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Tractebel Invest International B.V.
Amsterdam

Annual report 2006

September 24, 2007

Tractebel Invest International B.V.
Olympic Plaza, Fred. Roeskestraat 123
1076 EE Amsterdam
The Netherlands
Chamber of Commerce: 33.22.40.71

21-01-2008

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Report on financial statements

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Management Board's report

The management hereby presents the financial statements as at December 31, 2006.

General

Tractebel Invest International B.V. was incorporated in September 1990 in order to finance the operating companies of the Suez-Tractebel Group.

Currency risks and interest rate risks are limited as the contracted loans are made available to the operating companies of the Suez-Tractebel Group in the same currencies and interest types.

Furthermore, on March 28, 2007 amendments to the articles of association have been made, where the supervisory board was abolished and two types of directors were introduced being director A and Director B. As a consequence of this amendment the two supervisory board members were appointed as director B. Finally, on April 1, 2007 one extra director A was appointed and one director A was replaced.

Developments

During the year 2006, the company has pursued its financial activities. The loan portfolio has decreased from EUR 644.895.746 to EUR 527.007.596.

This decrease in loans has mainly been caused by the reimbursement of two loans for a total amount of EUR 116,0 million and by various loan revaluations for EUR 1,9 million.

The decrease in loan portfolio resulted in a lower interest income and interest expense.

The profit for the year under review decreased from EUR 448.694 to EUR 354.703. This decrease is mainly due to a lower volume of loans. The Board of Directors proposes to distribute a dividend of EUR 354.703 out of the company's general reserves.

Future developments

No material change in activities is contemplated for the coming year.

No change in the number of employees is expected.

No events have occurred since the balance sheet date that could have a significant influence on expectations concerning future activities and results.

Amsterdam, September 24, 2007

Board of Directors

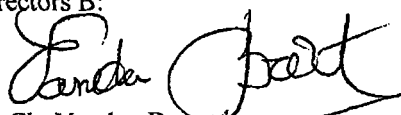
Directors A:

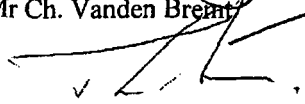

Mr I.H. Scholts


Mr A.G.M. Nagelmaker


Mr D.P. Stolp

Directors B:


Mr Ch. Vanden Barent


Mr Th. van den Hove

Financial statements

- Balance sheet
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Balance sheet as at December 31, 2006

(after proposed appropriation of profit)

	Notes	31.12.2006	31.12.2005
		EUR	EUR
Assets			
Fixed assets			
Financial fixed assets:			
Subsidiary companies	1	4.066.011	4.066.011
Loans granted	2	<u>526.338.369</u>	<u>526.567.685</u>
		530.404.380	530.633.696
Current assets			
Loans granted	2	669.227	118.328.061
Receivables and accrued income	3	26.009.509	27.691.322
Corporate income tax	4	317.683	122.318
Current and deposit accounts	5	<u>11.903</u>	<u>222.658</u>
		27.008.322	146.364.359
		<u>557.412.702</u>	<u>676.998.055</u>

Shareholder's equity, provisions and liabilities

Shareholder's equity			
Share capital issued	6	2.268.901	2.268.901
Share capital still to be paid in		(907.560)	(907.560)
Share capital paid up		<u>1.361.341</u>	<u>1.361.341</u>
General reserves	7	1.644.839	1.644.839
Dividend proposal		<u>354.703</u>	<u>448.694</u>
		3.360.883	3.454.874
Long-term liabilities			
Loans contracted	2	526.952.907	526.566.058
Current liabilities			
Loans contracted	2	0	118.322.062
Loan group company		1.418.950	1.405.850
Payables and accrued expenses	8	<u>25.679.962</u>	<u>27.249.211</u>
		27.098.912	146.977.123
		<u>557.412.702</u>	<u>676.998.055</u>

See accompanying notes to the financial statements.

Profit and loss account for the year 2006

	Notes	2006 EUR	2005 EUR
Interest on loans granted	34.415.209	43.174.782	
Interest on loans contracted	(33.800.192)	(42.402.507)	
	615.017	772.275	
Interest on current and deposit accounts	(28.161)	1.399	
	586.856	773.674	
General expenses	(84.338)	(57.622)	
Profit before taxation		502.518	716.052
Corporate income tax	9	147.815	267.358
Corporate income tax previous years		0	0
		147.815	267.358
Net result		354.703	448.694

See accompanying notes to the financial statements.

