



2009

Annual Report

Enovos International



Enovos International S.A.

Registered as a société anonyme (public limited company) under
Luxembourg law with a capital of EUR 84,450,000

Registered office: City of Luxembourg

Luxembourg Trade and Companies' Register B11723

Annual General Meeting of 11 May 2010

Reports presented to the annual general meeting of shareholders by the
Board of Directors and the statutory auditors



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I Introduction

1 Enovos International's mission and values

As a new, strong energy company in the Luxembourg, German and European energy market, Enovos International's mission as a holding of the energy provider Enovos and the grid operator Creos, is to procure, transmit and distribute electricity, natural gas and renewable energies to municipal suppliers, industry and private households. All these services coming from one source at reliable and competitive price – that is the group's strength.

Enovos acts as an independent energy supplier in the heart of Europe. By its integrated energy solutions, based on an intelligent combination of energy products and services, Enovos aims to offer a true alternative to its customers.

Enovos' clients are served by an international team of highly motivated and experienced energy experts, fully dedicated to their customers' needs, with fast response times combined with effective communication.

Creos is responsible for planning, construction, extension, maintenance and operation of the entire natural gas and power grid of Enovos and ensures the regular transport and distribution of natural gas and power.

According to its guiding principle, "Energy for today. Caring for tomorrow.", the group acts in a

responsible way by integrating economic, environmental and social elements into its operations. It seeks to establish enduring and stable relations with all customers, based on the quality of its service, the development of new innovative energy products and services and the safeguarding of energy provision in the long term. Enovos' work is devoted to sustainability of the environment and the organisation.

The group strives to carry out its activities in the interests of all parties concerned, namely its customers, the general public, its shareholders, the public authorities and its employees.

2 Group structure

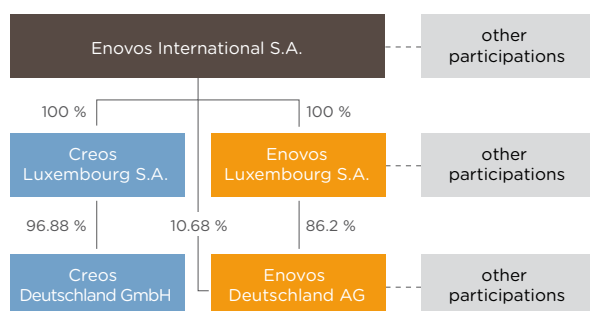
As of 23 January 2009, the shareholders of Cegedel S.A. and Saar Ferngas AG contributed their respective shares into Soteg S.A.. Soteg S.A. launched a mandatory public offer on all Cegedel S.A. shares not yet in its possession and Cegedel S.A. was delisted after a successful squeeze-out process. A process of restructuring took place thereafter and resulted in a new energy group named Enovos consisting of the parent company, Enovos International S.A. (formerly Soteg S.A.) and its two main subsidiaries: Creos Luxembourg S.A. (formerly Cegedel S.A.) in charge of grid activities and Enovos Luxembourg S.A. (formerly Cegedel Participations S.A.) which deals with generation, sales and trading activities. This restructuring was carried out with retroactive effect as of 1 January 2009. Enovos Luxembourg S.A. has a subsidiary Enovos Deutschland AG for the German market and Creos Deutschland AG for the German market and Creos

Luxembourg S.A. has a subsidiary Creos Deutschland GmbH for the German grid.

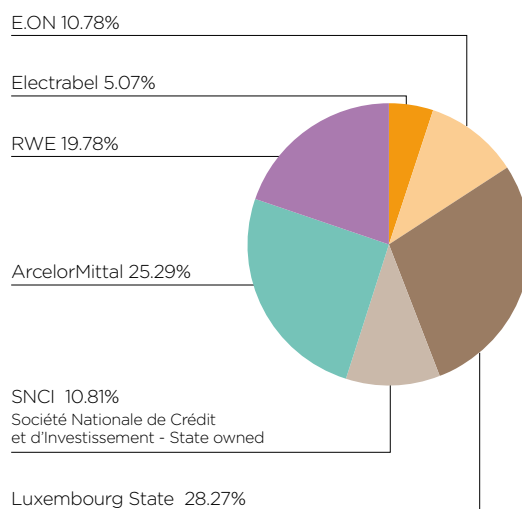
Enovos Luxembourg S.A. holds several stakes in the energy generation business, including significant shareholding interests in power generation based on renewable energies.

Enovos International S.A. holds stakes in companies with diversified activities such as telecommunications or facility management.

The group structure is shown below



The shareholding is shown below



3 Summary of consolidated accounts (under Lux GAAP)

The scope of consolidation consists of 32 companies, out of which 13 fully consolidated and 19 are consolidated under the equity method. The list of consolidated companies is shown in Note 5 to the consolidated financial statements.

Key figures (in million euros) under Lux Gaap	2009
Total assets	1,377.8
Total fixed assets	786.0
Shareholders' equity (incl. result for the year), group share	643.6
Amounts owed to credit institutions	182.9
Sales (excl. trading)	1,572.4
EBITDA	189.6
EBIT	148.2
Net profit for the year, group share	145.0

Strong 2009 consolidated results

2009 was characterised by the restructuring performed to create the new Enovos group. The first year of operations of Enovos group was also very successful. Enovos group sales (excluding trading sales which are recorded as a deduction of cost of sales) reached in 2009 EUR 1,572.4 million.

Group EBITDA amounted to EUR 189.6 million. Net profit for the year, group share reached EUR 145.0 million, including a gain on the sale of a not consolidated reinsurance company to a third party for an amount of EUR 19 million.

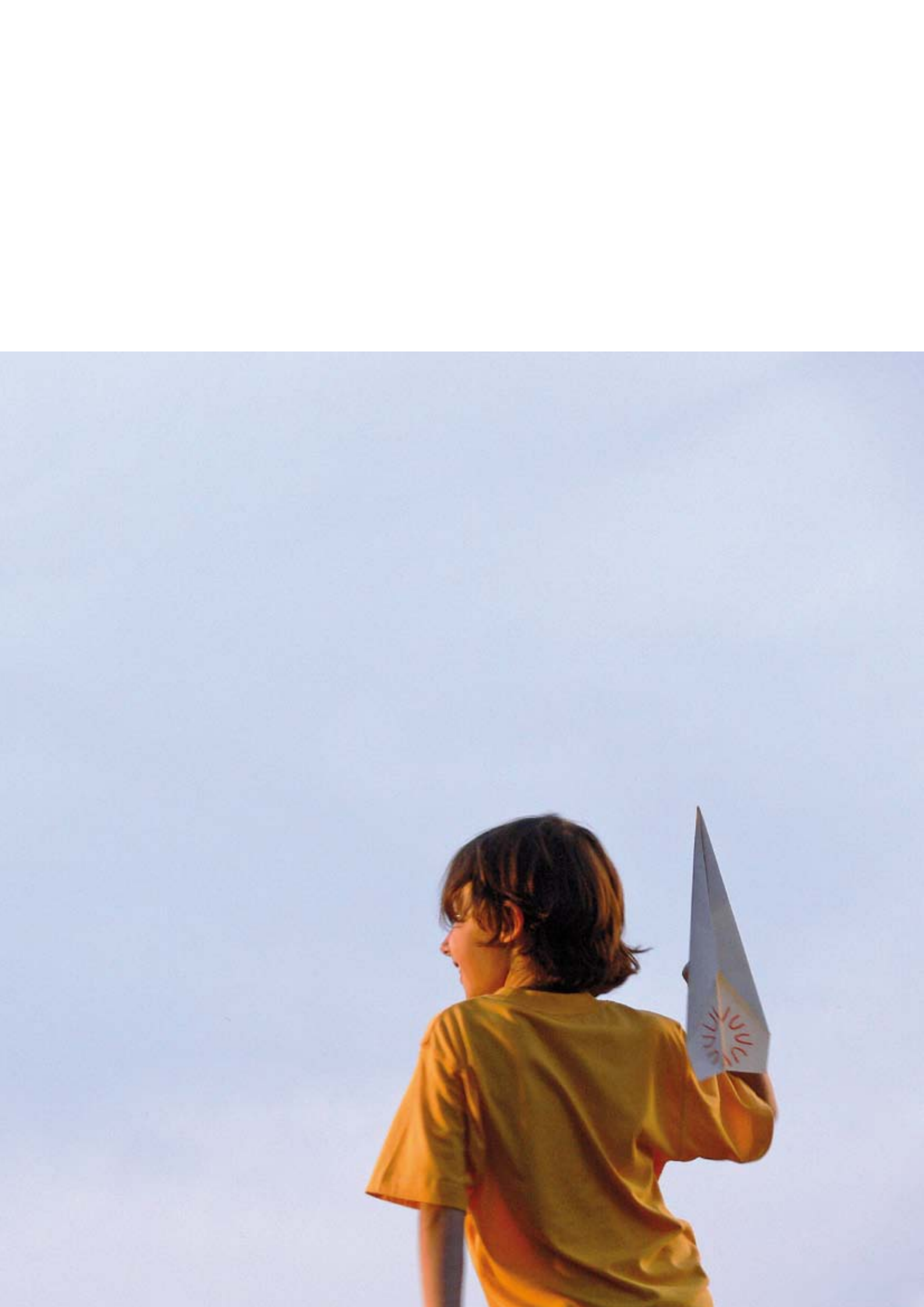
Apart from one-time expenses incurred in the context of the creation of the new group, such as consultancy and IT costs, no exceptional result in relation with the group restructuring has been recorded in the 2009 consolidated income statement.

A solid consolidated balance sheet

The group's share in the shareholder's equity (incl. result for the year) amounted to EUR 643.6 million as at 31 December 2009, and total fixed assets (including intangible, tangible and financial assets) amounted to EUR 786.0 million. Amounts owed to credit institutions were limited to EUR 182.9 million (EUR 150.2 million of which for the financing of the successful "squeeze-out" process to delist the Cegedel S.A. shares).

This strong balance sheet enables the group to implement its strategy to invest significant sums in subsequent years in gas sourcing and electricity generation based on conventional and renewable sources of energy.

At this stage, the group foresees no technical, commercial or financial developments that could jeopardise its economic stability in 2010.



4 Corporate governance bodies as at 31 December 2009

Board of Directors of Enovos International S.A.

Etienne Schneider	Chairman
Fernand Felzinger	Vice-Chairman of the Board
Marco Hoffmann	Vice-Chairman of the Board
Dr. Claude Seywert	Vice-Chairman of the Board
Eric Bosman	Member of the Board
André Gilbertz	Member of the Board
Tim Hartmann	Member of the Board
Charel Hutmacher	Member of the Board
Jean-Claude Knebel	Member of the Board
Claude Lanners ⁽¹⁾	Member of the Board
Arnold Neudeck	Member of the Board
Peter Pichl	Member of the Board
Gaston Reinesch	Member of the Board
Dr. Stefan Vogg ⁽²⁾	Member of the Board
Nico Wietor	Member of the Board

Executive Committee

Romain Becker	Member of the Executive Committee
Dr. Hanno Dornseifer ⁽³⁾	Member of the Executive Committee
Jean Lucius	Member of the Executive Committee

(1) In BoD meeting on 19 March 2010, Mr. Claude Lanners is replaced by Mr Pierre Rauchs.

(2) In BoD meeting on 19 March 2010, Dr. Stefan Vogg is replaced by Dr. Peter Frankenberg.

(3) In BoD meeting on 5 February 2010, Dr. Hanno Dornseifer is replaced by Mr Nestor Didelot.



Corporate Governance

The creation of the Enovos group has injected transparency into the energy market in the Greater Region. In the deregulated European energy market, only sufficiently large companies with an international presence can thrive and, above all, maintain their independence. In this respect, trust is essential in enabling the company to maintain long-term relationships with its clients, partners and public contacts.

As Enovos International attaches considerable importance to corporate governance principles, it decided to adopt a corporate governance charter. This charter is currently being drafted and will be ready in the course of 2010. It will describe the main aspects of corporate governance at Enovos group and will set out the manner in which the group is managed and controlled.

Enovos International and its subsidiaries are governed by a Board of Directors, an audit committee, a strategy committee, an appointment and remuneration committee as well as an Executive Committee, in charge of the daily business.

The Board of Directors of Enovos International defines the group's general policy and strategic direction, and ensures that these are implemented. In 2009, seven ordinary meetings were held. The Enovos International Board of Directors comprises 15 members. Mandates on the Board may not exceed six years. The Board of Directors has set up an audit committee, an appointment and remuneration committee and a strategy committee from among its members.

The audit committee, which consists of six directors, is assisting the Board of Directors, in particular with respect to financial information, internal controls and risk management, the internal audit and the auditor's report on the financial statements. This committee checks that the accounting methods used are appropriate and gives its opinion on the semi-annual and annual financial statements. It is notified of the methods and resources used in and the organisation of audits and internal controls.

The appointment and remuneration committee assesses the independence of the directors and submits to the Board of Directors proposals regarding the remuneration of directors and senior management.

The strategy committee deliberates, agrees and decides on the group's main directions according to necessity. The Executive Committee, which is in charge of daily business, meets every week to ensure that the group's strategy is applied consistently and takes any decisions that might be necessary.

5 Message of the Chairman and the Executive Committee

Several months ago, on 1 July 2009, the official merger of Cegedel, Soteg and Saar Ferngas facilitated the formation of a major Luxembourg-based player in the regional energy sector.

The new energy group consists of an operating holding company 'Enovos International' and its subsidiaries - Enovos, in charge of commercial and marketing aspects in the gas and electricity sectors on the one hand, and Creos - responsible for energy transportation, grid management and storage activities on the other.

As an operating holding company and through its affiliates and participations, Enovos International owns and controls electricity and gas distribution networks in Luxembourg and Germany as well as energy production facilities in various sectors and countries. Hence the structure of the Enovos group is a guarantee of solidity and stability for all its partners on financial and institutional levels. Compared to exclusively commercially-oriented organisations, this is considered an obvious advantage.

Merging three companies with their different procedures, policies and cultures requires resourceful

merger management. We are of the opinion that this requirement has been met with a high degree of success. Furthermore, we would like to take this opportunity to express our warmest and most sincere thanks to all persons involved at all levels.

The recent period was one of global economic hardship. The financial crisis did not spare Luxembourg and the neighbouring regions, resulting in markedly lower energy consumption on the part of our commercial and industrial clientele. Prices inevitably came under pressure. Due to our positive performance in the household and retail sectors, due also to cautious and balanced portfolio management, we were able to reduce the impact of a generally unfavourable state of world and regional affairs on our earnings.

We aim to rate among the regional leaders in terms of market penetration. Our activities in the neighbouring German federal states are on a sound and substantial level. It is our intention to give them fresh force and momentum and to take them to an even higher level. We also intend to expand our activities in the natural gas sector in France and to strengthen our presence in the German electricity market.

Fossil energy sources, although still important and many still untapped, are finite in the long run. Global warming and other environmental concerns, a broad public consensus and technological developments make it the duty of responsible management to invest in renewable energy production such as wind- and hydropower as well as photovoltaic and biomass installations.

