Consolidating change

Annual Report 2015
Enovos International

Energy for today. Caring for tomorrow.

enovos

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2015. Consolidating change.

Enovos International S.A. Registered as a société anonyme (public limited company) under Luxembourg law with a capital of EUR 90,962,900 (31.12.2015)
Registered office: Esch-sur-Alzette Luxembourg Trade and Companies' Register B11723. Annual General Meeting of 10th May 2016

"Enovos International is more than just a holding, it is responsible for the strategy and the development of the group and its subsidiaries. It defines the financing principles for all entities and the corporate governance guidelines."

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A large transformation program called GO4IT was launched in 2015 in order to increase the delivery capacity of the Information Systems department of Enovos International. In order to achieve its goals, the IT department was reorganised and better staffed. For 2015 and 2016, four pillars have been defined as priorities: IT security, continuity, mobility and user friendliness.

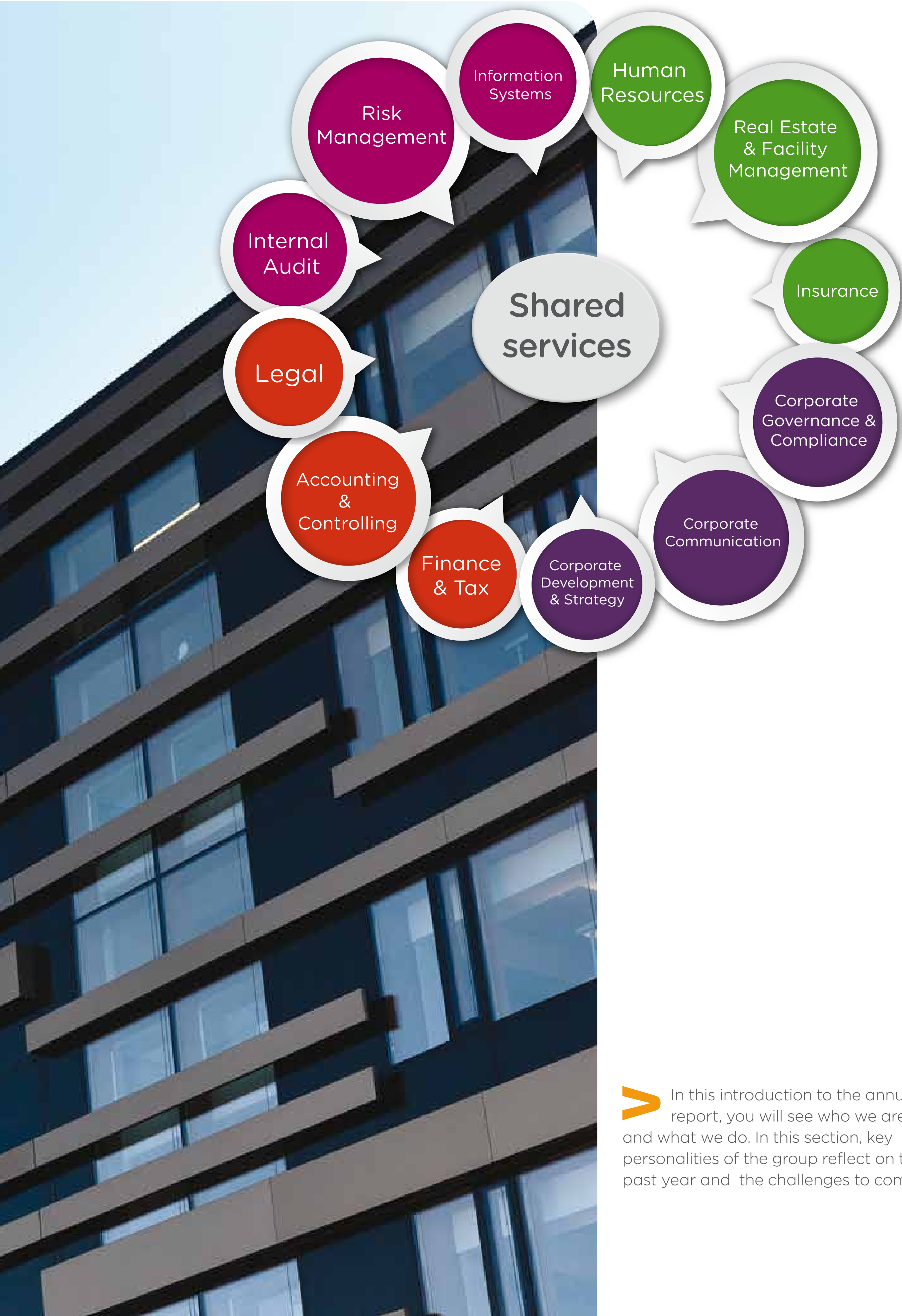
The future of energy goes hand in hand with the development of Internet technologies and it is something Enovos stays on top of as new opportunities of information and communication technology improve the customer's experience. In 2015, Enovos Luxembourg established a joint venture with Post Luxembourg S.A., called Active SmartHome S.A. The new company will give Luxembourgish customers a unique access to various intelligent services, such as energy and heating management, security and surveillance of the home or remote control of various appliances.

Following the FM@Your Service project, which aimed to modernise the Facility Management services of Enovos International, 2015 was the first year of full one-face-to-the-customer service for the re-organised REFM (Real Estate and Facility Management). A move, which proved very positive. Customer focus and reliable service offered by REFM supports the everyday business of each collaborator. Workplace attractiveness was also increased with the introduction of new office concepts and investments into high-end quality catering concepts.

To meet Luxembourg's future electricity requirements and to secure its supply, Creos continued with the construction of a 220 kV loop around Luxembourg-City in 2015. Comprising two high-voltage power lines linking Heisdorf in the north with Itzig/Blooren in the south-east and Berchem in the south, the Luxring project is set to double the electricity transport capacity between the north and the south.

PART I

OUR MISSION



In this introduction to the annual report, you will see who we are and what we do. In this section, key personalities of the group reflect on the past year and the challenges to come.

INTERVIEW

Staying ahead in an ever-changing environment

This year, Enovos International S.A. welcomed a change of management, with the appointment of Jean Lucius as Chief Executive Officer (CEO) and Chairman of the Executive Committee. The group's objectives however remain the same: keeping up the good results by constantly adjusting to the ongoing changes in the sector and offering new and better solutions in every area.

Marco Hoffmann
Chairman of the Board of Directors

Jean Lucius
Chairman of the Executive Committee, CEO Enovos International

As parent company, what is your mission?

Marco Hoffmann: Enovos International is the holding company for the energy supplier Enovos and the grid operator Creos. More than just a holding company, it is responsible for the strategy and the development of the group and its subsidiaries. It defines the financing principles for all entities and the corporate governance guidelines.

In order to take advantage of competences present in the company and to encourage synergies, Enovos International is responsible for shared services, among others in finance, treasury management, human resources, facility management, accounting, insurance and corporate development. Its mission is to guide, coordinate and enhance the effectiveness of all activities and to promote shared objectives and values.

With the retirement of Romain Becker, Enovos International now has a single CEO in the person of Jean Lucius. What does this change mean for the company and its entities?

Marco Hoffmann: A single CEO has a more neutral position for the guidance of our various businesses. Moreover, he will coordinate improved governance and policy for the entire group and will over-see the unbundling of the grid operator and the energy supplier. He ultimately balances the strategy business development and accounts for the communication.

What did it change for you personally, Jean Lucius?

Jean Lucius: As CEO of Enovos International, I clearly have less operational duties than before. This allows me to concentrate more on the global strategy of the group. Further, I am in a closer contact with our shareholders in order to align our long-term goals. Finding industrial partners for the development of our new products and services is another of my priorities.

How has Enovos Group fared in the past year?

Marco Hoffmann: Once again we've managed to achieve fine results in an ongoing difficult market environment. Whenever operating outside its home market, Enovos is viewed as a challenger. But that's where growth is and we've accomplished more than most utility companies. Of course, 2015 was also an important year on the management level, as we now have a single CEO heading Enovos International, whereas the main subsidiaries Enovos Luxembourg and Creos Luxembourg both have new CEO's in the persons of Marc Reiffers and Claude Seywert. We have the engagement of our motivated and highly skilled employees to thank for this year's good results and for the fact that this major management change took place without difficulties.

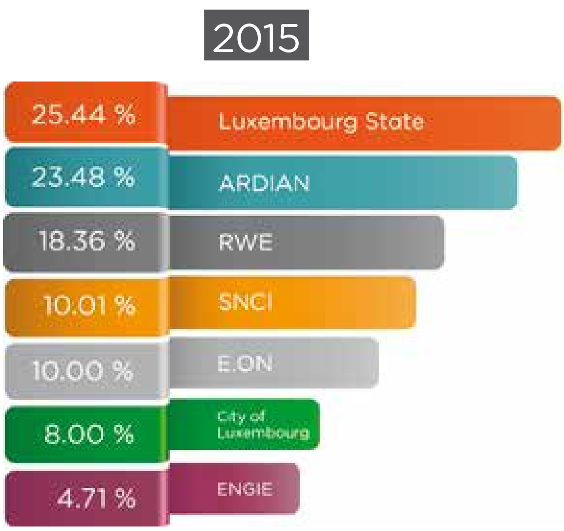
92%

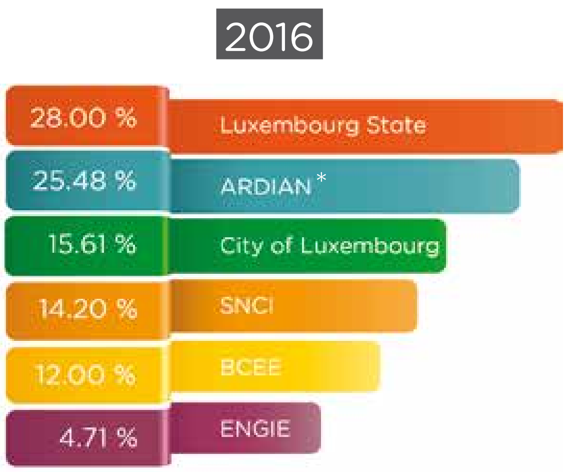
of the customers are satisfied with the good service and quality of Enovos

Which of Enovos Luxembourg's achievements in 2015 would you put forward?

Jean Lucius: Enovos Luxembourg is known for its high level of retail service quality and is very well perceived in the Grand Duchy because of it. This is something that was further confirmed in 2015. In a TNS Ilres poll, 92% of the customers stated that Enovos offered a service of good quality, whereas 88% said Enovos' staff is friendly and welcoming. Finally, 93% believed that Enovos is trustworthy. Private individuals

SHAREHOLDING





*AXA Redilion ManagementCo S.C.A.	**23,48 %**
ARDIAN Redilion ManagementCo S.C.A.	**2,00 %**

"Luxembourg is the country with the fewest electricity interruptions in the European Union."

are however not the only ones to be happy with our services. We also serve large industrial customers in Germany, France, Belgium and Luxembourg, who are hugely satisfied with the innovative services and concepts we offer.

What did Creos Luxembourg notably achieve in 2015?

Jean Lucius: Together with the Belgian grid operator Fluxys Belgium, Creos Luxembourg created the first border-less single gas market between two EU member states. This merger strengthens security of supply in Luxembourg and improves the overall workings of the market. According to the Benchmarking Report on the Continuity of Electricity supply from the Council of European Energy Regulators, Luxembourg is the country with the fewest electricity interruptions in the European Union and thereby has the best security of supply.

Which prominent market changes await and what does this mean for the future?

Jean Lucius: Over the past five years, the changes occurring in the power markets have been profound and significant, showing the early signs of the sector's transformative efforts to achieve a low-carbon economy. While markets continue to integrate and greater liquidity is being pursued with the coupling of spot markets across Europe, the pattern of production has become more versatile, leading to more volatile and declining wholesale prices, increased congestion and reduced load factors of back-up plants. However, the full potential arising from robust and integrated wholesale markets remains untapped. The benefits of more integrated intra-day markets and balancing arrangements have not yet been realised despite them being instrumental to enhancing flexibility and accommodating short-term system variations.
Renewable energy plants continue to be added to the system but at a more moderate pace, suggesting a decline in the volume of subsidies. Power companies are facing a major investment dilemma as current levels of wholesale electricity

Board of Directors of Enovos International S.A.

Marco Hoffmann	Chairman	Aloyse Kohll *)	Director
Benoît Gaillochet 1)	1st Vice-Chairman	Prof. Dr. Uwe Leprich 5)	Director
Tom Theves	2nd Vice-Chairman	Marc Reding *)	Director
Stephan Fedrigo 2)	3rd Vice-Chairman	Georges Reuter	Director
Werner Brinker 3)	Director	Joachim Scherer	Director
Andrée Colas 4)	Director	Dr. Geneviève Schlink	Director
Pierre Franck	Director	Claude Strasser *)	Director
Charles Hutmacher	Director	Johan Van Bragt 6)	Director

1) Mr. Benoît Gaillochet is the permanent representative of the director "AXA Redilion ManagementCo S.C.A.".
2) Mr Stephan FEDRIGO was the permanent representative of the director "AXA Redilion ManagementCo S.C.A" until 31st December 2015. He is the permanent representative of the director "Azimuth Solutions GmbH" as of 1st January 2016.
3) Mr Werner BRINKER has been co-opted as member of the Board on 1st January 2016 in replacement of Mr Fernand FELZINGER.
4) Mrs Andrée COLAS has been co-opted as member of the Board on 25th September 2015 in replacement of Mrs Patrizia LUCHETTA.
5) Prof. Dr. Uwe Leprich is the permanent representative of the director "Administration communale de la Ville de Luxembourg".
6) Mr Johann VAN BRAGT has been co-opted as member of the Board on December 11th in replacement of Mr Erik VON SCHOLZ.
*) MM Aloyse Kohll, Marc Reding and Claude Strasser have been appointed members of the Board with effect as of March 7th 2016 whereas MM Dr Peter Frankenberg, Peter Pichl and Werner Roos have resigned with effect as of 7th March 2016, following the change in the shareholding of the company.
For further details regarding the membership in the Board of Directors of Enovos International as of 31th December 2015, please consult the Annual Report of Corporate Governance.

Status: May 2016

Jean Lucius
Chairman of the Executive Committee, CEO Enovos International

Marc Reiffers
Member of the Executive Committee, CEO Enovos Luxembourg

Claude Seywert
Member of the Executive Committee, CEO Creos Luxembourg

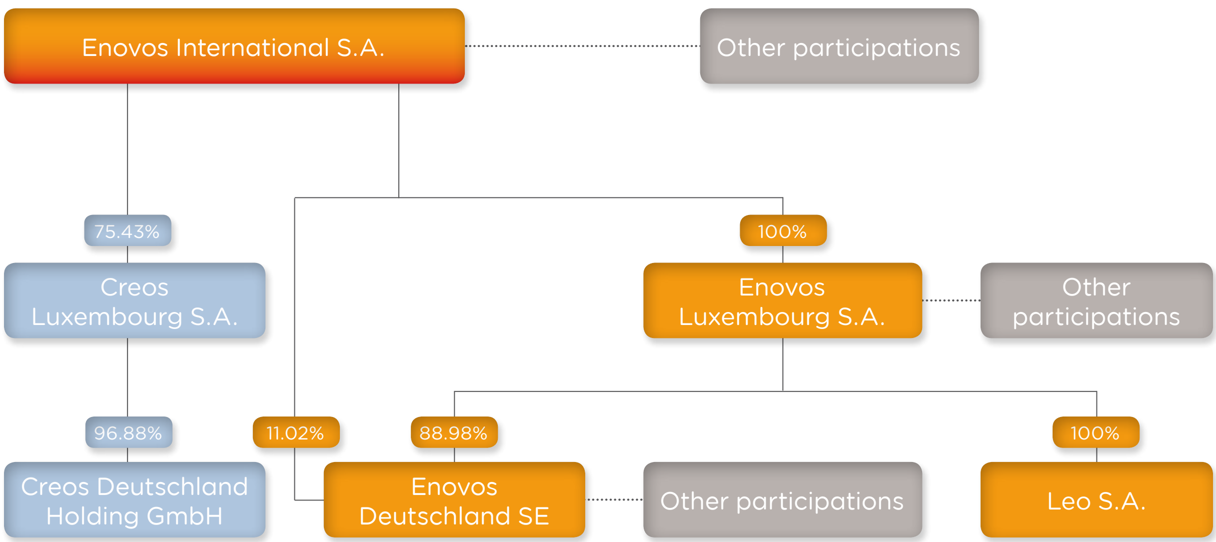
Guy Weicherding
Member of the Executive Committee, CFO Enovos International

Michel Schaus
Member of the Executive Committee, COS Enovos International

prices are too low to encourage investment in most existing technologies and in particular back-up plants, needed for the security of the system.
Europe will only be able to manage a successful decarbonisation of the economy if the electricity industry becomes investable again. And indeed, the challenge is immense: according to the IEA, no less than a €1.3 trillion investment is needed by 2025 for generation, transmission and distribution. At a time where variable RES are seeing a sharp decline in their technology costs, are made more cost-effective and are being integrated into the market, this raises the issue as to how to pursue investment in a way that is market-based and technology-neutral.

Is the market situation an added challenge for Enovos Group?

Marco Hoffmann: Making renewable electricity affordable plays an important role in the successful evolution of the European energy system. A robust carbon price is the most cost-effective way to ensure the optimum investment levels in low carbon technologies. Other national and European policies should be designed in a way that supports the effectiveness of the EU ETS. However, the landscape changes are a risk for all the market players. With smart apps and smart grid, big data also plays an increasing role for the energy sector and thus IT becomes a central concern for the sector worldwide. These evolutions are both a challenge and an opportunity for Enovos Group. The challenge is to decide upon the best technologies, and find new competencies and talents – which is an important issue with regards to the lack of IT engineering capacities in Europe.



3 questions to Marc Reiffers

"2015 was a key year"

Marc Reiffers
Member of Executive Committee,
CEO Enovos Luxembourg

What was the biggest success for Enovos Luxembourg in 2015?

