IP MAESTRALE ENERGY ITALY 15 LLP

Registration No. OC317737

FINANCIAL STATEMENTS

For the year ended 31 December 2008

IP MAESTRALE ENERGY ITALY 15 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 2008. The prior period comparatives relate to the period 1 September 2007 to 31 December 2007.

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 four. The Partnership's ultimate parent undertaking is International Power plc ("IPR"), a company listed on the London Stock Exchange. The Partnership has a branch in Italy.

Business review

During the year ended 31 December 2008 the results 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 period ended 31 December 2008 of €3,607,000. In the period ended 31 December 2007, the profit for the period was €211,000.

The balance sheet on page 6 of the financial statements shows the Partnership's financial position at the period end. The Members' interests increased from €74,609,000 to €76,076,000 at 31 December 2008.

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.

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	
RCG Lywood	(resigned 16 April 2009)
DJG Royds	(resigned 16 April 2009)

Allocation of profit

The profit for the year remains unallocated to Members.

Members' drawings

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

Future developments

There have been no significant events since the balance sheet date, except as disclosed below and in note 13, which should be considered for a proper understanding of these financial statements.

Members' and officers' liability insurance

During the year ended 31 December 2008, 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 (period ended 31 December 2007: €nil).

Post balance sheet events

On 16 April 2009, RCG Lywood and DJG Royds resigned as Designated Members.

On 30 April 2009, the 0.4% interest of the partnership which was held equally by RCG Lywood and DJG Royds, was sold to IP Maestrale (MEI 1-14-1) (UK) Limited and IP Maestrale (MEI 1-14-2) (UK) Limited, for consideration of €16,700, in the proportion 80:20.

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.

C Warden
On behalf of IP Maestrale (MEI 1-14-1) (UK) Limited, and IP Maestrale (MEI 1-14-2) (UK) Limited.
24 June 2009

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 law relating to Limited Liability Partnerships (LLPs) requires the Members to prepare financial statements for each financial period. Under that law the Members have elected to prepare the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the LLP and of the profit or 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 the Limited Liability Partnerships Regulations 2001, the Members are responsible for keeping proper accounting records that 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 15 LLP

We have audited the financial statements of IP Maestrale Energy Italy 15 LLP the year ended 31 December 2008 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Reconciliation of Movement in Members' Interests and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Members of the Limited Liability Partnership (LLP), as a body, in accordance with section 235 of the Companies Act 1985, as required by Regulation 3 of the Limited Liability Partnerships Regulations 2001. 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 described in the Statement of Members' responsibilities on page 3, the Members are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the LLP has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Members' remuneration and other transactions is not disclosed.

We read the Members' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the LLP's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of affairs of the LLP as at 31 December 2008 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered accountants
Registered auditor
24 June 2009

8 Salisbury Square
London
EC4Y 8BB

IP MAESTRALE ENERGY ITALY 15 LLP

Profit and loss account
for the year ended 31 December 2008

	Note	Year ended 31 December 2008 €'000	122 day period ended 31 December 2007 €'000
Turnover	2	23,540	9,973
Cost of sales		(370)	(140)
Gross profit		23,170	9,833
Other operating income		51	1
Administration costs		(17,188)	(7,730)
Operating profit and profit before interest and taxation	4	6,033	2,104
Interest receivable and similar income	5	698	12
Interest payable and similar charges	6	(1,005)	(269)
Profit on ordinary activities before taxation and Members' remuneration		5,726	1,847
Tax on profit on ordinary activities	7	(2,119)	(1,636)
Profit before Members' remuneration and profit share, and profit for the year/period available for discretionary division among Members		3,607	211

Statement of total recognised gains and losses
for the year ended 31 December 2008

	Year ended 31 December 2008 €'000	122 day period ended 31 December 2007 €'000
Profit for the year/period and total recognised gains and losses relating to the year/period	3,607	211
Prior period adjustments	-	12,086
Total gains and losses recognised since last financial statements	3,607	12,297