A dedicated and structurally integrated business unit which is in charge of the current renewable energy portfolio and of project development and management has been created specifically for this purpose.

Enovos will provide dual fuel offers - joint electricity and gas supply - in all targeted markets. As part of our overall strategy we intend to cover, both upstream and downstream, the entire gas and electricity value chain from production to storage, trans-



Etienne Schneider
Chairman

portation, marketing, sales and trading. This implies that we will have to invest in added gas storage facilities as a strategic tool in order to secure supply, balance offer and demand and optimise our business portfolio. Backward integration will be completed by the development of our power generation assets in conventional and renewable energy power generation facilities as well as investment in gas fields through strategic partnerships. Downstream sales to homes and final commercial customers in the Grand Duchy of Luxembourg and France will be developed through an array of sales and marketing measures. As regards grid activities, investments here will focus on security of supply aspects, as well as developments towards intelligent grids allowing new services to be offered to our customers. A new generation of "smart meters" will be a first step in this direction.

In the grid activities, one of the greatest challenges will be ensuring the secure supply of energy. Overall, our development and investment programme is affected tangibly by economic development. It is expected, particularly in the power supply sector, that demand will continue to grow for energy in the coming years. In global terms, the electric sector will become more significant, mainly based on 'carbon-free' production units. The vision is that electricity

will be carbonfree by 2050 and that new sectors will open up, such as electric mobility.

For us, this means that power consumption looks set to increase in future. Even if more energyefficient devices cause a drop in specific consumption, the addition of new sectors will still increase demand for power in the end. The extensive use of alternative energies such as wind power plants in the North Sea or power plants in Southern Europe will be accompanied by new challenges for the European interconnected transport grid. Another challenge will be the introduction of smart meters, preparing the way for so-called 'smart grids' with much more communication between grid operators and customers. Tests are ongoing, and decisions in this respect, i.e. general replacement of all metres by a new generation of intelligent devices, will be taken in the next years.

In conclusion, it is fair to say that although very little has changed in the development of the power transport and distribution network over the past 50 years, there are likely to be major changes in the next few years.

We are aware of the fact that exciting challenges lie ahead of us. We are prepared to face them.

Romain Becker
Dr. Hanno Dornseifer
Jean Lucius
Members of the Executive Committee



II Management Report

1 The economic and energy environment

After suffering the rapid and virulent effects of the financial crisis, the global economy is showing initial signs of an end to the recession. The improvements noticed in the economic situation at the end of 2009 are, to a large extent, the result of the various macroeconomic recovery plans but at the expense of unprecedented deterioration in public finances in most of the developed countries. Despite these positive, better-than-expected developments, international organisations are all predicting a sluggish recovery as of 2010 for both the US and Europe.

For Luxembourg, estimates of growth for 2008 have been revised slightly upwards to reckon now on stagnation. For 2009, as is the case for almost all European countries, the predicted recession for the Grand-Duchy is about 3.6% (European Commission) and 3.9% (STATEC): as a result, 2009 is set to be the worst year seen in Luxembourg since the iron and steel crisis in the mid 1970s.

The recovery, set to take hold as of the second half of 2009, should entail positive growth of about 2% for 2010, a rate significantly lower than Luxembourg's historical average (1960-2008) of 4% annual GDP.

As a consequence of the economic slowdown in 2009, energy demand in the industrial sector dropped by 13% in electricity and by 15% in the gas sector. Consequently, Enovos Luxembourg's sales to industrial customers have been negatively impacted for electricity and natural gas.

On the currency markets, 2009 was characterised by a strong euro versus the dollar. However in 2010, the precarious situation in Southern and Central Europe could weigh on the euro, and oil prices quoted in dollars could have an increasingly adverse effect on energy prices.

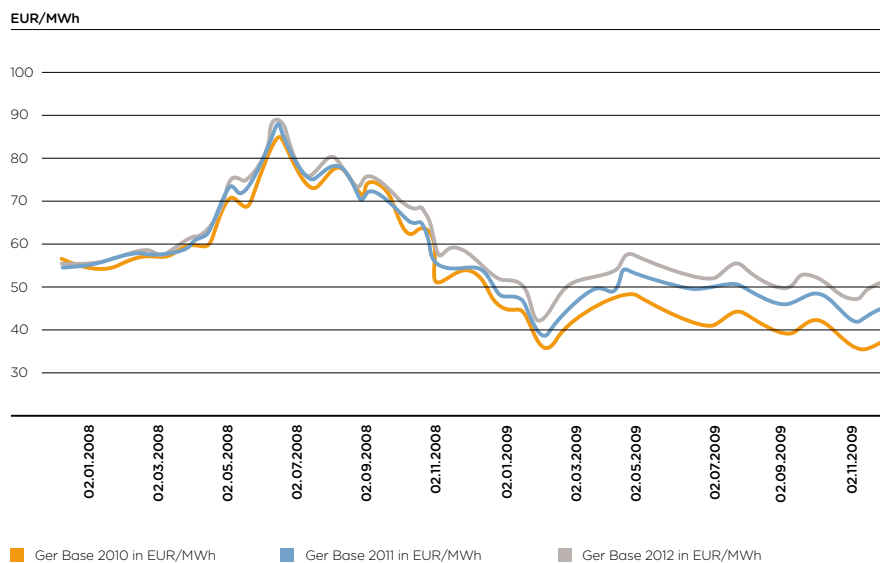
In 2008, prices for all types of energy hit extreme highs, before collapsing spectacularly in the second half of that year. The price of a barrel of oil, which had reached USD 150, fell to roughly USD 40 at the end of the year.

In 2009, less volatility was observed on the electricity market and prices remained at a low level throughout the year, whereas oil prices started to increase again.

Due to its strategy to secure energy supply one or two years ahead, Enovos Luxembourg was obliged to raise its prices in 2009, whereas an important decrease in its electricity tariffs has been in effect as of 1 January 2010. The market nonetheless expects rising prices for both gas and electricity in the medium term.

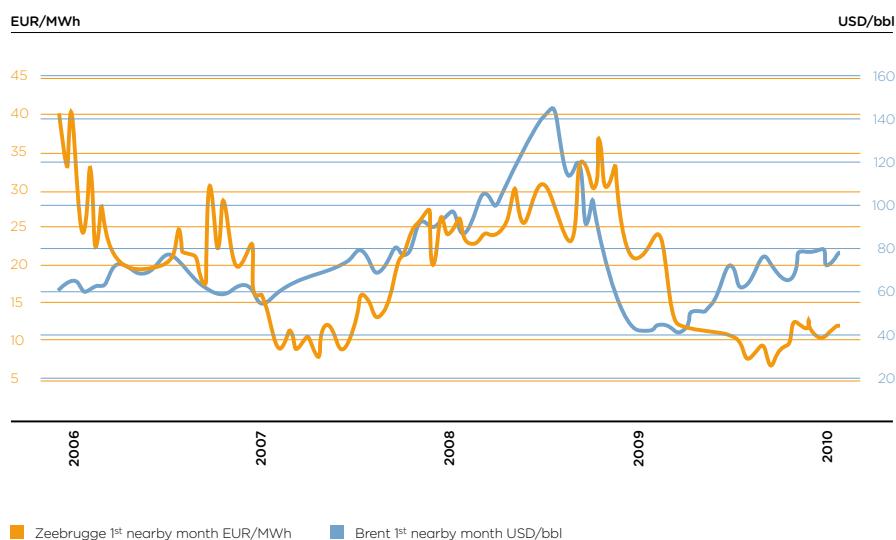
In 2009, overall electricity consumption in Luxembourg totalled 6,195 GWh, a decrease of 7.7% versus the previous year. The annual consumptions in our neighbouring countries were as follows: Germany -5.7%, Belgium -7.6% and France -2.7%.

For natural gas the total consumption in Luxembourg for 2009 was 14,375 GWh, an increase of 1.8%. In our neighbouring countries, the annual variations were: Germany -4.8%, Belgium +1.7% and France -3.3%.



Evolution of electricity base prices

Natural gas prices generally follow the trend in the moving average for oil prices over several months so that the changes in the oil market are reflected in a relatively muted way. After a sharp decrease in prices at the end of 2008, an important decorrelation occurred in 2009 between long-term sales contracts and spot prices. Spot gas prices in Europe during December 2009 averaged some 41% cheaper than prices paid for gas brought into Europe under long-term, oil-indexed contracts, according to Platts data. Since the economic downturn began, physical gas demand has been cut back, leading to sharp falls in spot gas prices in Europe. But the global oil market has been more resilient to the downturn, meaning that a large gap has opened up between long-term, oil-indexed and short-term spot gas prices.



Evolution of brent versus natural gas spot prices

2 Grid activities and regulation

In close cooperation with the neighbouring TSO's Elia (B), RTE (F) and Amprion (D), Creos Luxembourg S.A. launched a study on the technical feasibility of a near-term interconnection of the 220kV grids. Based on different load scenarios that take into account the substantial increase of wind production in the northern regions of Europe, several simulations have been calculated on different grid topologies to assess the risk of congestion in the Creos' grid. An initial report on the results will be available in mid 2010. In a subsequent step, the working group will focus on the long-term outlook scenarios until 2020/30. It will analyse the strategy in investments to be considered in coordination with the adjacent TSO's and in respect to the increase of the future demand.

As far as regulation is concerned, Creos Luxembourg S.A. has been involved in several negotiations with the national regulator in order to get approval of the general access conditions for the gas and electricity grids as well as the associated tariffs for 2010, which are still under consultation.

The third internal market legislative package was published in the Official Journal of the European Union on 14 August 2009.

The transposition of European Directives 2009/72/EC and 2009/73/EC concerning common rules for the internal market in electricity and natural gas into the national legislation by March 2011 may have further influence on the organisation of the national energy market. A working group has been established in order to analyse the potential implications for Enovos group.

One of the requirements of the directive for all the member states is to reach a conclusion by 2012, on the costs and benefits of an implementation of intelligent metering systems for the end customer. The outcome of this analysis will probably have a big impact on the investment programme over the next years. Creos Luxembourg S.A. will extend several field tests carried out in 2009 to 2010 in cooperation with the national ministry of economic affairs and the regulator.

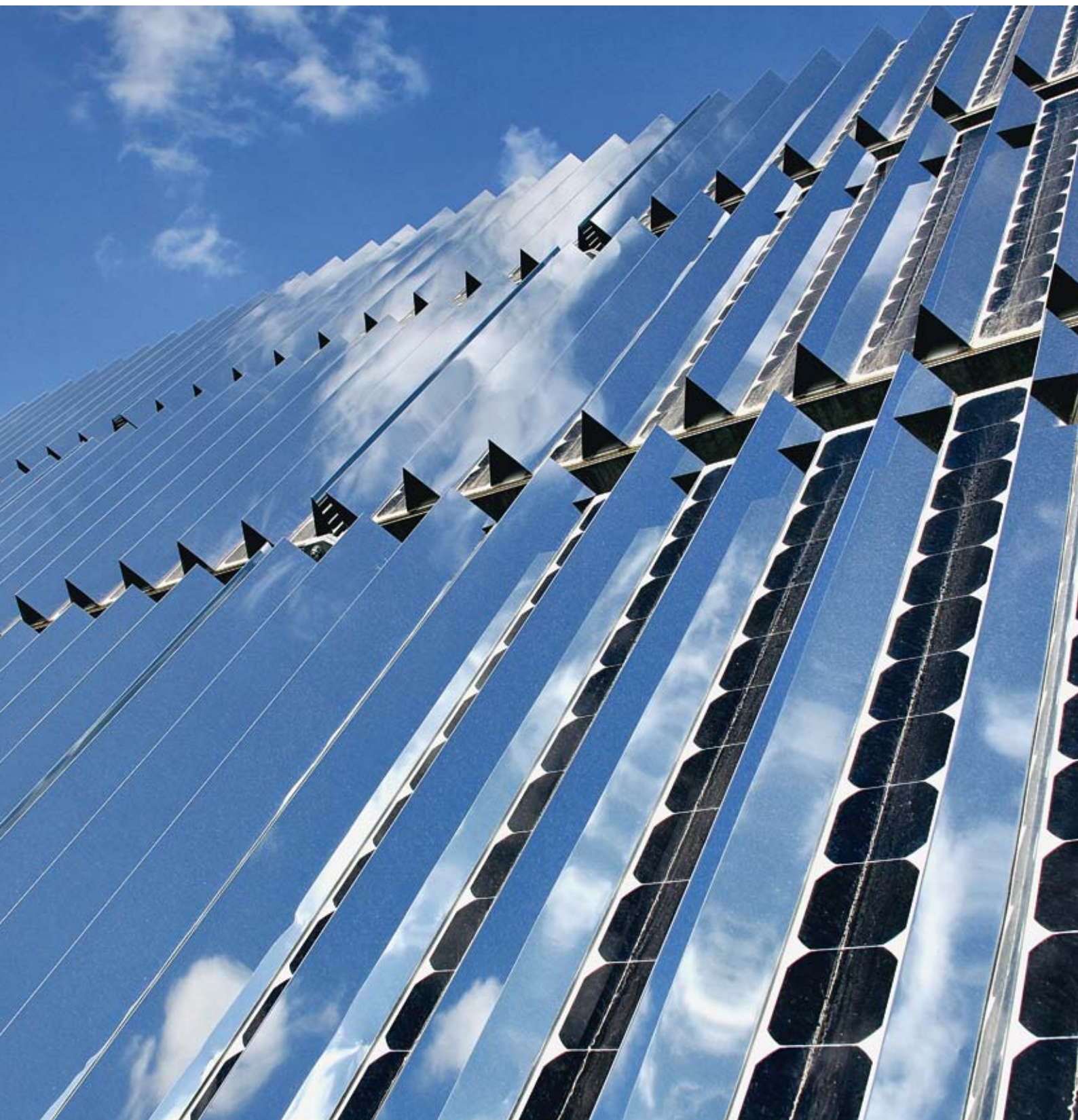
Within Creos Luxembourg S.A., the 'Regulation Management' section of the Grid Strategy Department has been designated as the department responsible for monitoring the non-discrimination programme in order to guarantee a non-discriminatory treatment of all customers as requested by the Law of 1 August 2007. A report describing the measures taken is presented annually to the regulator.

In Germany, grid activities are mainly influenced by regulation aspects. As at 1 July 2009 Creos Deutschland GmbH is subject to the so-called revenue cap regulations.

The Federal Network Agency guidelines issued were taken into consideration in full when calculating the upper revenue limits. In terms of the benchmark based on the purely econometric procedure of the Federal Network Agency (DEA), the company was allocated an efficiency value of 86.02%.

As already mentioned above, the third regulation package was decided and published on EU level in August 2009. In the same way as the electricity directive regulations, the gas directive also focuses on increased unbundling within the gas sector. Accordingly, all transmission system operators must be 'unbundled' either as owners or at least in the form of independent system operators or independent transmission system operators.

