

**ENOVOS INTERNATIONAL S.A.**  
*(incorporated as a société anonyme under  
the laws of Luxembourg)*  
(the "Issuer")

**Offer to the public in Luxembourg and Belgium of a  
Minimum EUR 95,000,000 3.75 % Bonds due 2019**  
Subscription Period: 16 May 2012 at 9:00 CET until 11 June 2012 at 16:00 CET

**Offer to the Employees of the Issuer in Luxembourg, Belgium, Germany and France of a  
Maximum EUR 5,000,000 3.75% Bonds due 2019**  
Subscription Period: 16 May 2012 at 9:00 CET until 4 June 2012 at 16:00 CET

**Issue Price: 101.875 per cent.**

**Issue Date: 15 June 2012**

**Application has been made for the Bonds to be admitted for trading on the Euro MTF market of  
the Luxembourg Stock Exchange**

**Prospective investors should have regard to the factors described under the section headed "Risk  
Factors" in this Prospectus.**

## **BGL BNP PARIBAS**

**Bookrunner and Lead Manager**

**BANQUE ET CAISSE  
D'EPARGNE DE  
L'ETAT,  
LUXEMBOURG**

**Manager**

**BANQUE  
INTERNATIONALE A  
LUXEMBOURG SA**

**Manager**

**ING Luxembourg**

**Co-Manager**

**Prospectus dated 14 May 2012**

The issue price of the minimum EUR 95,000,000 3.75% Bonds due 2019 (the "**Public Tranche Bonds** ") and the maximum EUR 5,000,000 3.75% Bonds due 2019 (the "**Employee Tranche Bonds** " and together with the Public Tranche Bonds, the "**Bonds** ") of Enovos International S.A., a *société anonyme* organised under the laws of Luxembourg, registered with the *Registre de Commerce et des Sociétés à Luxembourg* under number B11.723 and having its registered office at 66, rue de Luxembourg, Domaine Schlassgoart, Bâtiment 9, L-4221 Esch-sur-Alzette (the "**Issuer**") is 101.875 per cent. of their principal amount (the "**Issue Price**").

The subscription period for the Public Tranche Bonds shall be from 16 May 2012 at 9:00 CET until 11 June 2012 at 16:00 CET, subject to an early closing (the "**Public Tranche Subscription Period**"). The subscription period for the Employee Tranche Bonds shall be from 16 May 2012 at 9:00 CET until 4 June 2012 at 16:00 CET, subject to an early closing (the "**Employee Tranche Subscription Period**"). The Bonds will be offered on a first come first served basis. The final aggregate amount of the Public Tranche Bonds may be increased up to an amount of EUR 195,000,000 (see "*Subscription and Sale*"). If all of the Public Tranche Bonds (as their aggregate may have been increased as aforesaid) and/or all of the Employee Tranche Bonds are sold prior to the end of the Public Tranche Subscription Period or the end of the Employee Tranche Subscription Period, respectively, the relevant subscription period will be closed and a notice of such closure will be published by the Issuer on its website. The Bonds will be issued by the Issuer on 15 June 2012 (the "**Issue Date**"). See "*Subscription and Sale*".

Each Employee (as defined in "*Subscription and Sale*") of the Issuer shall be entitled to subscribe to a maximum amount per employee of EUR 25,000 of Employee Tranche Bonds at the Issue Price from the Lead Manager (as defined in "*Subscription and Sale*") and in accordance with a letter from the Issuer to be sent to the Employees on or about 16 May 2012. Only Employees may subscribe for Employee Tranche Bonds. See "*Subscription and Sale*". The Employee Tranche Bonds are issued at the Issue Price and have the same Terms and Conditions (see "*Terms and Conditions of the Employee Tranche Bonds*"), and are identical in all other respects to the Public Tranche Bonds (except for their principal amount and certain technical differences relating to their consolidation into the Public Tranche Bonds) and will be consolidated into the Public Tranche Bonds to form a single series of Bonds as described hereunder. See "*Terms and Conditions of the Employee Tranche Bonds*".

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 15 June 2019. The Bonds are subject to redemption in whole, but not in part, at their principal amount at the option of the Issuer at any time in the event of certain changes affecting taxation in Luxembourg. See "*Terms and Conditions of the Public Tranche Bonds—Redemption and Purchase*".

Each Bond will bear interest on its outstanding principal amount from and including 15 June 2012 at the rate of 3.75 per cent. per annum payable in arrear on 15 June in each year commencing on 15 June 2013. All payments of principal and interest in respect of the Bonds by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Luxembourg or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law, as described under "*Terms and Conditions of the Public Tranche Bonds—Taxation*".

This Prospectus has been approved as a prospectus (in the form of a single document) by the Luxembourg *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), which is the Luxembourg competent authority, for the purpose of Directive 2003/71/EC (the "**Prospectus Directive**"), as implemented in Luxembourg by the Luxembourg law of 10 July 2005 on prospectuses for securities, as amended (the "**Prospectus Law**"). The CSSF assumes no responsibility as to the economic and financial appropriateness of the issuance of the Bonds or the quality or solvency of the Issuer, in accordance with Article 7(7) of the Prospectus Law.

Applications have been made for (1) a certificate of approval under Article 18 of the Prospectus Directive as implemented in Luxembourg to be issued by the CSSF to the competent authorities in Germany and Belgium and (2) the Bonds to be admitted for trading on the Euro MTF market of the Luxembourg Stock Exchange (the "**Euro MTF**"), and listing on the official list of the Luxembourg Stock Exchange on or about the Issue Date. The Euro MTF market is not a regulated market pursuant to the provisions of the Prospectus Directive.

The Bonds have not been, and will not be, registered under the United States Securities Act of 1933 (the "**Securities Act**") and are subject to United States tax law requirements. The Bonds are being offered outside the United States by the Managers in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Bonds will be in bearer form in the denomination of EUR 1,000 each. The Public Tranche Bonds shall initially be represented by a temporary global note issued in new global note form ("**NGN Form**") (the "**Public Tranche Temporary Global Note**"). Interests in the Public Tranche Temporary Global Note will be exchangeable for interests in a permanent global note issued in NGN Form (the "**Permanent Global Note**") on or after a date that is expected to be 40 days after the Issue Date and upon certification as to non-U.S. beneficial ownership.

The Employee Tranche Bonds shall initially be represented by a temporary global note issued in NGN Form (the "**Employee Tranche Temporary Global Note**" and together with the Public Tranche Temporary Global Note, the "**Temporary Global Notes**"). Interests in the Employee Tranche Temporary Global Note will be exchangeable for interests in the Permanent Global Note on or after a date that is expected to be 40 days after the Issue Date and upon certification as to non-U.S. beneficial ownership. The Temporary Global Notes and the Permanent Global Notes shall be referred to as the "**Global Notes**".

On the date where the Temporary Global Notes are exchanged for the Permanent Global Note, the Employee Tranche Bonds will be consolidated into the Public Tranche Bonds (the "**Tranche Consolidation**"). After the Tranche Consolidation, the Employee Tranche Bonds will form a single tranche with the Public Tranche Bonds and will be fungible in all respects with the Public Tranche Bonds.

On the Issue Date, the Temporary Global Notes will be deposited with a common safekeeper (the "**Common Safekeeper**") for the account of Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") and Euroclear Bank SA/NV ("**Euroclear**").

The interests of the Bondholders in the Bonds shall be registered in the records of Clearstream, Luxembourg and Euroclear and interests in the Global Note shall only be transferable in accordance with the rules and procedures of Clearstream, Luxembourg and/or Euroclear.

The holder of the Global Notes shall be treated by the Issuer and the Paying Agent (as defined below) as the owner of the Bonds in accordance with the terms of the respective Global Note and the terms "Bondholders" and "holders of Bonds" shall be construed accordingly. For purposes of payment of interest and principal related to the Bonds, the holder of the Global Notes shall be treated by the Issuer as the sole owner and holder of the Bonds represented by the Global Notes.

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## IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is to the best of its knowledge in accordance with the facts and contains no omission likely to affect its import.

The information appearing in this Prospectus or any document incorporated by reference herein is accurate as of the date of the front cover of the applicable document. The business, financial statements, results of operations and prospects of the Issuer may have changed since that date.

This Prospectus is to be read in conjunction with all the documents that are incorporated herein by reference, see "*Information Incorporated by Reference*".

In making their investment decision, investors should rely only on the information contained or incorporated by reference in this Prospectus. No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Managers named under "*Subscription and Sale*" below (the "**Managers**"). Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the condition (financial or otherwise) of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Bonds is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither the Managers nor any of their respective affiliates have authorised the whole or any part of this Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Prospectus.

This Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase, any Bonds, from any person in any jurisdiction where it is unlawful to make such an offer or solicitation. The distribution of this Prospectus and the offering, sale and delivery of Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Bonds and on distribution of this Prospectus and other offering material relating to the Bonds, see "*Subscription and Sale*".

In particular, the Bonds have not been and will not be registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, Bonds may not be offered, sold or delivered within the United States or to U.S. persons.

In this Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area and references to "**EUR**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.

### Forward-Looking Statements

This Prospectus contains forward-looking statements based on estimates and assumptions. Forward-looking statements include, among other things, statements concerning the business, future financial condition, results of operations and prospects of the Issuer and its subsidiaries undertakings (“**Enovos Group**” or the “**Group**”). These statements usually contain the words “believes”, “plans”, “expects”, “anticipates”, “intends”, “estimates” or other similar expressions. For each of these statements, you should be aware that forward-looking statements involve known and unknown risks and uncertainties. Although it is believed that the expectations reflected in these forward-looking statements are reasonable, there is no assurance that the actual results or developments anticipated will be realised or, even if realised, that they will have the expected effects on the business, financial condition, results of operations or prospects of the Group.

These forward-looking statements speak only as of the date on which the statements were made, and no obligation has been undertaken to publicly update or revise any forward-looking statements made in this Prospectus or elsewhere as a result of new information, future events or otherwise, except as required by applicable laws and regulations.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Bonds, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Bonds may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Bonds are exhaustive.

## INFORMATION INCORPORATED BY REFERENCE

The information set out in the table below shall be deemed to be incorporated in, and to form part of, this Prospectus **provided however that** any statement contained in any document incorporated by reference in, and forming part of, this Prospectus shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such statement.

Such documents, together with the Prospectus, will be made available, free of charge, during usual business hours at the specified offices of the Paying Agent and the Listing Agent in Luxembourg, unless such documents have been modified or superseded. Such documents have been deposited with the CSSF and will also be available to be viewed on the website of the Issuer ([www.enovos-invest.eu](http://www.enovos-invest.eu)) and on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

For ease of reference, the tables below set out the relevant page references for the consolidated financial statements, the notes to the consolidated financial statements and the Auditors' reports for the years ended 2010 and 2011 for the Issuer, as set out in the respective annual reports.

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## SUMMARY

*This summary must be read as an introduction to this Prospectus and any decision to invest in the Bonds should be based on a consideration of the Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive (Directive 2003/71/EC) in each Member State no civil liability will attach to the Responsible Persons in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus, including any information incorporated by reference. Where a claim relating to the information contained in this Prospectus is brought before a court in a Member State, the plaintiff may, under the national legislation of the Member State, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.*

*Words and expressions defined in the "Terms and Conditions of the Public Tranche Bonds" and "Terms and Conditions of the Employee Tranche Bonds" below or elsewhere in this Prospectus have the same meanings in this summary.*

### 1. KEY INFORMATION RELATING TO THE BONDS.

<b>The Issuer:</b>	Enovos International S.A., a <i>société anonyme</i> organised under the laws of Luxembourg, registered with the <i>Registre de Commerce et des Sociétés à Luxembourg</i> under number B11.723 and having its registered office at 66, rue de Luxembourg, Domaine Schlassgoart, Bâtiment 9, L-4221 Esch-sur-Alzette.
<b>Lead Manager/Bookrunner:</b>	BGL BNP Paribas S.A., Luxembourg (acting in Belgium through the retail network of Fortis Bank NV/SA (acting under its commercial name of BNP Paribas Fortis)).
<b>Managers:</b>	Banque et Caisse d'Epargne de L'Etat, Luxembourg and Banque Internationale à Luxembourg SA.
<b>Co-Manager:</b>	ING Luxembourg, Société Anonyme
<b>Paying Agent</b>	The Bonds are the subject of an agency agreement dated on or about 14 May 2012 (the " <b>Agency Agreement</b> ") between the Issuer and Banque Internationale à Luxembourg SA as paying agent (the " <b>Paying Agent</b> ").
<b>The Public Tranche Bonds:</b>	Minimum EUR 95,000,000 3.75% Bonds due 2019.
<b>The Employee Tranche Bonds:</b>	Maximum EUR 5,000,000 3.75% Bonds due 2019. Only Employees may subscribe for Employee Tranche Bonds.
<b>Aggregate Principal Amount of the Public Tranche Bonds:</b>	Minimum EUR 95,000,000. Upon decision of the Issuer and the Lead Manager (taking into account the demand from investors), the final aggregate principal amount may be increased at the end (or upon the early closing) of the Public Tranche Subscription Period, but not beyond an amount that is greater than EUR 195,000,000. The Issuer reserves the right to issue Bonds for a lower aggregate principal amount.  The final aggregate principal amount of the Public Tranche Bonds shall be published as soon as possible after the end (or the early closing) of the Public Tranche Subscription Period on the following websites: <a href="http://www.bgl.lu">www.bgl.lu</a> ; <a href="http://www.bnpparibasfortis.be">www.bnpparibasfortis.be</a> ; <a href="http://www.bourse.lu">www.bourse.lu</a>



and [www.enovos-invest.eu](http://www.enovos-invest.eu).

<b>Tranche Consolidation</b>	After the Tranche Consolidation, the Employee Tranche Bonds will form a single tranche with the Public Tranche Bonds and will be fungible in all respects with the Public Tranche Bonds.
<b>Issue Price:</b>	101.875 per cent. of the principal amount of the Bonds.
<b>Issue Date:</b>	Expected to be on or about 15 June 2012.
<b>Use of Proceeds:</b>	The net proceeds of the issue of the Bonds, expected to amount to EUR 99,400,000 (assuming an issue of the minimum EUR 95,000,000 Public Tranche Bonds and of EUR 5,000,000 Employee Tranche Bonds) after deduction of the placement fee and arrangement fee and the other expenses incurred in connection with the issue of the Bonds, will be used by the Issuer for financing general capital expenditure programs, including external growth opportunities in renewable and conventional energy, distribution and grid activities.
<b>Interest:</b>	Each Bond will bear interest on its outstanding principal amount from and including 15 June 2012 at the rate of 3.75 per cent. per annum payable in arrear on 15 June in each year commencing on 15 June 2013.
<b>Status:</b>	The Bonds constitute direct, general, unsubordinated, unsecured and unconditional obligations of the Issuer which will at all times rank pari passu among themselves and at least pari passu with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
<b>Form and Denomination:</b>	<p>The Bonds will be in bearer form in the denomination of EUR 1,000 each. The Bonds shall initially be represented by Temporary Global Notes issued in NGN Form. Interests in the Temporary Global Notes will be exchangeable for interests in a Permanent Global Note issued in NGN Form on or after a date that is expected to be 40 days after the Issue Date and upon certification as to non-U.S. beneficial ownership.</p> <p>On the Issue Date, the Temporary Global Notes will be deposited with a Common Safekeeper for the account of Clearstream, Luxembourg and Euroclear.</p> <p>The interests of the Bondholders in the Bonds shall be registered in the records of Clearstream, Luxembourg and Euroclear and interests in the Global Note shall only be transferable in accordance with the rules and procedures of Clearstream, Luxembourg and/or Euroclear.</p>
<b>Final Redemption:</b>	15 June 2019.
<b>Tax Redemption:</b>	The Bonds are subject to redemption in whole, but not in part, at their principal amount at the option of the Issuer at any time in the event of certain changes affecting taxation in Luxembourg.

<b>Negative Pledge:</b>	The Issuer has covenanted not to and to procure that none of its Material Subsidiaries will create or permit to subsist any Security Interest (other than a Permitted Security Interest) upon any of its Assets to secure any Relevant Indebtedness or any Guarantee of any Relevant Indebtedness incurred or granted by the Issuer or one of its Material Subsidiaries.
<b>Cross Default:</b>	The Terms and Conditions contain a cross default clause in relation to, <i>inter alia</i> , non-payment of Indebtedness.
<b>Withholding Tax:</b>	All payments of principal and interest in respect of the Bonds by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Luxembourg or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law.
<b>Governing Law:</b>	The Bonds, the Agency Agreement and the Placement Agreement are governed by Luxembourg law.
<b>Listing and Trading:</b>	Application has been made for the Bonds to be admitted to listing on the official list and to be admitted to trading on the Luxembourg Stock Exchange's Euro MTF market on or about the Issue Date.
<b>Clearing Systems:</b>	Euroclear and Clearstream, Luxembourg
<b>Selling Restrictions:</b>	See " <i>Subscription and Sale</i> ".
<b>Risk Factors:</b>	Investing in the Bonds involves risks. See "Summary of the Risk Factors" and " <i>Risk Factors</i> ".