Marc Reiffers: In many regards, 2015 was a key year for Enovos Luxembourg. We finalised a range of new products and services such as enoheat or enoprimes, launched in May. We also worked intensely on other innovative products, which will be launched in 2016 and prepared the next steps of our expansion in Belgium and France with the creation of companies in both countries. Furthermore, we redesigned nova naturstroum, our premium product in electricity, which is now more local than ever – an effort that was rewarded by Fedil's "Prix de l'environnement".
Our hard work has produced excellent operational results all around but we have no intention of resting on our laurels. With this in mind, we have also redefined our renewables strategy in 2015. We aim to act as an industrial investor covering the whole value chain from portfolio development, asset management and operations & maintenance, with a focus on wind and photovoltaic plants. Our goal is to double our production asset in Luxembourg, France, Belgium and Germany over the next years.

What are the most important challenges to come?

Marc Reiffers: We will continue our process of operational excellence, with main focus on our German activities and renewable energies. At the same time, we need to complete the transformation from commodity supplier of gas and power to service provider and prepare the company to become part of a fully digital energy world. In a fast evolving environment, we have to find the right partners to grow with and we have to react faster to market changes.

What was your personal highlight?

Marc Reiffers: My nomination as CEO of Enovos Luxembourg was of course an important moment for me personally. It's a true pleasure to work in this exciting energy environment and I am lucky to have a strong team around me to cope with the ever more challenging requirements. I am convinced that the motivation and know-how of our staff combined with the right choice of selected partners will help Enovos remain successful in the future.

Interview with Michel Schaus

"Develop individuals' employability"

What has the group achieved for its employees in 2015?

Michel Schaus: In 2015, we set up a tailor-made additional health insurance for our employees in Luxembourg in collaboration with the HR Department. This insurance is covered by the employer and allows the employee and his or her family a better healthcare reimbursement. The main benefits are inpatient and outpatient treatments, vision aids and refractive surgery, alternative therapies, dental treatments, full coverage for outpatient, inpatient hospital costs and repatriation if required for medical reasons.

Which steps has Enovos undertaken to motivate its staff?

Michel Schaus: The quality of training has been improved based on the internal clients' needs and various training options such as "Call-Center", "Compliance" or "Language" are offered through a catalogue. The Curriculum Management is based on the development of a middle-management skill-level considering leadership & management, which leads to additional internal training programmes, including Curriculum Management Programme (80 participants), Introduction to Project Management (49), and soft skills training. An integrated one-stop tool managing the booking and reporting of training sessions will be launched this year, improving T&D support to competencies development.

What are your biggest challenges for the year ahead?

Michel Schaus: One of the biggest challenges in 2016 will be designing the methodology to improve the overall performance and efficiency of the group mid-term. This will require us to review, rethink and optimise our processes and organisational design. In particular, we will develop individuals' employability and empower them while dealing with the increasing number of challenges the group is facing.

Michel Schaus
Member of Executive Committee,
Chief of Operational Support,
Enovos International

3 questions to Claude Seywert

"Many upcoming challenges"

Claude Seywert
Member of Executive Committee,
CEO Creos Luxembourg

What was the biggest success for Creos in 2015?

Claude Seywert: The creation of the integrated Belgian-Luxembourgish gas market was without a doubt a huge achievement for us. Not only because it was a European first, of which we are very proud, but also because internally this project was a showcase on how to manage complex situations with complicated interfaces within a tight timeline. Furthermore, it remains a big source of motivation for the whole company as it illustrates that even if we are the smallest TSO in Europe we can still make major contributions to the European energy market. Finally, it clearly demonstrated our priorities of guaranteeing security of supply and improving market functioning while keeping total costs for the final customer in check.

What is the most important challenge to come?

Claude Seywert: There will be many upcoming challenges. From further market integration (like our planned power interconnection with Belgium) or changing regulations (a new regulatory period will start in 2017) to internal operations. We are for instance introducing a "mobile workforce". But the single most important challenge is clearly the rollout of the smart meters, which will start in 2016. This is not only a daunting task in order to have all systems ready to handle the additional data, but it is also a huge industrial-size project. After initial ramp-up, we will have to change more than 500 meters per day to keep the imposed timeline! For a company of the size of Creos this is a completely new dimension – and of course, this project comes on top of our "normal" daily work of constructing, maintaining and operating our grids.

What do you personally consider to be the highlight of the year for the company?

Claude Seywert: I think that the construction of the Luxring – i.e. the new 220kV line to the East of Luxembourg city – is a true highlight for Creos. New lines within Luxembourg at this voltage level are extremely rare and building those pylons and overland lines was a spectacular feat. We have filmed all the works and I am really looking forward to seeing the final movie. It will be a superb showcase of our company and our know-how.

Interview with Guy Weicherding

"Very good operational year"

How did Enovos perform in a difficult market environment?

Guy Weicherding: From an operational point of view, very well! The group was able to grow again its consolidated EBITDA, to 232.4 MEUR, an increase of close to 10% compared to 2014. Free cash flow has been positive again in 2015 despite a continued high investment activity, 221.3 MEUR, thanks also to a stringent management of our working capital. This allowed the group to keep its financial indebtedness under control and the gearing ratio constant at 43%, while the balance sheet remains very strong, with capital and reserves accounting for 47.8% of the total assets (2014: 45.9%).

But 2015 was tainted by some exceptional items, the 2nd time after 2014?

Guy Weicherding: We had indeed to account for exceptional depreciations, 28.1 MEUR on total, largely on our conventional production assets. This is clearly the consequence of the continuing decline in power prices. This of course impacted our net profit for the year which nevertheless reached 80.6 MEUR (2014: 26.5 MEUR, the latter including some 82 MEUR of impairments). Excluding these exceptional impairments, 2015 adjusted net profit amounts to 108.7 MEUR, nearly identical to 2014. Unlike most of the larger energy groups in neighbouring countries, Enovos has limited conventional production capacity, and is therefore less exposed to the risk of impairments when energy prices continue to decline.

How do you see the outlook for 2016 and beyond?

Guy Weicherding: We expect that the overall energy market will continue to cope with low prices for the next few years, much like 2015 and the years before. To the extent that the group continues on its growth path while at the same time improving its efficiency across the main group entities, 2016 should be at a similar (good) level than 2015. The medium term outlook is likely to be impacted by the low market prices as well as a new regulatory period for our grid activities in Luxembourg and Germany starting 2017. Further EBITDA growth might be more difficult to achieve but thanks to continued high investments in grid and renewable assets as well as in developing new services, we are cautiously optimistic that financial results will remain at satisfactory levels seen in recent years.

Guy Weicherding
Member of Executive Committee,
Chief Financial Officer,
Enovos International

Key figures consolidated	2015	2014
Sales (EUR millions)	2,389.5	2,584.9
Ordinary operating profit (EBITDA)	**232.4**	**212.2**
Operating cash flow	**223.1**	**280.4**
Adj. net profit (excl. exceptional items)	**108.7**	**108.7**
Net profit for the year (incl. exceptional items)	80.6	26.5
Total Assets	2,527.0	2,538.6
Capital and reserves	1,207.5	1,164.2
Net financial debt*	520.4	493.6
Capital expenditures	221.3	237.9

(*) including finance leasing obligations and net of cash and marketable securities, 2014 restated from 505,7 previously.

PART II

OUR ACHIEVEMENTS

> The following pages outline our annual accomplishments in all our sectors and offer a view on our strategic approach to the future, both short-term and long-term. As the most recent performance highlights show, the setup of solid foundations enables us to develop our activities and financial position in a responsible and sustainable manner. Our employees have a deep understanding of their role and are passionate about implementing innovating solutions to make the world a better, greener place.

HIGHLIGHTS 2015

What has Enovos Group accomplished?

RISK MANAGEMENT

ENHANCED RISK CULTURE

In 2015, the Group Risk Management (GRM) reached several key targets: development of a tailored risk management policy for Enovos Renewables, definition and automation of new reports in the group's risk management software, quantification of the risk appetite and the issuing of different articles over the Intranet, each dealing with a specific point of the risk management process. All these achievements involving the stakeholders of the risk management process have increased the risk awareness throughout the group and have contributed to developing an enhanced risk culture.

LEGAL DEPARTMENT

INSURING MAJOR TRANSACTIONS

In 2015, Enovos International's legal department advised on major transactions of the group. Among others, it was involved in the sales process of the participations of E.ON and RWE. It also participated in the creation of a Belgium branch for sales activities, the creation of Active SmartHome S.A. in Luxembourg, the takeover of the full ownership of Energie Trelder Berg GmbH in Germany and the conclusion of a new group credit insurance.

INTERNAL AUDIT

INTERNAL AUDIT PLAN COMPLETED

The Internal Audit department has successfully completed its 2015 internal audit plan, which was approved by the Audit Committee. The audits performed were mainly related to the following processes: dispatching, general accounting, legal affairs, markets risk management and reporting as well as sales pricing and forecasting. The department also successfully conducted the quarterly follow-up on previous internal audit report recommendations. In this regard, it is worth mentioning that the implementation rate of due recommendations shows a positive trend.

CREOS LUXEMBOURG S.A.

EUROPE'S FIRST INTEGRATED GAS MARKET

On 1st October 2015, Creos Luxembourg and Fluxys Belgium launched the very first integrated gas market involving two EU member states. This merger is the result of extensive cooperation dating back to 2013 between Creos Luxembourg, Fluxys Belgium and their respective regulators, the Institut Luxembourgeois de Régulation (ILR) and Belgium's Commission de Régulation de l'Electricité et du Gaz (CREG) and is very much in line with the EU's desire to create an internal, borderless gas market where gas supplies can circulate freely between all member countries. It will secure the Grand Duchy of Luxembourg's supply and make the market more efficient. With annual consumption of around 20 billion cubic metres and 70 active suppliers, the integrated market will foster competition and improve liquidity on the Zeebrugge Trading Point (ZTP). Consumers will enjoy better pricing transparency, as transport costs will no longer be included in suppliers' gas prices.

GROUP FINANCE

GROUP LIQUIDITY FURTHER STRENGTHENED

The revolving credit facility with our core banks has been increased by EUR 20 million, to EUR 200 million on total, while the maturity has been extended by one year until November 2018. This committed line of credit ensures that the group has sufficient liquidities available in the coming years to cover the needs for working capital fluctuations or to bridge-finance its investments. In regards to long term financing, while no new transaction took place in 2015 at corporate level, the Group Finance department is contemplating another long term financing for 2016 to finance the investments in grid and renewable assets, and has been reviewing in 2015 with its financial partners the potential solutions to that effect.

HUMAN RESOURCES

BETTER AND FASTER INTEGRATION OF EMPLOYEES

In the past year, we have focused on a better and faster integration of personnel by implementing an induction programme, which every new hire passes through. This enables a more consistent follow-up of the new hire during the trial period. A framework agreement of Matrix organisation and organisational implementation has also been made to allow an exchange of skills and knowledge between various entities in Luxembourg and Germany. In Compensation & Benefits, we implemented HRIS, a tool available for all heads of departments, managers and employees. We also improved budget data transfer to controlling, job evaluation & organisational design and the annual review process. Recruitment closed over 90% of the recruitment requirements: 158 out of 175, which means 500-530 job interviews and 89 new contracts signed in 2015.

HUMAN RESOURCES

AN EXTENDED OFFER FOR TRAINING

A greater and better quality of training programmes was proposed in 2015 based on the needs of the employees. We have a new training catalogue offering various options such as call-center training, compliance training or language training. The Curriculum Management is based on the development of a middle-management skill-level considering leadership & management. The Enovos Curriculum Management Programme and the introduction to project management training were very well received by the managers as well as the employees.

OUTLOOK

What challenges does Enovos Group face?

CREOS LUXEMBOURG S.A.

LARGE EXPANSION OF CHARGING STATION NETWORK

The publication in the Mémorial, December 2015, of the Grand Ducal regulations on the public infrastructure relating to electromobility defined the government's preferred modus operandi in this area. Two types of charging stations will be installed in Luxembourg in the near future, namely 3 kVA "normal" mode charging stations and 22 kVA "rapid" mode charging stations. Creos will have a total of 749 charging stations in 102 municipalities. The first 300 stations are scheduled for rollout starting in March 2017.
Creos is actively involved in this project, which constitutes a real challenge in terms of both adapting and enhancing the electricity grid. Simultaneous charging of a large number of electric vehicles (cars, buses, bicycles, etc.) will result in new, decentralised power demands on the distribution grid (consumption peaks), which will have to be properly controlled. The grid will therefore have to be strengthened in places.

HUMAN RESOURCES

IDENTIFICATION OF TALENTS WITHIN THE GROUP

One of the challenges ahead is to identify talents within the group by detecting high potentials, high performers and low performers to develop career paths and succession planning accordingly and to attract, find and hire new talents in close cooperation with the business units. Another challenge of the HR Department will be to support the development of a more mature organisation by enabling a strong partnership between the business lines and HR as a service provider of risk-reducing actions with respect to the identified risks at the highest impact and probability levels.

REAL ESTATE & FACILITY MANAGEMENT

CONTINUOUS DEVELOPMENT OF CORE COMPETENCIES

One of the main challenges for the year to come will be to centralise the REFM (Real Estate & Facility Management) services and adopt the service portfolio to a constantly changing working environment. The focus will be on the provision and development of core REFM competencies and implementation of IT tools to facilitate everyday work. The continuous improvement of the service portfolio with monitored and enhanced response time, plus better accountability and visibility as well as implementation and recertification of Management systems also stay on the agenda for 2016. Focus on customer satisfaction, cost management and performance monitoring are the headlines for the everyday operations.

HUMAN RESOURCES

EXTENSION OF TRAINING MANAGEMENT

The soft skills internal training catalogue will be even broader in 2016. T&D's challenge will be to face the launch of an informatics system to manage the booking and reporting of all the training programmes organised within the group and externally. Lumesse will have interfaces with many other existing systems and offer a 'one-stop' place for T&D to support both employees and managers to develop competencies within the group.

LEGAL DEPARTMENT

SUPPORTING CROSS-BORDER SALES ACTIVITIES

In 2016, challenges for the legal department will include supporting the development of sales activities in Belgium and France. After the creation of a branch in Belgium in 2015, the creation of a subsidiary in France is planned for this year. The legal department will also work on reinforcing synergies between the legal department in Germany and Luxembourg to develop standard structures, processes and contracts through the organisation, and keep abreast of permanently evolving legislation and regulation (e.g. upcoming changes in law on commercial companies in Luxembourg or in energy law in Germany (e.g. "neues Strommarktgesetz"), in order to assure appropriate advice to business.

INTERNAL AUDIT

REINFORCE INTERNAL CONTROL MATURITY LEVEL

In addition to the completion of the 2016 Internal Audit plan and the follow up on recommendations implementation, the Internal Audit department will contribute to helping the group increase its internal control maturity level and strengthen its role as third line of defence.

INFORMATION TECHNOLOGY

NEW MANAGEMENT TOOL

The newly introduced management tool for internal IT-requests will change procedures greatly. Thanks to its user-friendly self-service portal and automated workflows, this tool represents a significant milestone in the handling and follow-up of end users' requests and questions.

PART III

ANNUAL ACCOUNTS

This last section is dedicated to our management report, a financial overview of our activities and the results of our operating performances, including commentaries on each segment of the statement.

CONSOLIDATED ANNUAL ACCOUNTS 2015

MANAGEMENT REPORT

As a major player in a number of European energy markets Enovos International enjoyed a positive year in 2015, despite the challenges posed by increasing international competition, falling energy market prices, and the impact of the stalling economic growth rate in global economies. Enovos International is the holding company for the energy supplier Enovos Luxembourg S.A., which is not regulated, and the grid operator Creos Luxembourg S.A. which is regulated. Unlike many holding companies Enovos International is directly responsible for group strategy and development, defines overall financial principles, sets corporate governance guidelines and provides various shared services to the core group companies. The consolidated annual accounts include those of Enovos International S.A. and those of its affiliates (the "group"), including 51 companies, of which 34 are fully consolidated and 17 are consolidated under the equity method.

HIGHLIGHTS

Overall, 2015 has been a year with many challenges and 2016 is expected to be similar. While at European Union level, current forecasts point to GDP growth of 1.9%, the spectre of the debt crisis in the southern EU countries has lost much of its sting and taken a back seat to either geopolitical challenges such as the refugee crisis, Ukraine and Syria or world economy issues including the China slowdown and the turnaround in US interest rates.

Worries about a worsening economic outlook in Germany have not materialised, with 2015 holding steady at, or slightly above, 2014 levels. No substantial downside risk is observable on national drivers, with domestic consumption steady, due to low inflation and the low cost of consumer debt. Internationally, the slowdown in China and the developing countries could hurt demand for some of Germany's main export goods, but the extent of the "correction" in the Chinese economy cannot be known.

The operating results of the group further improved and 2015 has been a positive year reflecting the group's ability to produce excellent results in a difficult environment with ever increasing competition in the industrial sector and commodity prices continuing their downward trend.

In this context of continuously dropping market prices, the Board of Directors decided to further revise the value of its long term assets and to book a number of exceptional value adjustments downwards, mainly on a pulverised coal fired power plant and a combined cycle gas turbine plant, thus negatively impacting the group's net result.

Over the year, the group pursued its growth strategy investing in all business areas from sales to grid and renewables.

NON-REGULATED ACTIVITIES

Enovos Group's total electricity sales could be stabilised on a high level with a slight increase in 2015, from 17.2 TWh in 2014 to 17.3 TWh in 2015, while electricity prices continued their downward trend throughout the year, declining on average by more than 13% year on year, based on German year-ahead power prices.

Enovos Group's total natural gas sales decreased from 28.0 TWh in 2014 to 24.2 TWh in 2015 (-3.8 TWh) which is mainly driven by Luxemburgish industrial clients as well as less supply to power plants (i.e. Twinerg). The intensified competition on the German market also resulted in shrinking natural gas sales. This could be partially compensated by additional sales to French clients.

In a challenging commercial environment with increased international competition in the industrial segment, the group managed with its dedicated commercial team of energy specialists to maintain market share and consolidate its customer portfolio in Luxembourg. New products and services developed by the Energy Solutions & Services department of Enovos Luxembourg S.A. have been added to the traditional commodity portfolio electricity & gas, thus creating added value for industrial and professional customers and differentiating itself from competitors. The group also believes that new sources of growth and revenue play an essential role for its sustainable development. During 2015, new products have been developed and successfully launched such as nova naturstroum 2.0, enoheat gas and enoprimes. Enovos Luxembourg S.A. received the Environmental Award 2015 from the Business

Federation Luxembourg for nova naturstroum 2.0. In 2015, Enovos Luxembourg S.A. established a joint venture with Entreprise des Postes et Télécommunications, Active SmartHome S.A.. The new company will give Luxembourgish customers a unique access to intelligent services, such as energy and heating management, security and surveillance of the home, or remote control of various appliances.