Creos Deutschland GmbH will investigate whether it is classified as a transmission system operator or distribution system operator in the sense of the EU Commission directive and whether the unbundling regulations of the third EU internal market legislative package will thus apply to Creos Deutschland GmbH.



3 Evolution of Enovos group companies

(in Lux Gaap for companies in Luxembourg and German Gaap for companies in Germany)

3.1 Main group companies

Enovos International S.A.

Enovos International S.A. is the parent company of the group, based in Luxembourg. The core activities of Enovos International S.A. are to hold financial interests in affiliated companies and to provide financing and corporate services to group affiliates.

Key figures (in million euros)	2009	2008 *
Total assets	997.2	264.9
Total fixed assets	762.0	55.6
Shareholders' equity (incl. result for the year)	609.6	148.9
Amounts owed to credit institutions	150.2	4.9
Net turnover	-	674.5 **
Net profit for the year	140.5	16.6

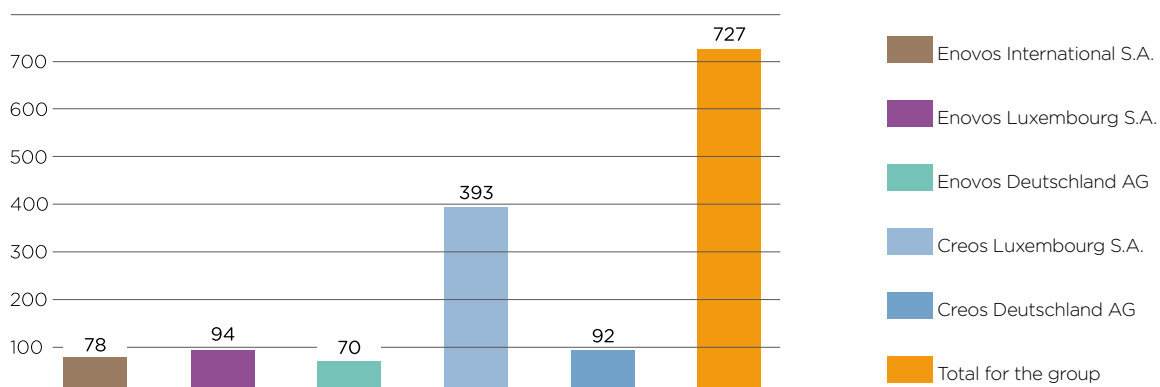
* figures in 2008 relate to Soteg S.A.. Due to the change in activity, the comparability between the annual accounts as of 2009 with those as of 2008 is difficult

** including trading

Human resources

Evolution of the workforce and key figures

The average workforce over the financial period from July to December 2009 was 78 for Enovos International S.A., 94 for Enovos Luxembourg S.A., 70 for Enovos Deutschland AG, 393 for Creos Luxembourg S.A. and 92 for Creos Deutschland GmbH - for a total for the group of 727 employees on average. The chart below provides detail on the workforce:



The group remains present on the labour market, despite the difficult economic context, recruiting new members of staff via internal and external searches and participation at various events such as representation at the recruitment show organised by the University of Luxembourg.

Whilst 2009 was marked by geographic expansion, there was also a high degree of internal mobility following the reorganisation of posts and procedures specific to each of the three companies and the creation of new departments.

Ongoing professional training

In order to ensure the transfer of knowledge, know-how and ability, as part of the integration process, the development of skills and the acquisition of additional skills, the training budget increased in 2009. The management and development of skills remain vital aspects of the group's human resources strategy. Ensuring the development of its teams, reconciling needs and skills as well as everyone's desires for progress, must enable the group to have the qualified human resources necessary for good performance and their constant development, whilst offering prospects for career advancement.

Alongside a vast programme in all the fields affecting safety at work, a new initiative, to promote sustainable and responsible development, was taken in 2009, with the project entitled 'Healthcare at Work', geared

Senior Management of Enovos International S.A.



from left to right: Marie-Hélène Bertinchamps, Detlef Huth, Eric Mauer, Danielle Schmit, Jim Schumann, Michel Schaus, Marc Schintgen, Marc Wagener, Danny Manso, Philippe Malinov

to understanding such problems better and to paying particular attention to the health and well-being of the group's employees. The concept involves individual health assessments via a questionnaire validated scientifically and by personalised feedback. Joint and specific action programmes, to improve and protect health are being studied, in relation to requirements and in close collaboration with the Health and Safety Department and with the support of the staff delegation.

The management would like to stress that a culture of dialogue, transparency and constructive and responsible cooperation between the Executive Committee, the staff delegation and the staff themselves is considered an important advantage particularly in these times of merger and integration.

At the end of a turbulent year, marked by major upheavals and challenges, the importance of everyone's contribution is vital.

The Board of Directors and the Executive Committee would like to express its recognition of all the efforts made on a daily basis and the professionalism shown by each member of the staff.

Enovos Luxembourg S.A.

Enovos International S.A. holds 100% of Enovos Luxembourg S.A. whose core activities are to supply gas and power to clients in Luxembourg and abroad. Enovos Luxembourg S.A. has an 86.2% stake in Enovos Deutschland AG for the German market (another 10% stake is held directly by Enovos International S.A.). Enovos Luxembourg S.A. also holds several stakes in power generation companies, based on conventional and renewable sources of energy.

Key figures (in million euros)	2009	2008 *
Total assets	410.2	60.2
Total fixed assets	159.3	55.6
Shareholders' equity (incl. result for the year)	232.2	47.8
Amounts owed to credit institutions	-	-
Net turnover (excluding trading)	769.7	-
Net profit for the year	118.1	4.5

* figures in 2008 relate to Cegeled Participations S.A.. Due to the change in activity, the comparability between the annual accounts as of 2009 with those as of 2008 is difficult.

Net profit for the year 2009 amounted to EUR 118.1 million, out of which EUR 64.8 million realised from the sale of Soteg S.A. (now Enovos International S.A.) shares and EUR 30.2 million dividend received from Enovos Deutschland AG.

Sales of Enovos Luxembourg S.A.

Overall electricity sales have been as follows:

in GWh	2009	2008 ⁽¹⁾	Change
Final customers	3,170.1	3,127.3	+1.4%
Industrial clients	1,103.0	1,179.9	-6.5%
Commercial clients	1,135.3	1,050.9	+8.0%
Residential and small business	931.8	896.5	+3.9%
Wholesale customers ⁽²⁾	960.6	985.6	-2.5%
of which sales to grid operators	121.0	120.6	+0.3%
Total electricity sales	4,130.7	4,112.8	+0.4%

(1) non-audited figures, sum of former Cegedel and Soteg

(2) without pure trading activities

Despite the economic crisis, sales of electricity to final customers - industrial, commercial, residential and small business - increased by 1.4% to reach 3,170.1 GWh in 2009. The decrease of 6.5% on industrial customers reflects the general economic slowdown.

Electricity sales to wholesale customers decreased by 2.5% and amounted to 960.6 GWh in 2009. The main reason for this decrease was the takeover of the commercial activities of the utilities of Echternach and Vianden in 2009, which accounted for as final customers.

Overall natural gas sales have been as follows:

in GWh	2009	2008 ⁽¹⁾	Change
Final customers	7,420.0	11,732.2	-36.8%
Industrial clients	3,970.2	5,290.7	-25.0%
Power plants	3,449.8	6,441.5	-46.4%
Wholesale customers ⁽²⁾	5,503.8	5,059.3	+8.8%
of which sales to public utilities	5,022.1	5,059.3	-0.7%
Total natural gas sales	12,923.8	16,791.5	-23.0%

(1) non-audited figures, sum of former Cegedel and Soteg

(2) without pure trading activities

Natural gas sales to final customers have decreased substantially by 36.8% to reach 7,420 GWh in 2009. The impact of the economic crisis and the resulting slowdown of economic activity had a negative impact on the consumption of our industrial clients by 25%. The reduced supply to power plants is attributed primarily to the flexibility granted in the supply contract to the company's subsidiary Twinerg, where for optimisation reasons, the decision was taken to shift partially from the long-term supply of gas to the more attractive supply on the spot market.

Natural gas sales to public utilities remained almost stable and amounted to 5,022 GWh in 2009.

Enovos Deutschland AG

The core activities of Enovos Deutschland AG are to supply gas to industrial clients and municipalities in Germany and to hold participations in German utilities ("Stadtwerke").

Key figures (in million euros)	2009	2008 *
Total assets	332.7	412.5
Total fixed assets	182.1	202.5
Shareholders' equity (incl. result for the year)	172.8	138.2
Amounts owed to credit institutions	-	-
Net turnover (excluding trading)	645.2	1171.3
Net profit for the year	89.6	44.9

* figures in 2008 relate to Saar Ferngas AG. Due to the change in activity, the comparability between the annual accounts as of 2009 with those as of 2008 is difficult.

Enovos Deutschland AG is primarily a regional energy supply company, based in Saarbrücken. The company's activities range from energy sales to managing various holdings in other energy supply companies. Until 2009 Enovos Deutschland AG focused exclusively on the natural gas sales, with customers that included regional and local energy supply companies, as well as industrial businesses and power plants. In 2010, the electricity sales were incorporated into its business activities for the first time.

In 2009, 21.3 TWh of natural gas were sold and revenues of EUR 645.2 million were achieved. Of this total, 17.7 TWh were sold to local utilities, 3.3 TWh to industrial and power plant customers and 0.4 TWh to other customers.

The results of the participations amounted to EUR 21.5 million and thus accounted for 20.5% of the company's total earnings before taxes of EUR 105.3 million.

Creos Luxembourg S.A.

Enovos International S.A. holds a 100% stake in Creos Luxembourg S.A. as of 31 December 2009. Creos Luxembourg S.A. transports and distributes electricity (through former Cegedel S.A. grid) and gas (through former Soteg S.A. grid) in Luxembourg.

Key figures (in million euros)	2009	2008 *
Total assets	425.5	553.8
Total fixed assets	298.0	322.5
Shareholders' equity (incl. result for the year)	256.6	414.4
Long term financial liabilities	88.0	-
Net turnover	157.1	312.0 **
Net profit for the year	47.7	24.3

* figures in 2008 relate to Cegedel S.A.. Due to the change in activity, the comparability between the annual accounts as of 2009 with those as of 2008 is difficult.

** excluding trading

According to the investment programme 2009, almost all the projects in gas and electricity have been carried out in time and within the limits of the approved budget, except for the Luxembourg-Belgium interconnection project, which has been delayed.

The main objective of all the scheduled works is to guarantee and improve security of supply. In electricity, the two major projects on the 220kV level registered good progress in 2009 and will probably be completed in 2011, i.e. the rehabilitation of the transforming and distribution substation in Schiffflange and the construction of a gallery for the Schiffflange/Oxylux (Esch-Agora)/Schiffflange 220kV loop closing line. On the 65kV level, the modification of the 65/20kV transformer unit at Potaschberg, the renewal of the Aspelt-Erpeldange 65kV power line and the replacement of conductors and insulator chains on different power lines have been completed. The modernisation of different 65kV substations is progressing. Major developments in the 20kV grid included the power distribution loops to minimise the effect of shortcuts, and the replacement of overhead lines by underground cables.

In the high pressure gas grid, Creos launched a new pressure regulation and metering station in Alzingen in 2009 in order to reinforce the supply of the City of Luxembourg. In Kehlen, the biomethanisation plant with an injection capacity of nearly 3MW has been connected to the medium pressure grid.

Overall electricity demand in the Creos grids evolved as follows:

(in GWh)	2009	2008	Change
Final customers			
Industrial sector	1,208.1	1,381.8	- 12.6%
Commercial sector	1,103.2	1,079.9	+ 2.2%
Residential and small business	958.4	893.3	+ 7.3%
Local utilities	1,261.2	1,302.5	- 3.2%
Losses	116.0	119.3	- 2.7%
Total	4,646.9	4,776.8	- 2.7%

The economic crisis has had an impact mainly on the demand in the industrial sector. Changes in the categories of “wholesale customers” and “residential sector” are influenced by the takeover of the commercial activities of the utilities of Echternach and Vianden by Enovos Luxembourg, the demand of those customers being accounted for as final customers.

Overall natural gas demand has evolved as follows:

(in GWh)	2009	2008	Change
Final customers			
Industrial sector	4,137.2	4,861.9	- 14.9%
Large scale electricity production	5,153.4	4,133.8	+ 24.6%
Local utilities	5,085.8	5,122.9	- 0.7%
Total	14,376.4	14,118.6	+ 1.8%

Natural gas demand of industrial customers has decreased due to the economic crisis, whereas gas consumption, which was lower in 2008 due to shut down, was again at the normal level. The demand in utilities has almost been stable.

Creos Deutschland GmbH

Creos Luxembourg S.A. holds a 96.88% stake in Creos Deutschland GmbH. This company is a gas transport operator in the Sarre (Germany). It resulted from the combination in 2009 of the Saar Ferngas AG grid assets with Saar Ferngas Transport GmbH.

Key figures (in million euros)	2009
Total assets	89.0
Fixed assets	46.4
Shareholders' equity (incl. result for the year)	29.9
Amounts owed to credit institutions	-
Net turnover	59.7
Net profit for the year	9.9

Net profit for the year 2009 amounted to EUR 9.9 million. The majority of revenues, EUR 59.7 million, resulted from grid fees. Investments for 2009 amounted to EUR 6.8 million.

Transport amount

At 28.87 billion kWh, the amount of gas transported over the 2008/2009 gas market year was slightly below that of the previous year (- 3,6%).

Outlook

Once the revenue cap regulation came into force on 1 January 2009 and the upper revenue limits from the Federal Network Agency took effect, the company's efforts have focused and will continue to focus on optimising processes, reducing costs and uncovering synergy potential. The implementation of the merger of the Saar Ferngas group and the Luxembourg energy supply companies Cegedel S.A. and Soteg S.A. into Enovos International S.A. will create synergies for both network companies. The recent start of cooperation with VSE AG and Stadtwerke Saarbrücken AG also represents significant savings potential. Creos is aiming to increase revenues by expanding its services and implementing central odorisation in its network area.

As part of a sustainable investment programme, Creos Deutschland GmbH intends to continue the major reinvestments it has already initiated over the next 15 years. In order to cover the capital costs arising as the result of the investments, it is crucial that the Federal Network Agency recognises the investment budget in accordance with §23 of the Incentive Regulation Ordinance (ARegV).



3.2 Other group companies

Subsidiaries held by Enovos International S.A.

• Consolidated subsidiaries

artelis S.A.

(participating interest: 36.95%)

At the end of 2009, Enovos International S.A. bought an additional 9.45% stake previously held by BIP Investment Partners, increasing its interest in artelis from 27.5% to 36.95%. artelis has been equity consolidated in Enovos group at a rate of 27.5% in 2009. artelis holds two 100% subsidiaries, Cegecom S.A. in Luxembourg and VSE Net AG in Germany which both offer a wide range of telecommunications services (voice, data transmission and high-speed internet access), based on a fibre-optic network and wireless local loop technology.