## 2. KEY INFORMATION RELATING TO THE ISSUER.

The Issuer, together with its subsidiary undertakings, is operating within the European utility sector. It results from the combination in 2009 of Cegedel S.A., which was active at the time in the area of electricity, supplying mainly household customers and small and medium sized enterprises in Luxembourg, Saar Ferngas AG, which sold natural gas to municipalities and industries in Saarland and Rhineland-Palatinate, and Soteg S.A., which sold both power and natural gas to municipalities, larger industries and power generation plants in Luxembourg and France.

The Enovos Group has subsidiaries established in Luxembourg, Germany, France, Belgium and Italy, and its activities encompass the following:

- Power – procurement, production, transmission, as well as distribution and commercialisation to commercial, municipal, and residential customers.
- Gas – procurement, production, transmission, as well as distribution, storage and commercialisation to commercial, municipal and residential customers.
- Development and operation of own conventional energy assets in the form of lignite-fired power plants, combined cycle gas turbines, gas exploration and pump storage.
- Development and operation of renewable energy assets in the form of photovoltaics, biomass, wind power (on & offshore), hydro power and biogas facilities.

- Portfolio management and trading of power, gas, oil & petroleum, coal, emission quotas for optimisation of supply sources.
- Proprietary trading for own speculative gain.
- Development and operation of grid infrastructures.

The Enovos Group holds participations in, amongst others, wind power plants, photovoltaic generation, mid-range commercial resellers, pump storage turbines, regional resellers, municipalities, biogas plants and grid operators.

### 3. SUMMARY OF THE RISK FACTORS.

Investing in Bonds involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Bonds or the market value of the Bonds are discussed under "*Risk Factors*":

- These risks include risks relating to the Issuer or to markets in which it operates;
- Market Risks comprising Energy Volume Risks, Commodity Price Risks, Competition Risks, Energy Market Liquidity Risks, Counterparty Risks and Proprietary Trading Risks;
- Climate Related Risks;
- Financial Risks;
- Risks related to Acquisitions and Joint Ventures and Strategic Risks;
- Operational and Environmental Risks;
- IT Risks;
- Risks related to changes in the political and economic climate;
- Risks related to the regulatory environment;
- Legal Risks;
- Personnel Risks and the Funding of Pensions;
- Insurance.

There are also risk factors which are material for purpose of assessing the risks associated with the Bonds themselves including the following:

- Bonds may not be a suitable investment for all investors;
- An active market for the Bonds may not develop;
- The Bonds may be redeemed prior to maturity on imposition of new withholding taxes;
- Market Value of the Bonds;
- Inflation Risk;
- Since the Issuer conducts its operations through subsidiaries, investors' right to receive payments on the Bonds is subordinated to the other liabilities of the Issuer's subsidiaries;
- The Issuer's ability to make debt service payments depends on its ability to transfer income and dividends from its subsidiaries.
- No right of redemption in case of disposal of assets;
- Credit Risk;
- Purchase on Credit – Debt Financing;
- Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer;
- There will be limited trading activity for the Employee Tranche Bonds prior to the Tranche Consolidation;
- Employees may not be able to trade Employee Tranche Bonds immediately after the Issue Date;
- Risk of withdrawal/cancellation of the Offering;
- Since the Bonds are unsecured, investors' rights to receive payments may be adversely affected in case of default;
- Change of Law.

## FRENCH TRANSLATION OF THE SUMMARY

### RÉSUMÉ

*Le présent résumé doit être lu comme une introduction au présent Prospectus et toute décision d'investissement dans des Obligations doit être fondée sur la lecture de l'intégralité du Prospectus, en ce compris les documents qui y sont incorporés par référence. Suite à la transposition des dispositions applicables de la Directive sur les Prospectus (Directive 2003/71/CE) dans chaque État membre, aucune responsabilité civile n'incombera aux Personnes Responsables dans l'État membre en question sur la seule base du présent résumé, en ce compris toute traduction de ce dernier, à moins qu'il soit trompeur, inexact ou contradictoire par rapport aux autres parties du présent Prospectus, en ce compris toute information qui y serait incorporée par référence. Dans le cas où une action en justice relative à des informations contenues dans le présent Prospectus serait intentée devant un tribunal de l'un des États membres de l'Espace économique européen, le demandeur pourra, en application de la législation nationale de l'État membre, être tenu de prendre en charge les coûts de traduction du présent Prospectus avant le début de la procédure judiciaire.*

*Les mots et expressions définis dans les « Terms and Conditions of the Public Tranche Bonds » (Termes et Conditions de la Tranche Publique) et les « Terms and Conditions of the Employee Tranche Bonds » (Termes et Conditions des Obligations de la Tranche Employés) qui figurent ci-après ou ailleurs dans le présent Prospectus, ont la même signification dans le présent résumé.*

#### 1. RENSEIGNEMENTS CLÉS CONCERNANT LES OBLIGATIONS.

<b>L'Émetteur :</b>	Enovos International S.A., une société anonyme constituée selon les lois du Luxembourg, immatriculée au Registre de Commerce et des Sociétés de Luxembourg sous le numéro B11.723 et ayant son siège social au 66, rue de Luxembourg, Domaine Schlassgoart, Bâtiment 9, L-4221 Esch-sur-Alzette.
<b>Chef de File / Teneur de Livre :</b>	BGL BNP Paribas S.A., Luxembourg (agissant en Belgique par l'intermédiaire du réseau de détail de Fortis Bank NV / SA (agissant sous le nom commercial BNP Paribas Fortis)).
<b>Dirigeants :</b>	Banque et Caisse d'Épargne de L'État, Luxembourg et Banque Internationale à Luxembourg SA.
<b>Co-Dirigeant :</b>	ING Luxembourg, Société Anonyme
<b>Agent Payeur :</b>	Les Obligations font l'objet d'un contrat d'agence en date du ou autour du 14 mai 2012 (le « <b>Contrat d'Agence</b> ») entre l'Émetteur et la Banque Internationale à Luxembourg SA en tant qu'agent payeur (l'« <b>Agent Payeur</b> »).
<b>Les Obligations de la Tranche Publique :</b>	Montant minimum de 95 000 000 € d'Obligations à 3,75% à échéance 2019.
<b>Les Obligations de la Tranche Employés :</b>	Montant maximum de 5 000 000 € d'Obligations à 3,75% à échéance 2019. Seuls les Employés (« <i>Employees</i> ») peuvent souscrire les Obligations de la Tranche Employés.
<b>Montant Nominal Total des Obligations de la Tranche Publique :</b>	Minimum EUR 95 000 000. Sur décision de l'Émetteur et du Chef de File (sur base de la demande des investisseurs) le montant nominal total définitif est susceptible d'être augmenté à la fin (ou lors de la clôture anticipée) de la Période de Souscription de la Tranche Publique (« <i>Public Tranche Subscription Period</i> ») étant entendu que ce montant ne pourra pas dépasser EUR 195 000 000. L'Émetteur réserve le droit

d'émettre des Obligations pour un montant nominal inférieur.

Le montant nominal total définitif de la Tranche Publique sera publié aussi rapidement que possible après la fin (ou la clôture anticipée) de la Période de Souscription de la Tranche Publique sur les sites suivants : [www.bgl.lu](http://www.bgl.lu); [www.bnpparibasfortis.be](http://www.bnpparibasfortis.be); [www.bourse.lu](http://www.bourse.lu), et [www.enovos-invest.eu](http://www.enovos-invest.eu).

**Consolidation des Tranches :** Après la Consolidation des Tranches, les Obligations de la Tranche Employés formeront une tranche unique avec les Obligations de la Tranche Publique, avec lesquelles ils seront fongibles à tous égards.

**Prix d'Émission :** 101,875 pour cent du montant principal des Obligations.

**Date d'Émission :** Estimée à ou aux alentours du 15 juin 2012.

**Utilisation du Produit :** Le produit net de l'émission des Obligations, dont le montant devrait s'élever à 99 400 000 € (dans l'hypothèse de l'émission du minimum de 95 000 000 € d'Obligations de la Tranche Publique et de 5 000 000 € d'Obligations de la Tranche Employés), après déduction des frais de placement, des frais d'arrangement et autres frais engagés dans le cadre de l'émission des Obligations, sera utilisé par l'Émetteur pour le financement des programmes généraux d'investissements, en ce compris les opportunités de croissance externe dans les activités liées à l'énergie renouvelable ou conventionnelle, à la distribution et aux réseaux.