In 2015 the focus of all renewables activities has been on the "Olympia 2" project which has the objective of making a complete technical, financial and legal review of all assets in a portfolio. The aim is also to define optimised processes and procedures for asset management and project development. Immediately after the conclusion of the project in September 2015, implementation began in parallel with an in-depth review of the renewable strategy. This now consists of two main pillars, the growth of its own green asset base on one side, and the growth of Enovos' O&M services for 3rd parties and own assets on the other.

Several investment projects started in 2014 have been successfully commissioned in 2015, in Germany via Enovos Renewables GmbH, and in Luxembourg through the joint venture participation in Soler S.A.. In March 2015, the 4.1 MWp ground-mounted PV power plant Kröv (Rhineland-Palatinate) was connected to the grid, adding an additional 4 GWh of production.

In May 2015, the second construction phase of Windpark Schiffweiler was completed, raising the total capacity to 12.5 MW and adding a total annual production of 28 GWh to the green production portfolio. Finally, in Luxembourg, Windpark Kehmen-Heischent was extended by three wind turbines, each contributing 2.35 MW, raising the total capacity of the windfarm to 19.65 MW.

In the 4th quarter 2015, the decision was taken to acquire the project rights for two new windfarms (Priesberg with a capacity of 12.5 MW and Homburg with 9.6 MW capacity) located in Saarland and subsequently continue the development of these projects with a target for commissioning in the second half of 2016.

Consequently, the total net installed capacity in 2015 grew by 6% to 319 MW and the total production by 20% to 651 GWh.

As regards conventional energy, the 11th turbine of the SEO pumping station, to which Enovos Luxembourg S.A. is the co-investor, started production on 1st August 2015.

REGULATED ACTIVITIES

The total electricity-transportation volumes of the group are in line with last year, at 5.2 TWh in 2015 (+2.4%), whereas total gas-transportation volumes have decreased from 10.9 TWh in 2014 to 9.9 TWh in 2015 in Luxembourg, mainly because of lower demand on the electricity-production side, although in Germany there was an increase from 26.1 TWh in 2014 to 27.4 TWh in 2015.

The third year of the first regulatory period under the so-called "Incentive Regulation", which caps a network operator's permitted operational expenses was marked in 2015. Thus, the regulatory framework under which Creos Luxembourg S.A. operated in Luxembourg remained unchanged from the previous year (and will remain so until 2016, inclusive). Detailed information on the applicable regulations as well as the tariffs approved for Creos Luxembourg S.A. can be found on www.ilr.lu.

In accordance with the legal requirements, Creos Luxembourg S.A. has established a programme containing the appropriate measures to exclude any discriminatory practice in the treatment of different network users. The programme and its annual monitoring are published on our Internet site at www.creos.net.

2015 has again been a positive investment year for Creos Luxembourg S.A. – never before in its history has the company invested as much as EUR 141.4 million in its grids and operations. This big investment programme, driven mainly by the expansion of the high voltage grid, the deployment of smart meters, and the modernisation/renewal of operating sites will continue for the next few years before tapering off towards EUR 100 million by 2018.

Besides reinforcing its own national grid, Creos Luxembourg S.A. has continued to be very active on the European level by working with adjacent TSO's in order to create a regional market by connecting adjacent operators. These efforts reflect the spirit of the European Directive 2009/73/EC, which aims at getting Member States to evolve towards creating a barrier-free single market.

One key element of the investment plan in Luxembourg concerns the so-called "smart energy meters". All distribution-grid operators (electricity and gas) in Luxembourg are required by law to replace all existing metering devices with "smart meters". The legal deadline for complete (i.e. 95%) coverage has been shifted by one year (power meters until 2019, gas meters until 2020). During 2015, the Luxmetering G.I.E. (a company held jointly with all the other DSOs in Luxembourg)

has designed and implemented the common and unique platform for the smart meter read-out. Smart Meter suppliers (for both gas and power) have been selected via a European-wide submission process and first prototypes have been tested. The general mass roll-out should now begin in mid-2016.
Creos Luxembourg S.A. is currently in the planning phase for a new headquarter and operational centre in the City of Luxembourg to replace its current Hollerich and Strassen sites. In 2015, the company acquired land for this project and construction is planned to begin by the end of 2016. Creos Luxembourg S.A. is also constantly monitoring new technological developments that could make its grids more reliable or reduce the investment needed to prepare its grids for future evolutions. In this context the company has introduced the "dynamic line rating" technology on a key power transport line and took a stake in the company Ampacimon S.A. which developed this technology.
In 2015, Creos Deutschland increased the investment needed to modernise its grids in line with the newly defined target grid, and the successful start of Creos Deutschland Services, active in non-regulated business.

HEADCOUNT

In order to support its growth strategy and to carry out the numerous development and investment projects, the average number of employees of the Enovos Group further increased from 1,427 people in 2014 to 1,470 in 2015. The Board of Directors and the Management of Enovos International S.A. would like to thank all employees for their contributions throughout 2015 and for their full support in implementing important changes.

FINANCIALS

The consolidated ordinary operating profit (EBITDA) of EUR 232.4 million (2014: EUR 212.2 million) illustrates the strong operational performance of the group in 2015 - at an historical high level despite overall unfavourable market conditions.
The positive financial impact on operations is very much due to successful sales activities, mainly in the Luxemburgish market, and overall improved sourcing conditions combined with positive portfolio management and trading activities. In Germany, the operating profit of our subsidiaries remains under pressure due to the strong market competition in the industrial segment and falling energy-market prices.
The contribution to the consolidated ordinary operating profit of the grid companies further improved in 2015, as a result of increased revenues and more capitalised own work due to the high investments.
The contribution to the consolidated ordinary operating profit of the renewables companies increased in 2015, driven by a full year of operational activities of those renewable energy investments that started power production in 2014, even if some of the assets were operating below target.
Share in the companies' results posted under the equity method of EUR 13.2 million (2014: EUR 14.5 million) slightly deteriorated, mainly from Twinerg S.A. since the negative market conditions for combined cycle gas turbine plant does currently not allow such installations to operate profitably. The decision taken to mothball the company for an undetermined period allowed Twinerg to be contracted for the Belgian strategic reserve ('SGR') during the winter 2015-2016. The shareholders of Twinerg S.A. committed themselves to consider the future strategic issues of Twinerg during the first half of 2016.
In the context of the annual impairment-testing process that the group performs on its fixed assets, a number of value adjustments have been booked, which had a negative impact on the consolidated results. First, the Board of Directors decided to book an additional exceptional depreciation of EUR 19.0 million, adding to the exceptional depreciation of EUR 14.0 million already recognised in 2014, on its long-term lignite-based electricity contract since the economics of the investment are purely market related. Second, in the light of the current strategic uncertainties described above regarding Twinerg S.A., a full impairment of the financial assets of EUR 5.0 million and of a shareholder loan of EUR 2.4 million i.e. a total amount of EUR 7.4 million has been recognised. Finally the Board of Directors decided to fully depreciate the remaining goodwill of the wind power company La Benâte Energies S.à r.l. for EUR 1.1 million and to fully depreciate for EUR 0.2 million the goodwill resulting from the acquisition during the year of the 20% remaining shares in the biogas plant of Energiepark Trelder Berg GmbH.
In total, exceptional value adjustments and provisions amount to EUR 28.1 million and have been recognised under the headings "Value adjustments on formation expenses and on tangible and intangible fixed assets", impacting operating profit (EBIT) by a total of EUR 20.7 million, and "Extraordinary charges", further impacting earnings before tax (EBT) by a total of EUR 7.4 million.
As a consequence of the exceptional depreciations and provisions, net profit for the year amounts to

EUR 80.6 million (EUR 58.4 million group share). Excluding the impact of the exceptional impairments of EUR 28.1 million, the consolidated net profit for the financial year would be 108.7 MEUR.

In 2015, the group largely continued investing in the commercial, grids and renewables sectors, to a total of EUR 221.3 million. Consolidated net financial debt (debenture loans and amounts owed to credit institutions including the financing of the SEO 11th turbine, less cash at bank and transferrable securities) further increased from EUR 493.6 million in 2014 to EUR 520.4 million in 2015.

The group's total capital and reserves increased to EUR 1,207.5 million (2014: EUR 1,164.2 million), taking account of the distributed dividends to its shareholders and the net profit for the year. Capital and reserves represent 47.8% of total assets (45.9% in 2014), leaving the group with a very sound balance sheet structure to support its continued growth for the years to come.

RISK-MANAGEMENT OBJECTIVES AND POLICIES

The main risks the group has to manage are those relating to market risk, induced by the price volatility in the energy markets, credit risk towards clients and counterparties, and risks related to past and future investments. In addition there are operational and IT risks as well as a need to comply with the increasing regulatory intervention in the energy market on a European level.

An early identification of possible risk factors is key to maintaining a stable business. For this reason, risk management is integrated in the daily business of the Enovos Group across the entire organisation and value-chain. A centralisation of possible risks as well as the definition of policies and guidelines assist the managers and foster the value-creation process.

The Risk Committee Markets is in charge of the general definition of risk tolerance, methodology and risk management tools. Through monthly and ad-hoc meetings, the Risk Committee Markets ensures the implementation of the risk policy for commercial activities of the Enovos Group.

On 25th October 2011, the Regulation (EU) No 1227/2011 on wholesale energy market integrity and transparency ("REMIT") was adopted. This introduced a framework to regulate insider dealing and market manipulation tailored on the needs and dynamics of wholesale energy markets and imposing a reporting obligation for wholesale energy products. On 4th July 2012, the European Parliament and the Council adopted Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories (the so-called European Market Infrastructure Regulation, "EMIR") which introduces provisions to improve transparency and reduce the risks associated with the OTC derivatives market. Enovos Luxembourg S.A. as the head company of the group's commercial activities has created a new, dedicated unit within Risk Management to proactively screen and follow-up on regulatory topics related to the above and other upcoming regulations concerning the wholesale energy markets the group operates in. Supported by other internal stakeholders in its regulatory working group it leads the analysis of the regulation's implications and prepares for the various obligations that Enovos Luxembourg S.A. will have to fulfil in order to ensure that it complies with the various EU obligations. In 2015, Risk Management successfully set up Phase I of REMIT transaction reporting, starting last October, and also prepared and performed the corresponding back-loading of transaction data for the end of the year. In 2016, Enovos Luxembourg S.A. will implement the Phase II of the mandatory transaction reporting obligation under REMIT and will start a deeper analysis of the potential impact of the upcoming updated rules for the Directive on markets in financial instruments (MIFID II) on the company's business, coming into force in 2018.

Specifically in the area of the grid companies, the risk management culture has further been formalised with the introduction of a Creos Risk Committee and the organisation of workshops, including training on the best use of the risk management software Eagle. The main concern of risk management relates to potential damage to the grid under certain extreme weather conditions, as well as to prevention of accidents amongst the internal and external workforce.

The Group Risk Management department is centralising all risk management reporting from the core group companies and reports to the Group Risk Committee which monitors the main risks identified across the Enovos Group. During 2015, a dedicated Risk Committee "Shared Services" has been created in order to specifically review the risks associated to the activities of Enovos International S.A..

OUTLOOK

The group does not expect a major short-term recovery on the energy markets and hence foresees energy prices remaining at low levels. Enovos Luxembourg S.A. will continue its growth in France in the large B2B segment and will reinforce its development towards Small and Medium enterprises

especially for electricity due to the end of the regime of "regulated sales tariffs" in France. After several successes in 2015, Enovos Luxembourg S.A. will address public distributors in France more intensively by supplying gas, power and energy related services. In order to improve its commercial efficiency in the French market, Enovos Luxembourg S.A. will set up a new sales organisation for France during 2016, including a local operation. In Belgium, Enovos Luxembourg S.A. will accelerate its growth through its new branch by extending activities to Small and Medium enterprises and residential markets in the Walloon Region while continuing to develop the large B2B segment across Belgium. Energy services will be progressively integrated as an offering starting in 2016 with photovoltaic turnkey solutions for B2B. The B2C and small B2B market will be addressed via an innovative and cost-efficient model developed in partnership with a Telco company. In order to regain profitability with the group's German sales activities, the profit improvement plan, initiated in 2015, will be implemented throughout 2016.
In the area of new products and services, Enovos Luxembourg S.A. will launch its enosmart and enosolar solutions in the first half of 2016.
In line with its revised renewables strategy to further develop operations and maintenance, a dedicated company has been created in early 2016 named Enovos Renewables O&M GmbH; this company will regroup all existing O&M contracts in Germany and focus on further development of this business area. In order to further grow its renewable portfolio, Enovos Luxembourg S.A. is targeting new investments mainly in wind and photovoltaic.
Besides ongoing developments in all business fields, the company will foster innovation in 2016 and take an active role in innovative business models and solutions that may arise from the fast reshaping of the energy sector. In this respect, a collaboration agreement has been signed with Technoport S.A. in Luxembourg in February 2016; the goal is to promote and support the creation and development of innovative and technology-oriented companies in Luxembourg.
Creos Luxembourg S.A. will continue in 2016, and following years, to implement a significant plan for investment and maintenance to modernise its networks in order to ensure their safety and reliability. The company will also continue to actively prepare the introduction of "smart" meters and "smart" grids. In 2016, it will also start the preparatory works for the E-mobility project, the installation of loading stations for electrical cars.

Since 1st January 2013, a new "incentive" regulation is in force for a first application period until 2016, according to the ILR regulations E/12/05 (electricity) and E/12/06 (gas) as of 22nd March 2012. A public consultation process was launched at the end of 2015 to adapt these regulations for the second application period which will start in 2017 for 4 years (2017-2020) with 2015 as the reference year. The new ILR regulations should be made public in the beginning of the second quarter 2016 but according to currently available information and documents (see www.ilr.lu), the ILR is of the opinion that a substantial reduction of the capital remuneration for grid operators should be applied.
On the financing side, while no new transactions occurred during 2015, Enovos International S.A. is contemplating in early 2016 several options to finance part of its investments mainly in grid and in renewable projects planned for 2016 and beyond.

OWN SHARES

No transactions occurred in the course of the year.

BOARD OF DIRECTORS

On 23rd December 2015, the Minister of Economy of Luxembourg, ARDIAN, RWE and E.ON announced a major change in the shareholding of Enovos International S.A.. A consortium led by the existing shareholders, the Luxembourg State, the City of Luxembourg, the SNCI (Société Nationale de Crédit et d'Investissement), and ARDIAN, joined by the BCEE (Banque et Caisse d'Epargne de l'Etat) announced the take-over of all the company's shares held by RWE and E.ON energy groups (28.36%). Closing of the transaction has been on 7th March 2016. An extraordinary shareholders' meeting of the Enovos International S.A. was held on that same date approving the share transfer, amending the articles of association of the company, acknowledging the resignation of directors Dr. Peter Frankenberg, Mr. Peter Pichl and Dr. Werner Roos and nominating as new directors Mr. Claude Strasser, Mr. Aloyse Kohll, and Mr. Marc Reding to the board of the company as a consequence of this shareholder change.

Following is the shareholder structure of Enovos International S.A. before and after this transaction:

Enovos International S.A. shareholder change of March 7th, 2016	No of shares % of shares before	No of shares % of shares transferred	No of shares % of shares after
State of the Grand-Duchy of Luxembourg	231,405	23,288	254,693
	25.44%	2.56%	28.00%
AXA Redilion ManagementCo S.C.A.	213,600	0	213,600
"ARDIAN"	23.48%	0.00%	23.48%
ARDIAN Redilion ManagementCo S.C.A.	0	18,194	18,194
"ARDIAN"	0.00%	2.00%	2.00%
Administration communale de la Ville de (City of) Luxembourg	72,770	69,231	142,001
	8.00%	7.61%	15.61%
Société Nationale de Crédit et d'Investissement	91,054	38,118	129,172
"SNCI"	10.01%	4.19%	14.20%
Banque et Caisse d'Epargne de l'Etat	0	109,169	109,169
"BCEE"	0.00%	12.00%	12.00%
ENGIE (Electrabel S.A.)	42.800	0	42.800
	4.71%	0.00%	4.71%
RWE Energy Beteiligungsverwaltung Luxemburg S.à r.l.	167,700	-167,700	0
	18.36%	-18.36%	0.00%
E.ON Beteiligungen GmbH	91,000	-91,000	0
	10.00%	-10.00%	0.00%
TOTAL	909,629		909,629
	100.00 %		100.00 %

AUDITOR

The mandate of the external independent statutory auditor, Pricewaterhousecoopers, Société coopérative, has been extended in 2015 for 2 additional years until the audit of the financial year 2016.