2009 net profit reached EUR 5.1 million (compared with EUR 4.5 million in 2008).

Global Facilities S.A.

(participating interest: 50%)

The company offers facility management services to companies and local authorities in Luxembourg. In 2009, the company made a profit of EUR 0.7 million in 2009, compared with EUR 0.6 million in 2008.

Enovos Re S.A.

(participating interest: 100%)

Enovos Re is a captive reinsurance company with capital of EUR 1.24 million whose aim is to insure the group against major operational risks. Technical provisions totalled EUR 5.83 million as at 31 December 2009 (2.30 million in 2008).

In accordance with Luxembourg's insurance law of 6 December 1991 (Art 99-4), reinsurance companies are obliged to set aside an equalisation provision, which means that Enovos Re's profit is zero.

• Other company (not consolidated)

European Energy Exchange (EEX) AG

(participating interest: 1%)

Based in Leipzig, the European Energy Exchange (EEX) is the management company for the only German electricity exchange, the largest in Europe. EEX is active on spot and forward electricity markets as well as in natural gas and CO₂ certificates.



Subsidiaries held by Enovos Luxembourg S.A.

• Consolidated subsidiaries

Twinerg S.A.

(participating interest: 17.5%)

Twinerg is a combined cycle gas and steam turbine that has been operating since 2002. Total electricity production in 2009 was 3,209 GWh (3,609 GWh in 2008). Profit for the period was EUR 9.0 million (compared with EUR 8.64 million in 2008).

Ceduco S.A.

(participating interest: 50%)

Ceduco S.A. is jointly owned by Dupont de Nemours and Enovos Luxembourg. It operates an industrial cogeneration plant.

In 2009, its sales of steam and electricity totalled 56,297 tons and 32.37 GWh respectively, compared with 104,446 tons and 59.97 GWh in 2008. The company recorded a loss of EUR 1.875 million, compared with a loss of EUR 0.17 million in 2008.

Cegyco S.A.

(participating interest: 50%)

Cegyco S.A. is jointly owned by Goodyear and Enovos Luxembourg. It operates an industrial cogeneration plant.

In 2009, its sales of steam and electricity totalled 168,866 tons and 54.34 GWh respectively, compared with 248,882 tons and 75.52 GWh in 2008. The company recorded a loss of EUR 0.18 million, compared with a profit of EUR 0.19 million in 2008.

LuxEnergie S.A.

(participating interest: 60.35%)

LuxEnergie generates and supplies heat, cold air and electricity in the public, domestic and service sectors, particularly on a cogeneration basis.

In the course of the year, the company invested EUR 5.4 million. In 2009, the company's net profit was EUR 2.48 million, compared with EUR 2.61 million in 2008. LuxEnergie operates a total of 39 power stations, which in 2009 produced 256.3 GWh of heat, 30.4 GWh of cold and 115.3 GWh of electricity. The company also supplies maintenance services to third-party cogeneration stations. At the end of 2009, the company had 62 employees.

Airport Energy S.A.

(participating interest: 30.18%)

This company operates a cogeneration plant in the Luxembourg airport zone. Net result in 2009 amounted to EUR 0.01 million.

DataCenterEnergie S.A.

(participating interest: 30.18%)

This company builds and operates IT data centers in Luxembourg. Net loss in 2009 amounted to EUR 0.7 million.

Wandpark Gemeng Hengischt S.A.

(participating interest: 20%)

This company built and operates a wind farm of around 10 turbines in Heinerscheid. The total installed capacity of the farm is 12,200 kW.

In 2009, electricity production amounted to 19.7 GWh, compared with 20.6 GWh in 2008. Profit for 2009 reached EUR 0.36 million, compared with EUR 0.45 million in 2008.

Wandpark Kehmen-Heischent S.A.

(participating interest: 20%)

This company was created to build and operate a wind farm in Kehmen comprising seven wind turbines with a total installed capacity of 12,600 kW.

In 2009, wind power added 21.4 GWh of electricity to Creos Luxembourg S.A.'s grid, compared with 22.6 GWh in 2008. The financial year ended with a profit of EUR 0.52 million (EUR 0.47 million in 2008).

Wandpark Burer Bierg S.A.

(participating interest: 36.25%)

This company was created to build and operate a wind farm with a total installed capacity of 7,200 kW.

In 2009, wind power added 10.3 GWh of electricity to Creos Luxembourg S.A.'s grid, compared with 3.9 GWh in 2008. The financial year ended with a loss of EUR 0.2 million (loss of EUR 0.1 million in 2008).

Windpark Mosberg GmbH & Co KG

(participating interest: 100%)

This company was created to build and operate a wind farm in the Saar comprising six wind turbines. The total installed capacity of the farm is 6,000 kW.

Construction of the wind farm was completed in financial year 2008, and the farm came on line at the start of 2009. 2009 loss was EUR 0.2 million (loss of EUR 0.03 million in 2008).

Soler S.A.

(participating interest: 50%)

This company was formed in response to the Luxembourg government's initiative to privatise the running of state-owned hydroelectric power stations. Its corporate purpose includes the design and creation of electricity generation facilities, based on renewable sources of energy, and the running of these facilities. As at 31 December 2009, the company operated the hydroelectric stations of Ettelbruck, Esch-sur-Sûre and Rosport. The company ended the year with a profit of EUR 0.67 million (compared to EUR 1.18 million in 2008).

Luxgaz Distribution S.A.

(participating interest: 39.19%)

This company sets up and operates local gas distribution networks in regions recently connected following the extension of the natural gas grid.

Gas sales increased 2.6% in 2009 to reach 102.1 million m³ (99.5 million m³ in 2008). The company made a profit of EUR 4.51 million in 2009, compared with EUR 3.24 million in 2008.

In March 2010, certain public shareholders of Luxgaz Distribution S.A. contributed their shares in Luxgaz Distribution S.A. in Creos Luxembourg S.A. and Enovos Luxembourg S.A. sold its 39.19% participation in Luxgaz Distribution S.A. to Creos Luxembourg S.A.. It is then intended to integrate the Luxgaz Distribution S.A. grid activities in Creos Luxembourg S.A. and the Luxgaz Distribution S.A. sales activities in Enovos Luxembourg S.A..

NordEnergie S.A.

(participating interest: 33.33%)

NordEnergie is owned in equal parts by Enovos Luxembourg S.A. and the cities of Ettelbruck and Diekirch. NordEnergie's purpose is to provide electricity to the supply points connected to the distribution grids of the cities of Ettelbruck and Diekirch, which continue to own their own grids. It serves 7,448 customers (46 of which are medium-voltage clients). In 2009, net profit amounted to EUR 0.098 million (in 2008: EUR -0.06 million).

Steinergy S.A.

(participating interest: 50%)

Steinfort Energy S.A. (abbreviated in Steinergy) is owned in equal parts by Enovos Luxembourg S.A. and the Steinfort municipality. The purpose of the company is to sell energy to the electricity customers in Steinfort. The company serves 2,037 customers (18 of which are medium-voltage clients). Net loss in 2009 totalled EUR -1,710 (profit of EUR 24,651 in 2008).



- **Other companies (not consolidated)**

Société Electrique de l'Our S.A.

(participating interest: 4,46%)

Société Electrique de l'Our (SEO) owns and operates a 1,100 MW pumping station in the Vianden region and hydroelectric power stations on the Moselle river. Like last year, the company made a profit of EUR 2.19 million in 2009. Works for the extension of the Vianden pumping station by means of an eleventh 200 MW machine have continued.

Agence de l'Energie S.A.

(participating interest: 40%)

Agence de l'Energie continued its activities in 2009, most notably raising awareness, providing information and giving technical advice to the general public about how to use energy efficiently, and encouraging the use of renewable energies following the implementation of Luxembourg's new regulations in this area. As in the past, the company broke even.

Subsidiaries held by Enovos Deutschland AG

- **Consolidated subsidiaries**

Enovos Beteiligungsverwaltungs GmbH

(participating interest: 96.88%)

Enovos Beteiligungsverwaltungs GmbH is a subsidiary of Enovos Deutschland AG that holds shares in ESW EnergieSüdwest AG. The company made a net profit of EUR 1.5 million before profit transfer to Enovos Deutschland AG. The company has no employees.

ESW EnergieSüdwest AG

(participating interest: 49.41%)

ESW EnergieSüdwest AG is a municipal utility selling electricity and water to households and industrial customers in the city of Landau. The company also holds a 100% participation in ESW Gas Netz GmbH, a local distribution grid operator, which is also consolidated. For German antitrust reasons, the gas supply-ing branch was outsourced in a separate company and sold to ESW EnergieSüdwest AG's shareholders - Stadtholding Landau GmbH (90%) and Enovos Beteiligungsverwaltungs GmbH (10%). In the course of the year, the company invested EUR 4.7 million. In 2009, the company's net profit reached EUR 6.8 million, compared to EUR 4.9 million in 2008. The electricity sales reached EUR 24.5 million and 188.9 GWh. The water sales reached EUR 4.1 million and 2,515 Tm³. At the end of 2009, the company had 43 employees. ESW holds 100% in shares of Lantec Gebäudetechnikmanagement GmbH and 50% of geo x GmbH shares.



Lantec Gebäudetechnikmanagement GmbH

(participating interest: 49.41%)

Lantec Gebäudetechnikmanagement GmbH is a 100% subsidiary of EnergieSüdwest AG and operates cogeneration plants. In 2009, turnover reached EUR 1.45 million and a net result of EUR 0.08 million before profit transfer. The company has 2 employees.

energis GmbH

(participating interest: 27.22%)

energis GmbH sells electricity, gas and water to households and industrial customers. They also hold participating interests in local municipal utilities. In the course of the year, the company invested EUR 11.0 million. In 2009, the company's net profit was EUR 22.7 million, compared to EUR 19.7 million in 2008. The electricity sales reached EUR 225 million (1.6 TWh), sales of natural gas EUR 65 million (1.2 TWh) and sales of water EUR 10 million (9.1 million m³). At the end of 2009, the company had 318 employees.

Pfalzgas GmbH

(participating interest: 48.44%)

Pfalzgas GmbH is a company jointly owned by Enovos Deutschland AG and Pfalzwerke AG. The company solely sells natural gas. In the course of the year 2009, the company invested EUR 3.5 million and the company's net profit was EUR 6.9 million. The gas sales reached EUR 108 million (2.1 TWh). At the end of 2009, the company had 63 employees.

Projecta 14 GmbH

(participating interest: 48.44%)

Projecta 14 GmbH is a joint venture between VSE AG and Enovos Deutschland AG holding 20% shares in Stadtwerke Saarbrücken AG. The company was incorporated in September 2008. Stadtwerke Saarbrücken AG transports and distributes electricity, natural gas and water in the city of Saarbrücken.

Ferngas Nordbayern GmbH

(participating interest : 19.38%)

Ferngas Nordbayern GmbH solely sells natural gas. In the course of the year 2009, the company invested EUR 0.9 million and the company's net profit was EUR 16.9 million. The gas sales reached EUR 644 million (23.7 TWh). At the end of 2009, the company has 33 employees.

geo x GmbH

(participating interest : 24.70%)

geo x GmbH is a company jointly owned by Energie Südwest AG and Pfalzwerke AG. The company operates the first geothermic power plant (3 MW) installed in Germany. The installation provides power to around 6,000 residents. Net loss in 2009 amounted to EUR one million.

- **Other companies (not consolidated)**

Stadtwerke Lambrecht GmbH

(participating interest: 13.69%)

Stadtwerke Lambrecht GmbH is a municipal utility selling electricity, gas and water. The annual report for 2009 is still under progress. In 2008, the electricity sales reached EUR 2.1 million (15 million kWh), sales of natural gas EUR 5.1 million (93 million kWh), sales of water EUR 0.5 million (258 Tm³). In course of the year, the company invested EUR 0.9 million. In 2008, the company's net profit was EUR 0.2 million before profit transfer.

Stadtwerke Völklingen Vertrieb GmbH

(participating interest: 17.05%)

Stadtwerke Völklingen Vertrieb GmbH is a municipal utility selling electricity, gas, water and heat. The annual report for 2009 is still under progress. In 2008, the electricity sales reached EUR 21.0 million (143 million kWh), sales of natural gas EUR 12.3 million (209 million kWh), sales of water EUR 4.4 million (3081 Tm³). In 2008, the company's net profit was EUR 1.5 million before profit transfer.

SSG Saar Services GmbH

(participating interest: 9.69%)

The company's main activity is to offer a wide range of services: facility management, winter services to its shareholders and other companies. In the course of the year 2009, the company invested EUR 0.3 million. Sales in 2009 reached EUR 12.8 million and the net profit reached EUR 0.4 million.

Stadtwerke GmbH Kirchheimbolanden

(participating interest: 9.69%)

Stadtwerke GmbH Kirchheimbolanden is a municipal utility selling electricity, gas and water. The annual report for 2009 is still under progress. In 2008, the electricity sales reached EUR 4.1 million (28 million kWh), sales of natural gas EUR 7.0 million (142 million kWh), sales of water EUR 2.9 million (979 Tm³). In the course of the year 2008, the company invested EUR 2.6 million. In 2008, the company's net profit was EUR 0.3 million before profit transfer.

Stadtwerke Homburg GmbH

(participating interest : 9.69%)

Stadtwerke Homburg GmbH is a municipal utility selling electricity, gas and water. The annual report for 2009 is still under progress. In 2008, the electricity sales reached EUR 80.0 million (925 million kWh), sales of natural gas EUR 51.6 million (1170 million kWh), sales of water EUR 5.9 million (3443 Tm³). In the course of the year 2008, the company invested EUR 6.4 million. In 2008, the company's net profit was EUR 7.9 million before profit transfer.

Stadtwerke Pirmasens Versorgungs GmbH

(participating interest: 12.58%)

Stadtwerke Pirmasens Versorgungs GmbH is a municipal utility selling electricity, gas, water and heat. The annual report for 2009 is still under progress. In 2008, the electricity sales reached EUR 24.6 million (263 million kWh), sales of natural gas EUR 25.3 million (456 million kWh), sales of water EUR 4.8 million (3187 Tm³) and sales of heat EUR 5.1 million (67 million kWh). In the course of the year 2008, the company invested EUR 3.8 million. In 2008, the company's net profit was EUR 5.1 million before profit transfer.

Stadtwerke St. Ingbert GmbH

(participating interest: 12.16%)

Stadtwerke St. Ingbert GmbH is a municipal utility selling electricity, gas, water and heat. The annual report for 2009 is still under progress. In 2008, the electricity sales reached EUR 26.8 million (214 million kWh), sales of natural gas EUR 21.5 million (436 million kWh), sales of water EUR 3.8 million (1823 Tm³) and sales of heat EUR 1 million (10 million kWh). In the course of the year 2008, the company invested EUR 3.8 million. In 2008, the company's net profit was EUR 3.2 million before profit transfer.

