA HOLDINGS (1) LIMITED
Company No: 04790836
**Notes to the financial statements
for the year ended 31 December 2016 (continued)**
6. Investments (continued)

At 31 December 2016 and 31 December 2015, the Company had the following indirectly held investments:

Name	Address of registered office and business address	Class of shares held	Proportion held
<i>Subsidiary undertakings</i>			
ANP SEA Gas Holdings Pty Ltd*	R,B Level 33, Rialto South Tower, 525 Collins Street, Melbourne, Victoria 3000 Australia.	Ordinary Shares	100%
Canunda Power Holdings Pty Limited	R,B Level 33, Rialto South Tower, 525 Collins Street, Melbourne, Victoria 3000 Australia.	Ordinary Shares	100%
Canunda Power Pty Ltd	R,B Level 33, Rialto South Tower, 525 Collins Street, Melbourne, Victoria 3000 Australia.	Ordinary Shares	100%
Hazelwood Pacific Pty Ltd	R,B Level 33, Rialto South Tower, 525 Collins Street, Melbourne, Victoria 3000 Australia.	Ordinary Shares	100%
Hazelwood Power Corporation Pty Ltd	R,B Level 33, Rialto South Tower, 525 Collins Street, Melbourne, Victoria 3000 Australia.	Ordinary Shares	91.84%
Hazelwood Power Partnership	R,B Level 33, Rialto South Tower, 525 Collins Street, Melbourne, Victoria 3000 Australia.	Partnership Capital	91.84%
IPA FIFL Pty Limited	R,B Level 33, Rialto South Tower, 525 Collins Street, Melbourne, Victoria 3000 Australia.	Ordinary Shares	100%
Synergen Power Pty Limited	R,B Level 33, Rialto South Tower, 525 Collins Street, Melbourne, Victoria 3000 Australia.	Ordinary Shares	100%
Hazelwood Holdings Inc	R Uglund House, P.O. Box 309 George Town Grand Cayman Cayman Islands British West Indies	Ordinary Shares	100%
	B Level 33, Rialto South Tower, 525 Collins Street, Melbourne, Victoria 3000 Australia.		
PacifiCorp Global Inc	R Uglund House, P.O. Box 309 George Town Grand Cayman Cayman Islands British West Indies	Ordinary Shares	100%
	B Level 33, Rialto South Tower, 525 Collins Street, Melbourne, Victoria 3000 Australia.		
Pelican Point Power Limited	R Level 20, 25 Canada Square, London E14 5LQ, United Kingdom	Ordinary Shares	100%
	B Pelican Point Road, Outer Harbor, North Haven, South Australia 5018, Australia		
Australian Power Investments B.V.	R,B Level 33, Rialto South Tower, 525 Collins Street, Melbourne, Victoria 3000 Australia.	Ordinary Shares	100%
Australian Power Partners B.V.	R,B Level 33, Rialto South Tower, 525 Collins Street, Melbourne, Victoria 3000 Australia.	Ordinary Shares	100%
European Power Holdings BV	R,B Level 33, Rialto South Tower, 525 Collins Street, Melbourne, Victoria 3000 Australia.	Ordinary Shares	100%

R: Registered office B: Business address

* ANP SEA gas Holdings Pty Ltd was deregistered on 31 May 2017.

INTERNATIONAL POWER AUSTRALIA HOLDINGS (1) LIMITED

Company No: 04790836

**Notes to the financial statements
for the year ended 31 December 2016 (continued)****6. Investments (continued)**

	Subsidiary undertakings A\$'000
Cost	
At 31 December 2015 and at 31 December 2016	<u>506,600</u>
Impairment	
At 31 December 2015	(312,600)
Impairment loss	<u>-</u>
At 31 December 2016	<u>(312,600)</u>
Net book value	
At 31 December 2016	<u>194,000</u>
At 31 December 2015	<u>194,000</u>

On 3 November 2016, ENGIE in Australia announced that the Hazelwood power generation business would close at the end of March 2017.

