

IP MAESTRALE ENERGY ITALY 1 LLP

Registration No. OC311121

FINANCIAL STATEMENTS

For the year ended 31 December 2010



IP MAESTRALE ENERGY ITALY I LLP

Members' report

The Members present their annual report and audited financial statements of the Limited Liability Partnership (the "Partnership") for the year ended 31 December 2010

Principal activities

The principal activity of the Partnership is the generation and sale of electricity in Italy. The average number of Members for the year was two. The Partnership has a branch in Italy.

Business review

During the year ended 31 December 2010, the results for the year and the financial position at the year end were considered satisfactory by the Members who expect continued growth in the foreseeable future.

As shown in the profit and loss account on page 5 of the financial statements, the Partnership made a profit for the year ended 31 December 2010 of €729,000 (2009: €1,465,000). The balance sheet on page 6 of the financial statements shows the Partnership's financial position at the year end. The Members' interests decreased from €20,401,000 to €20,006,000 at 31 December 2010.

Principal risks and uncertainties

Operating risk - The Partnership is subject to typical risks affecting wind farms. These include wind variability risk and operating risk via its operating and maintenance contracts. The Partnership is also required to comply with legal and regulatory requirements. These may be subject to changes, which could have a significant impact on the cash generation of the business since it operates in a regulatory framework.

Interest rate risk - The Partnership has both interest-bearing assets and interest-bearing liabilities. Interest-bearing assets include cash at bank which earns interest at a floating rate. Interest-bearing liabilities include an on-loan facility from group undertakings. The rate of interest on the loan is based on an applicable interest rate set out in the facility agreement.

Designated Members

The Designated Members of the Partnership during the year and subsequently were as follows:

IP Maestrale (MEI 1-14-1) (UK) Limited
IP Maestrale (MEI 1-14-2) (UK) Limited

Allocation of profit

The profit for the year remains unallocated to Members.

Post balance sheet event

With effect from 3 February 2011, following the acquisition of International Power plc by GDF SUEZ S.A. on that date, the Members consider the Partnership's ultimate holding company to be GDF SUEZ S.A. which was incorporated in France and is headquartered in Paris, France.

On 28 March 2011 Legislative Decree no 28 was officially published in the Italian Government Gazette and thus became law with effect from 29 March 2011. This new legislation indicates many changes to the existing regulatory regime in Italy, including a reduction in the level at which the regulator would support the green certificate price received by existing capacity and a reduction in the incentives derived from refitting wind turbines.

The Members have considered the impact of this legislation and are satisfied that the going concern basis remains appropriate.

IP MAESTRALE ENERGY ITALY 1 LLP

Members' report (continued)

Members' drawings

Each Member shall be entitled to receive distributions of profits when they are declared by the Board. Such distributions shall be in proportion to each Member's interest on the day on which the particular distribution takes place.

There were no transfers of Members' interests from capital to debt during the year or up to the date of signature of the accounts.

Members' and officers' liability insurance

During the year ended 31 December 2010, the Partnership's ultimate parent undertaking, International Power plc, maintained insurance for the Members' Directors to indemnify them against certain liabilities which they may incur in their capacity as Members or officers of the Partnership, including liabilities in respect of which the Partnership itself is unable to provide an indemnity.

Employees

Details of the number of employees and related costs can be found in note 3 to the financial statements.

Charitable and political donations

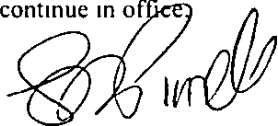
The Partnership did not make any political or charitable donations during the year (2009: €nil).

Disclosure of information to auditors

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

Auditors

Pursuant to section 487 of The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office.



S D Pinnell

On behalf of IP Maestrale (MEI 1-14-1) (UK) Limited and IP Maestrale (MEI 1-14-2) (UK) Limited

20 June 2011

IP MAESTRALE ENERGY ITALY 1 LLP

Statement of Members' responsibilities in respect of the Members' report and the financial statements

The Members are responsible for preparing the Members' report and the financial statements in accordance with applicable law and regulations

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the Members to prepare financial statements for each financial year. Under that law the Members have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under Regulation 8 of the Limited Liability Partnerships (Accounting and Audit) (Application of Companies Act 2006) Regulations 2008 the Members 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 LLP and of the profit and loss of the LLP for that period

In preparing these financial statements, the Members are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK 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 LLP will continue in business

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the Members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities

Independent auditor's report to the Members of IP Maestrale Energy Italy 1 LLP

We have audited the financial statements of IP Maestrale Energy Italy 1 LLP for the year ended 31 December 2010 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Members of the limited liability partnership (LLP), as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's Members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Members and auditors

As explained more fully in the Members' Responsibilities Statement set out on page 3, the Members 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 relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view, of the state of affairs of the LLP as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

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 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit, or
- the Members were not entitled to prepare financial statements in accordance with the small limited liability partnerships' regime.