**Intérêts :** Chaque Obligation portera intérêt sur son capital impayé depuis et y compris le 15 juin 2012 au taux de 3,75 pour cent par an, payable à terme échu le 15 juin de chaque année commençant le 15 juin 2013.

**Statut :** Les Obligations constituent des obligations directes, générales, non subordonnées, non garanties et inconditionnelles de l'Émetteur qui seront à tout moment classées à rang égal (pari passu) entre elles et au moins à rang égal (pari passu) avec les autres engagements non garantis, présents et futurs, de l'Émetteur, exception faite des engagements qui pourraient être privilégiés en vertu de dispositions légales à la fois obligatoires et d'application générale.

**Forme et Valeur Nominale :** Les Obligations seront au porteur et auront une valeur nominale de 1 000 € chacune. Les Obligations seront initialement représentées par les Titres Globaux Temporaires (« *Temporary Global Notes* ») délivrés sous forme de NGN (« *New Global Note* »). Les intérêts dans les Titres Globaux Temporaires seront échangeables contre des intérêts dans un Titre Global Permanent (« *Permanent Global Note* ») émis sous forme de NGN à ou après une date qui devrait tomber 40 jours après la Date d'Émission et moyennant la certification du fait que le propriétaire véritable n'est pas fiscalement rattaché aux États-Unis.

À la Date d'Émission, les Titres Globaux Temporaires seront déposés auprès d'un Conservateur Commun

(« *Common Safekeeper* ») pour le compte de Clearstream, Luxembourg et d'Euroclear.

Les participations des Porteurs d'Obligations aux Obligations (« *Bondholders in the Bonds* ») seront inscrites dans les registres de Clearstream, de Luxembourg et d'Euroclear et les participations aux Titres Globaux (« *Global Note* ») seront uniquement cessibles conformément aux règles et procédures de Clearstream, Luxembourg et/ou d'Euroclear.

<b>Remboursement Définitif:</b>	15 juin 2019.
<b>Remboursement Anticipé pour raison fiscale :</b>	Les Obligations font l'objet d'un remboursement total, mais non partiel, au montant de leur principal, au choix de l'Émetteur à tout moment en cas de changement de certaines dispositions fiscales au Luxembourg.
<b>Sûreté Négative (« <i>Negative Pledge</i> ») :</b>	L'Émetteur s'est engagé à ne pas créer, à ne pas permettre l'existence, et à faire en sorte qu'aucune de ses Filiales Importantes (« <i>Material Subsidiaries</i> ») ne crée ni ne permette l'existence, d'une quelconque Sûreté (« <i>Security Interest</i> ») (autre qu'une Sûreté Permise (« <i>Permitted Security Interest</i> »)) sur l'un quelconque de ses Actifs (« <i>Assets</i> ») pour garantir une quelconque Dette Pertinente (« <i>Relevant Indebtedness</i> ») ou Garantie d'une quelconque Dette Pertinente (« <i>Guarantee of any Relevant Indebtedness</i> ») encourue ou accordée par l'Émetteur ou par l'une de ses Filiales Importantes (« <i>Material Subsidiaries</i> »).
<b>Défaut Croisé :</b>	Les Termes et Conditions contiennent une clause de défaut croisé en ce qui concerne, entre autres, le non-paiement de Dette(s) (« <i>Indebtedness</i> »).
<b>Retenue à la Source :</b>	Tous les paiements de principal et d'intérêts relatifs aux Obligations, par ou au nom de l'Émetteur, devront être effectués libres et nets de, et sans retenue à la source ni déduction pour ou au titre de, tous impôts, droits, cotisations ou charges gouvernementales, présents ou futurs, de quelque nature que ce soit, imposés, prélevés, collectés, retenus ou évalués par ou au nom du Luxembourg ou de toute subdivision politique de ce dernier ou de toute autorité s'y trouvant ou s'y rattachant ayant le pouvoir d'imposition, à moins que la retenue ou la déduction de ces impôts, droits, cotisations ou charges gouvernementales soit imposée par la loi.
<b>Droit Applicable :</b>	Les Obligations, le Contrat d'Agence et le Contrat de Placement sont régis par la législation luxembourgeoise.
<b>Admission et Cotation :</b>	Une demande a été déposée pour que les Obligations soient admises à la cote sur la liste officielle et soient admises à la négociation sur le marché Euro MTF de la Bourse de Luxembourg à ou aux alentours de la Date d'Émission (« <i>Issue Date</i> »).
<b>Systèmes de Compensation :</b>	Euroclear et Clearstream, Luxembourg
<b>Restrictions de Vente :</b>	Voir « <i>Subscription and Sale</i> » ( <i>Souscription et Vente</i> ).
<b>Facteurs de Risque :</b>	Investir dans les Obligations comporte des risques. Voir « <i>Summary of the Risk Factors</i> » ( <i>Résumé des Facteurs de Risque</i> ) et « <i>Risk Factors</i> » ( <i>Facteurs de Risque</i> ).

## 2. RENSEIGNEMENTS IMPORTANTS CONCERNANT L'ÉMETTEUR

L'Émetteur, conjointement avec ses filiales, opère dans le secteur de la fourniture d'énergie en Europe. Il en résulte du regroupement, en 2009, de Cegebel S.A., qui à l'époque exerçait ses activités dans le domaine de l'électricité, approvisionnant principalement des ménages et des petites ou moyennes entreprises au Luxembourg, Saar Ferngas AG, qui vendait du gaz naturel aux municipalités et aux industries de la Sarre et de la Rhénanie-Palatinat, et Soteg S.A., qui vendait à la fois de l'électricité et du gaz naturel aux municipalités, aux grandes industries et aux centrales électriques au Luxembourg et en France.

Le Groupe Enovos dispose de filiales établies au Luxembourg, en Allemagne, en France, en Belgique et en Italie, et ses activités englobent ce qui suit :

- Électricité – approvisionnement, production, transmission, ainsi que distribution et commercialisation à (des clients) commerciaux, municipaux et résidentiels.
- Gaz – approvisionnement, production, transmission, ainsi que distribution, stockage et commercialisation à (des clients) commerciaux, municipaux et résidentiels.
- Développement et exploitation d'actifs de production d'énergies conventionnelles, détenus en propre, sous forme de centrales au lignite, de turbines à gaz à cycle combiné, d'exploration gazière et de centrales électriques à accumulation par pompage.
- Développement et exploitation d'actifs de production d'énergies renouvelables sous forme d'installations photovoltaïques, de biomasse, d'énergie éolienne (onshore & offshore), d'énergie hydraulique et d'installations de biogaz.
- Gestion de portefeuille et négoce d'énergie, de gaz, de pétrole et produits pétroliers, de charbon, de quotas d'émission pour l'optimisation des sources d'approvisionnement.
- Négoce pour compte propre avec recherche de gains spéculatifs.
- Développement et exploitation d'infrastructures de réseau.

Le Groupe Enovos détient des participations dans, entre autres, des parcs éoliens, la production d'énergie photovoltaïque, des revendeurs de taille moyenne, des turbines à accumulation par pompage, des revendeurs régionaux, des municipalités, des installations de biogaz et des opérateurs de réseaux.

## 3. RÉSUMÉ DES FACTEURS DE RISQUE.

Investir dans les Obligations comporte certains risques. Les principaux facteurs de risque qui peuvent affecter la capacité de l'Émetteur à remplir ses obligations au titre des Obligations ou la valeur de marché des Obligations sont examinés dans « *Risk Factors* » (*Facteurs de Risque*) :

- Ces risques incluent les risques liés à l'Émetteur ou aux marchés sur lesquels il intervient ;
- Risques de marché comprenant les risques sur les volumes d'énergie, risques relatifs aux prix des matières premières, risques relatifs à la concurrence, risques relatifs à la liquidité des marchés de l'énergie, risques de contrepartie et risques relatifs au négoce pour compte propre ;
- Risques liés au climat ;
- Risques financiers ;
- Risques liés aux acquisitions, aux partenariats et aux risques stratégiques ;
- Risques opérationnels et environnementaux ;
- Risques informatiques ;
- Risques liés aux changements de climat politique et économique ;
- Risques liés à l'environnement réglementaire ;
- Risques juridiques ;
- Risques pour le personnel et financement des retraites ;
- Assurance.