Stadtwerke Sulzbach GmbH

(participating interest: 14.53%)

Stadtwerke Sulzbach GmbH is a municipal utility selling electricity, gas, water and heat. The annual report for 2009 is still under progress. In 2008, the electricity sales reached EUR 10.3 million (74 million kWh), sales of natural gas EUR 10.3 million (188 million kWh), sales of water EUR 1.6 million (889 Tm³) and sales of heat EUR 1.7 million (16 million kWh). In the course of the year 2008, the company invested EUR 1.7 million. In 2008, the company's net profit was EUR 2.8 million before profit transfer.

Stadtwerke Völklingen Netz GmbH

(participating interest: 17.05%)

Stadtwerke Völklingen Netz GmbH is a municipal grid operator. The annual report for 2009 is still under progress. In 2008, the power grid fees reached EUR 10.4 million (149 million kWh), gas grid fees EUR 4.2 million (208 million kWh), sales of water EUR 3.8 million (3.081 Tm³). In the course of the year 2008, the company invested EUR 3.1 million. In 2008, the company's net profit was EUR 1.7 million before profit transfer.

Enovos Services GmbH

(participating interest: 96.88%)

The company's main activity is to offer facility management to Enovos Deutschland AG's sales in 2009 reached EUR 1.0 million and the net profit reached EUR 0.1 million.

ESW Gasvertrieb GmbH

(participating interest: 9.69%)

ESW Gasvertrieb GmbH solely sells natural gas. For German antitrust reasons, the gas supplying branch was outsourced in a separate company and sold to ESW EnergieSüdwest AG's shareholders Stadtholding Landau GmbH (90%) and Enovos Beteiligungsverwaltungs GmbH (10%). The gas sales reached EUR 24.6 million (494 million kWh). In 2009, the company's net profit was EUR 0.5 million before profit transfer.

Stadtwerke Trier Versorgungs-GmbH

(participating interest: 24.12%)

Stadtwerke Trier Versorgungs-GmbH is a municipal utility. The company sells electricity, gas, water and heat to households and industrial customers. The annual report for 2009 is still under progress. In the course of the year 2008, the company invested EUR 44.3 million. In 2008, the company's net profit was EUR 8.5 million before profit transfer. The electricity sales reached EUR 73.5 million (0.6 GWh), sales of natural gas EUR 81.4 million (1.7 GWh), sales of water EUR 13.3 million (6.5 million m³) and sales of heat EUR 2.8 million (40 million kWh).

Stadtwerke GmbH Bad Kreuznach

(participating interest: 23.76%)

Stadtwerke GmbH Bad Kreuznach is a municipal utility selling electricity, gas, water and heat to households and industrial customers. The annual report for 2009 is still under progress. In 2008, the company invested EUR 3.3 million. The company's net profit in 2008 was EUR 4.7 million before profit transfer. The electricity sales reached EUR 30.4 million (0.251 GWh), sales of natural gas EUR 33.8 million (0.810 GWh), sales of water EUR 8.3 million (3.7 million m³) and sales of heat EUR 1.6 million (0.022 GWh).

Stadtwerke Blietal GmbH

(participating interest: 22.76%)

Stadtwerke Blietal GmbH is a municipal utility selling electricity, gas, water and heat to households and industrial customers. The annual report for 2009 is still under progress. In the course of the year 2008, the company invested EUR 1.2 million. In 2008, the company's net profit was EUR 0.8 million before profit transfer. The electricity sales reached EUR 7.8 million (0.056 GWh), sales of natural gas EUR 5.5 million (0.098 GWh), sales of water EUR 2.8 million (1.3 million m³) and sales of heat EUR 0.2 million (0.3 million kW).

Solarkraftwerk Kenn GmbH

(participating interest: 24.32%)

This company was incorporated as a joint venture to build and operate a solar power plant in Germany. The total installed capacity of the plant is 5,838 kW. Construction of the solar plant was completed in financial year 2009, and the plant started up mid-2009. Partners in this project are Stadtwerke Trier Versorgungs-GmbH and Stadtwerke Saarbrücken AG.

prego services GmbH (participating interest: 24.32%)

prego services GmbH is a company jointly owned by Enovos Deutschland AG (25.10%), VSE AG (37.45%) and Pfalzwerke AG (37.45%). The company's main activity is to offer a wide range of IT-services, personnel administration and supply management to its shareholders and other companies. The annual report for 2009 is still under progress. Sales in 2008 reached EUR 61.6 million and the net profit reached EUR 2.5 million.

Subsidiary held by Creos Luxembourg S.A.

CASC CWE S.A. (Capacity Allocation Service Center CWE S.A.) - not consolidated (participating interest: 14.3%)

This company based in Luxembourg was created on 1 October 2008 and offers to stock markets and brokers a contact point with a single set of harmonised rules for the auction of power shipping capacities on the borders of Benelux, France and Germany. Net result for the first fiscal year of the company for the period 1 October 2008 to 31 December 2009 reached EUR 0.5 million.







III Consolidated Annual Accounts

Enovos group

1 Consolidated balance sheet as at 31 December 2009

ASSETS	Notes	2009
		€
Fixed assets		
Intangible fixed assets	Note 6	
Licences		3,671,752
Goodwill and trademarks		1,211,250
Intangible assets in course of construction		25,464,485
Tangible fixed assets	Note 7	
Land and buildings		75,394,293
Plant and machinery		417,824,450
Other equipment, machines and furniture		10,218,980
Payments on account and tangible assets in course of construction		32,487,738
Financial assets		
Participating interests	Note 8.1	119,905,001
Investments carried at cost	Note 8.2	57,435,938
«Loans to undertakings with which the company is linked by virtue of participating interests»		13,008,368
Securities held as fixed assets	Note 11	29,334,715
Total Fixed Assets		785,956,971
Current assets		
Stocks and services in progress	Note 9	
Raw materials and consumables		3,843,602
Work in progress		6,954,923
Finished goods and goods for resale		19,953,854
Payments on account		1,382,721
Receivables		
Trade receivables	Note 10.1	
- becoming due and payable within one year		210,751,020
- becoming due and payable after more than one year		337,458
Amounts owed by undertakings with which the company is linked by virtue of participating interests	Note 10.2	
- becoming due and payable within one year		39,007,261
- becoming due and payable after more than one year		0
Other receivables	Note 10.3	
- becoming due and payable within one year		23,181,893
- becoming due and payable after more than one year		5,010,000
Cash at bank, cash in postal cheque accounts, cheques and cash in hand	Note 11	
Securities		14,189,662
Cash at bank		248,544,303
Total Current Assets		573,156,697
Prepayments and accrued income	Note 12	18,647,575
Total Assets		1,377,761,243

LIABILITIES	Notes	2009
		€
Shareholder's equity	Note 13	
Subscribed capital		84,450,000
Share premium		255,686,349
Consolidated reserves		(31,763,488)
Retained earnings		190,293,944
Consolidated profit for the year, group share		144,973,520
Total Shareholder's equity, group share		643,640,325
Minority interests		35,525,708
Total shareholder's equity		679,166,033
Provisions for liabilities and charges		
Provisions for pensions and similar obligations	Note 14.1	84,771,611
Provisions for current income tax	Note 14.2	25,850,672
Other provisions	Note 14.3	85,140,225
Total Provisions		195,762,507
Liabilities		
Amounts owed to credit institutions	Note 15	
- becoming due and payable within one year		48,678,575
- becoming due and payable after more than one year		134,256,123
Payments received on account of orders in so far as		
- becoming due and payable within one year	Note 16	13,903,544
- becoming due and payable after more than one year		0
Trade creditors		
- becoming due and payable within one year	Note 17	198,276,289
- becoming due and payable after more than one year		0
Amounts owed to undertakings with which the company is linked by virtue of participating interests	Note 18	
- becoming due and payable within one year		30,053,535
- becoming due and payable after more than one year		12,750,000
Tax and social security	Note 19	
Tax		8,122,184
Social security		658,098
Deferred income tax	Note 20	39,260,529
Other creditors	Note 21	
- becoming due and payable within one year		5,859,836
- becoming due and payable after more than one year		339,287
Total		492,158,000
Accruals and deferred income	Note 22	10,674,703
Total Liabilities		1,377,761,243

2 Consolidated income statement for the year 2009

	Notes	2009
		€
Sales	Note 23	1,572,447,773
Other operating income	Note 24	23,174,969
Own work capitalized		8,856,934
Cost of sales	Note 25	(1,256,886,396)
Personnel expenses	Note 26	(80,472,041)
Other operating expenses	Note 27	(77,563,283)
Ordinary operating profit (EBITDA)		189,557,956
Depreciation	Notes 6,7	(41,318,136)
Operating profit (EBIT)		148,239,820
Financial income	Note 28	4,949,310
Income from investments	Note 28	14,273,153
Gain on disposal	Note 29	19,077,244
Share of profit in companies accounted for using the equity method	Note 30	17,006,609
Financial expenses		(5,910,735)
Earnings before tax		197,635,401
Current income tax	Note 31	(41,854,535)
Deferred income tax	Note 31	(3,695,369)
Net profit for the year		152,085,497
Minority interests		(7,111,977)
Net profit for the year, group share		144,973,520

3 Notes to the consolidated annual accounts

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Statement of conformity and preparation base

The consolidated accounts of Enovos International S.A. (the “Enovos group”) for the year ended 31 December 2009 have been prepared in accordance with current Luxembourg legal and regulatory requirements. These principles comply with the EU 4th directive.

The group’s consolidated accounts have been prepared under the historical cost convention.

Comparability

As 2009 is the first year of operations of the new Enovos group, no 2008 figures are available for comparison purposes. Soteg S.A (now Enovos International S.A., see note 2) did not prepare consolidated financial statements in 2008 and preceding years.

Note 1 - Summary of accounting principles

Judgement and use of estimates

The preparation of financial statements requires estimates and assumptions to a) determine the value of assets and liabilities, and b) assess market trends at the closure date of the accounts, and c) estimate annual income and costs.

Due to the elements of uncertainty inherent in any valuation process, the group revises its estimates on the basis of information that is updated regularly. Future results for the operations in question may differ from estimates.

Significant estimates made by the group in drawing up financial statements are based mainly on the evaluation of provisions, in particular for litigation and as concerns pension obligations, financial instruments and net profit earned but not yet booked.

Current/noncurrent classification

The group presents current and non-current assets and current and non-current liabilities separately on the balance sheet. As regards most of the group’s activities, the key criterion for classification is the length of time before the asset is received or the liability settled: an asset or liability is classified as current if this period is less than 12 months and non-current if it is greater than 12 months.

Objectives and financial risk management policies

The main risks associated with the Enovos group’s activity are the market risk linked to changes in electricity and gas prices and the credit risk linked to contractual commitments with customers. These risks, further accentuated by increased competition and the new legislative framework, have necessitated proper procedures being put in place to ensure their appropriate control. An Audit Committee was implemented whose purpose is to assist the Board of Directors in controlling the group. The Audit Committee ensures the quality of the financial statements, the smooth functioning of internal and external auditing and the efficiency of the internal control and risk management procedures in place.

Market risk

The group adopts a prudent policy on market risk, observing the strict limits fixed by the Board of Directors and management as regards the level of open positions, both in its procurement and its electricity trading activities. In compliance with internal procedures, market risk is controlled by the risk control department,

which is independent of the trading department that initiates and actively manages the positions. The financial instruments used by the group are approved by management and systematically monitored using stop-loss and value-at-risk risk management models. The latter model requires the establishment of certain key hypotheses, in particular the selection of a confidence interval and investment horizon. Enovos uses an investment horizon of ten days and a confidence level of 99%.

Credit risk

The group has business relations only with third parties of proven financial health. Credit risk is examined systematically on the commencement of a procurement or trading relationship and regularly reviewed. Credit limits are fixed in conjunction with counterparty ratings. The group's exposure to bad debt is minimal. This risk is reduced further by participation in the regulated market of the EEX electricity exchange in Leipzig.

Capital management

The group's main goal in managing its capital is to ensure maintenance of its solid credit risk rating and healthy capital ratios, which should make doing business easier and maximise shareholder value. To maintain or adjust capital structure, the group can adjust dividend payouts to shareholders, pay back some capital or issue new shares.

Liquidity risk

The group manages liquidity risk using a recurrent liquidity management tool. This tool takes into account the maturity of financial investments and assets (for example client credits, other financial assets) and estimates for future business-related cash flows. The group's objective is to maintain a balance between financing continuity and flexibility by using loans and banking lines of credit.

Scope of consolidation

The consolidated financial statements include those of Enovos International S.A. and those of its affiliates, including jointly controlled entities, and its associated companies. Together they form the group. The consolidated companies are listed in Note 4, «Scope of consolidation and list of consolidated companies». All consolidated companies prepare their financial statements as at 31 December.

Consolidation methods

The methods used are:

- Full consolidation in the case of those companies that the Enovos group directly or indirectly controls (generally with more than 50% of the voting rights). With this method, the assets and liabilities of the consolidated companies are incorporated into the consolidated accounts, rather than the book value of the equity interests held by the group in the companies concerned. Use of this method leads to goodwill on consolidation and minority interests being reported. Similarly, the income and expenses of these subsidiaries are consolidated with those of the parent company and their profits/losses for the financial year are apportioned between the group and the minority interests. Intercompany accounts and transactions are eliminated.
- The equity method in the case of those companies over which the Enovos group exercises either joint control with a limited number of associates or significant influence. With this method, the parent company's share of its affiliate's equity, based on its equity interest, is entered in its balance sheet, rather than the acquisition cost of the equity holding itself. The difference thus generated is posted to group shareholders' equity. Similarly, the dividends shown in the parent company's profit/loss are replaced by the parent company's share of the profit/loss of the equity-reported company. The other balance sheet and income statement items are not affected and intercompany accounts and transactions are not eliminated.

Goodwill on consolidation is calculated at the time of acquisition or consolidation of an equity interest. Goodwill represents the excess of the acquisition price over the group's interest share in the equity of the acquired entity. Positive and negative goodwill is accounted for as a deduction of reserves.

Revenue recognition

In energy supply, revenue is recognised at the time of physical delivery except for supplies of low voltage electricity from Enovos Luxembourg S.A. for which revenue recognition is based on five flat-rate advance payments and one detailed account following meter reading as invoiced annually.

Currency translation

With the exception of fixed assets, assets and liabilities denominated in foreign currencies are converted at the exchange rates in effect at the end of the year. Transactions denominated in foreign currencies are recorded at the exchange rates of the transaction day. Realised exchange gains and realised and unrealised exchange losses are recognised in the income statement. Unrealised exchange gains are not recognised. All group companies use EUR as their working currency.

Intangible fixed assets

Computer licences are amortised over their estimated useful lives. Goodwill related to the acquisition of a customer base is amortized over a 5 year period.

Advance payments made according to long term contracts giving a right of energy supply are recorded as intangible assets and are amortized on a linear basis over the period during which the right of energy supply is granted.

Intangible fixed assets are reviewed for impairment annually.

Tangible fixed assets

Tangible fixed assets are valued at initial cost less accumulated depreciation.