Cash flow statement for the year 2006

	2006 EUR	2005 EUR
Cash flow from operational activities		
Net result	354.703	448.694
<i>Working capital</i>		
Movements in receivables	1.486.448	755.902
Movements in payables	<u>(1.569.249)</u>	<u>(759.363)</u>
	(82.801)	(3.461)
Cash flow from operational activities	271.902	445.233
Cash flow from investment activities		
Acquisition new subsidiary	<u>0</u>	<u>(1.587.076)</u>
Cash flow from investment activities	0	(1.587.076)
Cash flow from financing activities		
Mutations loans granted	117.888.150	147.787.413
Mutations loans contracted	(117.935.213)	(147.788.434)
Dividend paid	(448.694)	(580.697)
Loan from group company	<u>13.100</u>	<u>1.405.850</u>
Cash flow from financing activities	(482.657)	824.132
Increase (decrease) in cash and cash equivalents	(210.755)	(317.711)
Cash and cash equivalents, beginning of year	<u>222.658</u>	<u>540.369</u>
Cash and cash equivalents, end of year	<u>11.903</u>	<u>222.658</u>

Notes to the financial statements

General

Tractebel Invest International B.V. ("the Company"), a corporation with limited liability, having its statutory seat in Amsterdam and office address at Fred. Roeskestraat 123, Amsterdam, The Netherlands, was incorporated under the laws of The Netherlands on September 11, 1990.

The main activity of the Company is to finance the operating companies of the Suez-Tractebel Group. For this purpose, the Company contracts loans in various currencies from the private or public international capital markets, which are made available to other companies in the form of private loans in the same currencies.

General accounting principles

The financial statements have been prepared in accordance with the accounting principles generally accepted in the Netherlands and the financial reporting requirements included in Part 9, Book 2 of the Netherlands Civil Code.

Unless stated otherwise, assets and liabilities are reported at face value. Income and expenses are accounted for on an accrual basis. Interest income and expense from loans is recognized in the period the interest income or expense relates to. Other revenues and expenses are recorded in the period in which they originate.

Unless stated otherwise, all assets and liabilities expressed in currencies other than Euro ("EUR") are translated into EUR at rates of exchange prevailing on balance sheet date. All transactions in foreign currencies are translated at the rates prevailing on transaction date. Resulting exchange differences are recognized in the profit and loss account. The corporate tax is calculated on the higher of the result according to the profit and loss account or on the financial interest spread as governed by the ruling issued by the tax authorities. The current ruling expired per January 1, 2006. The current transfer pricing report, replacing the expired ruling, is under review of the tax authorities and the board of directors. As a result the corporate tax for 2006 is calculated on the nominal tax rate.

Subsidiary companies

The Company solely acts as intermediate holding company and the financial statements of the subsidiaries are included in the consolidated financial statements of Suez-Tractebel S.A., Brussels and Suez SA, Paris, which will be filed with the Chamber of Commerce in Amsterdam. Therefore, in accordance with article 408, Book 2 of the Dutch Civil Code, the Company does not prepare consolidated financial statements.

Furthermore, based on the international structure and activities of the Company, and in conformity with the provisions provided in article 389, sub 9, Book 2 of the Dutch Civil Code, the Company values its investments in subsidiaries at historical cost.

Related parties

The Company is engaged in the financing of group companies and/or subsidiaries out of its equity and by using loans provided by its shareholder. Please refer to the Notes to the balance sheet items for further details.

Notes to specific items of the balance sheet

Note 1 - Subsidiary companies

The subsidiary Insutrel SA, Luxembourg, a wholly owned company, is valued at EUR 4.066.011 (2005: EUR 2.478.935).

On January 01, 2006 a merger has taken place between Insutrel SA and Corelye SA, where Insutrel SA acquired Corelye SA.

	EUR 2006	EUR 2005
Opening balance subsidiary companies	4.066.011	2.478.935
Addition (Corelye SA)	(1.587.076)	1.587.076
Merger Insutrel SA with Corelye SA	1.587.076	0
Closing balance subsidiary companies	4.066.011	4.066.011

Note 2 - Loans granted and contracted

Both loans granted and loans contracted are included at face value at the rates of exchange prevailing on balance sheet date.