Richard Gorsuch (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square, Canary Wharf,
London
E14 5GL

20 June 2011

IP MAESTRALE ENERGY ITALY 1 LLP**Profit and loss account
for the year ended 31 December 2010**

	Note	Year ended 31 December 2010 €'000	Year ended 31 December 2009 €'000
Turnover	2	5,951	7,975
Cost of sales		<u>(327)</u>	<u>(129)</u>
Gross profit		5,624	7,846
Other operating income		103	380
Administration costs		<u>(4,647)</u>	<u>(6,087)</u>
Operating profit and profit before interest and taxation	4	1,080	2,139
Interest receivable and similar income	5	8	96
Interest payable and similar charges	6	<u>(42)</u>	<u>(172)</u>
Profit on ordinary activities before taxation and Members' remuneration		1,046	2,063
Tax on profit on ordinary activities	7	<u>(317)</u>	<u>(598)</u>
Profit before Members' remuneration and profit share, and profit for the year available for discretionary division among Members		<u>729</u>	<u>1,465</u>

The Partnership had no other recognised gains or losses in either the current or preceding financial year. Results are derived wholly from continuing operations.

The notes on pages 8 to 12 form part of these financial statements.

IP MAESTRALE ENERGY ITALY 1 LLP

Balance sheet as at 31 December 2010

	Note	31 December 2010 €'000	31 December 2009 €'000
Current assets			
Debtors (including amounts due in more than one year of €18,899,000 (2009 €18,517,000))	8	26,553	29,429
Inventory		-	104
Cash at bank and in hand		20	13
Total current assets		26,573	29,546
Creditors amounts falling due within one year	9	(5,246)	(7,743)
Net current assets		21,327	21,803
Total assets less current liabilities		21,327	21,803
Creditors amounts falling due after more than one year	10	(1,321)	(1,402)
Net assets attributable to Members		20,006	20,401
Represented by.			
Members' other interests.			
Members' equity capital		21,066	21,066
Other reserves		1,771	1,042
Advances to Members	11	(2,831)	(1,707)
		20,006	20,401
Total Members' interests			
Members' other interests		20,006	20,401
		20,006	20,401

These accounts were authorised for issue by IP Maestrale Energy Italy 1 LLP on 20 June 2011 on behalf of IP Maestrale (MEI 1-14-1) (UK) Limited and IP Maestrale (MEI 1-14-2) (UK) Limited



S D Pinnell
Registration No OC311121
On behalf of IP Maestrale (MEI 1-14-1) (UK) Limited, and
IP Maestrale (MEI 1-14-2) (UK) Limited

The notes on pages 8 to 12 form part of these financial statements.

IP MAESTRALE ENERGY ITALY I LLP

**Reconciliation of movements in Members' interests
for the year ended 31 December 2010**

	Note	Members' loan Capital €'000	Members' other Interests			Total €'000
			Members' equity capital €'000	Other Reserves €'000	Advances to Members €'000	
Balance at 1 January 2010		-	21,066	1,042	(1,707)	20,401
Profit for the financial year available for discretionary division among Members		-	-	729	-	729
Members' interests after profit for the year		-	21,066	1,771	(1,707)	21,130
Amounts advanced to Members during the year	11	-	-	-	(1,124)	(1,124)
Balance at 31 December 2010		-	21,066	1,771	(2,831)	20,006

	Note	Members' loan Capital €'000	Members' other Interests			Total €'000
			Members' equity capital €'000	Other Reserves €'000	Advances to Members €'000	
Balance at 1 January 2009		44	21,066	(423)	-	20,687
Profit for the financial year available for discretionary division among Members		-	-	1,465	-	1,465
Members' interests after profit for the year		44	21,066	1,042	-	22,152
Repayment of capital	11	(44)	-	-	-	(44)
Amounts advanced to Members during the year	11	-	-	-	(1,707)	(1,707)
Balance at 31 December 2009		-	21,066	1,042	(1,707)	20,401

The notes on pages 8 to 12 form part of these financial statements

Notes to the financial statements

1. Accounting policies

a. Basis of preparation

IP Maestrale Energy Italy 1 LLP, (the "Partnership") is domiciled in the United Kingdom. It is the responsibility of the Partnership to maintain books, records and accounts in accordance with UK Generally Accepted Accounting Practice (UK GAAP).

The financial statements are prepared in accordance with the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (and those provisions of the Companies Act 2006 referred to therein) and the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" May 2002 (Revised March 2006).