The Board of Directors
22nd April 2016

CONSOLIDATED BALANCE SHEET AS AT 31st DECEMBER 2015

ASSETS Denominated in EUR		2015 €	2014 €
Goodwill			
Goodwill on first consolidation	Note 4	52,820,390	59,083,316
Total Goodwill		**52,820,390**	**59,083,316**
Formation expenses	Note 6		
Formation expenses		289,437	445,451
Total Formation expenses		**289,437**	**445,451**
Fixed assets			
Intangible fixed assets	Note 7		
Concessions, patents, licences, trade marks and similar rights and assets, if they were a) acquired for valuable consideration		74,282,295	96,158,134
Goodwill, to the extent that it was acquired for valuable consideration		66,994,781	75,406,802
Payments on account and intangible fixed assets under development		9,979,837	2,731,288
Tangible fixed assets	Note 8		
Land and buildings		196,750,093	154,920,393
Plant and machinery		1,055,982,629	852,887,635
Other fixtures and fittings, tools and equipment		40,664,014	30,979,546
Payments on account and tangible fixed assets under development		136,775,129	281,724,163
Financial fixed assets			
Companies consolidated under the equity method	Note 9.1	109,150,407	117,445,995
Investments carried at cost	Note 9.2	85,733,462	68,809,756
Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests		23,736,097	28,566,580
Securities and other financial instruments held as fixed assets	Note 12	28,769,477	28,338,507
Loans and claims held as fixed assets		515,019	12,711
Total Fixed Assets		**1,829,333,240**	**1,737,981,509**
Current assets			
Inventories	Note 10		
Raw materials and consumables		21,881,078	18,537,279
Work and contracts in progress		24,910,042	13,535,515
Finished goods and merchandise		47,160,167	31,570,287
Debtors			
Trade receivables	Note 11.1		
a) becoming due and payable within one year		326,447,422	376,290,278
b) becoming due and payable after more than one year		0	0
Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	Note 11.2		
a) becoming due and payable within one year		15,086,694	37,873,356
b) becoming due and payable after more than one year		26,000	26,000
Other receivables	Note 11.3		
a) becoming due and payable within one year		73,904,629	77,776,239
b) becoming due and payable after more than one year		758,842	631,875
Deferred tax assets	Note 11.4	4,023,857	6,905,769
Transferable securities and other financial instruments	Note 12		
Other transferable securities and other financial instruments		14,684,809	16,325,386
Cash at bank, cash in postal cheque accounts, cheques and cash in hand	Note 13	58,355,715	108,289,772
Total Current Assets		**587,239,255**	**687,761,756**
Prepayments	Note 14	**57,349,440**	**53,328,632**
Total Assets		**2,527,031,762**	**2,538,600,664**

LIABILITIES		2015	2014
Denominated in EUR		€	€
Capital and reserves	Note 15		
Subscribed capital		90,962,900	90,962,900
Share premium and similar premiums		387,028,449	387,028,449
Consolidated reserves		382,822,211	457,259,773
Profit or loss brought forward (Retained earnings)		57,493,537	2,494,831
Capital investment subsidies		4,948,722	5,567,192
Temporarily not taxable capital gains		179,284	0
Consolidated result for the financial year, group share		**58,422,459**	**5,794,026**
Total Capital and reserves, group share		981,857,562	949,107,171
Minority interests		**225,685,737**	**215,127,058**
Total Capital and reserves		1,207,543,299	1,164,234,229
Provisions			
Provisions for pensions and similar obligations	Note 16.1	89,234,744	89,257,875
Other provisions	Note 16.2	89,025,018	96,847,302
Total Provisions		178,259,762	186,105,177
Non subordinated debts			
Debenture loans			
b) Non convertible loans	Note 17		
i) becoming due and payable within one year		5,683,222	5,418,307
ii) becoming due and payable after more than one year		382,500,000	382,000,000
Amounts owed to credit institutions	Note 18		
a) becoming due and payable within one year		17,984,751	34,022,954
b) becoming due and payable after more than one year		88,091,317	95,521,979
Payments received on account of orders as far as they are not deducted distinctly from inventories	Note 19		
a) becoming due and payable within one year		17,515,484	11,576,237
Trade creditors	Note 20		
a) becoming due and payable within one year		352,316,472	366,110,095
b) becoming due and payable after more than one year		1,968,745	93,674
Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	Note 21		
a) becoming due and payable within one year		8,541,230	7,550,129
Tax and social security debts	Note 22		
a) Tax debts		46,636,704	59,960,382
b) Social security debts		4,157,283	4,330,385
Deferred tax liabilities	Note 23	64,994,029	58,689,367
Other creditors	Note 24		
a) becoming due and payable within one year		22,355,701	10,824,164
b) becoming due and payable after more than one year		106,874,299	116,669,333
Total Non subordinated debts		1,119,619,237	1,152,767,005
Deferred income	Note 25	21,609,464	35,494,253
Total Liabilities		2,527,031,762	2,538,600,664

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 2015

Legal presentation

CHARGES	Notes	2015	2014
Denominated in EUR		€	€
Use of merchandise, raw materials and consumable materials	Note 26	1,947,557,663	2,171,578,054
Other external charges	Note 27	111,296,185	123,402,287
Staff costs	Note 28		
a) Salaries and wages		119,758,306	115,567,538
b) Social security on salaries and wages		14,970,512	13,983,438
c) Supplementary pension costs		12,123,712	13,109,306
d) Other social costs		199,840	169,180
Value adjustments			
a) on formation expenses and on tangible and intangible fixed assets	Notes 4, 6, 7, 8	120,065,878	134,448,400
b) on current assets		11,869,239	7,302,909
Interest and other financial charges			
b) other interest and similar financial charges	Note 31	23,952,139	18,748,760
Extraordinary charges	Note 33	7,445,885	48,808,149
Income tax	Note 34	23,524,080	13,690,856
Other taxes not included in the previous caption		2,229,471	1,327,485
Profit for the financial year			
a) Group share		58,422,459	5,794,026
b) Minority interests		22,207,518	20,736,943
Total Charges		**2,475,622,887**	**2,688,667,331**

INCOME	Notes	2015	2014
Denominated in EUR		€	€
Net turnover	Note 29	2,389,491,708	2,584,934,206
Fixed assets under development	Note 1	34,382,148	37,019,365
Reversal of value adjustments			
b) on current assets		1,614,189	4,824,266
Other operating income	Note 30	24,718,121	30,569,178
Income from financial fixed assets	Note 31		
b) other income from participating interests		8,287,157	6,822,867
Other interest and other financial income	Note 31		
b) other interest and similar financial income		3,934,189	4,665,734
Share in result of companies accounted for under the equity method	Note 32	13,195,375	14,531,954
Extraordinary income		0	5,299,761
Total Income		**2,475,622,887**	**2,688,667,331**

List presentation

Denominated in EUR	2015 €	2014 €
Sales	2,389,491,708	2,584,934,206
Other operating income	17,211,452	13,994,613
Own work capitalised	34,382,148	37,019,365
Cost of sales	(1,947,557,663)	(2,171,578,053)
Personnel expenses	(147,052,368)	(142,829,462)
Other operating expenses	(114,044,568)	(109,306,367)
Ordinary operating profit (EBITDA)	**232,430,709**	**212,234,302**
Depreciation	(120,065,878)	(134,448,400)
Operating profit (EBIT)	**112,364,831**	**77,785,902**
Financial income	3,934,189	4,665,734
Gains on disposals	0	5,299,761
Income from investments carried at cost	8,287,157	6,822,867
Share in result of companies accounted under the equity method	13,195,375	14,531,954
Financial expenses	(31,398,024)	(67,556,909)
Earnings before tax	**106,383,528**	**41,549,309**
Current income tax	(16,884,497)	(13,258,784)
Deferred income tax	(8,869,055)	(1,759,558)
Net profit for the year	**80,629,977**	**26,530,967**
Minority interests	(22,207,518)	(20,736,941)
Net profit for the year, group share	**58,422,459**	**5,794,026**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st DECEMBER 2015

Denominated in EUR	2015 €	2014 €
Result for the financial year, group share	58,422,459	5,794,026
+ Minority interests	22,207,518	20,736,943
+ Amortization and depreciation	120,684,348	133,833,445
- Capital gain on disposals	0	(5,299,761)
+ / - Change in provisions	108,470	65,226,872
- Share in result of companies accounted under the equity method	(13,195,375)	(14,531,954)
+ Dividends received from companies accounted for under the equity method	14,314,994	12,643,440
+ Current and deferred income taxes	25,753,552	15,018,341
- Taxes paid	(29,890,654)	(63,361,572)
- Increase / (+) Decrease in current assets	42,045,146	126,324,414
+ Increase / (-) Decrease in current liabilities	(17,309,593)	(16,003,014)
Operating cash flow	**223,140,865**	**280,381,180**
- Capital expenditures on intangible assets	(15,538,721)	(8,102,702)
- Capital expenditures on tangible assets	(185,829,749)	(208,867,500)
- Impact of change in scope	(411,941)	(13,668,189)
+ Cash received from disposal of fixed assets	1,537,655	6,484,822
- Capital expenditures on financial assets	(19,567,668)	(7,216,626)
+ Cash received from disposal of financial assets	593,013	7,230,678
+/- Change in loans to participations	2,405,993	(4,952,509)
Cash flow from investing activities	**(216,811,418)**	**(229,092,026)**
- Dividends paid to the group shareholders	(24,005,109)	(49,119,966)
- Dividends paid to the minorities of consolidated companies	(10,884,326)	(11,277,060)
+ Change in equity	(310,695)	(685,751)
- Net change in financial liabilities	(22,703,951)	71,585,540
- Impact of change in scope on financial liabilities	0	(7,329,343)
Cash Flow from financing activities	**(57,904,081)**	**3,173,420**
CHANGE IN CASH	(51,574,634)	54,462,575
Situation at the beginning of the year	124,615,158	70,152,583
Situation at the end of the year	73,040,524	124,615,158

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS

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Note 1 – Summary of significant accounting principles

Basis of preparation
The consolidated annual accounts of Enovos International S.A. (the "Company"), together with its subsidiaries, (the "group") have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention. Accounting policies and valuation rules are, besides the ones laid down by the amended Law of 19th December 2002, determined and applied by the Board of Directors.

The preparation of consolidated annual accounts requires the use of certain important accounting estimates. It also requires the Board of Directors to exercise its judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the consolidated annual accounts in the period in which the assumptions changed. The Board of Directors believes that the underlying assumptions are appropriate and that the consolidated annual accounts therefore present the financial position and results fairly.

The group makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Scope of consolidation
The consolidated annual accounts 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 5, "Scope of consolidation and list of consolidated companies".

All consolidated companies prepare their statutory annual accounts as at 31st December.

Significant accounting policies
The main valuation rules applied by the group are the following:

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 good will 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 results 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 capital and reserves. The dividends received by the respective parent

company are eliminated. 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 on first consolidation represents the excess of the acquisition price over the group's interest share in the equity of the acquired entity. Negative goodwill is accounted for in profit and loss or in provisions if it relates to anticipated future losses. Positive goodwill is recorded as an asset and depreciated over 15 years, unless a different amortisation period is justified. The 15 years are based on the expected economic life of the underlying assets. The positive and negative goodwills resulting from the restructuring process in 2009 have been by exception recorded in 2009 against the consolidated reserves in shareholder's equity.
- If the Board of Directors considers that an impairment must be recognised on goodwill on consolidated entities, a corresponding value adjustment is posted.

Foreign currency translation

Transactions expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction. Formation expenses and long-term assets expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historical exchange rates.

Cash at bank is translated at the exchange rate effective at the balance sheet date, exchange losses and gains are recorded in the profit and loss account of the year.

Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealised exchange losses are recorded in the profit and loss account. The exchange gains are recorded in the profit and loss account at the moment of their realisation.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealised losses are recorded in the profit and loss account and the net unrealised exchange gains are not recognised.

All group companies use EUR as their functional currency.

Formation expenses

Formation expenses are written off on a straight-line basis over a period of 5 years.

Intangible fixed assets

Intangible fixed assets are valued at purchase price including the expenses incidental thereto or at production cost, less cumulated depreciation amounts written off.

The depreciation rates and methods applied are as follows:

	Depreciation rate	Depreciation method
Concessions, patents, licences, trade marks and similar rights and assets	4% - 33.33%	Straight-line
Goodwill, to extent that it was acquired for valuable consideration	6.67% - 20%	Straight-line

Where the group considers that an intangible fixed asset has suffered a durable depreciation in value, an additional write-down is recorded to reflect this loss. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Tangible fixed assets
Tangible fixed assets are valued at purchase price including the expenses incidental thereto or at production 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:

	Depreciation rate	Depreciation method
Buildings	2% - 10%	Straight-line
Plant and machinery	2% - 10%	Straight-line
Other fixtures and fittings, tools and equipment	10% - 33.33%	Straight-line

For the grid assets in Luxembourg, when a part of grid assets is to be replaced and cannot be separately identified, no disposal of assets is accounted for and the replaced assets continue to be depreciated with normal rates. This accounting principle has been agreed with the Regulator for the determination of grid tariffs.

Where the group considers that a tangible fixed asset has suffered a durable depreciation in value, an additional write-down is recorded to reflect this loss. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Tangible fixed assets under development are valued at cost, based on the direct and indirect costs of the group and are reviewed for impairment annually.

The costs incurred on fixed assets under development created by the group itself are recorded in the profit and loss account under caption “Fixed assets under development” during the year and are transferred at balance sheet date to the appropriate balance sheet caption.

Investments carried at cost and securities held as fixed assets
Investments carried at cost and not consolidated in these accounts are recorded in the balance sheet at their acquisition cost including the expenses incidental thereto. In the case of an impairment that the Board of Directors considers as permanent in nature, value adjustments are made in respect to these long-term investments to apply the lower value to be assigned to them at the balance sheet date. These value adjustments are not maintained when the reasons for making them have ceased to exist.

Securities held as fixed assets are classified as long term financial assets if they are not available for sale. A value adjustment is recorded where the market value is lower than the purchase price.

Inventories of raw materials and consumables
Raw materials and consumables are valued at the lower of purchase price calculated on the basis of weighted average cost and market value. Value adjustments are recorded when the estimated realisable value of stocks is lower than the weighted average cost. Their value adjustments are not maintained if the reasons for recording them have ceased to exist.

Inventories of finished goods and work and contracts in progress
Inventories of finished goods and work and contracts in progress are valued at the lower of production cost including the purchase price of the raw materials and consumables, the costs directly attributable to the product/contract in question and a proportion of the costs indirectly attributable to the product/contract in question, and market value. A value adjustment is recorded where the market value is below the production cost. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Debtors
Debtors are recorded at their nominal value. Value adjustments are recorded when there is a risk that all or part of the amounts concerned may not be recovered. These value adjustments are not maintained if the reasons for recording them have ceased to exist.

Transferable securities
Transferable securities are valued at their purchase price, including expenses incidental thereto, expressed in the currency in which the annual accounts are prepared. A value adjustment is recorded where the market value is lower than the purchase price. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

The market value corresponds to the latest available quote on the valuation day for investments listed on a stock exchange or traded on another regulated market.

For non-listed securities or for securities where the last quote is not representative the market value corresponds to the probable realisation value estimated with due care and in good faith by the Board of Directors.

Derivative financial instruments
The group may enter into derivative financial instruments such as options, swaps, futures or foreign exchange contracts. The group records initially derivative financial instruments at cost.

At each balance sheet date, unrealised losses are recognised in the profit and loss account whereas gains are accounted for when realised. In the case of hedging of an asset or a liability which is not recorded at fair value, unrealised gains or losses are deferred until the recognition of the realised gains or losses on the hedged item.

Prepayments
This asset item includes expenditures incurred during the financial year but relating to a subsequent financial year.

Provisions
The aim of provisions is to cover clearly defined charges and liabilities, which, on the balance sheet date, are either probable or certain but for which the amount or date of occurrence cannot be determined with certainty. A review is carried out at year-

end to determine the provisions to be recorded for the group's liabilities and charges. Provisions recorded in previous years are reviewed annually and those no longer needed are released.

Provisions may also be created to cover charges which originate in the financial year under review or in a previous financial year, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Provisions for pensions and similar obligations
Different group companies offer their employees a defined benefit plan and a defined contribution plan. Those plans are provided for based on acceptable principles in the different countries of the group companies.

Defined benefit plan
A defined benefit plan defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to historical evolution of long term interest rates.

Actuarial gains and losses are charged or credited in the profit or loss in the period in which they arise.

Past-service costs are recognised immediately in the profit or loss.

Defined contribution plan
A defined contribution plan is a pension plan under which the group pays fixed contributions to a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions paid are directly registered in the profit and loss during the year they are paid. The commitment of the group is limited to the contributions that the group agreed to pay into the fund on behalf of its employees.

Non subordinated debts
Debts are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is recorded in the profit and loss account when the debt is issued. All fixed costs related to setting up the facilities are depreciated over the duration of the loan.

Deferred income
This liability item includes income received during the financial year but relating to a subsequent financial year.

Current and deferred income tax
Provisions for current income tax include the current taxes charged. Deferred taxes are recorded on the temporary differences existing between the tax rules and those used for preparing the consolidated annual accounts. 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.

Net turnover
Net turnover relates to transportation and distribution of electricity and gas, sales of gas and electricity, cogeneration provided as well as related services as part of the group's ordinary activities, net of discounts, value-added tax and other taxes directly linked to sales.

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

Other operating income
Other operating income comprises all income only indirectly linked to usual business activities.

Income from financial fixed assets
Dividend income is recorded when dividends are paid.

Note 2 – Creation of the Enovos Group

Enovos International S.A. was incorporated under the name of Soteg S.A. in Luxembourg on 5th February 1974. The Company is registered under RCS nr. B11723. In the context of the below described operations, the Company has been renamed Enovos International S.A. in 2009. The registered office of the Company is established in Esch-sur-Alzette.

As of 23rd January 2009, the shareholders of Cegedel S.A. and Saar Ferngas AG contributed their respective shares into Soteg S.A.. Soteg S.A. then 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 energy generation, sales and trading activities. This restructuring has been made with retroactive effect as of 1st January 2009. Enovos Luxembourg S.A. has a subsidiary, Enovos Deutschland SE, (former Enovos Deutschland AG), for the German market and Creos Luxembourg S.A. has a subsidiary, Creos Deutschland Holding GmbH (former 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 issuing new shares. Enovos Luxembourg S.A. acquired 86.2% of Enovos Deutschland SE (former 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 activities have been contributed to Creos Luxembourg S.A. in exchange for shares.

Note 3 – Authorisations

Following the two European directives 2009/72 and 73 of 13th July 2009 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 7th August

2012, regarding the organisation of the electricity and natural gas markets, transport and distribution grid management activities have been legally separated from the other activities of generation and sale of electricity and gas.