Il existe également certains facteurs de risque qui sont importants aux fins d'évaluer les risques associés aux Obligations proprement dites, notamment :

- Les Obligations peuvent ne pas représenter un investissement adapté pour tous les investisseurs ;
- Il est possible que les Obligations ne donnent pas lieu au développement d'un marché actif ;
- Les Obligations pourront être remboursées avant l'échéance en cas d'imposition de nouvelles retenues à la source ;
- La valeur de marché des Obligations ;

- Le risque d'inflation ;
- L'Émetteur exerçant ses activités à travers des filiales, le droit des investisseurs de percevoir des paiements sur les Obligations est subordonné aux autres engagements des filiales de l'Émetteur ;
- La capacité de l'Émetteur d'effectuer des paiements de service de la dette dépend de son aptitude à transférer les revenus et les dividendes de ses filiales.
- Absence de droit de rachat en cas de cession d'actifs ;
- Risque de crédit ;
- Achat à crédit - Financement par l'emprunt ;
- Les Titres Globaux étant détenus par ou au nom d'Euroclear et Clearstream, Luxembourg, les investisseurs devront compter sur leurs procédures pour le transfert, le paiement et la communication avec l'Émetteur ;
- Les échanges d'Obligations de la Tranche Employés seront limités avant la consolidation des Tranches ;
- Il est possible que les employés ne puissent pas négocier les Obligations de la Tranche des Employés immédiatement après la Date d'Émission ;
- Risque de retrait / annulation de l'Offre ;
- Étant donné que les Obligations ne sont pas garanties, les droits des investisseurs de recevoir des paiements peuvent être affectés de manière négative en cas de défaillance de l'Émetteur;
- Changement de Législation.



## GERMAN TRANSLATION OF THE SUMMARY

### ZUSAMMENFASSUNG

Die Zusammenfassung ist als Einleitung zum vorliegenden Prospekt zu verstehen. Jede Entscheidung zur Anlage in die Schuldverschreibungen sollte auf der Prüfung des gesamten Prospekts beruhen, einschließlich der durch Verweis einbezogenen Dokumente. Nach Umsetzung der einschlägigen Bestimmungen der Prospekttrichtlinie (Richtlinie 2003/71/EG) in nationales Recht entsteht den verantwortlichen Personen in dem jeweiligen Mitgliedstaat lediglich aufgrund der Zusammenfassung, einschließlich eventueller Übersetzungen derselben, keine zivilrechtliche Haftung, es sei denn, die Zusammenfassung ist irreführend, unrichtig oder inkohärent, wenn sie zusammen mit anderen Teilen des vorliegenden Prospekts, einschließlich der durch Verweis einbezogenen Angaben, gelesen wird. Falls vor dem Gericht eines Mitgliedstaats Ansprüche aufgrund der im vorliegenden Prospekt enthaltenen Informationen geltend gemacht werden, könnte der Kläger in Anwendung der einzelstaatlichen Rechtsvorschriften der Mitgliedstaaten vor Prozessbeginn die Kosten für die Übersetzung des Prospekts zu tragen haben.

Die Ausdrücke und Begriffe, die in den „Terms and Conditions of the Public Tranche Bonds“ (Emissionsbedingungen der Anlegertranche der Schuldverschreibungen) sowie den „Terms and Conditions of the Employee Tranche Bonds“ (Emissionsbedingungen der Mitarbeitertranche der Schuldverschreibungen) nachstehend oder an anderer Stelle im vorliegenden Prospekt definiert worden sind, haben in der vorliegenden Zusammenfassung dieselbe Bedeutung.

#### 1. WESENTLICHE INFORMATIONEN IN BEZUG AUF DIE SCHULDVERSCHREIBUNGEN

<b>Emittentin:</b>	Enovos International S.A., eine nach luxemburgischem Recht gegründete, in das <i>Registre de Commerce et des Sociétés à Luxembourg</i> unter der Nummer B11.723 eingetragene <i>Société Anonyme</i> mit Sitz in 66, rue de Luxembourg, Domaine Schlassgoart, Bâtiment 9, L-4221 Esch-sur-Alzette.
<b>Konsortialführer/Bookrunner:</b>	BGL BNP Paribas S.A., Luxemburg (in Belgien vertreten durch das Vertriebsnetz der Fortis Bank NV/SA (geschäftstätig unter dem Handelsnamen BNP Paribas Fortis).
<b>Konsortium</b>	Banque et Caisse d'Epargne de L'Etat, Luxemburg und Banque Internationale à Luxembourg S.A..
<b>Co-Manager</b>	ING Luxembourg, Société Anonyme
<b>Zahlstelle:</b>	Die Schuldverschreibungen unterliegen einer Zahlstellenvereinbarung vom oder um den 14. Mai 2012 (die „Zahlstellenvereinbarung“) zwischen der Emittentin und der Banque Internationale à Luxembourg S.A. als Zahlstelle (die „Zahlstelle“).
<b>Schuldverschreibungen der Anlegertranche:</b>	3,75% Schuldverschreibungen mit einem Gesamtnennbetrag von mindestens EUR 95 000 000, fällig 2019.
<b>Schuldverschreibungen der Mitarbeitertranche:</b>	3,75% Schuldverschreibungen mit einem Gesamtnennbetrag von höchstens EUR 5 000 000, fällig 2019. Die Schuldverschreibungen der Mitarbeitertranche können nur von Mitarbeitern („Employees“) gezeichnet werden.
<b>Gesamtnennbetrag der Schuldverschreibungen der Anlegertranche:</b>	Mindestens EUR 95 000 000. Nach Entscheidung der Emittentin und des Konsortialführers (unter Berücksichtigung der Nachfrage

der Investoren), kann der endgültige Gesamtnennbetrag nach dem Ende (oder bei einer vorzeitigen Beendigung) der Zeichnungsfrist der Anlegertranche („*Public Tranche Subscription Period*“) erhöht werden, wobei der Betrag EUR 195 000 000 nicht übersteigen darf. Die Emittentin behält sich das Recht vor, Schuldverschreibungen in einem geringeren Gesamtnennbetrag zu begeben.

Der endgültige Gesamtnennbetrag der Anlegertranche wird so bald als möglich nach dem Ende (oder bei einer vorzeitigen Beendigung) der Zeichnungsfrist der Anlegertranche auf folgenden Internetseiten bekannt gegeben: [www.bgl.lu](http://www.bgl.lu); [www.bnpparibasfortis.be](http://www.bnpparibasfortis.be); [www.bourse.lu](http://www.bourse.lu) und [www.enovos-invest.eu](http://www.enovos-invest.eu).

**Zusammenführung der Tranchen:**

Nach Zusammenführung der Tranchen bildet die Mitarbeitertranche mit der Anlegertranche eine einheitliche Tranche, die in jeder Hinsicht mit den Schuldverschreibungen der Anlegertranche fungibel sein wird.

**Emissionskurs:**

101,875 Prozent des Nennbetrags der Schuldverschreibungen.

**Emissionsdatum:**

Voraussichtlich am oder um den 15 Juni 2012

**Verwendung der Erlöse:**

Die Nettoerlöse aus der Emission der Schuldverschreibungen, die sich nach Abzug der Platzierungs- und Maklerprovisionen sowie der sonstigen Aufwendungen in Verbindung mit der Emission der Schuldverschreibungen voraussichtlich auf EUR 99 400 000 (unter Annahme einer Emission von wenigstens EUR 95 000 000 Schuldverschreibungen der Anlegertranche und von EUR 5 000 000 der Mitarbeitertranche) belaufen, wird die Emittentin zur Finanzierung allgemeiner Investitionsprogramme, einschließlich externer Wachstumschancen im Bereich erneuerbarer und konventioneller Energien sowie Vertriebs- und Netzaktivitäten verwenden.

**Zinsen:**

Die Schuldverschreibungen werden bezogen auf den ausstehenden Nennbetrag mit jährlich 3,75 Prozent verzinst, beginnend am 15 Juni 2012. Die Zinsen sind nachträglich am 15 Juni eines jeden Jahres ab dem 15 Juni 2013 zahlbar.

**Status:**

Die Schuldverschreibungen stellen direkte, allgemeine, nicht-nachrangige, unbesicherte und unwiderrufliche Verbindlichkeiten der Emittentin dar, die untereinander jederzeit gleichrangig sind und mindestens im gleichen Rang mit allen anderen gegenwärtigen oder künftigen unbesicherten Verbindlichkeiten der Emittentin stehen. Ausgenommen hiervon sind Verbindlichkeiten, die durch zwingend anzuwendende und allgemeingültige gesetzliche Bestimmungen bevorrechtigt werden.