As at 31 December 2016, the Directors are of the opinion that the recoverable amount of the investment is not less than its book value.

7. Debtors

	31 December 2016 A\$'000	31 December 2015 A\$'000
UK Corporation tax receivable from ENGIE group undertakings	<u>234</u>	<u>234</u>

8. Creditors: amounts falling due after more than one year

	31 December 2016 A\$'000	31 December 2015 A\$'000
Amounts owed to ENGIE group undertakings - interest	164	169
Amounts owed to ENGIE group undertakings - loans	<u>30,955</u>	<u>29,932</u>
	<u>31,119</u>	<u>30,101</u>

ENGIE group undertakings are subsidiaries of ENGIE S.A.

Amounts owed to ENGIE group undertakings - loans are unsecured, subject to floating rates of interest plus a margin and are repayable on 1 October 2018.

Notes to the financial statements
for the year ended 31 December 2016 (continued)

9. Called-up share capital

	31 December 2016 A\$'000	31 December 2015 A\$'000
Issued and called-up share capital		
254 ordinary shares of A\$1.00 each		

The share capital represents the Ordinary Shares in the Company issued at par which carry a right to participate in the distribution of dividends or capital of the Company.

Ordinary shares rank equally between each other with regard to voting rights, the right to receive dividends and also in a distribution of assets on the winding up of the Company.

10. Related party disclosure

As at 31 December 2016 and 31 December 2015, the Company and its parent, International Power Australia Holdings Limited, were wholly owned subsidiaries of International Power (Australia) Holdings Pty Limited. The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 and has therefore not disclosed transactions with wholly owned subsidiaries of International Power (Australia) Holdings Pty Ltd. There are no transactions with related parties that are not wholly owned by International Power (Australia) Holdings Pty Ltd.

The balances outstanding with related parties are as follows:

	31 December 2016 A\$'000	31 December 2015 A\$'000
Amounts owed to related parties		
Subsidiary	31,119	30,101

Loans between related parties are made on an arm's length basis.

11. Controlling party and ultimate parent undertaking

The Company's immediate parent undertaking is International Power Australia Holdings Limited, the registered address of which is Level 20, 25 Canada Square, London E14 5LQ, United Kingdom.

The Directors consider the Company's ultimate parent undertaking and controlling party to be ENGIE S.A. which was incorporated in France and is headquartered in Paris, France and which is the parent undertaking of the largest group in which the results of the Company are consolidated for the year ended 31 December 2016 and the year ended 31 December 2015. The consolidated financial statements of ENGIE S.A. may be obtained from its registered office at 1 Place Samuel de Champlain, 92400 Courbevoie, Paris, France.

The smallest group in which the results of the Company were consolidated for the year ended 31 December 2016 and the year ended 31 December 2015 was that headed by International Power (Australia) Holdings Pty Ltd incorporated in Australia. The consolidated financial statements of International Power (Australia) Holdings Pty Ltd may be obtained by calling or writing to Level 33, Rialto South Tower, 525 Collins Street, Melbourne, Victoria 3000, Australia.

12. Subsequent events

On 31 March 2017, the Hazelwood power generation business ceased operations. The Group is now focused on the closure and remediation phase of the Hazelwood business.

On 29 March 2017, the Company announced that the Pelican Point power station would return to its full available capacity of 479 MW. From 1 July 2017, both of the plant's gas-fired turbines will be operational and available to help meet South Australia's energy demand, when required.

Pelican Point Power Limited has secured gas supply and signed electricity offtake agreements with a number of customers to help underpin the operation of the capacity of the station's previously-mothballed second generation unit, subject to future market demands.

On 19 May 2017, the Company settled \$234,318 of loans payable to National Power Australia Investments Ltd (an ENGIE group undertaking) (see note 8) via assignment of intercompany receivables.

There are no other matters or circumstances occurring subsequent to the end of the financial year that have significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.