These statutory accounts are presented in Euros, rounded to the nearest thousand. They are prepared on a going concern basis under the historical cost basis. Minor adjustments have been made to comparative figures to make them consistent with the current period presentation.

b. Going concern

The financial statements are prepared on a going concern basis. The Partnership's activities, together with the factors likely to affect its future development, performance and position are set out in the Members' report on pages 1 and 2.

As described in the Members' report, Legislative Decree no 28 was officially published in the Italian Government Gazette on 28 March 2011 and thus became law with effect from 29 March 2011. This new legislation indicates many changes to the existing regulatory regime in Italy, including a reduction in the level at which the regulator would support the green certificate price received by existing capacity and a reduction in the incentives derived from refitting wind turbines.

The Partnership is not presently on the green certificate scheme although it will be transferring to the scheme over the next two years. The Members have considered the impact of this legislation and are satisfied that the revenues from green certificates together with other revenue streams available to the Partnership in the foreseeable future will be sufficient to enable the Partnership to pay its debts as and when they fall due and therefore the Members consider the going concern basis to be appropriate.

c. Stocks

Plant spares are valued at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing stocks to their present location and condition.

d. Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

e. Members' remuneration and Members' interests

Members' interest earned on Members' balances are treated as Members' remuneration charged as an expense to the profit and loss account in arriving at results available for discretionary division among Members.

Amounts advanced to Members during the year have been classified as part of Members' Interests. In future, as profits are distributed to the Members such distributions will be applied firstly against these advances to Members.

Distributions of profit are payable to Members when such distributions are declared by the Board. The distributions are made in proportion to the Member's interest on the day on which the distribution takes place. The overall policy for Members' drawings takes into account the need to maintain sufficient funds to finance working capital and other needs of the Partnership.

Notes to the financial statements (continued)

1. Accounting policies (continued)

f Turnover

Turnover represents amounts receivable for electricity supplied net of IVA and is recognised when earned

g. Foreign currency translation

Transactions denominated in foreign currencies are translated into Euros at the exchange rate ruling on the date of transaction unless related or matching forward foreign exchange contracts have been entered into when the rate specified in the contract is used. At the year end, monetary assets and liabilities expressed in foreign currencies are translated into Euros at the rates of exchange ruling at the balance sheet date. Any gain or loss arising on the restatement of such balances is taken to the Profit and Loss Account.

h. Taxation

The Partnership is liable for Italian taxation on the profit of its Italian Branch. Members are liable for UK taxation on their share of Partnership profits. Consequently, no reserve for UK taxation is made in these financial statements, and the profits are shown within Members' Interests. The foreign tax charge is in respect of the Italian branch.

Deferred tax is provided for on a full provision basis on all timing differences which have arisen but not reversed at the balance sheet date. No timing differences are recognised in respect of gains on sale of assets where those gains have been rolled over into replacement assets. Deferred tax assets are recognised to the extent that they are recoverable, that is, on the basis of all available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Any assets and liabilities recognised have not been discounted.

i. Cash flow statement

Under FRS 1, the Partnership is exempt from the requirement to prepare a cash flow statement on the grounds that it is wholly owned subsidiary undertaking included within publicly available consolidated financial statements.

2. Turnover

The Partnership's turnover was to markets outside the United Kingdom in Italy.

3. Employees' remuneration

The Partnership had no employees during this financial year (2009 nil).

4. Operating profit

	Year ended 31 December 2010 €'000	Year ended 31 December 2009 €'000
Operating profit is stated after charging		
Operating lease rentals – plant and machinery	3,273	4,319
Operating lease rentals – land and buildings	41	42

Auditor's remuneration of €4,836 in respect of the statutory audit for the year ended 31 December 2010 is borne by the partnership (2009 €4,561). No other services have been performed (2009 Enil).

5. Interest receivable and similar income

	€'000	€'000
Bank interest	-	4
Other interest	8	92
	8	96

Other interest represents interest earned on outstanding overseas IVA receivable balances.

IP MAESTRALE ENERGY ITALY 1 LLP

Notes to the financial statements (continued)

6. Interest payable and similar charges

	Year ended 31 December 2010 €'000	Year ended 31 December 2009 €'000
Bank interest	3	3
Interest payable to group undertakings	38	166
Other interest	1	3
	<u>42</u>	<u>172</u>

7 Tax on profit on ordinary activities

	Year ended 31 December 2010 €'000	Year ended 31 December 2009 €'000
Analysis of the charge for the year		
<i>Current tax charge</i>		
Foreign corporation tax	317	598
Total tax charge for the year	<u>317</u>	<u>598</u>

	Year ended 31 December 2010 €'000	Year ended 31 December 2009 €'000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	<u>1,046</u>	<u>2,063</u>
Current tax at 28% (2009 28%)	293	578
(Profit) attributable to Members	(293)	(578)
Foreign corporation tax	317	598
Total current tax charge	<u>317</u>	<u>598</u>