Note 4 – Goodwill on first consolidation

Goodwill on acquisitions is recognised on the asset side and is depreciated over a period of 15 years. As of 31st December 2015, the group has recognised goodwill on the following acquisitions (see also note 5):

	Date of first consolidation	31/12/2015 Goodwill Gross value €	31/12/2015 Goodwill Net value €	31/12/2014 Goodwill Gross value €	31/12/2014 Goodwill Net value €
Energiepark Trelder Berg GmbH	1st January 2010	11,911,481	0	11,698,283	0
Surré S.A.	1st January 2010	989,661	593,796	989,661	659,775
Enovos Luxembourg S.A. (Luxgas S.à r.l.)	1st May 2010	14,871,586	9,253,431	14,871,586	10,244,871
Creos Luxembourg S.A.	1st May 2010	9,285,305	5,777,524	9,285,305	6,396,545
La Benâte Energies S.à r.l.	1st July 2010	1,771,954	0	1,771,954	1,240,368
Enovos Solar Investment I S.r.l. Unipersonale	1st October 2010	805,849	0	805,849	0
Enovos Solar Investment II S.r.l. Unipersonale	1st November 2010	3,035,199	0	3,035,199	0
Enovos Energie Deutschland GmbH	1st January 2011	7,296,109	4,864,073	7,221,109	5,295,480
Leo S.A.	6th January 2011	21,157,085	14,104,724	21,157,085	15,515,196
Ferme Eolienne de la Côte du Gibet S.à r.l.	2nd November 2011	51,800	35,109	51,800	38,562
Biogas Ohretal GmbH	1st January 2012	5,131,075	3,762,788	5,131,075	4,104,860
ESW Energie Südwest AG	1st January 2012	2,205,965	1,654,474	2,205,965	1,801,538
Enovos Deutschland SE	20th September 2012	1,992,075	1,593,660	1,992,075	1,726,465
Creos Deutschland Holding GmbH	1st January 2013	689,966	562,793	689,966	608,790
PNE Biogas Oebisfelde GmbH	8th February 2013	7,153,792	5,723,034	7,153,792	6,199,953
NPG Energy Group	15th January 2013	6,015,427	4,894,984	5,915,328	5,195,913
		94,364,329	52,820,390	94,051,032	59,083,316

Value adjustments have been recorded using a straight line depreciation method:

	31/12/2015 €	31/12/2014 €
Gross book value - opening balance	**94,051,032**	**92,865,884**
Additions for the year	213,197	1,185,148
Transfer for the year	100,099	0
Gross book value - closing balance	**94,364,328**	**94,051,032**
Accumulated value adjustment - opening balance	**(34,967,716)**	**(18,122,506)**
Allocations for the year	(5,240,787)	(6,276,741)
Exceptional depreciation for the year	(1,335,435)	(10,568,469)
Accumulated value adjustment - closing balance	**(41,543,938)**	**(34,967,716)**
Net book value - closing balance	52,820,390	59,083,316

The additions of the year concern Energiepark Trelderberg GmbH following the acquisition of additional 20% of the shares in that company. The goodwill has been completely depreciated.

Furthermore, as a consequence of the annual impairment testing, the Board of Directors decided to depreciate the remaining goodwill of La Benâte Energies S.à r.l. by EUR 1,122,238.

In 2015, a negative goodwill of EUR 100,099 concerning an affiliate of NPG Energy Group has been transferred to equity.

The Board of Directors is of the opinion that no further value adjustments are necessary.

Note 5 – Scope of consolidation and list of consolidated companies

The consolidation scope is as follows as at 31st December 2015:

Fully consolidated group companies:

Name	Country	Percentage of control	Percentage of interest	Main activity
Enovos International S.A.	Luxembourg	100.00%	100.00%	Holding company and shared service provider
Enovos Luxembourg S.A.	Luxembourg	100.00%	100.00%	Supply of power and gas
Creos Luxembourg S.A.	Luxembourg	75.47%	75.47%	Transport and distribution of gas and power
Enovos Re S.A.	Luxembourg	100.00%	100.00%	Reinsurance
Luxenergie S.A.	Luxembourg	60.35%	60.35%	Production of heat and power
Surré S.A.	Luxembourg	100.00%	60.35%	Production of heat and power
Windpark Mosberg GmbH & Co KG	Germany	100.00%	100.00%	Production of power
Enovos Deutschland SE	Germany	100.00%	100.00%	Holding company and shared service provider
Enovos Energie Deutschland GmbH	Germany	100.00%	100.00%	Supply of power and gas
Enovos Future GmbH	Germany	100.00%	100.00%	Facility management
Enovos Properties GmbH	Germany	100.00%	100.00%	Real estate
Enovos Storage GmbH	Germany	100.00%	100.00%	Gas Storage
Enovos Renewables GmbH	Germany	100.00%	100.00%	Holding company for power producers
Enovos Power GmbH	Germany	100.00%	100.00%	Supply of power
Energie Südpfalz Shared Service GmbH	Germany	64.00%	32.64%	Service provider
Creos Deutschland Holding GmbH	Germany	98.03%	73.70%	Holding company and shared service provider
Creos Deutschland GmbH	Germany	100.00%	73.70%	Transport and distribution of gas
Creos Deutschland Services GmbH	Germany	100.00%	73.70%	Service provider
EnergieSüdwest AG	Germany	51.00%	51.00%	Supply of power, gas and heat
EnergieSüdwest Netz GmbH	Germany	100.00%	51.00%	Transport and distribution of power, gas, water and heat
EnergieSüdwest Projektentwicklung GmbH	Germany	100.00%	51.00%	Supply of heat / Provider of services in gas and power
Energiepark Trelder Berg GmbH	Germany	100.00%	100.00%	Production of power
La Benâte Energies S.à r.l.	France	100.00%	100.00%	Production of power
Enovos Solar Investment I S.r.l. Unipersonale	Italy	100.00%	100.00%	Production of power
Enovos Solar Investment II S.r.l. Unipersonale	Italy	100.00%	100.00%	Production of power
Leo S.A.	Luxembourg	100.00%	100.00%	Supply of power and gas
Ferme Eolienne de la Côte du Gibet S.à r.l.	France	100.00%	100.00%	Production of power
Real Estate Strassen S.A.	Luxembourg	100.00%	100.00%	Real estate
PNE Biogas Ohretal GmbH	Germany	80.00%	80.00%	Production of power
Solarkraftwerk Frauental GmbH	Germany	90.40%	53.75%	Production of power
PNE Biogas Oebisfelde GmbH	Germany	80.00%	80.00%	Production of power
Real Estate Enovos Esch S.A.	Luxembourg	100.00%	100.00%	Real estate
Enovos Real Estate Luxembourg S.A.	Luxembourg	100.00%	100.00%	Holding company
NPG Energy Group	Belgium	50.98%	50.98%	Production of heat and power

In 2015, Enovos Luxembourg S.A. bought the remaining 20% of shares of Energiepark Trelder Berg GmbH from its partner Pure Nature Energy GmbH for an amount of EUR 1. A goodwill of EUR 213,198 was recognised on that operation and completely depreciated during the year.

On 22nd November 2013, EnergieSüdwest AG, a subsidiary of Enovos Deutschland SE, founded together with Stadtwerke Annweiler, Stadtwerke Bad Bergzabern and Stadtwerke Herxheim a common service company, Energie Südpfalz Shared Services GmbH. In 2015, the company has been integrated into the consolidation scope.

On 12th June 2015 Enovos Deutschland SE bought the company Repower Vertrieb GmbH for an amount of EUR 792,002 and subsequently merged the company with Enovos Power GmbH. On 1st September 2015 the new company has been integrated into the consolidation scope. A negative goodwill of EUR 263,936 has been generated by that operation.

Enovos Balance Deutschland GmbH has been merged with Enovos Energie Deutschland GmbH. The remaining goodwill of EUR 75,000 has been transferred to the latter.

Companies consolidated under the equity method:

Name	Country	Percentage of control	Percentage of interest	Main activity
Global Facilities S.A.	Luxembourg	50.00%	50.00%	Facility management
Steinergy 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
Artelis S.A.	Luxembourg	36.95%	36.95%	Telecommunications
NordEnergie S.A.	Luxembourg	33.33%	33.33%	Supply of power
Airportenergy 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
Twinerg S.A.	Luxembourg	17.50%	17.50%	Production of power
Aveleos S.A.	Luxembourg	59.02%	59.02%	Construction of solar parks
Kiowatt S.A.	Luxembourg	50.00%	30.18%	Production of power
Pfalzgas GmbH	Germany	50.00%	50.00%	Supply of energy
Projecta 14 GmbH	Germany	50.00%	36.85%	Holding company
Energis GmbH	Germany	28.06%	28.06%	Supply of energy
Windpark Wremen GmbH & Co. KG	Germany	40.00%	30.20%	Production of power
Solarkraftwerk Ahorn GmbH & Co. KG	Germany	39.00%	27.29%	Production of power
Suncoutim Solar Energy, S.A.	Portugal	34.09%	34.09%	Production of power

For Twinerg S.A., where less than 20% of voting rights are held, the Enovos Group exercises significant influence by virtue of its representation in the Board of Directors and the strategic interest that the activities represent for the group.

In 2015, the shares of Projecta 14 GmbH have been transferred from Enovos Deutschland SE to Creos Deutschland Holding GmbH for an amount of EUR 18,065,500 to which transaction fees of EUR 992 have been added. As a consequence the percentage of interest decreases from 50% to 36.85%.

Note 6 – Formation expenses and similar expenses

Formation expenses comprise expenses incurred in the course of the creation of the company.
Movements of the year are as follows:

	Total 2015 €	Total 2014 €
Gross book value - opening balance	774,820	657,066
Additions for the year	0	592
Disposals for the year	0	(116,657)
Transfers for the year	(52,203)	233,819
Gross book value - closing balance	722,617	774,820
Accumulated value adjustment - opening balance	(329,369)	(86,321)
Allocations for the year	(125,235)	(125,548)
Reversals for the year	0	79,910
Transfers for the year	21,424	(197,410)
Accumulated value adjustment - closing balance	(433,180)	(329,369)
Net book value - closing balance	289,437	445,451

The Board of Directors considers that no further value adjustments are needed as of 31st December 2015.

Note 7 – Intangible fixed assets

Movements for the year are as follows:

	Concessions, patents, licences, trademarks and similar rights and assets €	Goodwill acquired for valuable consideration €	Payments on account and intangible fixed assets under development €	Total 2015 €	Total 2014 €
Gross book value - opening balance	161,461,503	125,800,637	4,510,281	291,772,420	283,297,450
Additions for the year	4,394,893	4,863	11,128,087	15,527,844	8,144,647
Disposals for the year	(732,161)	0	0	(732,161)	(786,104)
Transfers for the year	4,277,403	0	(3,879,538)	397,865	536,074
Change in consolidation scope	102,535	0	0	102,535	580,353
Gross book value - closing balance	169,504,173	125,805,500	11,758,830	307,068,503	291,772,420
Accumulated value adjustments - opening balance	(65,303,369)	(50,393,835)	(1,778,993)	(117,476,197)	(86,390,782)
Allocations for the year	(11,205,914)	(8,416,884)		(19,622,798)	(16,726,114)
Exceptional depreciation for the year	(19,000,000)			(19,000,000)	(14,000,000)
Reversals for the year	585,114	0		585,114	0
Transfers for the year	(317,351)	0		(317,351)	(77,399)
Change in consolidation scope	19,642	0		19,642	(281,902)
Accumulated value adjustment - closing balance	(95,221,878)	(58,810,719)	(1,778,993)	(155,811,590)	(117,476,197)
Net book value - closing balance	74,282,295	66,994,781	9,979,837	151,256,913	174,296,223

On 1st January 2013, Enovos Luxembourg S.A. started buying a flat base load of 50 MW power from two pulverised coal-fired power plants, under the terms and conditions of a long-term contract signed with RWE. Its share of financing the plants of EUR 89,466,245 has been fully paid up and is depreciated over a period of 25 years, which corresponds to the duration of the commitment. Owing to a new assessment of the profitability of the contract in the context of the Company's impairment-testing process, the Board of Directors decided to recognise an exceptional depreciation of EUR 19,000,000 in 2015, adding to the exceptional depreciation of EUR 14,000,000 already recognised in 2014.

The additions for the year of EUR 15,527,844 mainly concern software investments related to the required separation of the billing systems of Creos S.A., Leo S.A. and Enovos Luxembourg S.A., as well as investments in new software tools by Creos Luxembourg S.A.. EUR 1,537,104 are related to the purchase of commercial contracts by Enovos Future GmbH.

The change in scope is due to the first consolidation of an affiliate of Energie Südwest AG, Energie Südpfalz Shared Service GmbH.

The Board of Directors is further of the opinion that no other value adjustments of the intangible fixed assets are necessary.

Note 8 – Tangible fixed assets

Movements for the year are as follows:

	Land and buildings €	Plant and machinery €	Other fixtures and fittings, tools and equipment €	Payments on account and tangible fixed assets under development €	Total 2015 €	Total 2014 €
Gross book value - opening balance	228,839,693	1,929,592,280	102,995,981	281,724,163	2,543,152,117	2,331,713,016
Additions for the year	28,106,388	26,158,635	5,648,275	132,355,103	192,268,401	206,390,147
Disposals for the year	(355,606)	(511,842)	(1,215,459)	(412,110)	(2,495,017)	(9,798,726)
Transfers for the year	22,114,844	234,550,387	12,820,592	(276,892,027)	(7,406,204)	1,073,921
Change in consolidation scope	0	0	1,468	0	1,468	13,773,758
Gross book value - closing balance	**278,705,319**	**2,189,789,460**	**120,250,857**	**136,775,129**	**2,725,520,765**	**2,543,152,116**
Accumulated value adjustment - opening balance	(73,919,300)	(1,076,704,645)	(72,016,435)	0	(1,222,640,380)	(1,139,418,817)
Allocations for the year	(8,079,254)	(57,588,380)	(9,058,394)	0	(74,726,028)	(73,065,677)
Exceptional depreciation for the year	0	0	0	0	0	(13,570,589)
Reversals for the year	43,328	118,050	943,030	0	1,104,408	3,530,925
Transfers for the year	0	368,144	544,956	0	913,100	1,356,632
Change in consolidation scope	0	0	0	0	0	(1,472,853)
Accumulated value adjustment - closing balance	**(81,955,226)**	**(1,133,806,831)**	**(79,586,843)**	**0**	**(1,295,348,900)**	**(1,222,640,379)**
Net book value - closing balance	**196,750,093**	**1,055,982,629**	**40,664,014**	**136,775,129**	**1,430,171,865**	**1,320,511,737**

The additions consist mainly of investments in the gas and electricity grid in Luxembourg and in Germany, as well as into renewable energy generation capacity in Germany and Belgium.

Creos Luxembourg S.A. acquired a plot of land from the City of Luxembourg for EUR 24,436,545 for the construction of its planned new headquarter and centre.

Enovos Luxembourg S.A. has participated in the construction of the 11th turbine at the Vianden pumping station of SEO (see also note 24). This investment qualifies as a finance lease and consequently has been recorded in the books of Enovos Luxembourg S.A.. Production at the pumping station has started on 1st August 2015, so an amount of EUR 109.701.439 out of an total investment of EUR 111.798.438 has been transferred from the caption “Payments on account and tangible fixed assets under development” into the caption “Plant and machinery”. The depreciation period mirrors the duration of the contract, which ends in 2063. A corresponding amount of the finance obligation of EUR 87,885,000 is posted under the heading "Other creditors becoming due and payable after more than one year" and EUR 11,320,612 is posted under the heading "Other creditors becoming due and payable within one year".

The Board of Directors is of the opinion that no further value adjustments of tangible fixed assets are necessary.

Note 9 – Financial fixed assets

9.1. Companies consolidated under the equity method

Companies consolidated under the equity method are companies in which the group has a significant influence. The undertakings consolidated accordingly break down as follows:

	31/12/2015 €	31/12/2014 €
energis GmbH	38,429,832	39,822,433
Pfalzgas GmbH	21,203,236	21,154,501
Artelis S.A.	14,562,371	14,118,109
Projecta 14 GmbH	13,877,867	19,235,444
Soler S.A.	5,610,617	4,027,051
Kiowatt S.A.	3,378,124	1,736,102
Datacenterenergie S.A.	3,377,597	2,902,667
Cegyco S.A.	2,268,121	1,633,290
Suncoutim - Solar Energy, S.A.	1,371,358	1,333,669
Global Facilities S.A.	1,321,834	1,326,880
SK Ahorn GmbH & Co. KG	1,296,913	1,464,098
Windpark Wremen GmbH & Co. KG	970,386	1,222,789
NPG Willebroek NV	612,687	671,884
NordEnergie S.A.	433,348	344,396
Steinergy S.A.	233,864	195,442
Airportenergy S.A.	202,252	98,282
Twinerg S.A.	0	6,158,959
Aveleos S.A.	0	0
	109,150,407	117,445,995

The participation of Enovos Deutschland SE in Projecta 14 GmbH has been transferred to Creos Deutschland Holding GmbH (see also note 5). Due to the lower percentage of interest by the Group in the latter, the relative value in the equity of Projecta 14 decreases by EUR 4,763,588, excluding earnings and elimination of dividends.

In the context of the annual impairment testing, the Board of Directors decided to completely depreciate the financial assets of Twinerg S.A. by an amount of EUR 5,001,395 (see also note 33).

The financial assets of Aveleos S.A. have been fully depreciated in 2014.