Tangible fixed assets are booked at their acquisition price or at construction cost.

The acquisition price is made up of the purchase price, including customs due and non-refundable taxes, after deduction of commercial discounts and rebates, and any cost directly attributable to the asset's transfer to its place of operation and any adaptation needed for its operation.

Depreciation is recorded on the basis of an asset's useful life under the straight line method.

The estimated useful lives of the main components of tangible fixed assets are as follows:

Electricity transformation substation buildings: 50 years

Overhead electric lines: 33 years

Underground electric cables: 25 years

Substation and electric transformer equipment: 20 years

Industrial buildings: 25 years

High pressure gas tubes: 50 years

Low pressure gas tubes: 35 years

Gas stations: 30-35 years

Meters: 10-15 years

Cogeneration plants: 20 years

Commercial vehicles: 5 years

IT equipment: 5 years

Fixed assets under construction are valued at cost, based on the direct and indirect costs incurred by the company.

Tangible fixed assets are reviewed for impairment annually.

Shares in affiliated undertakings and participating interests

Shares in affiliated undertakings and participating interests are recorded in the balance sheet at their acquisition cost and may be written down as required.

Inventories

Stocks are recorded as the lower of their historical cost and their net realisable value. Historical cost is calculated on the basis of the weighted average cost. Value adjustments are made in respect of old inventory items or items with low rotation.

Services in progress equate to services being performed and to be invoiced to third parties. These services are valued at cost, based on the direct and indirect costs incurred by the company. Instalments invoiced to customers during work are recorded in the balance sheet as Payments received on account of orders.

Receivables

Receivables in respect of sales and services provided are recorded at their nominal value. They are written down when there is a risk of partial or total non-recovery. Amounts recorded in the balance sheet are net of any write-downs.

Cash and cash equivalents

Cash includes liquidity, short-term investments that are considered liquid and convertible to a known cash sum and other assets held for transactions that are valued at the closing of the financial year at the lower value of cost or market value. Value changes are recognised in profit or loss.

Provisions

A provision is booked as soon as a requirement (legal or implicit) exists whose settlement is likely to lead to an outflow of economic resources and which can be reliably estimated. The best estimate of the sum necessary to settle a current obligation is used as valuation base.

Different group companies have granted their personnel a supplementary pension scheme. The cost of the benefits granted to personnel is calculated according to the actuarial projected unit credit method. Actuarial gains and losses are recognised and booked as income or cost in the year in which they arise.

Taxes

Provisions for current income tax include the current taxes charged. Deferred taxes are recorded on the time differences existing between the tax rules and those used for preparing the consolidated financial statements. Deferred taxes are calculated in accordance with the variable carrying forward method based on the tax rate expected at the time that the receivable or liability materialises. Active deferred taxes are recorded only if it is likely that future taxable profits will be available.

Approval of the company financial statements

The financial statements were prepared by the Board of Directors on 21 April 2010 and will be submitted for approval to the Annual General Meeting on 11 May 2010.

Presentation of consolidated accounts

The consolidated financial statements have been prepared under the historical cost convention in accordance with Luxembourg legal and regulatory requirements applicable to commercial companies, with the exception that the presentation of the consolidated profit and loss does not correspond to the layout prescribed by the law of 19 December 2002 on the Trade Register and the Accounting and Annual Accounts of Undertakings. The Company believes that the layout adopted is more suitable to the international investor base of the Company.

Note 2 - Creation of the new Enovos group

As of 23 January 2009, the shareholders of Cegedel S.A and Saar Ferngas AG contributed their respective shares into Soteg S.A. Soteg S.A. launched a mandatory public offer on all Cegedel S.A. shares not yet in its possession and Cegedel S.A was delisted after a successful squeeze-out process. A process of restructuring took place thereafter and resulted in a new energy group named Enovos consisting of the parent company, Enovos International S.A.(formerly Soteg S.A.) and its two main subsidiaries, Creos Luxembourg S.A. (formerly Cegedel S.A.) in charge of grid activities and Enovos Luxembourg S.A (formerly Cegedel Participations S.A) dealing with generation, sales and trading activities. This restructuring has been made with retroactive effect as of 1 January 2009. Enovos Luxembourg S.A has a subsidiary Enovos Deutschland AG for the German Market and Creos Luxembourg S.A. has a subsidiary Creos Deutschland GmbH for the German grid.

In the context of this restructuring, former Cegedel S.A. and Soteg S.A. sales activities were contributed to Enovos Luxembourg S.A. against shares. Enovos Luxembourg S.A acquired 86.2% of Enovos Deutschland AG. Cegedel Participations S.A. was sold to Soteg S.A. and the former Cegedel S.A. sales activity has been contributed to Enovos Luxembourg S.A.in exchange for shares. Former Soteg S.A. grid activity has been contributed to Creos Luxembourg S.A. in exchange for shares.

An extraordinary dividend of EUR 100,000,750 was distributed by Creos Luxembourg S.A. as part of the buy out of Creos Luxembourg S.A. by Enovos International S.A.. Cegedel Net S.A. was merged into Cegedel S.A. and Creos Luxembourg S.A. acquired Creos Deutschland GmbH, resulting from the merger of Saar Ferngas Transport GmbH with the German grid activities of Saar Ferngas A.G..

The consolidated income statement reflects the operations of the new group for the twelve months period starting on 1 January 2009.

Note 3 - Authorisations

In accordance with the two European directives 2003/54 and 55 of 26 June 2003 concerning common rules for the internal markets in electricity and natural gas and the laws that transposed these directives into national laws, namely the laws of 1 August 2007 in Luxembourg regarding the organization of the electricity and natural gas markets, transport and distribution grid management activities have been legally separated from the other activities of electric or gas power generation and sale.

In the context of the restructuring, all the authorisations have been requested according to this legal framework.

Note 4 - Goodwill on consolidation

The restructuring process in 2009 put in place to create the new Enovos group as described in Note 2 has led to the recognition of a goodwill amount that has been recorded in 2009 against the consolidated reserves in shareholder's equity (note 13). Goodwill (respectively badwill) represents the excess (respectively deficit) of the acquisition price over the group's interest share in the equity of the acquired entity as of 1 January 2009. The goodwill breaks down as follows:

	Value participation	Value equity	Goodwill (Badwill)
	€	€	€
Fully consolidated companies			
Enovos Luxembourg S.A. (100%)	103,511,632	178,856,024	(75,344,392)
Enovos Deutschland AG (96.88%)	111,346,160	148,352,953	(37,006,793)
Creos Luxembourg S.A. (100%)	508,869,741	351,529,378	157,340,363
Creos Deutschland GmbH (96.88%)	42,000,000	19,375,080	22,624,920
LuxEnergie S.A. (60.35%)	5,213,935	17,792,903	(12,578,968)
Mosberg GmbH&CoKg (100%)	2,860,083	1,913,007	947,076
Cegedel International S.A. (100%)	31,000	3,423,016	(3,392,016)
ESW Energie Südwest AG (49.41%)	15,245,613	10,572,992	4,672,621
ESW Netz GmbH (49.41%)	130,346	71,650	58,696
Lantec GmbH (49.41%)	150,855	75,186	75,669
Companies consolidated at equity			
Twinerg S.A. (17.5%)	4,338,137	7,233,055	(2,894,918)
artelis S.A. (27.5%)	19,830,413	10,142,367	9,688,046
Wandpark Hengischt S.A. (20%)	636,630	859,073	(222,443)
Wandpark Kehmen S.A. (20%)	600,000	814,054	(214,054)
Wandpark Burer Bierg S.A. (36.25%)	725,000	625,528	99,472
Global Facilities S.A. (50%)	1,224,350	776,459	447,892
Soler S.A. (50%)	125,000	961,523	(836,523)
Ceduco S.A. (50%)	0	662,930	(662,930)
Cegyco S.A. (50%)	954,390	1,350,463	(396,073)
Airport Energy S.A. (30.18%)	25,000	(250,035)	275,035
DataCenterEnergie S.A. (30.18%)	16,000	1,905	14,095
Steinergy S.A. (50%)	50,000	87,539	(37,539)
NordEnergie S.A. (33.33%)	100,000	120,249	(20,249)
Luxgaz Distribution S.A. (39.19%)	307,389	8,745,783	(8,438,394)
energis GmbH (27.22%)	40,675,000	36,451,119	4,223,881
Pfalzgas GmbH (48.44%)	10,226,000	19,972,781	(9,746,781)
Ferngas Nordbayern GmbH (19.38%)	12,477,048	17,166,804	(4,689,756)
Projecta 14 GmbH (48.44%)	12,500	10,172	2,328
geo x GmbH (24.7%)	600,000	92,625	507,375
Total	882,282,222	837,786,582	44,495,640

The proportions above indicate the percentage of interest (group share in respective participations) as of 1 January 2009.

The badwills of Enovos Luxembourg S.A. and Enovos Deutschland AG result from the profit realised by both companies on the sale of their respective shares in Soteg S.A..

Note 5 - Scope of consolidation and list of consolidated companies

The consolidation scope is as follows as at 31 December 2009:

Fully consolidated group companies:

Name	Land	Percentage of control	Percentage of interest	Main activity
Enovos International S.A.	Luxembourg	100.00%	100.00%	Holding
Enovos Luxembourg S.A.	Luxembourg	100.00%	100.00%	Supply of power and gas
Creos Luxembourg S.A.	Luxembourg	100.00%	100.00%	Transport and distribution of gas and power
Cegedel International S.A.	Luxembourg	100.00%	100.00%	Holding
Enovos Re S.A.	Luxembourg	100.00%	100.00%	Reinsurance
Luxenergie S.A.	Luxembourg	60.35%	60.35%	Production of heat and power
Windpark Mosberg GmbH & Co KG	Germany	100.00%	100.00%	Production of power
Enovos Deutschland AG	Germany	100.00%	96.88%	Supply of gas
Creos Deutschland GmbH	Germany	100.00%	96.88%	Transport and distribution of gas
Enovos Beteiligungsverwaltungsgesellschaft GmbH	Germany	100.00%	96.88%	Holding
ESW Energiesüdwest AG	Germany	51.00%	49.41%	Supply of energy
ESW Energiesüdwest Netz GmbH	Germany	51.00%	49.41%	Transport and distribution of gas, power, water and heat
Lan Tec Gebäudetechnik Management GmbH	Germany	51.00%	49.41%	Supply of heat / Provider of services in gas and power

Companies consolidated using the equity method:

Name	Land	Percentage of control	Percentage of interest	Main activity
Global Facilities S.A.	Luxembourg	50.00%	50.00%	Facility management
Steinerger S.A.	Luxembourg	50.00%	50.00%	Supply of power
Soler S.A.	Luxembourg	50.00%	50.00%	Production of power
Cegyco S.A.	Luxembourg	50.00%	50.00%	Production of power
Ceduco S.A.	Luxembourg	50.00%	50.00%	Production of power
Luxgaz Distribution S.A.	Luxembourg	39.19%	39.19%	Distribution of gas
artelis S.A.	Luxembourg	36.95%	36.95%	Telecommunications
Wandpark Burer Bierg S.A.	Luxembourg	36.25%	36.25%	Production of power
NordEnergie S.A.	Luxembourg	33.33%	33.33%	Supply of power
Airport Energy S.A.	Luxembourg	50.00%	30.18%	Production of heat and power
DataCenterEnergie S.A.	Luxembourg	50.00%	30.18%	Production of heat and power
Wandpark Hengischt S.A.	Luxembourg	20.00%	20.00%	Production of power
Wandpark Kehmen S.A.	Luxembourg	20.00%	20.00%	Production of power
Twining S.A.	Luxembourg	17.50%	17.50%	Production of power
Pfalzgas GmbH	Germany	50.00%	48.44%	Supply of energy
Projecta 14 GmbH	Germany	50.00%	48.44%	Holding
energis GmbH	Germany	28.06%	27.22%	Supply of energy
geo x GmbH	Germany	50.00%	24.70%	Production of geothermal energy
Ferngas Nordbayern GmbH	Germany	20.00%	19.38%	Supply of energy

For the companies above where less than 20% of voting rights are held, the Enovos group exercises significant influence over them by virtue of its representation in their boards of directors and the strategic interest that their activities represent for the group.

Note 6 - Intangible fixed assets

	Computer licenses	Goodwill	Intangible assets in course of construction	Licences	31/12/2009
	€	€	€	€	€
Gross value at beginning of year	-	-	4,016,508	18,103,785	22,120,293
Additions during year	-	1,530,000	23,101,670	1,657,247	26,288,917
Disposals during year	-	-	-	(727,338)	(727,338)
Transfer during year	4,752	-	(1,555,572)	(1,847,692)	(3,398,512)
Gross value at end of year	4,752	1,530,000	25,562,606	17,186,001	44,283,359
Value adjustment at beginning of year	-	-	-	(14,634,917)	(14,634,917)
Value adjustment for year	(1,188)	(318,750)	(98,120)	(1,642,464)	(2,060,523)
Amounts released for year	(3,564)	-	-	2,763,133	2,759,569
Value adjustment at end of year	(4,752)	(318,750)	(98,120)	(13,514,249)	(13,935,871)
Net value at end of year	-	1,211,250	25,464,485	3,671,752	30,347,487

In 2009, Enovos Luxembourg S.A. acquired the customer basis of two local distributors, the municipalities of Echternach and Vianden. The acquisition price is posted as goodwill and depreciated over 5 years.

Enovos Luxembourg S.A. signed with RWE a long term power supply contract under which Enovos Luxembourg S.A. participates in the financing of two pulverized coal fired power plants and will be delivered 50 MW power starting 2013 over 25 years, with a possible extension of another 15 years until 2052. The total investments of EUR 89.9 million is divided in four instalments, the first instalment of EUR 22.19 million has been paid in September 2009 and is recorded in intangible assets. These instalments will be depreciated on a linear basis over 25 years starting 2013.

Note 7 - Tangible fixed assets

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Payments on account and tangible assets in course of construction	31/12/2009
	€	€	€	€	€
Gross value at beginning of year	103,579,124	796,339,013	49,697,215	35,003,399	984,618,751
Additions during year	180,004	6,579,658	4,647,402	37,059,322	48,466,386
Disposals during year	(49)	(939,144)	(1,195,717)	(4,922,443)	(7,057,354)
Transfer during year	(478,293)	34,319,775	2,458,745	(34,652,540)	1,647,687
Gross value at end of year	103,280,786	836,299,302	55,607,645	32,487,738	1,027,675,471
Value adjustment at beginning of year	(24,599,615)	(388,025,363)	(41,430,916)	0	(454,055,895)
Value adjustment for year	(3,286,878)	(31,783,319)	(4,187,416)	0	(39,257,613)
Amounts released for year	0	1,333,831	229,668	0	1,563,499
Value adjustment at end of year	(27,886,493)	(418,474,852)	(45,388,664)	0	(491,750,009)
Net value at end of year	75,394,393	417,824,450	10,218,980	32,487,738	535,925,462

Note 8 - Financial assets

8.1. Participating interests

Participating interests are companies in which the group has a significant interest and which are consolidated using the equity method. The undertakings consolidated accordingly break down as follows:

	31/12/2009
	€
energis GmbH	37,226,002
Pfalzgas GmbH	20,813,537
Ferngas Nordbayern GmbH	16,909,438
Artelis S.A.	13,997,127
Luxgaz Distribution S.A.	10,310,582
Twining S.A.	7,601,225
Projecta 14 GmbH	5,951,823
DataCenterEnergie S.A.	1,597,522
Soler S.A.	1,298,702
Cegyco S.A.	1,211,359
Global Facilities S.A.	900,354
Wandpark Kehmen-Heischent S.A.	858,597
Wandpark Hengischt S.A.	853,463
Wandpark Burer Bierg S.A.	551,536
NordEnergie S.A.	152,917
Steinerger S.A.	70,685
geo X GmbH	36,557
Ceduco S.A.	(189,998)
Airport Energy S.A.	(246,425)
	119,905,001

Movements of the year were as follows:

Enovos International S.A. acquired in December 2009 a supplementary stake of 9.45% in artelis S.A., bringing its participation in this company to 36.95%.