8 Debtors

	31 December 2010 €'000	31 December 2009 €'000
Trade debtors	796	992
Corporation tax	16	-
Other debtors	734	4,410
Prepayments and accrued income	22,839	20,677
Loans due from group undertakings	797	797
Amounts due from group undertakings	<u>1,371</u>	<u>2,553</u>
	<u>26,553</u>	<u>29,429</u>

There are no amounts included within other debtors which are not fully recoverable within one year (2009 Overseas IVA balances of €816,000 not recoverable within one year) Loans due from group undertakings are repayable on demand

Amounts falling due after more than one year and included in the debtors above are

	31 December 2010 €'000	31 December 2009 €'000
Other debtors	-	816
Prepayments and accrued income	<u>18,899</u>	<u>17,701</u>
	<u>18,899</u>	<u>18,517</u>

IP MAESTRALE ENERGY ITALY 1 LLP

Notes to the financial statements (continued)

9 Creditors' amounts falling due within one year

	31 December 2010 €'000	31 December 2009 €'000
Amounts due to group undertakings	5,100	4,622
Loans and other debts due to Members (see note 10)	80	118
Loans due to group undertakings (see note 10)	-	2,745
Trade creditors	46	19
Corporation tax	-	213
Other creditors	7	6
Accruals and deferred income	13	20
	<u>5,246</u>	<u>7,743</u>

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

	31 December 2010 €'000	31 December 2009 €'000
Loans due to Members and group undertakings	<u>1,321</u>	<u>1,402</u>

Analysis of loans

	€'000	€'000
Total payable	1,401	4,265
Loans and other debts due to Members (see note 9)	(80)	(118)
Loans due to group undertakings (see note 9)	-	(2,745)
	<u>1,321</u>	<u>1,402</u>

Loan maturity analysis

	€'000	€'000
In more than one year but not more than two years	83	93
In more than two years but not more than five years	487	530
In more than five years	751	779
	<u>1,321</u>	<u>1,402</u>

11. Members' capital

During the year ended 31 December 2010 no capital repayments were made to IP Maestrale (MEI 1-14-1) (UK) Limited and IP Maestrale (MEI 1-14-2) (UK) Limited (2009 €35k and €9k respectively)

Additional payments of €899k and €225k were made to IP Maestrale (MEI 1-14-1) (UK) Limited and IP Maestrale (MEI 1-14-2) (UK) Limited respectively (2009 €1,366k and €341k respectively) and these have been classified as Advances to Members

IP MAESTRALE ENERGY ITALY 1 LLP

Notes to the financial statements (continued)

12 Financial commitments

As at 31 December 2010, the Partnership was committed to making the following payments under non-cancellable operating leases in the year ending 31 December 2011

	31 December 2010		31 December 2009	
	Land and buildings €'000	Other €'000	Land and buildings €'000	Other €'000
Operating leases which expire In over five years	33	2,887	33	4,461

The above relates to plant and machinery and land and buildings commitments

13 Related party transactions

As at 31 December 2010 the Partnership was a wholly owned subsidiary of International Power plc, the ultimate parent undertaking. The Partnership has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

The consolidated financial statements of International Power plc, within which the Partnership is included, can be obtained from the address given in note 14.

14 Controlling party and ultimate parent undertaking

The Members of IP Maestrle Energy Italy 1 LLP are IP Maestrle (MEI 1-14-1) (UK) Limited (80%) and IP Maestrle (MEI 1-14-2) (UK) Limited (20%).

As at 31 December 2010, IP Maestrle Energy Italy 1 LLP was controlled by International Power plc, the ultimate parent company incorporated in the UK. IP Maestrle Energy Italy 1 LLP's immediate parent company is IP Maestrle (MEI 1-14-1) (UK) Limited, a company registered and incorporated in England and Wales.

The largest group in which the results of the Partnership were consolidated for the year ended 31 December 2010 was that headed by International Power plc, incorporated in the United Kingdom. No other group financial statements include the results of the Partnership. The consolidated financial statements of International Power plc may be obtained by calling or writing to International Power plc, Senator House, 85 Queen Victoria Street, London EC4V 4DP or by sending an email to ipr.relations@iprplc-gdfsuez.com Telephone +44 (0)20 7320 8600.

With effect from 3 February 2011, following the acquisition of International Power plc by GDF SUEZ S.A. on that date, the Members consider the Partnership's ultimate holding company to be GDF SUEZ S.A. which was incorporated in France and is headquartered in Paris, France. Copies of its consolidated financial statements are available from its registered office at 1 Place Samuel de Champlain, 92400 Courbevoie, Paris, France.