9.2. 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 the activities have not yet started as at 31st December 2015:

		2015		2014	
Name	Location	Percentage owned	Net value €	Percentage owned	Net value €
Stadtwerke Bad Kreuznach GmbH	Germany	24.52%	15,000,000	24.52%	15,000,000
Vialis S.A.	France	10.00%	11,100,000	0.00%	0
Stadtwerke Pirmasens Versorgungs GmbH	Germany	12.99%	6,667,000	12.99%	6,667,000
Neustromland Energieprojekt 2 GmbH & Co. KG	Germany	100.00%	6,206,000	100.00%	4,201,000
Enovos Pfalzwerke BG St. Ingbert GmbH	Germany	50.00%	5,000,000	50.00%	5,000,000
Pfalzwerke AG	Germany	1.86%	4,628,000	1.86%	4,628,000
Stadtwerke Trier Versorgungs GmbH	Germany	24.90%	4,599,760	24.90%	4,439,255
Stadtwerke Sulzbach GmbH	Germany	15.00%	3,982,062	15.00%	3,982,062
Stadtwerke Völklingen Netz GmbH	Germany	17.60%	3,211,179	17.60%	3,136,000
Energie Südpfalz GmbH & Co. KG	Germany	50.00%	2,899,712	50.00%	2,899,712
Solarkraftwerk Barderup GmbH & Co. KG	Germany	32.43%	2,816,813	32.43%	2,882,469
GasLINE GmbH & Co. KG	Germany	5.00%	2,017,612	5.00%	2,017,612
Seo S.A.	Luxembourg	4.46%	1,971,596	4.46%	1,971,596
AMPACIMON S.A.	Belgium	20.78%	1,705,525	0.00%	0
Neustromland Solarkraftwerk 1 GmbH & Co. KG	Germany	100.00%	1,401,000	100.00%	1,401,000
Stadtwerke Bliestal GmbH	Germany	23.50%	1,333,000	23.50%	1,333,000
SWT Erneuerbare Energien GmbH & Co. KG	Germany	49.00%	1,323,000	49.00%	1,323,000
Bioenergie Merzig GmbH	Germany	39.00%	1,277,250	39.00%	1,277,250
Queichtal Energie Offenbach GmbH & Co.KG (former VG Offenbach GmbH & Co. KG)	Germany	49.00%	1,173,650	100.00%	100
Stadtwerke Völklingen Vertrieb GmbH	Germany	17.60%	1,100,000	17.60%	1,100,000
Solarpark Nordband GmbH & Co. KG	Germany	100.00%	891,000	100.00%	891,000
Solar Kraftwerk Kenn GmbH	Germany	25.10%	757,779	25.10%	757,779
Windpark Meckel/Gilzem GmbH & Co. KG	Germany	34.00%	560,340	34.00%	560,340
Neustromland Energieprojekt 1 GmbH & Co. KG	Germany	100.00%	500,000	100.00%	1,000
Trifels Gas GmbH	Germany	49.00%	492,250	49.00%	492,250
City Mov S.à r.l.	Luxembourg	100.00%	419,598	100.00%	131,098
Encasol S.A.	Luxembourg	50.00%	320,000	50.00%	320,000
Stadtwerke Lambrecht GmbH	Germany	15.00%	241,265	15.00%	239,480
energieagence S.A.	Luxembourg	50.00%	233,736	40.00%	148,736
Stadtwerke Homburg GmbH	Germany	10.67%	233,452	10.67%	233,452
JAO S.A. (former CASC EU S.A.)	Luxembourg	5.00%	209,809	7.14%	430,000
Learning Factory S.A.	Luxembourg	32.90%	200,000	32.90%	200,000
ACTIVE SMARTHOME	Luxembourg	50.00%	150,040	0.00%	0
Neustromland GmbH & Co. KG	Germany	5.56%	150,000	5.56%	150,000
GuD KW Krefeld GmbH	Germany	-	147,472	-	147,024
Solarpark St. Wendel GmbH	Germany	15.00%	142,500	15.00%	142,500
EnergieSüdpfalz PV-Anlage Leinefelde-Worbis GmbH & Co. KG	Germany	10.00%	136,950	70.00%	144,950
IZES GmbH	Germany	8.26%	67,700	0.00%	0
Blue Wizzard Beteiligungsverwaltungsgesellschaft GmbH	Germany	100.00%	50,000	100.00%	50,000
Windpark Gimbweiler & Mosberg Infr. GbR	Germany	60.00%	35,494	60.00%	34,672
SSG Saar Service GmbH	Germany	10.00%	32,565	10.00%	32,565
Enovos Generation GmbH	Germany	100.00%	25,000	100.00%	25,000
Enovos Power Beteiligung GmbH	Germany	100.00%	25,000	100.00%	25,000
ESW - Grüne Energie GmbH	Germany	100.00%	25,000	100.00%	25,000
Neustromland Solarkraftwerk 1 VG GmbH	Germany	100.00%	25,000	100.00%	25,000
Windpark Mosberg Verwaltungs GmbH	Germany	100.00%	25,000	100.00%	25,000
Windpark Bliesgau GmbH	Germany	100.00%	25,000	100.00%	25,000
Enovos Participations GmbH	Germany	100.00%	25,000	100.00%	25,000
Neustromland Projekt 1 GmbH	Germany	100.00%	25,000	100.00%	25,000
Neustromland Projekt 2 GmbH	Germany	100.00%	25,000	100.00%	25,000
Enovos Projektgesellschaft 1 GmbH	Germany	100.00%	25,000	100.00%	25,000
Enovos Projektgesellschaft 2 GmbH	Germany	100.00%	25,000	100.00%	25,000
NPG Groningen NV	Netherlands	85.00%	18,250	85.00%	38,250
Gastmotive Erdgastankstellen GmbH & Co. KG	Germany	11.70%	17,500	11.70%	17,500
BALANSYS S.A.	Luxembourg	50.00%	15,500	0.00%	0
Energie Südpfalz Verwaltung GmbH	Germany	50.00%	12,500	50.00%	12,500
C-Gen NV	Netherlands	5.00%	5,400	5.00%	5,400
gastmotive Erdgastankstellen GmbH	Germany	11.70%	2,925	11.70%	2,925
GasLINE Geschäftsführungs GmbH	Germany	5.00%	1,278	5.00%	1,278
Forward Forstservice GmbH	Germany	33.00%	1	33.00%	1
Enovos Power GmbH (*)	Germany	100.00%	0	100.00%	25,000
Queichtal Energie Offenbach Verwaltung GmbH (former VG Offenbach Verwaltung GmbH)	Germany	0.00%	0	100.00%	25,000
Solarkraftwerk Wunstorf GmbH (**)	Germany	100.00%	0	100.00%	25,000
EnergieSüdpfalz Shared Service GmbH (*)	Germany	64.00%	0	64.00%	16,000
Cegedel International S.A.	Luxembourg	100.00%	0	100.00%	0
			85,733,462		68,809,756

(*) Company fully consolidated in 2015
(**) Company merged with Enovos Renewables GmbH

On 12th March 2015, Enovos Luxembourg S.A. paid EUR 11,100,000 for a 10% stake in Vialis S.A. d'économie mixte locale, a French company which supplies electricity and gas, cable TV, broadband Internet and telephony in Colmar (France).

Enovos Luxembourg S.A. also subscribed to an equity increase of EUR 288,500 in City Mov' S.à r.l., acquired additional 10% of Energieagence S.A. for EUR 85,000 and together with Entreprise des Postes et Télécommunications, created Active Smart-Home S.A. for an amount of EUR 15,500 and subsequently subscribed to a capital increase of EUR 134,540, the purpose of the new company being to sell web services and smart connected devices.

On 7th May 2015, Creos Luxembourg S.A. created Balansys S.A., a joint-venture with Fluxys Belgium NV/S.A., for an amount of EUR 15,500. The purpose of the new company is to facilitate the integration of the Belgian and Luxembourg H-gas market zones into a single zone as well as the further integration of gas markets in Europe.
During the year, Creos Luxembourg S.A. took a stake of 20,78% in Ampacimon S.A., a Belgian company which develops innovative "Dynamic Line Rating" systems for transmission/distribution systems operators, for a purchase price of EUR 1,705,525.

On 24th June 2015, the extraordinary general meeting of the shareholders of CASC CWE S.A. decided to reduce the share capital of the company and approved the cross border merger between the company and Central Allocation Office GmbH. After the merger, the name of the company is Joint Allocation Office S.A. (JAO S.A.) and the participation of Creos Luxembourg S.A. is reduced from 7.14% to 5%.

Energie Südwest AG increased its equity by EUR 2,134,900 in the wind park Queichtal Energie Offenbach GmbH (formerly VG Offenbach GmbH & Co.KG) and subsequently sold 51% of that entity. As of 31st December 2015, the company retains a stake of 49% for EUR 1,173,650.

Stadtwerke Völklingen Netz GmbH has been transferred from Enovos Deutschland SE to Creos Deutschland Gmbh for EUR 3,136,000, to which transaction fees of EUR 75,179 have been added.

The Board of Directors is of the opinion that no value adjustments are necessary for all the investments considered as financial fixed assets.

Note 10 – Inventories

Raw materials of EUR 21,881,078 (2014: EUR 18,537,279) consist mainly of parts inventories of Creos Luxembourg S.A. and of feedstock of the green electricity production companies.

Work and contracts in progress of EUR 24,910,042 (2014: EUR 13,535,515) are mainly made up of work in progress for grid customers of Creos Luxembourg S.A. which will be invoiced to customers once finished.

Finished goods of EUR 47,160,167 (2014: EUR 31,570,287) mainly consist of gas stocks held in France and Germany. A value adjustment of EUR 3,047,294 has been recognised in 2015 (2014: EUR 2,278,600).

Note 11 – Debtors

11.1. Trade receivables

Trade receivables are mainly related to energy sales, transportation and distribution of electricity and gas.

	31/12/2015 €	31/12/2014 €
Trade receivables - Gross value	343,163,195	388,979,674
Value adjustment	(16,715,773)	(12,689,396)
Trade receivables - Net value	**326,447,422**	**376,290,278**

11.2. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests

Receivables due by undertakings with which the group is linked by virtue of participating interests are mainly due within 30 days and relate to commercial activities.

11.3. Other receivables

This caption mainly includes tax receivable in Luxembourg of EUR 30,425,417 (2014: EUR 27,190,105) and in Germany of EUR 12,090,494 (2014: EUR 14,013,026).

Furthermore, VAT recoverable in Luxembourg amounts to EUR 4,583,359 (2014: EUR 6,567,035).

An amount of EUR 7,627,385 is composed of receivables on gas and electricity taxes in Germany (2014: EUR 5,630,413).

As of 31st December 2015, this caption also comprises a receivable on the "Institut Luxembourgeois de Régulation" (“ILR”) of EUR 3,966,248 (2014: EUR 12,761,393) in the context of the mechanism of the “Fond de compensation” for Creos Luxembourg S.A..

11.4 Deferred tax assets

Deferred tax assets for a total of EUR 2,996,000 (2014: EUR 2,765,000) have been computed on the German companies part of the fiscal unity of Enovos Deutschland SE as a result of the fiscal loss in 2013, 2014 and 2015. The amount is expected to be recovered with future taxable profits.

Deferred tax assets for a total of EUR 500,000 (2014: EUR 2,800,000) have been computed on behalf of those companies part of the fiscal unity of Enovos International S.A. as a result of the fiscal loss in 2014. The amount is expected to be recovered with future taxable profits.

Deferred tax assets for a total of EUR 529,663 have been computed by Enovos Solar Investment II S.r.l. Unipersonale as a result of the partial non-deductibility of interest costs and a change in law concerning depreciation duration for photovoltaic plants.

Note 12 – Transferable securities

Transferable securities held as fixed assets relate to a portfolio of equities and bonds held until maturity whereas securities posted in current assets relate to money market investments.

Note 13 – Cash at bank, cash in postal cheque accounts, cheques and cash in hand

This caption comprises sight deposits and term deposits for investment periods of less than three months. In 2015, this caption also comprises an amount of EUR 25,211,075 posted on clearing accounts linked to the portfolio management. In 2015, management decided to reclassify this amount, qualified as restricted cash, from the caption Prepayment. In 2014, the corresponding amount was EUR 12,082,732 (see also note 14).

Note 14 – Prepayments

On 23rd May 2011, the Company entered into three interest rate swaps (IRS) for an aggregate nominal amount of EUR 200 million and a final maturity 7 years later, in order to hedge a long term financing initially planned for September 2011. Since the planned financing has been postponed to May 2012, the IRS have been extended up to this date. As the EUR 200 million bond was definitely launched in May 2012 and issued on 15th June with a maturity in 2019, the three IRS contracts have been unwound and the related costs of EUR 23.9 million were deferred, as part of the financing fees, over the life time of the underlying retail bond financing. As of 31st December 2015, an amount of EUR 11,821,572 was posted under the caption "Prepayments" (2014: EUR 15,239,857).

This heading also includes a quantity of prepaid gas valued at EUR 16,868,020 in the context of implementing a make-up clause in Enovos Luxemourg's long-term gas contracts (2014: EUR 27,405,789).

Furthermore, are included power purchase contracts from 2014 to 2017 for an amount of EUR 858,000 (2014: EUR 3,092,000).

An amount of EUR 12,290,494 relates to realised power portfolio positions maturing in 2016 and 2017 (2014: EUR 685,533).In 2014, this caption also included EUR 12,082,732 corresponding to clearing accounts linked to the portfolio management. In 2015, management decided to reclassify this amount, qualified as restricted cash, under the caption Cash at bank. In 2015, the corresponding amount is EUR 25,211,075.

Within Creos Luxembourg S.A., according to the regulation scheme, a cumulated difference (2015 and prior years) is calculated individually for each regulated activity (electricity, gas transport, gas distribution, metering electricity, metering gas) and is provided for, when positive, in the caption Prepayments for an amount of EUR 4,661,885 (2014: EUR 3,514,538) and when negative, in the caption Deferred income for an amount of EUR 13,525,694 (2014: EUR 21,168,952). According to the regulation scheme, the amount of revenues (grid tariffs) deriving from regulated activities is authorised on an annual basis by the Regulator, ILR. The difference between actual and authorised revenues is assessed each year by the Regulator. This difference is considered in the determination of the electricity and gas grid tariffs for subsequent years. In case actual revenues are exceeding revenues as accepted by the ILR, tariffs for subsequent years will be reduced and consequently such negative difference is provided for.

An amount of EUR 1,973,199 represents advance leasing payments by Enovos Solar Investment I S.r.l. Unipersonale for the year 2016 (2014: EUR 2,160,513).

Note 15 – Capital and reserves

As at 31st December 2015, the share capital of Enovos International S.A. amounted to EUR 90,962,900. It was fully paid-up and was represented by 909,629 ordinary shares (2014: 909,629), with a nominal value of EUR 100 per share and with no preferential rights.

The company is required to allocate a minimum of 5% of its annual net income to a legal reserve, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

Consolidated capital and reserves, group share

	31/12/2014 €	Distribution of dividends €	Appropriation of profit €	Change in scope €	Other €	Profit for the year €	31/12/2015 €
Subscribed capital	90,962,900	0	0	0	0	0	90,962,900
Share premium	387,028,449	0	0	0	0	0	387,028,449
Consolidated Reserves	457,259,773	0	(73,209,789)	(5,879,188)	4,651,415	0	382,822,211
Legal Reserve	*9,096,290*	*0*	*0*	*0*	*0*	*0*	*9,096,290*
Reserve of 1st consolidation	*(57,960,816)*	*0*	*0*	*0*	*0*	*0*	*(57,960,816)*
Consolidation reserves	*441,192,147*	*0*	*(73,209,789)*	*(5,879,188)*	*4,651,415*	*0*	*366,754,585*
Other reserves	64,932,152	0	0	0	0	0	64,932,152
Retained earnings	2,494,831	0	54,998,706	0	0	0	57,493,537
Capital investment subsidies	5,567,192	0	0	0	(618,470)	0	4,948,722
Temporarily not taxable capital gains		0	0	0	179,284	0	179,284
Profit for the year	5,794,026	(24,005,109)	18,211,083	0	0	58,422,459	58,422,459
Total shareholder's equity Group share	**949,107,171**	**(24,005,109)**	**0**	**(5,879,188)**	**4,212,229**	**58,422,459**	**981,857,562**
Minority interest	215,127,058	(10,884,326)	0	1,504,706	(2,269,219)	22,207,517	225,685,737
Total shareholder's equity	**1,164,234,229**	**(34,889,435)**	**0**	**(4,374,482)**	**1,943,010**	**80,629,976**	**1,207,543,299**

The caption "Change in scope" mainly comprises the impact in minority interest of the rate change of Projecta 14 GmbH and Energiepark Trelderberg GmbH. The same caption also comprises a negative goodwill of EUR 263,936 generated by the purchase of Repower Vertrieb GmbH (see also note 5).

Note 16 – Provisions

16.1. Provisions 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 SE and its subsidiaries and Creos Deutschland Holding GmbH and its subsidiaries 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 4.15%
- estimated salary at time of retirement based on past experience.

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

Whereas in Luxembourg, the application of the group assumptions has been accepted by the tax authorities, there is a difference in Germany between local accounting standard HGB and group assumptions. Consequently, consolidated pension provisions booked under group assumptions are lower than those booked locally under HGB by EUR 15,936,701 (2014: EUR 12,447,909).

16.2 Other provisions

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

	31/12/2015 €	31/12/2014 €
Provisions for regulatory and environmental risks	38,974,982	37,882,835
Provisions for purchases	828,645	833,120
Provisions for staff costs	15,742,861	15,585,909
Provisions for sales risks	9,715,759	14,523,402
Provisions for derivatives	178,434	1,595,975
Provisions for litigation	462,777	2,131,043
Other provisions	23,121,560	24,295,018
	89,025,018	96,847,302

The caption "Provision for sales risks" comprises EUR 9,715,759 (2014: 14,523,402) related to sales risks in Germany.

The sub-caption "Other provisions" comprises a provision of EUR 15,050,000 (2014: 15,050,000) related to guarantees issued in the context of Aveleos S.A..

Note 17 – Non convertible debenture loans

On 15th June 2012, Enovos International S.A. issued a public bond of EUR 200 million which is listed on the secondary Euro MTF market in Luxembourg. The bond bears an interest of 3.75% and is entirely redeemed on 15th June 2019. Interests on the coupons are paid on 15th June of every year from 2013 to 2019. The accrued interests payable as at 31st December 2015 amount to EUR 4,084,740 (2014: EUR 4,062,500).

Furthermore, on 26th June 2013, the Company issued a first German Certificate of Indebtedness ("Schuldschein") of EUR 102 million with tenors of 7, 10, 12 and 15 years. The Schuldschein bears a floating interest rate for the 7 year tenors and a fixed interest rate of 2.81%, 3.22% and 3.5% for the 10, 12 and 15 years tenors respectively. The interests for the floating 7 years tenor are paid twice a year in June and December whereas the interests on the fixed tenors are paid in June every year. The accrued interests payable as at 31st December 2015 amount to EUR 1,239,888 (2014: EUR 1,068,865).

On 21th November 2014, the Company issued an additional German Certificate of Indebtedness ("Schuldschein") of EUR 80 million with tenors of 7, 10 and 12 years. The Schuldschein bears a fixed interest rate for the 7 years of 1.547%, 2.004% for the 10 years and 2.297% for 12 years. The interests on the fixed tenors are paid in November every year. The accrued interests payable as at 31st December 2015 amount to EUR 157,098 (2014: EUR 156,120).

On 1st May 2011, NPG Green I, an affiliate of NPG Group, issued a non-convertible subordinated loan of EUR 1 million with a third party investor, reimbursable in yearly instalments from 2014 to 2019. The loan bears a fixed interest rate of 8% payable per semester.