LuxEnergie S.A. participated in an increase of capital of DataCenterEnergie S.A. for an amount of EUR 2 984 000.

Enovos Deutschland AG participated in an increase in equity of Projecta 14 GmbH for an amount of EUR 6,000,000 and took an interest in four companies: Solarkraftwerk Kenn (EUR 833,879), Solarkraftwerk Nicolaus GmbH (EUR 25,000), Windpark Mosberg Verwaltungs GmbH (EUR 25,000) and Windkraft Bliesgau GmbH (EUR 25,000).

8.2. Investments carried at cost

Investments carried at cost are recorded at acquisition cost. This caption also includes companies which are not consolidated because of minor significance or for which no financial information is available as at 31 December 2009:

Name	Location	Group Share of capital	Date of last closure	Total equity	Net value
				€	€
Stadtwerke Bad Kreuznach GmbH	Germany	23.76%	31/12/2008	39,925,121	15,000,000
Stadtwerke Pirmasens GmbH	Germany	12.58%	31/12/2008	27,317,197	6,667,000
Pfalzwerke AG	Germany	1.8%	31/12/2008	193,537,000	5,206,000
Stadtwerke St. Ingbert	Germany	12.16%	31/12/2008	34,248,022	5,000,000
Stadtwerke Sulzbach GmbH	Germany	14.53%	31/12/2008	11,431,416	3,982,062
Stadtwerke Trier Versorgungs GmbH	Germany	24.12%	31/12/2008	49,103,074	3,849,346
Stadtwerke Völklingen Netz GmbH	Germany	17.05%	31/12/2008	16,386,651	3,500,000
prego services GmbH	Germany	24.32%	31/12/2009	8,696,088	2,186,915
GasLINE GmbH & Co. KG	Germany	4.84%	31/12/2008	41,000,000	2,017,612
SEO S.A.	Luxembourg	4.50%	31/12/2009	40,338,869	1,971,596
Surré S.A.	Luxembourg	100.00%	31/12/2008	916,200	1,527,985
Stadtwerke Bliestal GmbH	Germany	22.76%	31/12/2008	10,414,081	1,333,000
Stadtwerke Völklingen Vertrieb GmbH	Germany	17.05%	31/12/2008	7,301,114	1,100,000
Solar Kraftwerk Kenn GmbH	Germany	24.32%	N/A	N/A	833,079
EEX AG	Germany	1.00%	31/12/2008	81,597,068	700,000
Stadtwerke Homburg GmbH	Germany	9.69%	31/12/2008	38,542,491	502,204
CASC CWE S.A.	Luxembourg	14.3%	31/12/2009	3,572,307	430,000
ESW GasVertrieb GmbH	Germany	9.69%	31/12/2009	556,853	386,000
Stadtwerke Kirchheimbolanden GmbH	Germany	9.69%	31/12/2008	12,201,843	333,000
ETM GmbH Erdgas-Transport-Management i.L.	Germany	32.3%	23/10/2008	1,799,000	300,000
Stadtwerke Lambrecht GmbH	Germany	13.69%	31/12/2008	3,904,161	159,616
Agence de l'Energie S.A.	Luxembourg	40.00%	31/12/2009	477,776	148,736
Enovos Services GmbH	Germany	96.88%	31/12/2009	650,000	76,694
Solar Kraftwerk St. Nikolaus GmbH	Germany	96.88%	N/A	N/A	50,000
WP Gimpweiler&Mosb. GBR	Germany	100.00%	N/A	N/A	34,501
SSG Saar Service GmbH	Germany	9.69%	31/12/2009	1,415,534	32,565
Windpark Mosberg Verwaltungs GmbH	Germany	100.00%	31/12/2009	25,000	25,000
Windkraft Bliesgau GmbH	Germany	96.88%	31/12/2009	25,000	25,000
Forward Forstserviceges. mbH & Co. KG	Germany	16.47%	31/12/2009	(34,687)	25,000
Kiowatt S.A.	Luxembourg	30.18%	31/12/2009	49,712	25,000
C-Gen NV	Netherlands	5.00%	N/A	N/A	5,400
erdgas mobil Verwaltungs GmbH	Germany	4.36%	31/12/2009	43,650	1,350
GasLINE Geschäftsführungs-GmbH	Germany	4.36%	31/12/2008	49,964	1,278
					57,435,938

Note 9 - Stocks and services in progress

Stocks and services in progress detail as follows as of 31 December 2009:

	Raw materials and consumables	Services in progress	Finished goods and goods for resale	Payments on account	Total 2009
	€	€	€	€	€
Gross value at beginning of the year	3,843,602	6,954,923	19,953,854	1,356,721	32,109,100
Value adjustment during year	0	0	0	26,000	26,000
Net value at 31 December 2009	3,843,602	6,954,923	19,953,854	1,382,721	32,135,100

Note 10 - Receivables

10.1. Trade receivables

Trade receivables are mainly related to energy sales.

	31/12/2009
	€
Trade receivables - Gross value	217,907,633
Value adjustment	(6,819,155)
Trade receivables - Net value	211,088,478

10.2. Amounts owed by undertakings with which the company is linked by virtue of participating interests

All receivables due by undertakings with which the company is linked by virtue of participating interests are due within 30 days.

10.3. Other receivables

German Tax authorities owe the group a withholding tax of EUR 7,957,338. EUR 6,425,703 are owed by the "Fonds de compensation" as part of the legal scheme to promote the use of alternative sources of energy. Further EUR 10,196,342 are tax advances paid in Germany.

Note 11 - Cash at bank, cash in postal cheques, cheques and cash in hand

This caption comprises sight deposits and term deposits for investment periods of less than three months. Securities held as fixed assets relate to a portfolio of equities and bonds held at maturity whereas securities posted in cash relate to money market investments.

During 2009, Enovos International S.A. has entered a cash pooling agreement with 6 subsidiaries. As of 31 December 2009, the cash amount managed on behalf of these companies is EUR 217,359,922.

Note 12 - Prepayments and accrued income

Under this caption are mainly recorded swap contracts worth EUR 10,440,827 which are to hedge operations to be settled in 2010. Creos Luxembourg S.A. has recorded EUR 6,447,434 as the carried-forward difference for financial years 2006 to 2008 existing between actual expenses and income on the one hand, and the expenses and income based on which the grid utilisation tariffs are set on the other hand. This entire amount will be taken back in 2010 as a discount to 2010 grid tariffs, following negotiations with the Institut Luxembourgeois de Regulation.

Note 13 - Shareholders' equity

As at 31 December 2009, the share capital of Enovos International S.A. was EUR 84,450,000. It was fully paid-up and represented by 844,500 ordinary shares, with a nominal value of 100€ per share and with no preference rights whatsoever.

Consolidated shareholders' equity, group share

	31/12/2009
	€
Subscribed capital	84,450,000
Share premium	255,686,349
Consolidated Reserves	(31,763,488)
Legal Reserve	2,000,000
Reserve of 1st consolidation	(44,495,640)
Other reserves	10,732,152
Retained earnings	190,293,944
Profit for the year	144,973,520
Total	643,640,325

The restructuring following the combination of Cegedel S.A., Saar Ferngas AG and Soteg S.A. (see Note 2) has led to the recognition of a net goodwill for an amount of EUR 44,495,640, which has been recorded as a deduction from consolidated reserves (see also Note 4).

Note 14 - Provisions for liabilities and charges

14.1. Provision for pensions and similar obligations

This caption includes provisions relating to pension commitments. Under a supplementary pension scheme, Enovos International S.A., Enovos Luxembourg S.A., Creos Luxembourg S.A., Enovos Deutschland A.G. and Creos Deutschland GmbH have contracted defined benefit schemes. The amount reported in the balance sheet is based on the following assumptions:

- retirement age taken into account for financing: 60 years(for Luxembourg), 62 years (for Germany)
- yearly discount rate of 4.2%
- estimated pay at time of retirement based on past experience.

Actuarial profits and losses are immediately recognised in the income statement.

In addition, in a defined contribution pension scheme for staff who entered service after 1 January 2001, Enovos Inter-

national S.A., Enovos Luxembourg S.A. and Creos Luxembourg S.A. pay a contribution to an insurance company that is recorded under expenses for the year. In 2009, this contribution totalled EUR 616,985.

14.2 Provisions for taxation

Enovos International S.A. is subject to all taxes applicable to Luxembourg companies and the tax provisions have been provided in accordance with the relevant laws. As of the year 2009, Enovos International S.A. is part of the fiscal unity with Enovos Luxembourg S.A., Cegedel International and Enovos Re. In the frame of the fiscal unity, the taxes in the accounts are recorded as follows:

- Tax expenses are booked in the subsidiaries' accounts as would be the case if no tax unity existed;
- Tax savings relating to a loss-making subsidiary are reallocated to this subsidiary in the same year as the loss arises; these tax savings are recorded as income in the loss-making subsidiary;
- Enovos International S.A., as the head of the fiscal unity, books the tax provisions on the basis of the consolidated results of the companies included in the scope of the fiscal unity.

In order to benefit from the fiscal unity regime, the companies concerned should agree to be part of the fiscal unity for a period of at least five financial years. This means that if the conditions laid down in Article 164bis LIR (Income tax law) are not met at any time during these five years period, the fiscal unity ceases to apply, retroactively, as from the first year in which it was granted.

In accordance with paragraph 8a of the law dated 16 October, 1934 as amended, Enovos International S.A. will opt for the reduction of the net wealth tax due for the year 2009 by setting up a special reserve equal to five times the amount of the net wealth tax reduced. As of the financial year 2010, Enovos International S.A. has decided to set up and maintain in its accounts the special reserve for the companies included in the scope of the fiscal unity.

14.3 Other provisions

The caption "Other provisions" comprises provisions to cover following risks:

	31/12/09
	€
Provisions for regulatory and environmental risks	44,882,187
Provisions for purchases	11,283,551
Provisions for staff costs	7,962,074
Provisions for sales risks	5,283,677
Provisions for derivatives	4,347,649
Provisions for litigation	3,263,977
Provisions for maintenance costs	3,263,535
Other provisions	4,853,575
	85,140,225

Note 15 - Amounts owed to credit institutions

Financial payables break down into current and non-current payables as follows:

	31/12/2009
	€
Non-current financial liabilities due to financial institutions	
due within one to five years	134,115,993
due in more than five years	13,813,585
Non-current financial liabilities due to financial institutions	
due within one year	35,005,120

Note 16 - Payments received on account of orders

Are recorded under this item payments made by customers for services rendered.

Note 17 - Trade creditors

There is a disagreement over the invoices that have been issued by RWE Transportnetz Strom GmbH to Cegedel Net S.A. (merged in 2009 into Creos Luxembourg S.A.) since January 2005 corresponding to the transmission in Germany of quantities concerning electricity supply from Twinerg S.A. to Cegedel S.A.. Given that the contract concerning the supply from Twinerg S.A. to Cegedel S.A. signed on 21 January 1999 stipulates that the delivery conditions are either from the power plant terminal or free alongside the Luxembourg border, the management of Creos Luxembourg S.A. therefore believe that Creos Luxembourg S.A. does not owe the amounts invoiced by RWE Transportnetz Strom GmbH. The two parties are still debating the issue. The cumulative amount totalled EUR 9,831,351 as at 31 December 2009, (2008: 9,831,851). These amounts were not taken into account during the respective financial years, are booked as liabilities and deducted from the debt due to RWE Transportnetz Strom GmbH.

As from 1 January 2009, the transport costs due by Creos Luxembourg S.A. to RWE Transportnetz Strom GmbH according to an agreement signed on 12.11.2008 are reinvoiced to Twinerg S.A..

Note 18 - Amounts owed to undertakings with which the company is linked by virtue of participating interests

Amounts owed to undertakings with which the company is linked by virtue of participating interests are usually due within 30 days.

Note 19 - Tax and social security liabilities

This caption includes value added tax (VAT) liabilities, taxes on gas and electricity sales, and social taxes on pensions and salaries.

Note 20 - Deferred income tax

The deferred income tax liability is mainly related

- to the different depreciation methods used in consolidated accounts (linear) compared with the companies' accounts (degressive)
- to the different calculation method of the pension obligations in consolidated accounts compared with companies accounts
- to a provision reversal at Enovos Re in consolidated accounts.

Note 21 - Other creditors

Other creditors are short term debts due mostly within a year.

Note 22 - Accruals and deferred income

This caption relates in particular to a prepayment by a customer made in respect of a forward contract where the customer paid in advance for part of the services. As of 31 December 2009, EUR 5,704,532 are posted as deferred income. EUR 4,036,000 are participations paid by grid customers of ESW AG in Germany up to 2002, which are reversed to profit on a linear basis over a period of 20 years. From 2003 on, these participations are recorded as a deduction of investments.

Note 23 - Sales

Sales break down as follows:

	2009
	€
Sales electricity	449,883,036
Sales gas	1,003,755,844
Other energy sales	22,591,280
Grid sales electricity	136,581,849
Grid sales gas	73,339,524
Other sales	39,403,878
Intercompany sales	(153,107,638)
Total sales	1,572,447,773

Other sales include sales to customers in the course of traditional energy supply activities. Sales relating to gas and electricity trading on the international market are shown net of purchases under "cost of sales".

Geographical sales break down as follows:

	2009	
	€	
Luxembourg	961,512,530	55.72%
Germany	763,526,491	44.25%
Other countries	516,390	0.03%
Total sales	1,725,555,411	100.00%
Intercompany sales	(153,107,638)	
Total net sales	1,572,447,773	

Note 24 - Other operating income

The caption "Other operating income" includes mainly the activities unrelated to the supply of gas and electricity.

Note 25 - Cost of sales

	2009
	€
Electricity supplies	940,449,307
Trading sales	(646,309,230)
Derivatives	30,733,544
Gas supplies	894,648,881
Other supplies	191,180,726
Intercompany supplies	(153,816,832)
Total cost of sales	1,256,886,396

This caption includes energy procurement and electricity trading costs. Electricity and gas trading sales are shown net of cost of sales, since they were made partly to reduce procurement costs.