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

IP MAESTRALE ENERGY ITALY 15 LLP

Balance sheet
as at 31 December 2008

	Note	31 December 2008 €'000	31 December 2007 €'000
Current assets			
Stocks	8	484	126
Debtors (including amounts due in more than one year of €80,525,000 (2007: €86,140,000))	9	116,695	124,828
Cash at bank and in hand		765	409
Total current assets		117,944	125,363
Creditors: amounts falling due within one year	10	(41,868)	(50,754)
Net current assets		76,076	74,609
Total assets less current liabilities		76,076	74,609
Net assets attributable to Members		76,076	74,609
Represented by:			
Members' loan capital	11	5,571	7,711
Members' other interests:			
Members' equity capital		79,521	79,521
Other reserves		(9,016)	(12,623)
		76,076	74,609
Total Members' interests			
Members' loan capital		5,571	7,711
Members' other interests		70,505	66,898
		76,076	74,609

These accounts were authorised for issue by IP Maestrale Energy Italy 15 LLP on June 2009 on behalf of IP Maestrale (MEI 1-14-1) (UK) Limited, and IP Maestrale (MEI 1-14-2) (UK) Limited.

C Warden
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 15 LLP

Reconciliation of movements in Members' interests for the year ended 31 December 2008

	Note	Members' loan capital	Members' other Interests		Total
			Members' equity capital	Other reserves	
		€'000	€'000	€'000	€'000
Balance at 1 January 2008		7,711	79,521	(12,623)	74,609
Profit for the financial year available for discretionary division among Members		-	-	3,607	3,607
Members' interests after profit for the year		7,711	79,521	(9,016)	78,216
Repayment of capital	11	(2,140)	-	-	(2,140)
Balance at 31 December 2008		5,571	79,521	(9,016)	76,076

	Note	Members' loan capital	Members' other Interests		Total
			Members' equity capital	Other reserves	
		€'000	€'000	€'000	€'000
Balance at 31 August 2007 as originally stated		8,836	79,521	(24,920)	63,437
Prior period restatement		-	-	12,086	12,086
Balance at 1 September 2007 as restated		8,836	79,521	(12,834)	75,523
Profit for the financial period available for discretionary division among Members		-	-	211	211
Members' interests after profit for the period		8,836	79,521	(12,623)	75,734
Repayment of capital	11	(1,125)	-	-	(1,125)
Balance at 31 December 2007		7,711	79,521	(12,623)	74,609

Members' loan capital is generally not repayable, except in certain specified instances, such as retirement from the Partnership, which occurs with immediate effect. The nature and amount of the repayment is dependent of various different parameters.

In the event of winding up, the amount included in "Members' loan capital" will rank equally with unsecured creditors.

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 15 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 Regulations 2001 (and those provisions of the Companies Act 1985 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 the historical cost basis.

b. 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.

c. Leasing

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

d. Members' remuneration and Members' interests

Members' capital is not repayable and is therefore classified as equity.

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.

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.

e. Turnover

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

f. 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.

Notes to the financial statements (continued)

1. Accounting policies (continued)

g. 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' Interest.

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.

h. 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 (period ended 31 December 2007: nil).

4. Operating profit

	Year ended 31 December 2008 €'000	122 day period ended 31 December 2007 €'000
Operating profit is stated after charging:		
Operating lease rentals – plant and machinery	16,969	4,748
Operating lease rentals – land and buildings	99	32

Auditor's remuneration of €6,914 in respect of the statutory audit for the year ended 31 December 2008 is borne by International Power plc, the Partnership's ultimate parent undertaking (period ended 31 December 2007: €9,072). No other services have been performed (period ended 31 December 2007: €nil).