	Loans granted EUR	Loans contracted EUR
Balance as at December 31, 2005	644.895.746	644.888.120
Redeemed	(115.977.810)	(116.026.790)
Currency differences	(1.910.340)	(1.908.423)
Balance as at December 31, 2006	527.007.596	526.952.907
Aging:		
Less than one year	669.227	0
More than one year, less than five years	526.338.369	526.952.907
	527.007.596	526.952.907

The difference between loans granted and loans contracted is mainly due to the bridging loan. For an analysis of this item, reference is made to the Annex. The loans are all granted to related parties except for EUR 2.639.539 and the credit facilities are obtained from related parties for EUR 2.584.850.

As per December 31, 2006 loans granted to Mimag I.V.T. amount to EUR 2.639.539. According to the loanagreements, parts of these loans were redeemable during the fiscal year 2005. However, the ability of Mimag I.V.T. to repay these loans is dependent of dividends to be received from its subsidiaries. Based on the expected future dividends to be received by

Mimag I.V.T. and the fact that the Company received an amount of EUR 428.483 as repayment on the loan to Mimag I.V.T. during the fiscal year 2006, management has the opinion that a valuation provision on the loan is not deemed necessary.

The interest rates on loans granted vary from 5,5% to 10,150%. The interest rates on loans contracted vary from 5,375% to 10,000%.

Note 3 - Receivables and accrued income

This item represents:

	<u>31.12.2006</u>	<u>31.12.2005</u>
	EUR	EUR
Accrued interest on loans granted	25.986.849	27.659.947
Receivables	<u>22.660</u>	<u>31.375</u>
	<u>26.009.509</u>	<u>27.691.322</u>

Note 4 - Corporate income tax receivable

This item represents:

	<u>CIT</u>
	EUR
CIT 2005	
Paid on preliminary tax assessment 2005	389.675
Tax burden 2005	<u>(267.358)</u>
Balance as at December 31, 2005	122.317
CIT 2006	
Paid on preliminary tax assessment 2006	343.181
Tax burden 2006	<u>(147.815)</u>
	195.366
Total Corporate income tax receivable	<u>317.683</u>

Note 5 - Current and deposit accounts

This item represents:	31.12.2006 EUR	31.12.2005 EUR
Current account Suez-Tractebel NV	2.248	2.248
Cash at banks	9.655	220.410
	<u>11.903</u>	<u>222.658</u>

Note 6 - Share capital issued

The authorized capital amounts to EUR 11.344.505 of which EUR 2.268.901 has been issued and paid up for 60%. The authorized share capital of EUR 11.344.505 is divided in 25.000 common shares with a nominal value of EUR 453,78. It is the intention to convert the nominal amount per share into EUR 500.

The shareholder is N.V. Telfin, a wholly owned subsidiary company of Suez-Tractebel S.A., established in Brussels, Belgium, and incorporated under Belgian law.

Note 7 - Movements in shareholders' equity

	Capital paid up EUR	General reserves EUR	Profit for the year EUR	Dividend proposal	Total EUR
Balance as at 31.12.2004	1.361.341	1.644.839		580.697	3.586.877
Profit 2005			448.694		448.694
Appropriation result 2005		448.694	(448.694)		0
Dividend paid				(580.697)	(580.697)
Dividend proposed		(448.694)		448.694	0
Balance as at 31.12.2005	<u>1.361.341</u>	<u>1.644.839</u>	<u>0</u>	<u>448.694</u>	<u>3.454.874</u>
Profit 2006			354.703		354.703
Appropriation result 2006		354.703	(354.703)		0
Dividend paid				(448.694)	(448.694)
Dividend proposed		(354.703)		354.703	0
Balance as at 31.12.2006	<u>1.361.341</u>	<u>1.644.839</u>	<u>0</u>	<u>354.703</u>	<u>3.360.883</u>

Note 8 - Payables and accrued expenses

This item represents:

	<u>31.12.2006</u>	<u>31.12.2005</u>
	EUR	EUR
Accrued interest on loans contracted	25.558.364	27.155.987
Expenses to be paid	<u>121.598</u>	<u>93.224</u>
	<u>25.679.962</u>	<u>27.249.211</u>

Notes to specific items of the profit and loss account

Note 9 - Corporate tax

The corporate tax is calculated on the higher of the result according to the profit and loss account or on the financial interest spread as governed by the ruling issued by the tax authorities. The current ruling expired per January 1, 2006. The current transfer pricing report, replacing the expired ruling, is under review of the tax authorities and the board of directors. As a result the corporate tax for 2006 is calculated on the nominal tax rate.