The margin achieved on trading activities is therefore included under "Cost of sales", as well as the realised profit or loss and the unrealised loss on derivative financial instruments.

Note 26 - Personnel expenses

The group had 897 employees as of 31 December 2009. Personnel expenses break down as follows:

	2009
	€
Salaries	64,485,955
Social security	7,700,831
Pensions	8,285,255
Total personnel expenses	80,472,041

Note 27 - Other operating expenses

This caption includes operating expenses, value adjustments on current assets (Notes 9 and 10) , taxes other than income tax and allowances for provisions for liabilities and charges (Note 14), excluding pensions. This caption includes in particular the consultancy costs related to the integration and restructuring of the new Enovos group.

Note 28 - Financial income and income from investments

Financial income is mostly interest received on short term bank deposits. Income from investments relates to dividends received from unconsolidated entities.

Note 29 - Gain on disposal

Gain on disposal includes the revenue realised from the disposal of the participation in Watt Re, a reinsurance company.

Note 30 - Share of profit in companies accounted for using the equity method

The share of profit in companies accounted for using the equity method breaks down as follows:

	2009
	€
energis GmbH	6,194,455
Pfalzgas GmbH	3,328,312
Ferngas Nordbayern GmbH	3,266,111
Luxgaz Distribution S.A.	1,745,064
Twining S.A.	1,576,289
artelis S.A.	1,393,656
Global Facilities S.A.	348,896
Soler S.A.	337,179
Wandpark Kehmen S.A.	104,542
Projecta 14 GmbH	80,410
Wandpark Hengischt S.A.	71,190
NordEnergie S.A.	32,669
Airport Energy S.A.	3,610
Steinergy S.A.	(855)
Wandpark Burer Bierg S.A.	(73,992)
Cegyco S.A.	(89,105)
DataCenterEnergie S.A.	(205,227)
geo x GmbH	(253,669)
Ceduco S.A.	(852,928)
Total	17,006,609

Note 31 - Current and deferred income tax expense

The current tax provisions have been provided in accordance with the relevant laws applicable in Luxembourg and Germany.

Deferred taxes are recorded on the time differences existing between the tax rules and those used for preparing the consolidated financial statements. Deferred taxes are calculated in accordance with the variable carrying forward method based on the tax rate expected at the time that the receivable or liability materialises. Active deferred taxes are recorded only if it is likely that future taxable profits will be available.

Note 32 - Remuneration paid to members of the administration and management bodies

Remuneration paid to members of the administration and supervisory bodies totalled EUR 169,866 in 2009. No advances or loans were granted to members of the administration and supervisory bodies, nor was any commitment undertaken on their behalf in respect of any form of guarantee.

Note 33 - Off-balance sheet liabilities and commitments

During 2009, Enovos Luxembourg S.A. concluded a number of forward contracts for the purchase and sale of electricity and gas as part of its usual operations. This company has signed medium and long-term contracts through which it has firmly agreed to buy or sell and the third parties involved have firmly agreed to deliver to or buy from it, specific quantities of electricity and gas. Forward contracts to buy electricity and gas totalled EUR 301 million. The amount of the above forward purchase contracts include only forward contracts signed with counterparties and not contractual purchase commitments with local producers whose prices are not known in advance. Enovos Luxembourg S.A. also committed to buy an annual 100 MW band of electricity from a local producer until 31 December 2015.

Enovos Luxembourg S.A. also engaged in spot and forward electricity and gas trading on organised markets and by private sale. These transactions are made using different instruments. Among these instruments are forward contracts, which imply final delivery of electricity and gas; swaps contracts, which entail promises of payment to and from counterparties in conjunction with the difference between a fixed price and a variable price indexed on underlying products; options or other contractual agreements. The fair values of these derivatives amounted in total as of 31 December 2009 to 93.5 M€ (positive) and to 90.4 M€ (negative).

Enovos Luxembourg S.A. issued a counter-guarantee for Electrabel S.A.'s benefit in relation to the financing of the Twinerg S.A. combined turbine power plant for a total of EUR 11,728,750 as at 31 December 2009 (2008: EUR 13,512,031).

At 31 December 2009, Luxenergie S.A., along with Aéroport de Luxembourg S.A., signed a long-term credit agreement to finance Airport Energy S.A. In the agreement, all parties agree to act as joint and several guarantors for a total EUR 12,500,000 (in 2008: EUR 12,500,000).

Enovos Luxembourg S.A. took over a commitment related to a Memorandum of Understanding signed with SEO S.A., RWE Power AG and the State of Luxembourg for the enlargement of the Vianden pumping station. Enovos Luxembourg S.A. will thus have the right to 100 MW on a virtual basis, that is half the production of a new turbine to be built. Preliminary construction studies began at the end of 2007. In return, Enovos Luxembourg S.A. has agreed to provide roughly EUR 78.6 million in financing, or half of total investment, to be advanced as necessary as works progress.

There is a disagreement over the invoices which have been issued by RWE Transportnetz Strom GmbH to Cegedel Net S.A. (merged in 2009 into Creos Luxembourg S.A.) since January 2005 corresponding to the transmission in Germany of quantities concerning electricity supply from Twinerg S.A. to Cegedel S.A.. Given that the contract concerning the

supply from Twinerg S.A. to Cegedel S.A. signed on 21 January 1999 stipulates that the delivery conditions are either from the power plant terminal or free alongside the Luxembourg border, the management of Creos Luxembourg S.A. therefore believe that Creos Luxembourg S.A. does not owe the amounts invoiced by RWE Transportnetz Strom GmbH. The two parties are still debating the issue. The cumulative amount totalled EUR 9,831,351 as at 31 December 2009 (2008: 9,831,851). These amounts were not taken into account during the respective financial years. As from 1 January 2009, the transport costs due by Creos Luxembourg S.A. to RWE Transportnetz Strom GmbH according to an agreement signed on 12 November 2008 are reinvoiced to Twinerg S.A..

Enovos Luxembourg S.A. and Gazprom marketing & Trading Limited signed in 2009 a Memorandum of Understanding to study the feasibility of a tolling partnership in a 450 MW combined cycle power station in Germany. Under the proposed tolling partnership, Gazprom would buy the long term capacity of the plant for gas tolling and would sell power to Enovos Luxembourg S.A. under a long term contract.

Under a contract signed with RWE related to a long-term power contract, one instalment related to the financing of two pulverized coal fired power plants has been paid in 2009 (see note 6) and three other instalments (for a total amount of 67.7 millions EUR) will be paid in 2010, 2011 and 2012. These investments will enable Enovos Luxembourg S.A. to be supplied under a long-term contract with 50 MW power, independent on the real working time of the plants.

Enovos International S.A. has given parent company guarantees to a limited number of Enovos Luxembourg S.A. counterparts with regards to trading activities for an amount of EUR 26 million.

Enovos International S.A. has signed a bank guarantee for Solarkraftwerk Kenn GmbH, a 25.1% subsidiary of Enovos Luxembourg S.A., for an amount of EUR 7,216,425.

Note 34 - Significant events after closing of accounts

In January 2010, Enovos Luxembourg acquired the company Energiepark Trelde Berg GmbH, a bio gas plant in Germany with an electricity production capacity of 5.1 MW.

On 3 March 2010, Enovos Luxembourg S.A. and Avelar Energy Ltd. (based in Zurich) signed a contract to form a joint venture under the name 'Aveleos S.A.'. The objective of this new company, which is headquartered in Luxembourg, is to develop, operate and bring to the market photovoltaic plants in Italy and France with a total capacity of up to 95 MW. Enovos Luxembourg S.A. is a 59% shareholder in the new company with an investment of EUR 36 million. Avelar is investing EUR 25 million, giving it a 41% stake. Aveleos S.A. makes use of attractive feed-in tariffs and high sun intensity in Italy and France. Besides the majority stake in Aveleos, Enovos Luxembourg S.A. will acquire 11 photovoltaic parks with an energy output of 1 MW each from Avelar Energy Ltd. The plants, which are all located in the region of Apulia, Italy, will go into operation later in 2010.

In March 2010, certain public shareholders of Luxgaz Distribution S.A. contributed their shares in Luxgaz Distribution S.A. in Creos Luxembourg S.A. and Enovos Luxembourg S.A. sold its 39.19% participation in Luxgaz Distribution S.A. to Creos Luxembourg S.A.. It is then intended to integrate the Luxgaz Distribution S.A. grid activities in Creos Luxembourg S.A. and the Luxgaz Distribution S.A. sales activities in Enovos Luxembourg S.A.

Negotiations are currently ongoing with the City of Luxembourg regarding the integration of its grid activities in Creos Luxembourg S.A. and its energy sales activities in Enovos Luxembourg S.A..

4 Auditor's report on the consolidated annual accounts

Independent Auditor's report

To the Board of Directors of
Enovos International S.A. (formerly Soteg S.A.)

Report on the consolidated accounts

We have audited the accompanying consolidated accounts of Enovos International S.A. (formerly Soteg S.A.), which comprise the consolidated balance sheet as at 31 December 2009 and the consolidated profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of Directors' responsibility for the consolidated accounts

The Board of Directors is responsible for the preparation and fair presentation of these consolidated accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the consolidated accounts. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibility of the "réviseur d'entreprises"

Our responsibility is to express an opinion on these consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted by the "Institut des Réviseurs d'Entreprises". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated accounts. The procedures selected depend on the judgment of the "réviseur d'entreprises", including the assessment of the risks of material misstatement of the consolidated accounts, whether due to fraud or error. In making those risk assessments, the "réviseur d'entreprises" considers internal control relevant to the entity's preparation and fair presentation of the consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated accounts give a true and fair view of the financial position of Enovos International S.A. (formerly Soteg S.A.) as of 31 December 2009, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the consolidated accounts.

Report on other legal and regulatory requirements

The consolidated management report which is the responsibility of the Board of Directors, is consistent with the consolidated accounts.

ERNST & YOUNG
Société Anonyme
Réviseur d'entreprises

Jeannot WEYER

Luxembourg, 21 April 2010



IV Summarised Annual Accounts of Enovos International S.A.

(formerly SOTEG S.A.)

Enovos International S.A. ("the company") was incorporated under the name of Soteg S.A. in Luxembourg on 19 February 1974. The company is registered RCS nr B 11723. In the context of the below described operations, the company has been renamed Enovos International S.A. in 2009.

As of 23 January, 2009, the shareholders of Cegedel S.A and Saar Ferngas AG contributed their respective shares into Soteg S.A. Soteg S.A. launched a mandatory public offer on all Cegedel S.A. shares not yet in its possession and Cegedel S.A was delisted after a successful squeeze-out process. A process of restructuring took place thereafter and resulted in a new energy group named Enovos consisting of the parent company, Enovos International S.A. (formerly Soteg S.A.) and its two main subsidiaries, Creos Luxembourg S.A. (formerly Cegedel S.A.) in charge of grid activities and Enovos Luxembourg S.A (formerly Cegedel Participations S.A) dealing with generation, sales and trading activities. This restructuring has been made with retroactive effect as of 1 January 2009. Enovos Luxembourg S.A has a subsidiary Enovos Deutschland AG for the German Market and Creos Luxembourg S.A. has a subsidiary Creos Deutschland GmbH for the German grid

In the context of this restructuring, the former Soteg S.A. grid activities have been contributed to Creos Luxembourg S.A and the former Soteg S.A. sales activities have been contributed to Enovos Luxembourg S.A in exchange for shares. Soteg S.A. also bought back its own shares from Saar Ferngas A.G. and Cegedel Participations S.A. against receivables. Soteg S.A. sold 86.2% of its participation in Enovos Deutschland A.G. to Enovos Luxembourg S.A. and maintained a 10.7% participation in this company.

The main activity of Enovos International S.A. is the holding of financial interests in affiliated companies and provide financing and corporate services to group affiliates. In particular, during 2009, the company has entered a cash pooling agreement with 6 subsidiaries. As of 31 December 2009, the cash amount managed on behalf of these companies is EUR 217,359,922 and is shown on the caption "amount owed to affiliated undertakings".

Annual accounts

The company's financial year runs from 1 January to 31 December each year. The company also prepares and publishes consolidated accounts as required by law.

General principles

The annual accounts have been prepared in accordance with Luxembourg legislation and regulations and generally accepted accounting principles. Pursuant to article 29 paragraph. 2 of the law of 19 December 2002, the presentation of the company's annual accounts takes account of the specific nature of the company.

Below is presented a summarised version of the financial statements of Enovos International S.A :

Balance sheet as at 31 December 2009

ASSETS	2009
	€
Fixed assets	
Intangible fixed assets	849,406
Tangible fixed assets	12,599,886
Financial assets	
Participations	655,882,581
Loans to undertakings	92,629,857
Total Fixed assets	761,961,730
Current assets	
Receivables	23,911,476
Cash at bank	210,850,004
Total Current Assets	234,761,480
Prepayments and accrued income	437,881
Total Assets	997,161,091

LIABILITIES	2009
	€
Shareholder's equity	
Subscribed capital	84,450,000
Reserves and retained earnings	384,633,125
Net profit for the year	140,517,880
Total Shareholder's equity	609,601,005
Provisions for liabilities and charges	10,961,501
Liabilities	
Amounts owed to credit institutions	150,234,145
Trade creditors	1,869,267
Amounts owed to affiliated undertakings	222,507,760
Other creditors	1,650,239
Total	376,261,411
Accruals and deferred income	337,174
Total Liabilities	997,161,091

Profit and loss account for the period

From 1 January to 31 December 2009

	2009
	€
Sales	0
Other revenues	11,920,340
Operating expenses	(15,132,198)
EBITDA	(3,211,859)
Depreciation	(441,449)
EBIT	(3,653,308)
Revenues from participations	143,854,515
Financial income	1,086,647
Financial expenses	(2,169,974)
Earnings before income tax	139,117,880
Income tax	1,400,000
Net profit for the year	140,517,880

Proposed appropriation of net profit

The Board of Directors proposes the following appropriation of net profit:

	2009
	€
Profit brought forward	205,612
Net profit for the year	140,517,880
Profit available for appropriation	140,723,492
Transfer of 5% of net profit to the legal reserve, up to 10% of capital	-6,445,000
Reversal of blocked reserve (wealth tax)	2,800,000
Transfer to the blocked reserve (wealth tax)	-7,000,000
Dividends	-80,007,930
Transfer to other reserves	-50,000,000
Amount carried forward	70,562

Ernst & Young has been appointed as statutory auditors for fiscal year 2009 by the annual ordinary shareholder's meeting on 13 May 2009.



Enovos International Annual Report is published in both French and English.
Only the English version may be considered the original; others are simply free translations.

We would like to thank all those involved in the preparation and publication of this annual report.

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Under the leadership of Corporate External Communication Department of Enovos

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Enovos International Archives

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Caring for tomorrow.

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