**Form und Stückelung:**

Die Schuldverschreibungen werden in einer Stückelung von jeweils EUR 1 000 begeben und lauten auf den Inhaber. Sie werden anfänglich durch vorläufige Globalurkunden („*Temporary Global Notes*“) verbrieft und in NGN Form („*New Global Note*“) begeben. Anteile an vorläufigen Globalurkunden sind voraussichtlich 40 Tage nach dem Emissionsdatum in Anteile an einer Dauerglobalurkunde („*Permanent Global Note*“) in NGN

Form umtauschbar, sofern die Bescheinigung vorliegt, dass die wirtschaftlichen Eigentümer keine US-Personen sind.

Am Emissionsdatum werden die vorläufigen Globalurkunden bei einem Wertpapierverwahrer („*Common Safekeeper*“) für Rechnung von Clearstream, Luxemburg, und Euroclear hinterlegt.

Die Beteiligungen der Inhaber der Schuldverschreibungen („*Bondholder in the Bonds*“) an denselben werden in das Register von Clearstream, Luxemburg, und Euroclear eingetragen, und die Beteiligungen an der Globalurkunde („*Global Note*“) sind nur in Übereinstimmung mit den Vorschriften und Verfahren von Clearstream, Luxemburg, und/oder Euroclear übertragbar.

<b>Rückzahlung bei Endfälligkeit:</b>	15 Juni 2019.
<b>Rückzahlung aus steuerlichen Gründen:</b>	Die Schuldverschreibungen können jederzeit insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin zum Nennbetrag zurückgezahlt werden, falls sich bestimmte Änderungen ergeben, die sich auf die Besteuerung in Luxemburg auswirken.
<b>Negativerklärung:</b>	Die Emittentin hat zugesichert, dass keine ihrer wesentlichen Tochtergesellschaften („ <i>Material Subsidiaries</i> “) Rechte zur Kreditsicherung („ <i>Security Interest</i> “) (außer zulässige Sicherungsrechte („ <i>Permitted Security Interest</i> “) auf ihre Vermögenswerte („ <i>Assets</i> “) schafft oder deren Bestehen gestattet, um eine relevante Verschuldung („ <i>Relevant Indebtedness</i> “) oder eine Garantie für eine relevante Verschuldung („ <i>Guarantee of any Relevant Indebtedness</i> “) zu sichern, die die Emittentin oder eine wesentliche Tochtergesellschaft („ <i>Material Subsidiary</i> “) aufgenommen oder gewährt hat.
<b>Drittverzug:</b>	Die Emissionsbedingungen enthalten eine Drittverzugsklausel unter anderem in Bezug auf die Nichtzahlung von Verbindlichkeiten („ <i>Indebtedness</i> “).
<b>Quellensteuer:</b>	Sämtliche Tilgungen und Zinszahlungen, die die Emittentin auf die Schuldverschreibungen leistet oder die in ihrem Namen geleistet werden, erfolgen ohne Einbehalt oder Abzug jedweder gegenwärtigen oder zukünftigen Steuern oder gesetzlichen Abgaben, die von Luxemburg, einschließlich seiner Gebietskörperschaften oder Steuerbehörden, erhoben werden, es sei denn, der Einbehalt oder Abzug ist gesetzlich vorgeschrieben.
<b>Geltendes Recht:</b>	Die Schuldverschreibungen, die Zahlstellen- und die Platzierungsvereinbarung unterliegen dem luxemburgischen Recht.
<b>Börsennotierung und Handel:</b>	Für die Schuldverschreibungen wurde die Zulassung zur amtlichen Notierung und zum Handel am Euro MTF Markt der Luxemburger Börse am oder um das Emissionsdatum beantragt.
<b>Clearingsysteme:</b>	Euroclear und Clearstream, Luxemburg
<b>Verkaufsbeschränkungen:</b>	Siehe „ <i>Subscription and Sale</i> “ ( <i>Zeichnung und Verkauf</i> )
<b>Risikofaktoren:</b>	Eine Anlage in die Schuldverschreibungen ist mit Risiken verbunden. Siehe „ <i>Summary of the Risk Factors</i> “ (Zusammenfassung der Risikofaktoren) und „ <i>Risk</i>

## **2. WESENTLICHE INFORMATIONEN IN BEZUG AUF DIE EMITTENTIN**

Die Emittentin ist zusammen mit ihren Tochtergesellschaften im europäischen Versorgungssektor tätig. Sie entstand 2009 durch den Zusammenschluss von drei Unternehmen: der CegeDEL S.A., die damals in erster Linie mit der Stromversorgung der Privathaushalte sowie der kleinen und mittleren Unternehmen in Luxemburg befasst war, der Saar Ferngas AG, die Kommunen und Industrie im Saarland und in Rheinland-Pfalz mit Erdgas belieferte, und der Soteg S.A., die Kommunen, größere Industriebetriebe und Kraftwerke in Luxemburg und Frankreich mit Strom und Erdgas versorgte.

Die Enovos Gruppe hat Tochtergesellschaften in Luxemburg, Deutschland, Frankreich, Belgien und Italien. Sie ist in den folgenden Bereichen tätig:

- Strom: Beschaffung, Erzeugung, Transport sowie Verkauf und Vermarktung an kommerzielle, kommunale und private Kunden
- Erdgas: Beschaffung, Produktion, Transport, Speicherung sowie Lieferung und Vermarktung an kommerzielle, kommunale und private Kunden
- Entwicklung und Betrieb eigener Anlagen im Bereich der konventionellen Energie: Braunkohlekraftwerke, Gas- und Dampfturbinenkraftwerke, Gasförderung und Pumpspeichieranlagen
- Entwicklung und Betrieb von Anlagen im Bereich der erneuerbaren Energien: Photovoltaik, Biomasse, Windkraft (onshore/offshore), Wasserkraft und Biogas
- Portfoliomanagement und Handel mit Strom, Erdgas, Erdöl und Erdölprodukten, Kohle sowie Emissionsrechten zur Optimierung der Angebotsquellen
- Eigenhandel zur Erzielung von Spekulationsgewinnen
- Entwicklung und Betrieb von Netzinfrastrukturen

Die Enovos Gruppe besitzt Beteiligungen u. a. an Windkraftanlagen, Solarstromanlagen, mittelgroßen gewerblichen Wiederverkäufern, Pumpspeicherwerken, regionalen Wiederverkäufern, Stadtwerken, Biogasanlagen und Netzbetreibern.

## **3. ZUSAMMENFASSUNG DER RISIKOFAKTOREN**

Eine Anlage in Schuldverschreibungen ist mit bestimmten Risiken verbunden. Die Hauptrisikofaktoren, die die Erfüllung der sich aus den Schuldverschreibungen ergebenden Verpflichtungen seitens der Emittentin oder den Marktwert der Schuldverschreibungen beeinträchtigen können, werden in „*Risk Factors*“ (Risikofaktoren) erörtert:

- Die Risiken betreffen die Emittentin oder die Märkte, auf denen sie tätig ist.
- Marktrisiken einschließlich Energiemengen-, Rohstoffpreis-, Wettbewerbs-, Energiemarktliquiditäts-, Kontrahenten- und Eigenhandelsrisiken.
- Klimarisiken
- Finanzielle Risiken
- Risiken aus Übernahmen und Joint Ventures sowie strategische Risiken
- Betriebs- und Umweltrisiken
- Informatikrisiken
- Risiken aufgrund von Änderungen des politischen und wirtschaftlichen Klimas
- Risiken in Verbindung mit dem regulatorischen Umfeld
- Rechtliche Risiken
- Personalrisiken und Risiken im Zusammenhang mit der Finanzierung der Pensionen
- Versicherung

Darüber hinaus gibt es Risikofaktoren, die für die Bewertung der mit den Schuldverschreibungen verbundenen Risiken wesentlich sind, darunter Folgende:

- Schuldverschreibungen eignen sich nicht für alle Anleger als Anlage.
- Möglicherweise entwickelt sich für die Schuldverschreibungen kein aktiver Markt.
- Die Schuldverschreibungen können bei Einführung neuer Quellensteuern vor Endfälligkeit zurückgezahlt werden.