	Within one year €	After one year and within five years €	After more than five years €	Total 2014 €	Total 2013 €
Non-convertible debenture loans	5,683,222	235,500,000	147,000,000	388,183,222	387,418,307
Total	5,683,222	235,500,000	147,000,000	388,183,222	387,418,307

Note 18 – Amounts owed to credit institutions

To guarantee sufficient liquidity to the main group companies, Enovos International S.A. has contracted in November 2013 a 3-year syndicated revolving credit facility ("RCF") amounting to EUR 180 million with 6 banks, with an option to extend by another 2 years until November 2018. In May 2015 the RCF was increased by EUR 20 million thus amounting now to EUR 200 million. The amount drawn of the committed RCF as of 31st December 2015 is EUR 0 (2014: EUR 0). In November 2015, all participating banks agreed to extend the maturity until November 2018.

Interests to be paid are based on Euribor plus a margin of 0.5% which may vary depending on the consolidated gearing ratio (ratio of net financial debt to equity on a consolidated base) as well as on the utilisation rate of the credit facility.

The amounts owed to credit institutions break down as follows:

	31/12/2015 €	31/12/2014 €
Current financial liabilities due to financial institutions		
due within one year	17,984,751	34,022,954
Non-current financial liabilities due to financial institutions		
due within one to five years	41,860,361	24,602,858
due in more than five years	46,230,956	70,919,121

Note 19 – Payments received on account of orders

Are recorded under this caption down-payments received, largely on works performed for third party grid customers.

Note 20 – Trade creditors

Trade creditors are mainly related to energy purchases / supplies and trading activities.

Note 21 – Amounts owed to undertakings with which the group is linked by virtue of participating interests

Amounts owed to undertakings with which the group is linked by virtue of participating interests are usually due within 30 days, and related largely to commercial activities.

Note 22 – Tax and social security debts

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

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. Since 2009, Enovos International S.A. is part of the fiscal unity with Enovos Luxembourg

S.A., Cegedel International S.A. and Enovos Ré S.A.. Beginning 2012, Leo S.A. has joined that fiscal unity. In 2014, Enovos Real Estate Luxembourg S.A. and Real Estate Enovos Esch S.A. have joined the fiscal unity. 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 exists;
- Tax savings relating to a loss-making subsidiary are recorded as a deduction of tax expenses in the head of the fiscal unity;
- 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 have agreed 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.

There are two further fiscal unities in Germany, one for Creos Deutschland Holding GmbH, regrouping Creos Deutschland Netz GmbH and Creos Deutschland Services GmbH, another for Enovos Deutschland SE, regrouping Enovos Energie Deutschland GmbH, Enovos Renewables GmbH, Enovos Properties GmbH, Enovos Storage GmbH and Enovos Future GmbH.

Note 23 – Deferred tax liabilities

The deferred income tax liability is mainly related
- to the different depreciation methods used in consolidated accounts (linear) compared with the statutory accounts (degressive) of several group companies
- to the different calculation method of the pension obligations in consolidated accounts compared with statutory accounts of several group companies
- to a provision reversal at Enovos Re S.A. in the consolidated accounts.

Note 24 – Other creditors

In the course of the financing agreement reached with SEO S.A. over the financing of the 11th turbine at the Vianden pumping station of SEO, an amount of EUR 99,205,612 (2014: EUR 101,247,153) has been posted under this caption in 2015, of which EUR 87,885,000 are due after more than one year (2014: EUR 101,247,153); (see also note 8).

The group has a long-term liability to the city of Landau of EUR 11,524,000 (2014: EUR 10,597,000) in the context of the acquisition of EnergieSüdwest AG.

Furthermore, as of 31st December 2015, Enovos Deutschland SE has a long term liability of EUR 1,700,000 towards "Pensionskasse der Enovos Deutschland VVaG" (2014: EUR 1,700,000).

Note 25 – Deferred income

Same as in 2014, this caption mainly includes derivatives used to hedge operations to be settled in subsequent years and advance payments by customers.

In addition, as described in note 14, Creos Luxembourg S.A. has posted under this caption an amount of EUR 13,525,694 (2014: EUR 21,168,952) related to the regulated activities.

Note 26 – Use of merchandise, raw materials and consumable materials

	2015 €	2014 €
Electricity supplies	1,321,362,591	1,622,190,892
Trading sales	(872,630,465)	(802,313,170)
Gas supplies	1,204,086,618	1,087,674,982
Other supplies	287,031,623	248,020,580
Derivatives	7,707,296	16,004,770
Total Raw materials and consumables	**1,947,557,663**	**2,171,578,054**

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 "Use of merchandise, raw materials and consumable materials", as well as the realised profit or loss and the unrealised loss on derivative financial instruments.

Note 27 – Other external charges

This caption includes among others professional fees, subcontracting and maintenance costs, marketing and communication costs, rental costs and insurance premiums.

Note 28 – Staff costs

The group had on average 1,470 employees in 2015 (2014: 1,427). The figure in 2015 includes the staff of the City of Luxembourg made available to Creos Luxembourg S.A., 110 employees (2014: 117 employees), the costs of which are shown under wages and salaries for EUR 10,610,664 (2014: EUR 11,019,164).

Note 29 – Net turnover

Sales break down is as follows:

	2015 €	2014 €
Sales electricity	1,476,756,937	1,559,107,166
Sales gas	706,424,583	825,626,904
Other energy sales	22,828,766	24,203,039
Grid sales electricity	36,483,846	31,772,677
Grid sales gas	78,201,317	78,008,005
Other sales	72,365,017	69,685,078
Rebates & discounts	(3,568,758)	(3,468,664)
Total sales	**2,389,491,708**	**2,584,934,206**

Other sales include sales of services to electricity and gas customers like metering and costs for grid connections. Sales relating to gas and electricity trading are shown net of purchases under "Raw materials and consumables".

Geographical sales break down as follows:

	2015 €		2014 €	
Luxembourg	752,574,856	31.50%	865,171,152	33.47%
Germany	1,397,072,210	58.47%	1,524,466,757	58.98%
France	146,772,854	6.14%	122,274,263	4.73%
Belgium	80,105,357	3.35%	66,012,088	2.55%
Other countries	12,966,431	0.54%	7,009,946	0.27%
Total sales	2,389,491,708	100.00%	2,584,934,206	100.00%

Note 30 – Other operating income

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

Note 31 – Income from financial fixed assets, other interest and other financial income, interest and other financial charges

Income from financial fixed assets relates to dividends received from not consolidated entities. Other interest and financial income is mostly composed of interests received on short-term bank deposits.

The caption "Interest and other financial charges" is mostly composed of interests paid on bank loans, on the public bond and on the German certificates of indebtedness, as well as of the depreciation of the hedge costs related to the bond issue.

Note 32 – Share in result of companies accounted under the equity method

The share in result of companies accounted under the equity method breaks down as follows:

	2015 €	**2014 €**
energis GmbH	6,384,060	7,865,499
Pfalzgas GmbH	3,098,573	2,999,113
artelis S.A.	1,368,012	1,015,833
Datacenterenergie S.A.	696,102	238,469
Cegyco S.A.	634,831	315,221
Soler S.A.	583,567	(867,566)
Projecta 14 GmbH	528,955	1,122,944
Global Facilities S.A.	494,954	547,918
Solarkraftwerk Ahorn GmbH & Co. KG	191,394	116,697
NPG Willebroek NV	140,802	182,573
Nordenergie S.A.	108,950	102,524
Airportenergy S.A.	103,970	91,955
Windpark Wremen GmbH & Co. KG	93,398	34,493
Steinergy S.A.	68,422	55,789
Suncoutim - Solar Energy S.A.	37,689	10,439
Aveleos S.A.	0	0
Kiowatt S.A.	(180,740)	(62,189)
Twinerg S.A.	(1,157,564)	762,242
Total	13,195,375	14,531,954

Note 33 – Extraordinary income and charges, reversal of value adjustments on elements of current assets

In the context of the annual impairment testing process, the Board of Directors decided to depreciate its financial commitment in Twinerg S.A. for an amount of EUR 7,445,885, covering the financial asset of EUR 5,001,395 and a shareholder loan of EUR 2,424,490.

Note 34 – Current and deferred income tax expense

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

Deferred taxes are recorded on the time differences existing between the tax rules and those used for preparing the consolidated annual accounts. 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 35.1 – Remuneration paid to members of the administration and management bodies

Remuneration paid to members of the management and supervisory bodies of Enovos International S.A. totalled EUR 597,500 in 2015 (2014: EUR 612,101). No advances nor 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 35.2 – Auditor's fees

Audit and audit-related fees for the year 2015 amount to EUR 570,100 (2014: EUR 533,000).

Note 36 – Financial derivatives

The group is further engaged in spot and forward electricity and gas trading on organised markets and by private sales. These transactions are made using different instruments. Among these instruments are forward contracts, which imply final delivery of electricity and gas, swap 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.

These contracts are not accounted for in the balance sheet as the group has opted to not apply the option to use fair value accounting in its annual accounts. Only the unrealised losses are accounted for in income statements according to principles disclosed in Note 1 to the accounts.

Derivative financial instruments – Sell positions

	31/12/2015 €	31/12/2014 €
Financial derivatives on electricity futures	8,301,203	118,451,168
Other financial derivatives	2,960,384	2,080,819
Total	11,261,587	120,531,987

Derivative financial instruments – Buy positions

	31/12/2015	31/12/2014
	€	€
Financial derivatives on electricity futures	(8,073,939)	(116,392,274)
Other financial derivatives	(2,874,423)	(4,746,804)
Total	(10,948,362)	(121,139,078)

The total nominal value (purchases and sales) of derivatives contracts and the net fair value break down as follows:

	31/12/2015		31/12/2014	
	Nominal value	Unrealised gain or loss	Nominal value	Unrealised gain or loss
	€	€	€	€
Financial derivatives on electricity futures	386,335,304	227,264	946,712,363	2,058,895
Other financial derivatives	123,029,635	85,961	56,368,104	(2,665,985)

The net fair value of the derivative contracts amounts to EUR 313,225. That value comprises the net market value of all proprietary trading positions. When netting by commodity type and maturity year, there could be negative as well positive market values. According to going accounting principles, a provision is posted for negative positions. Thus, in 2015, a provision of EUR 178,434 (2014: EUR 1,595,975) is recorded under the caption other "Other provisions – Provisions for derivatives" (see note 16.2).

Note 37 – Off-balance sheet liabilities and commitments

Enovos International S.A. has given customary parental support letters to several energy providers and trading counterparts of Enovos Luxembourg S.A. amounting to EUR 134,2 million (2014: EUR 105,3 million).

Enovos International S.A. provided a parent company guarantee of EUR 10,022,459 as of 31st of December 2015 (2014: EUR 10,882,624) for the benefit of a bank by order and for account of SKW Kenn GmbH as performance bond for a financing agreement between the lender and the latter. In return, Enovos International S.A. received a parent company counter-guarantee from Stadtwerke Trier with a current amount of EUR 5,111,454 (2014: EUR 5,550,138).

Under the shareholder agreement to which Enovos International S.A. is a signatory, and as mentioned in the bylaws of the company, the Luxembourg State (the "State"), and/or the SNCI, a Luxembourg public law banking institution, shall obtain at any time upon one or more successive requests from the State individually or the State and the SNCI jointly, if applicable each time for a portion (and regardless of the level of participation of Enovos International in the subsidiaries) a direct participation and if so requested even a qualified (e.g. two third) majority in the share capital of Creos Luxembourg S.A. and the shareholders shall take the necessary actions, resolutions and approvals to be taken to such effect (including by Enovos International S.A.) and in particular to cause the resolutions of the shareholders and/or the subsidiaries to be taken in order to allow the State and/or the SNCI to obtain the participation(s) as set forth here above in one or more successive operations. All transactions necessary in that respect must respect the arm's length principle. The State and/or the SNCI, as applicable, agree not to transfer for commercial reasons, during a period of ten (10) years, starting at the date of the acquisition of the relevant shares in Creos Luxembourg S.A., all or part of the shares it/they has/have acquired in the share capital of the Grid company, subject to certain exceptions (including transfers between the State and SNCI, transfers to their affiliates or municipalities or public bodies or transfers pursuant to legal or regulatory constraints or a court order).

Subject to the same exceptions, if at any time after the above 10 years period, the State and/or the SNCI (or the affiliates, municipalities or public bodies referred to in the preceding sentence), as applicable, propose to make a transfer of all or part of such shares, Enovos International S.A. has a pre-emption right over such shares.

Transfer of shares in Enovos International S.A. by the shareholders will be subject to pre-emption rights (with certain exceptions in case of transfer to affiliates) which are largely reflected in the Articles of Association of Enovos International S.A.. The same pre-emption rights apply in case of a change of control of a shareholder.

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. The company has thus contracted purchase commitments for physical delivery of electricity and gas amounting to EUR 1.21 billion, as of 31st December 2015 (2014: EUR 1.84 billion). The amount of the aforementioned forward purchase contracts includes only forward contracts signed with counterparties. In addition, the company holds several long-term gas-sourcing contracts for which the off balance sheet commitments between 31st December 2015 until 30th September 2016, amounting to EUR 229.5 million (2014: EUR 818.4 million) and long-term electricity-sourcing contracts amounting to EUR 135.2 million (2014: EUR 152 million). In addition, Enovos Luxembourg has natural gas purchase commitments from the 1st of October 2016 until 2025 for a volume of 60.7 TWh, for which prices will be settled during contract renegotiations. The cross-border gas-transportation capacity commitments account for EUR 49.1 million and run until 2025 (2014: EUR 102 million).

In the context of the investment in a stake (finalised in 2012) in two pulverised coal-fired power plants owned by RWE AG, Enovos Luxembourg S.A. also committed to buy a flat base load of 50 MW of electricity per year until the year 2037.

For its activities as an electricity distributor in Belgium, Enovos Luxembourg S.A. is obliged to deliver a certain amount of quota (green) certificates and guarantee of origin certificates to local regulators. In order to respect its obligations, the company, as of 31st December 2015, has a commitment, for the period 2016-2020, to purchase certificates valued at EUR 12.1 million from producers of alternative sources of energy (2014: 20.5 million).

Enovos Luxembourg S.A. further entered into a variety of financially settled derivative contracts (mainly futures and swaps in gas and electricity) in order to hedge the procurements for customer business and assets. As of 31st December 2015, the unrealised gain of these transactions amounts to EUR 0,287 million (2014, unrealised loss: EUR - 4,6 million).

In the context of its conventional energy business, Enovos Luxembourg S.A. issued a parent company counter-guarantee for the benefit of Electrabel S.A. regarding Twinerg S.A.'s financing contract with the European Investment Bank for a current amount of EUR 1,466,563 (2014: EUR 2,812,343). In addition, a parent company guarantee of EUR 2,100,000 has been issued for the benefit of Engie S.A. in relation to a credit facility agreement entered into between the latter and Twinerg S.A. (2014: EUR 2,100,000).

Enovos Luxembourg S.A. took over a commitment related to a Memorandum of Understanding followed by a Contract in August 2009 signed with SEO S.A., RWE Power AG and the State of Luxembourg for the enlargement of the Vianden pumping station. Under an amendment dated 16th June 2011, the company committed to proportionally finance the bank loan taken out by SEO S.A.. In addition, Enovos Luxembourg S.A. agreed to provide up to EUR 20,000,000 in shareholder loan financing, out of which EUR 1,000,000 were undrawn as of 31st of December 2015.

In the context of its renewable energy business, Enovos Luxembourg S.A. issued a parent company guarantee to the lenders of Biopower Tongeren NV for a total amount of EUR 7,292,186 (2014: EUR 7,846,770). In addition, the company provided joint liability declarations amounting to EUR 2,665,926 (2014: EUR 3,629,297) as performance bonds under the loan and lease agreements entered into between Energiepark Trelderberg GmbH and the lending bank. Enovos Luxembourg S.A. also provided a letter of comfort amounting to EUR 200,000 to ensure commitments arising from a bank loan agreement entered into by Windpark Mosberg GmbH.

Within the framework of the sales process of photovoltaic installations held by Aveleos S.A., Enovos Luxembourg S.A. provided parent company guarantees amounting to EUR 23,312,900 to hold the buyer harmless from contingent liabilities. A provision of EUR 15,050,000 has been posted in 2014 to cover the risks on part of these guarantees.

Enovos Solar Investment I S.r.l. Unipersonale has outstanding operating lease obligations for a total amount of EUR 14,227,442 million (2014: EUR 15,446,958) maturing in 2029. All leasing obligations are guaranteed by a comfort letter issued by Enovos Luxembourg S.A..

Enovos Luxembourg S.A. has entered into an interest rate swap agreement in order to hedge its floating rate exposure from a loan it had received from Enovos International S.A. to refinance Enovos Solar Investment II S.r.l. Unipersonale. As of 31st of December 2015, the notional amount equals to EUR 17,356,110 (2014: EUR 18,489,029) with a negative fair value of EUR -1,855,000.

By order of Enovos Luxembourg S.A., the group's core banks have issued a number of bank guarantees to its suppliers, in the context of its regular business, totalling EUR 8,494,392 (2014: EUR 7,454,003).

Enovos Luxembourg S.A. further requested a bank guarantee of EUR 3,975,510 for the benefit of Twinerg S.A. as a performance bond for its financial commitments towards the latter.

For the electricity and gas trades, Enovos Luxembourg S.A. has received from counterparties parental support letters totalling EUR 70,150,000 (2014: EUR 55,000,000).

Within two of its renewable companies, Enovos Luxembourg S.A. agreed to a put option upon which it is obliged under certain conditions to acquire the shares from the minority shareholder.

In the context of the current investigations conducted by the Italian authorities, Enovos Solar Investments II S.r.l. Unipersonale issued a bank guarantee of EUR 7,494,558, amount for which Enovos Luxembourg issued a counter-guarantee to the bank.

Creos Luxembourg S.A. has issued bank guarantees in the context of its regular business for a total amount of EUR 1,000,992 (2013: EUR 1,000,000).

Leo S.A. has issued bank guarantees in the context of its regular business for a total amount of EUR 500,000 (2014: EUR 500,000).

In the context of the financing of the group's new administrative building in Esch, Real Estate Enovos Esch S.A. has granted to the lending bank a mortgage on its property in Domaine Schlassgoart for a maximum amount of 50% of the outstanding debt, or EUR 12.8 million at the end of 2015 (2014: EUR 13.5 million).