	2006	2005
	EUR	EUR
Interest spread (fiscal)	753.996	855.294
Other income	2.132	(3.291)
Minimum fiscal taxable amount	756.128	852.003
Result according to the profit and loss account	502.518	716.052
Difference	<u>253.610</u>	<u>135.951</u>
Corporate income tax:		
25,5 % of EUR 22.689 (2005: 27 %)	5.786	6.126
29,6 % of EUR 479.829 (2005: 31,5%)	142.029	261.232
EUR 502.518	<u>147.815</u>	<u>267.358</u>

Other notes and signing of the financial statements

Number of employees

During 2005 and 2006, the company had no employees.

Remuneration

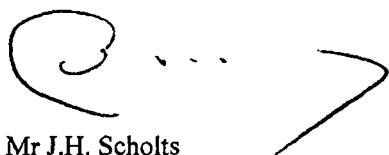
The remuneration of the Board of Directors amounted to EUR 3.273 (2005: EUR 2.975) while the Supervisory Board received an amount of EUR 0 (2005: EUR 0).

Signing of the financial statements

Amsterdam, September 24, 2007

Board of Directors

Directors A



Mr J.H. Scholts



Mr A.G.M. Nagelmaker



Mr D.P. Stolp

Directors B



Mr Ch. Vanden Brent



Mr Th. van den Hove

Additional information

Auditor's report

The auditor's report is recorded on the next page.

Statutory rules concerning appropriation of the profit

In accordance with Article 13 of the Articles of Association of the company, the net result is at the disposal of the Annual General Meeting of Shareholders.

Proposed appropriation of the profit for the year 2006

The directors propose to add the profit for the year 2006 to the general reserves. This proposal has been included in the balance sheet as at December 31, 2006.

Proposed distribution of dividend in the year 2006

The directors propose the distribution of a dividend of EUR 354.703 out of the general reserves of the company. This proposal has been included in the balance sheet as at December 31, 2006.

Post-balance sheet events

No events have occurred since the balance sheet date that could have a significant influence on expectations concerning future activities and results.

To the Management Board of
Tractebel Invest International B.V.
Amsterdam

Date
September 24, 2007

From
J. Penon

Reference
3100094888/OP9997/en

Auditor's report

Report on the financial statements

We have audited the accompanying financial statements 2006 of Tractebel Invest International B.V., Amsterdam, which comprise the balance sheet as at December 31, 2006, the profit and loss account for the year then ended and the notes as set out on pages 6 to 17.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Tractebel Invest International B.V. as at December 31, 2006, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Deloitte Accountants B.V.



J. Penon

**Annex (not forming part of the
annual report)**

Analysis of loans as at 31 December 2006

Nr.	Loans granted	Borrowers	Date of loan	Date from which available	Interest date	Interest rate loans granted	Interest rate loans contracted	Repay-ment in period		Amounts in original currencies	Exchange rate on balance sheet date Currency/EUR	Amounts in Euro	
24	Bonds	Suez-Tractebel	11/03/1998	11/03/1998	11/03	5,490000%	5,375000%	2008	LUF	3.000.000.000	40.339900	74.368.057	
32	Bonds	Suez-Tractebel	22/01/2001	22/01/2001	22/01	5,844000%	5,750000%	2008	EUR	75.000.000	1.000000	75.000.000	
33	Bonds	Suez-Tractebel	23/02/2001	23/02/2001	23/02	5,719000%	5,625000%	2009	EUR	275.000.000	1.000000	275.000.000	
35	Bonds	Suez-Tractebel	22/02/2002	22/02/2002	22/02	5,500000%	5,375000%	2010	EUR	100.000.000	1.000000	100.000.000	
Credit Facility Agreement		Mimag I.V.T.	01/08/2001	01/08/2001	01/08	10,150000%	10,000000%	2005	USD	881.372	1.317000	669.227	
Credit Facility Agreement		Mimag I.V.T.	27/05/2004	27/05/2004	27/05	7,150000%	7,000000%	2010	USD	2.594.901	1.317000	1.970.312	
Total of loans granted												527.007.596	
												Mimag CFA	(54.689)
Total of loans contracted												526.952.907	