- Marktwert der Schuldverschreibungen.
- Inflationsrisiken.
- Da die Geschäftstätigkeit der Emittentin von deren Tochtergesellschaften ausgeübt wird, steht der Anspruch der Anleger auf Zahlungen auf die Schuldverschreibungen den sonstigen Verbindlichkeiten der Tochtergesellschaften der Emittentin im Rang nach.
- Die Fähigkeit der Emittentin zum Schuldendienst hängt davon ab, ob ihr der Ertrag und die Dividenden von ihren Tochtergesellschaften überwiesen werden.
- Kein Recht auf Rückzahlung bei Veräußerung von Vermögenswerten.
- Kreditrisiko.
- Kauf auf Kredit – Fremdkapitalfinanzierung.
- Da die Globalurkunden von oder im Namen von Euroclear und Clearstream, Luxemburg, gehalten werden, sind die Anleger auf deren Übertragungs-, Zahlungs- und Kommunikationsverfahren mit der Emittentin angewiesen.
- Vor Zusammenführung der Tranchen wird der Handel der Schuldverschreibungen der Mitarbeitertranche eingeschränkt sein.
- Mitarbeiter können die Schuldverschreibungen der Mitarbeitertranche möglicherweise nicht direkt im Anschluss an das Emissionsdatum handeln.
- Risiko eines Widerrufs/einer Stornierung des Angebots.
- Da die Schuldverschreibungen unbesichert sind, kann der Anspruch der Anleger auf Zahlungen durch einen Zahlungsausfall negativ beeinflusst werden.
- Gesetzliche Änderungen.

## RISK FACTORS

*The following is a disclosure of risk factors that may affect the ability of the Issuer to fulfil its obligations under the Bonds and which the Issuer believes may be material to the Bonds in order to assess the market risk associated with the Bonds. Prospective investors should consider these risk factors before deciding to purchase Bonds.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the Bonds, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Bonds may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Bonds are exhaustive. Prospective investors should consider all information provided in this Prospectus (and if applicable, any supplement) and consult with their own professional advisers (including their financial, accounting, legal and tax advisers) before investing in the Bonds. In addition, investors should be aware that the risks described herein may combine and thus intensify one another.*

### RISKS RELATING TO ENOVOS GROUP

#### *Market Risks*

The Group operates in an international market environment which is characterised by general risks relating to the business cycle. The financial strength of the Group and the ability of the Issuer to make payments on the Bonds in a timely manner is dependent on the following risks relating to the business cycle.

#### *Energy Volume Risks*

Companies active in the energy procurement and commercialisation business face the risks of mismatches between energy volumes available to them via short or long term purchase or self-generation and energy volumes they are committed or able to deliver or able to sell. Such mismatches may adversely affect the financial results of Enovos Group.

Enovos Group faces risks from fluctuating energy demand, primarily from industrial and commercial customers who, increasingly, adapt their production to the evolution of the business environment and whose energy demand may therefore become increasingly unpredictable and volatile. This could result in Enovos Group either being unable to sell energy it has already produced or purchased, or being obliged to cover additional demand on short term markets at unattractive conditions. In addition, in case Enovos Group is unable to meet energy demands as a result of the failure of its contractual counterparties to deliver energy at the agreed prices, Enovos Group will be required to cover the energy shortfall on short term markets at potentially considerably less attractive conditions. Energy volume risks may also result from increased competition resulting in the loss of market share to competitors.

#### *Commodity Price Risks*

Substantial price risks arise through the purchase of primary commodities, such as gas for power generation, through the purchase and sale of power and gas on the wholesale markets, energy exchange stock markets or “OTC”-market.

The movements between basic energy commodity prices and/or the prices at which Enovos Group is able to source power and gas or generate power, and the prices at which it can sell power and gas to its customers, may impact the operating results and consequently the financial position of Enovos Group, specifically when higher upstream prices cannot be passed on to customers. Whilst Enovos Group seeks to limit the effect of commodity price fluctuation by seeking to conclude long term supply contracts, adequate terms may not always be available. In addition, long term contracts between producers, importers and re-sellers of gas or power are subject to periodic adjustments to the then current market situation.

As prices under gas sale and purchase contracts are predominantly linked to the price of oil products, non-correlated movements in oil and gas prices affect the spread between spot gas prices and spot oil prices, and may thus impact Enovos Group’ profits. In addition, commodity price risks arise because gas

purchase prices are predominantly indexed to oil prices, whereas gas sales prices are increasingly guided by wholesale prices in short term markets.

Power sale contracts and purchase contracts are often linked for large (e.g. industrial) consumers, both in price and volume. This may not be the case for the smaller customer sectors where price risks result from the difference between spot prices at which Enovos Group sells power to customers and the prices charged to Enovos Group under its long term supply contracts.

Price risks also arise with respect to the purchase of emissions certificates, which are highly volatile and depend on both general economic conditions and the European legal framework, which is subject to change due to the continuous evolutions of global ecologic policy.

Price risks may also result from increasing competition in customer and wholesale markets, increasing complexity in energy portfolio management and increasing trading volumes which may affect the prices at which Enovos Group sells energy while the costs to Enovos Group for upstream generation and under its long-term supply contracts, may be insufficiently flexible to adjust to changing spot market conditions.

In particular, in the power market, upstream procurement is mainly based on forward purchase contracts and prices whereas the customer supply is generally based on the short term market situation, creating a substantial competition and volume risk. If short term or spot market prices levels are below the level of the procurement prices of Enovos Group agreed in long term indexed contracts, in upstream forward purchased contracts, and other procurement agreements, Enovos Group may either lose market share to competitors if it is not able or willing to adjust its customer prices or suffer pressure on its financial position. In this respect, the risk of loss of sales volumes may not be compensated through the other (wholesale) markets and may have an adverse effect on Enovos Group' financial results.

### ***Competition Risk***

Enovos Group faces increased competition in the markets in which it operates.

This could, *inter alia*, be the result of the entry of new suppliers into these markets or more aggressive tactics by existing market participants, resulting in a more competitive environment for Enovos Group' traditional power and natural gas business, which could threaten the financial position of Enovos Group. Enovos Group already faces considerable and increasing competitive pressure in traditional sectors, such as the German natural gas market. Furthermore Enovos Group may in the future face other competition challenges due to energy liberalisation in the geographic markets where the Group currently holds significant market shares which may impact its results.

### ***Energy Market Liquidity Risks***

Energy market liquidity risks arise when wholesale markets and energy exchange markets do not provide a counterpart offer for a commodity contract demand. Whilst such a situation may occur in any market segment, there is a greater probability of limited counterparty offers (i.e. low liquidity) for medium or long term delivery contracts. This compares to spot or short term standard commodity contracts, where in normal market conditions, a high liquidity is assured by a large number of participants in the market. For standard contracts, the liquidity risk for Enovos Group increases when trading volumes and/or the number of wholesale counterparties decrease or tend to be limited, in particular in a situation where Enovos Group would need to urgently close an open position, due to the fact that these factors - limited access to market counterparties and contracts - increase the uncertainty about the price and related conditions of such "position closing contracts". Market liquidity risks may also arise in times of stressed market situations based on external events (such as disruptions due to technical reasons, industrial action, armed conflicts or embargos). Enovos Group believes it does not face energy market liquidity risks different from those of its competitors or the global energy market. However, should such risks occur, they may have an adverse effect on Enovos Group' financial situation.

### ***Counterparty Risk***

Enovos Group is exposed to financial risks due to the failure of payment, bankruptcy or similar events affecting commercial and financial counterparties. While this risk may in the past have been marginal, it is exacerbated by the current global financial and economic crisis. The failure of major business partners, on the wholesale and/or the customer market, as well as problems in the financial sector affecting

guarantees provided to Enovos Group to cover counterparties, may adversely affect the net assets, the financial position and the results of Enovos Group.

### ***Proprietary Trading Risks***

Enovos Group' proprietary trading activities are exposed to commodity price risks existing with respect to all common liquid energy commodities such as power, gas, oil, coal and CO2 emissions certificates. Proprietary trading activities are also exposed to €/£-trading risks as well as to certain risks relating to derivatives (e.g. swaps and options) in energy related sectors including counterparty risks and liquidity risks. The Group has established a risk limit policy including maximum risk allowances and value-at-risk limits.

However, the global cumulated risk allowance for all commodities represents a value which, if settled at a global loss, may adversely affect the financial position or the results of the Group.

The risks related to the proprietary trading activity also include operational risks commonly related to this kind of activity and whose extent will be linked to the volumes and values traded and the need to react quickly in certain market situations where the occurrence of errors or misjudgements cannot be excluded and could negatively impact the financial results of Enovos Group.