5. Interest receivable and similar income

	Year ended 31 December 2008 €'000	122 day period ended 31 December 2007 €'000
Bank interest	698	12

6. Interest payable and similar charges

	Year ended 31 December 2008 €'000	122 day period ended 31 December 2007 €'000
Bank interest	4	1
Interest payable to group undertakings	880	258
Other interest	121	10
	1,005	269

7. Tax on profit on ordinary activities

	Year ended 31 December 2008 €'000	122 day period ended 31 December 2007 €'000
Analysis of charge for the year/period		
Current tax charge		
Foreign Corporation tax	2,119	2,077
Deferred tax credit (see note 9)		
Origination and reversal of timing differences	-	(441)
Total tax charge for the year/period	2,119	1,636

	Year ended 31 December 2008 €'000	122 day period ended 31 December 2007 €'000
Current tax reconciliation		
Profit on ordinary activities before tax	5,726	1,847
Current tax at 28.5% (period ended 31 December 2007: 30%)	1,632	554
Profit attributable to Members	(1,632)	(554)
Foreign Corporation tax	2,119	2,077
Total current tax charge	2,119	2,077

The deferred tax credit relates to timing differences arising from income and expenditure.

Notes to the financial statements (continued)

8. Stocks

	31 December 2008 €'000	31 December 2007 €'000
Plant spares	484	126

9. Debtors

	31 December 2008 €'000	31 December 2007 €'000
Deferred tax asset	-	441
Trade debtors	2,345	679
Amounts due from group undertakings	9,477	11,301
Other debtors	15,326	16,638
Prepayments and accrued income	89,547	95,769
	116,695	124,828

Included within other debtors are overseas VAT balances of €15,266,000 (2007: €16,417,000) which are not fully recoverable within one year.

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

	31 December 2008 €'000	31 December 2007 €'000
Deferred tax asset	-	441
Other debtors	15,266	16,417
Prepayments and accrued income	65,259	69,282
	80,525	86,140

The deferred tax credit relates to timing differences arising from income and expenditure.

10. Creditors: amounts falling due within one year

	31 December 2008 €'000	31 December 2007 €'000
Loan due to group undertakings	15,729	16,072
Trade creditors	1,425	87
Amounts due to group undertakings	20,272	24,412
Corporation tax	1,284	696
Other creditors	3,111	1,741
Accruals and deferred income	47	7,746
	41,868	50,754

11. Members' capital

During the year ended 31 December 2008, capital repayments of €1,712k and €428k were made to IP Maestrale (MEI 1-14-1) (UK) Limited and IP Maestrale (MEI 1-14-2) (UK) Limited respectively (2007: €900k and €225k).

Notes to the financial statements (continued)

12. Financial commitments

As at 31 December 2008, the Partnership was committed to making the following payments under non-cancellable operating leases in the year ending 31 December 2009:

	31 December 2008		31 December 2007	
	Land and buildings €'000	Other €'000	Land and buildings €'000	Other €'000
Operating leases which expire:				
In over five years	99	41,515	99	38,548

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

13. Post balance sheet events

On 16 April 2009, RCG Lywood and DJG Royds resigned as Designated Members.

On 30 April 2009, the 0.4% interest of the partnership which was held equally by RCG Lywood and DJG Royds, was sold to IP Maestrale (MEI 1-14-1) (UK) Limited and IP Maestrale (MEI 1-14-2) (UK) Limited, for consideration of €16,700, in the proportion 80:20.

14. Related party transactions

As at 31 December 2008 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 15.

15. Controlling party and ultimate parent undertaking

The Members of IP Maestrale Energy Italy 15 LLP are IP Maestrale (MEI 1-14-1) (UK) Limited (80%) and IP Maestrale (MEI 1-14-2) (UK) Limited (20%).

As at 31 December 2008, IP Maestrale Energy Italy 15 LLP was controlled by IP Maestrale (MEI 1-14-1) (UK) Limited, a company registered and incorporated in England and Wales. IP Maestrale (MEI 1-14-1) (UK) Limited is controlled by International Power plc.

As at 31 December 2008, the smallest and largest group of undertakings for which group accounts are prepared was International Power plc.

As at 31 December 2008, International Power plc was the Partnership's ultimate parent undertaking. Copies of the accounts of International Power plc may be obtained from the following address:

Senator House
85 Queen Victoria Street
London
EC4V 4DP