In the context of the financing of its various renewable projects, NPG Energy Group has agreed to pledge various assets for a total value of EUR 18.0 million (2014: EUR 23.1 million).

Enovos Deutschland SE and Enovos Renewables GmbH have granted various share-holder loans to non- consolidated participations for which the undrawn portions amount to EUR 765,925 on total (EUR 7,215,892 in 2014).

Luxenergie S.A., together with Société de l'Aéroport de Luxembourg S.A., has provided a joint and several guarantee in the context of the financing of their joint-venture Airport-Energy S.A., for an initial amount of EUR 15.8 million. The remaining balance as of 31st December 2015 amounts to EUR 9.7 million (2014: EUR 10.2 million).

The Board of Directors is of the opinion that all necessary provisions have been made to cover potential losses out of the off balance sheet liabilities and commitments.

Note 38 – Subsequent events

During the first quarter 2016, Enovos Luxembourg negotiated with the shareholders of Twinerg a new loan agreement of EUR 4,962,493 upon which the financial obligation to finance Twinerg will be completed and any bank guarantee in connection with this commitment (EUR 3,975,510) as well guarantees granted to Engie (former GDF) being EUR 2,100,000 and Electrabel EUR 1,466,563 will be released.

Change in shareholding
On 23rd December, 2015, the Minister of Economy of Luxembourg, ARDIAN, RWE and E.ON announced a major change in the shareholding of Enovos International S.A.. A consortium led by the existing shareholders, the Luxembourg State, the City of Luxembourg, the SNCI (Société Nationale de Crédit et d'Investissement), and ARDIAN, joined by the BCEE (Banque et Caisse d'Epargne de l'Etat) announced the take-over of all the company's shares held by RWE and E.ON energy groups (28.36%). Closing of the transaction was on 7th March 2016 and was followed by an extraordinary general assembly of the shareholders of Enovos International S.A. on the same date.

With effect of the closing of this transaction, the Luxembourg State's right to a direct participation in Creos Luxembourg S.A. as described above is not only shared with SNCI, but also with BCEE.

There are no other post-balance sheet events affecting the 2015 accounts.

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Audit report

To the Shareholders of
Enovos International S.A.

Report on the consolidated annual accounts

We have audited the accompanying consolidated annual accounts of Enovos International S.A. and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as at 31 December 2015, the consolidated profit and loss account and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the consolidated annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these consolidated annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the consolidated annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these consolidated annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated annual accounts. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the consolidated annual 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 annual accounts.

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

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Opinion

In our opinion, the consolidated annual accounts give a true and fair view of the financial position of the Group as of 31 December 2015, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the consolidated annual 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 annual accounts.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 22 April 2016

Christiane Schaus

EXTRACT OF THE ANNUAL ACCOUNTS OF ENOVOS INTERNATIONAL S.A

MANAGEMENT REPORT

The main activity of Enovos International S.A. the "Company", as the parent company of the Enovos Group, is the holding of financial interests in affiliated companies and to provide them with financing and corporate services.

The balance sheet and profit and loss account are therefore largely influenced by the financing needs of the group subsidiaries, the dividend income from its subsidiaries, as well as the income from corporate services and the costs associated to provide these services, costs which are re-allocated to group companies based on specific keys or individual projects.

As the Company is centralising the financing for the main group companies, management follows external net financial debt as one of the key performance indicators. Adequate treasury tools are implemented and management ensures a strict cash flow follow-up, including daily reporting of consolidated cash in the cash pool which regroups about 20 group companies, as well as a monthly cash forecast, in order to support the development of the group and to insure sufficient liquidity

2015 HIGHLIGHTS

Unlike in the previous years, no new issuance of long-term financings occurred during the financial year under review, as the Company used the proceeds from long-term financings issued end of 2014 as well as from its revolving credit facility ("RCF") to cover the liquidity needs of the group's core companies. It should also be noted that all banks part of the RCF syndicate agreed to extend the maturity by another year, until 2018. Moreover, following the maturity of a medium term credit line with one bank, the latter agreed to join the RCF syndicate, thus increasing the total committed amount from EUR 180 million to EUR 200 million. The amount drawn on the committed RCF as of 31st December 2015 is EUR 0 (2014: EUR 0).

Considering the retail bond of EUR 200 million issued in June 2012, the German Certificates of Indebtedness ("Schuldschein") of EUR 102 million issued in July 2013 and of EUR 80 million issued in November 2014, the Company's debt maturity profile has an average tenor of 5.6 years, while the exposure to floating interest rates is less than 10%.

Within the long-term proceeds of EUR 382 million, a total amount of EUR 290 million is allocated through back to back loans with mirror conditions to the subsidiaries in order for the latter mainly to finance their grid investments projects and the financing of renewable energy generation projects.

The Company further provided in 2015 a long-term loan of EUR 18,062,500 to Creos Deutschland Holding GmbH for the financing of a 50% stake in the grid company Projecta 14 taken over from Enovos Deutschland SE, and further loan agreements, totalling EUR 6,452,802, were underwritten mainly with PNE Biogas Ohretal Satuelle GmbH and La Benâte Energies S.à r.l..

The amounts owed to credit institutions have been decreased from EUR 20,001,200 in 2014 to EUR 2,396,531 in 2015, largely as a consequence of the aforementioned redemption of a EUR 20 million credit facility.

The financing transactions described above and a dividend distribution in 2015 of EUR 24,005,109 lead to a decrease in cash and cash equivalents from EUR 67,879,866 in 2014 to EUR 2,840,588 in 2015. Net financial debt increased accordingly to a level of EUR 387,072,960 (2014: EUR 339,443,648).

As of 31st December 2015, the net cash amount managed on behalf of the subsidiaries with which the Company entered into a cash pooling agreement is EUR 85,658,839 (2014: EUR 151,019,643).

In order to further improve its service in regard to central cash management and to reinforce the ultimate control over Enovos Group's cash flow, the Company completed, in 2015, in the context of the implemented new treasury management tool, the "payment on behalf" principle, upon which supplier payments are exclusively executed by the Group Treasury of Enovos International S.A. on behalf of all affiliates integrated into Enovos' cash pool system by using current bank accounts of Enovos International.

Throughout the year, the Company continued to implement the detailed action plan defined in its efficiency improvement programme "fit for future" covering also its core subsidiaries, positively impacting the financial results of the Company and its main subsidiaries for 2015.

The Company furthermore pursued its investments into upgrading its IT infrastructure, combined with an increase in IT personnel, while in parallel restructuring the IT department aiming at a more decentralised set up closer to the business. This project is planned to continue throughout most of 2016.

FINANCIAL RESULTS

In 2015 the net turnover amounted to EUR 44,526,805 (2014: EUR 36,717,119) and relates mainly to the service level agreements with affiliated companies. The shared services are related to central services for Facility Management, Human Resources, IT, Internal Communication, Finance and Tax, Corporate Development, Risk Management, Insurance, Legal, Internal audit, Management and Controlling, rendered by Enovos International S.A. to the main subsidiaries and re-invoiced through a transparent and systematic allocation key or through specific projects for which the Company has rendered these services. The increase in 2015 of the net turnover, and consequently also of the related costs, is largely due to the increase in IT projects performed for group companies as well as from higher consulting and legal fees incurred on behalf of Enovos Luxembourg S.A. in the context of the on-going litigation concerning the renewable assets in Italy.

Income from financial fixed assets decreased from EUR 68,744,020 in 2014 to EUR 24,621,290 in 2015 mainly since Enovos Luxembourg did not distribute dividends in 2015 in light of the negative net result that the company had incurred in 2014 as a consequence of the impairments booked on several of its production assets.
The increase in interest income derived from affiliated undertakings from EUR 15,580,179 in 2014 to EUR 17,439,678 in 2015 is mainly related to the back to back shareholder loan granted to Creos Luxembourg S.A. in November 2014 with mirror conditions of the German Certificate of Indebtedness issued for EUR 25 million with no impact on the profit or loss account for the financial year under review.

The increase in other interest and similar financial charges from EUR 14,828,144 in 2014 to EUR 16,168,807 in 2015 is mainly related to the interests accrued on the long-term financings (retail bond and German Certificate of Indebtedness) as well as to the depreciation of the associated hedge costs and the all-in financing arrangement costs, all partially compensated by lower interest expenses on amounts owed to credit institutions.

As a consequence of the lower income from financial fixed assets mentioned above, the profit for the financial year decreased to EUR 26,128,475 in 2015 compared to EUR 72,003,815 in 2014.

No major event affected the financial situation of Enovos International S.A. since 31st December 2015.

RISK MANAGEMENT

Specific risks directly managed at the Company level relate to the financial liquidity risk, the credit risk of the subsidiaries supported by financings from Enovos International S.A. as well the interest rate risk. While the credit risk of the subsidiaries is followed on a monthly basis for the core companies and on a quarterly basis for the noncore companies by the Group Controlling department, the liquidity risk is mitigated by the Group Finance & Tax department through the setting up of a EUR 200 million revolving credit facility which ensures sufficient liquidity to the main group companies. Group Finance & Tax department is further monitoring on a continuous basis the evolution of short- and long-term interest rates to evaluate the need to further hedge the interest rate risk. It should be noted that in regard to the long-term financings in place, EUR 200 million retail bond and EUR 182 million German Certificate of Indebtedness, only a portion of EUR 35 million of the latter bears a floating interest rate.

The Group Risk Management department is centralising all risk management reporting from the core group companies and reports to the Group Risk Committee who monitors the main risks identified across the Enovos Group. During 2015, a dedicated

Risk Committee “Shared Services” has been created in order to specifically review the risks associated to the activities of the holding company.

OUTLOOK

The Company will provide further financing means to realise the ambitious investment program of its subsidiaries mainly in renewable energy generation and into grid activities. As current financial market conditions are expected to remain favourable, with interest rates to stay at low levels, management is confident that such long-term financing will be arranged in the course of the year.

As the Group will continue to expand both on the supply side as well as on the grid side, management is furthermore expecting that the Company will continue to provide corporate services in order to support the various business units to achieve their respective targets. Implementing the improvement potential identified in the “fit for future” programme will allow the Company to do so with increased efficiency. On 23rd December 2015, The Minister of Economy of Luxembourg, ARDIAN, RWE and E.ON announced a major change in the shareholding of Enovos International S.A.. A consortium led by the existing shareholders the Luxembourg State, the City of Luxembourg, the SNCI (Société Nationale de Crédit et d’Investissement), and ARDIAN, joined by the BCEE (Banque et Caisse d’Epargne de l’Etat) announced the take-over of all the Company’s shares held by RWE and E.ON energy groups (28.36%). Closing of the transaction has been on 7th March 2016. An extraordinary shareholders’ meeting of the Company was held on that same date approving the share transfer, amending the articles of association of the Company, acknowledging the resignation of directors Peter Frankenberg, Peter Pichl and Werner Roos and nominating as new directors Claude Strasser, Aloyse Kohll and Marc Reding to the board of the Company as a consequence of this shareholder change.

Following is the shareholder structure of the Company before and after this transaction:

Number of shares and % of total shares	before	transferred	after
State of the Grand-Duchy of Luxembourg	231,405 25.44%	23,288 2.56%	254,693 28.00%
AXA Redilion ManagementCo SCA	213,600 23.48%	18,194 2.00%	231,794 25.48%
RWE Energy Beteiligungsverwaltung Luxemburg Sàrl	167,000 18.36%	-167,000 -18.36%	0 0.00%
Société Nationale de Crédit et d'Investissement	91,054 10.01%	38,118 4.19%	129,172 14.20%
E.ON Beteiligungen GmbH	91,000 10.00%	-91,000 -10.00%	0 0.00%
Administration Communale de la Ville de Luxembourg	72,770 8.00%	69,231 7.61%	142,001 15.61%
ENGIE (Electrabel S.A.)	42,800 4.71%	0 0.00%	42,800 4.71%
Banque et Caisse d'Epargne de l'Etat, Luxembourg	0 0.00%	109,169 12.00%	109,169 12.00%
Total	**909,629** **100.00%**	**0** **0.00%**	**909,629** **100.00%**

AUDITOR

The mandate of the external independent statutory auditor, PricewaterhouseCoopers, Société coopérative, has been extended in 2015 for 2 additional years until the audit of the financial year 2016.

PROPOSED APPROPRIATION OF NET PROFIT

The profit available for appropriation of EUR 88,622,012 includes the net profit for the year of EUR 26,128,475, the reversal of the blocked reserve (net wealth tax) of EUR 5,000,000 and the profit brought forward of EUR 57,493,537.

The Board of Directors proposes to the Annual Shareholder's Meeting to be held on 10th May 2016 the following appropriation of net profit:

APPROPRIATION OF NET PROFIT 2015

	€
Net profit of the year 2015	26,128,475
Profit brought forward	57,493,537
Reversal on blocked reserve (wealth tax)	5,000,000
Total available	**88,622,012**

	€
Dividend of 35.40 Euros per share*	**32,200,867**
Allocation to the legal reserve	0
Allocation to the blocked reserve (wealth tax)	0
Allocation to the other reserves	0
Amount carried forward	56,421,145
Total allocated	**88,622,012**

*Number of shares 909,629

The Board of Directors

Esch-sur-Alzette

10th May 2016

Balance sheet as at 31st December 2015

ASSETS	2015	2014
Denominated in EUR	€	€
Fixed assets		
Intangible fixed assets		
Concessions, patents, licences, trademarks and similar rights and assets, if they were		
a) acquired for valuable consideration	3,071,810	1,482,155
Payments on account and intangible fixed assets under development	880,214	1,448,225
Tangible fixed assets		
Other fixtures and fittings, tools and equipment	2,132,385	2,135,006
Payments on account and tangible fixed assets under development	181,282	490,812
Financial fixed assets		
Shares in affiliated undertakings	773,200,363	773,200,363
Amounts owed by affiliated undertakings	377,039,903	360,888,174
Shares in undertakings with which the undertaking is linked by virtue of participating interests	29,970,763	29,970,763
Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	0	2,235,809
Total Fixed Assets	**1,186,476,720**	**1,171,851,307**
Current assets		
Debtors		
Trade receivables		
a) becoming due and payable within one year	796	0
Amounts owed by affiliated undertakings		
a) becoming due and payable within one year	100,428,395	82,487,229
Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests		
a) becoming due and payable within one year	0	4,047
Other receivables		
a) becoming due and payable within one year	11,596,944	21,359,347
b) becoming due and payable after more than one year	14,000	14,000
Cash at bank, cash in postal cheque accounts, cheques and cash in hand	**2,840,126**	**67,879,866**
Total Current Assets	**114,880,261**	**171,744,489**
Prepayments	**12,920,644**	**16,871,883**
Total Assets	**1,314,277,625**	**1,360,467,679**

LIABILITIES	2015	2014
Denominated in EUR	€	€
Capital and reserves		
Subscribed capital	90,962,900	90,962,900
Share premium and similar premiums	387,028,449	387,028,449
Reserves		
Legal reserve	9,096,290	9,096,290
Other reserves	172,538,164	179,538,164
Profit or loss brought forward	57,493,537	2,494,831
Temporarily not taxable capital gains	439,674	439,674
Profit or loss for the financial year	**26,128,475**	**72,003,815**
Total Capital and reserves	**743,687,489**	**741,564,123**
Provisions		
Provisions for pensions and similar obligations	8,023,715	9,197,454
Other provisions	924,895	854,151
Total Provisions	**8,948,610**	**10,051,605**
Non subordinated debts		
Debenture loans		
b) Non convertible loans		
i) becoming due and payable within one year	5,516,555	5,322,314
ii) becoming due and payable after more than one year	382,000,000	382,000,000
Amounts owed to credit institutions		
a) becoming due and payable within one year	2,396,531	20,001,200
Trade creditors		
a) becoming due and payable within one year	6,799,865	4,163,540
Amounts owed to affiliated undertakings		
a) becoming due and payable within one year	158,143,372	186,226,450
b) becoming due and payable after more than one year	0	6,000,000
Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests		
a) becoming due and payable within one year	356,330	143,712
Tax and social security debts		
a) Tax debts	4,146,483	3,033,916
b) Social security debts	484,900	528,121
Other creditors		
a) becoming due and payable within one year	1,797,490	1,432,698
Total Non subordinated debts	**561,641,526**	**608,851,951**
Total Liabilities	**1,314,277,625**	**1,360,467,679**

Profit & Loss account for the year ended 31st December 2015

Charges	2015	2014
Denominated in EUR	€	€
Use of merchandise, raw materials and consumable materials	**429,187**	**428,134**
Other external charges	**29,744,757**	**22,099,180**
Staff costs		
a) Salaries and wages	13,508,462	13,682,314
b) Social security on salaries and wages	1,431,606	1,432,365
c) Supplementary pension costs	895,464	1,541,559
Value adjustments		
a) on formation expenses and on tangible and intangible fixed assets	1,644,914	1,987,394
Value adjustments and fair value adjustments on financial fixed assets	**0**	**431,000**
Interest and other financial charges		
a) concerning affiliated undertakings	35,868	115,005
b) other interest and similar financial charges	16,168,807	14,828,144
Income tax	**(2,245,967)**	**(4,336,731)**
Other taxes not included in the previous caption	**185,000**	**70,000**
Profit for the financial year	**26,128,475**	**72,003,815**
Total Charges	87,926,573	124,282,179

Income	2015	2014
Denominated in EUR	€	€
Net turnover	**44,526,805**	**36,717,119**
Fixed assets under development	**194,060**	**541,311**
Other operating income	**1,124,397**	**948,883**
Income from financial fixed assets		
a) derived from affiliated undertakings	23,197,540	67,519,020
b) other income from participating interests	1,423,750	1,225,000
Other interest and other financial income		
a) derived from affiliated undertakings	17,439,678	15,580,179
b) other interest and similar financial income	20,343	38,667
Extraordinary income	**0**	**1,712,000**
Total Income	87,926,573	124,282,179

The fully set of annual accounts is available at

Enovos International S.A.
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PricewaterhouseCoopers has been appointed as independant auditor for fiscal year 2015 by the annual ordinary shareholder's meeting on 13th May 2014.

The Enovos International Annual Report is published in English.
We would like to thank all those involved in the preparation and publication of this annual report.

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