Enovos Group' trading activities currently benefit from an exemption from financial regulatory provisions and thus are not subject to any financial supervisory control. However, the EU Commission has published plans to change the regulatory regime of commodities related derivatives trading and to abolish the energy-trading companies' exemptions from the Markets in Financial Instruments Directive ("MiFID"). Compliance with these new rules may require Enovos Group to meet certain regulatory requirements which would lead to increased margin requirements, liquidity risk and higher costs.

### ***Climate Related Risks***

The demand for electric power and natural gas is seasonal, with Enovos Group' operations generally experiencing higher demand during the cold-weather months of October through March and lower demand during the warm-weather months of April through September. As a result of these seasonal patterns, Enovos Group' sales and results of operations are generally higher in the first and fourth quarters and lower in the second and third quarters. Sales and results of operations for all of Enovos Group' energy operations, including transport and distribution grids, can furthermore be negatively affected by periods of unseasonably warm weather during the autumn and winter months as well as by periods of unseasonably cold weather during the spring and summer months.

Climate change has also become a central risk for all energy companies. For example, Enovos Group' power generation could be adversely affected by the absence of precipitation or above-average temperatures which reduce the efficiency of its assets. Extreme weather (including storms and flooding) and climatic changes could affect wind power, solar power and hydro power generation as well as energy grid systems. In addition to risks to its energy production and distribution, these occurrences may also lead to the disruption of offsite activities.

Furthermore the risk of climate change and increasingly unpredictable or significant and repeated changes in weather conditions, as well as major weather events, like storms or flooding, may result in changes in the demand of energy and/or cause damage to the transport and distribution networks. This could have an adverse impact on the net assets, financial position and results of the Group.

### ***Financial Risks***

Enovos Group' business operations are situated in the Euro-Zone and do not expose the Group's core business to notable financial risks from currency fluctuations.

Enovos Group is operating cash pool agreements at the Group level in order to limit its exposure to interest risks and financial costs. The centralized corporate cash pool also enhances the liquidity of the operational companies of the Group.

Enovos Group does not currently face any material cost from committed or uncommitted credit lines. However by using to a greater extent existing credit lines Enovos Group may be exposed to financial risks resulting from variable interest rates.



Enovos Group also faces risks from price changes and losses on current and non-current investments made to cover its non-current obligations, particularly pension and asset-retirement obligations.

Moreover where this is of benefit to Enovos Group, Enovos Group has in the past accepted and may in the future accept to guarantee to a certain extent business operations or undertakings of related and unrelated entities. Calls under these guarantees may adversely affect the financial situation of the Group.

#### ***Risks related to Acquisitions and Joint Ventures and Strategic Risks***

Enovos Group' business strategy involves acquisitions and investments in new businesses with a priority given to renewable energy generation as well as to upstream projects and facilities (e.g. wind and solar parks, biogas facilities, gas-powered electricity production assets, gas-field exploitation). This strategy depends in part on Enovos Group' ability to successfully identify, acquire and integrate companies and projects which enhance, on acceptable terms, Enovos Group' energy business. In order to obtain the necessary approvals for acquisitions or investments, Enovos Group may be required to make concessions or give undertakings which may adversely affect its current operating business. In addition, there can be no assurance that Enovos Group will be able to achieve the returns it expects from any acquisition or investment.

Risks related to Enovos Group' past and future acquisitions or participation in joint ventures include the risks (i) that Enovos Group may face difficulties to keep or integrate the employees or business relationships of the newly acquired company or parts of companies, (ii) that Enovos Group may fail to realize its desired growth objectives, economies of scale or cost savings, and/or (iii) that Enovos Group may fail to begin production on time and on budget. In addition, there are risks related to disagreements with joint venture or other strategic partners. The success of past or future acquisitions of companies or joint ventures or other shareholdings, therefore, cannot be assured. Incorrect risk assessments as well as any other miscalculations associated with acquisitions, participations, shareholding interests and joint ventures could have adverse effects on Enovos Group's business, prospects, financial results and results of operations.

Where Enovos Group participates in joint ventures or through shareholdings in companies, the companies in which Enovos Group has made investments are dependent on obtaining additional funding from their banks. If the credit market conditions worsen, the ability of these companies to obtain the external funding necessary to finance their technology development and capacity expansions would be adversely impacted, resulting in an increased demand on the shareholders to provide the necessary funding or to provide guarantees for credits. This could lead to an increased financial exposure of Enovos Group and could affect the Group's financial position and/or liquidity situation.

Larger strategic disposals are not currently foreseen but may become necessary in order to stay compliant with Enovos Group' core strategy to become a more renewable energy oriented group as well as with the core strategy's financial objectives. Enovos Group may also dispose of investments and participations which are outside its core business or are of minor importance or which are below the scope of consolidation. In the case of disposals, Enovos Group faces the risk of disposals not taking place or being delayed or being incorrectly valued, and the risk that Enovos Group receives lower-than-anticipated disposal proceeds. If planned disposals do not take place or are significantly delayed, this may impact the level of Enovos Group' indebtedness.

Also, the penetration by Enovos Group into new geographical markets, or by offering/taking recourse to new commodities, may require active and aggressive sales policies which may result in lower margins, start up costs and increased counterparty and credit risks.

#### ***Operational and Environmental Risks***

Technologically complex facilities are involved in the production, storage, transportation, distribution and commercialization of energy.

Enovos Group' power and natural gas operations may experience operational or other problems (whose possible causes may include extreme weather or interruption of business of grid operating partners) which could lead to a failure or shutdown in the continuous energy supply chain. Operational failures or extended production stoppages of facilities supplying Enovos Group and/or of the grid infrastructure on

which Enovos Group depends, or of all or some of their components, could negatively impact Enovos Group' financial position and results.

The business of Enovos Group, and in particular of its subsidiary Creos Luxembourg S.A., implies physical activity on site which results in health and safety risks. Enovos Group operational activities are subject to a range of health and safety laws and regulations in each of the jurisdictions in which it operates. These laws and regulations, as interpreted by relevant agencies and the courts, impose increasingly stringent health and safety protection standards regarding, among other things, employee health and safety. The failure to comply with health and safety laws and regulations could result in the assessment of civil and criminal penalties, the suspension of permits or operations, and lawsuits by third parties.

Despite Enovos Group' efforts to comply with health and safety laws and regulations, there remains a risk that health and safety accidents may occur that may result in costs and liabilities and negatively impact Enovos Group' reputation or the operations of the affected facility. Such incidents could include explosions or gas leaks or fires, vehicular accidents, or other incidents involving mobile equipment. Such incidents could lead to production stoppages, loss of key personnel, the loss of key assets, or put employees or persons living in the surroundings of such facilities at risk.

Under certain circumstances, authorities could require Enovos Group facilities to curtail or suspend operations based on health and safety concerns.

Enovos Group could be subject to environmental liabilities associated with its conventional or renewable power operations, as well as with its energy transportation and distribution grid infrastructure, which could adversely affect its business, financial position and results. In addition, new, or amendments to existing, environmental laws and regulations may result in significant increases in costs.

### ***IT Risks***

The successful operational and strategic management of Enovos Group relies heavily on complex information technology. As a result of the creation of the Enovos Group in 2009 as well as of the subsequent mergers and acquisitions, the Group has decided to review its IT landscape and in particular merge the existing systems into a single platform. IT risks are associated with the reliability and performance of networks and IT solutions as well as with the security of the Group's systems and the integrity of data and the timely and effective integration of the systems and data of acquired companies. The occurrence of IT risks may have an adverse impact on the revenues, financial position and results of the Group.

### ***Risks related to changes in the political and economic climate***

Enovos Group currently obtains about 85% of its electricity power from Germany, and substantial parts of its natural gas from Germany and Belgium (as to approximately 50% each) through diversified short-, mid- and long-term contracts. Each of these physical supplies may be disrupted in case of operational failures of upstream technical assets and operations which may not be under the control of Enovos Group, which can have a material adverse effect on the supply of energy which may adversely affect the business, financial position and results of Enovos Group.

Enovos Group is dependent on reliable political framework conditions in the energy sector notably in Germany where these conditions have recently become more uncertain, as a result of the various political, legal and fiscal actions regarding nuclear energy in Germany. This potentially increases the price volatility for Enovos Group's power sourcing on the German market.

High public finance deficits are increasing the pressure on governments in a number of European countries to increase revenues by imposing new burdens on companies, such as energy utilities, which are bound to locations in those countries. As a result of the adoption of the new policies, governments may introduce new, or increase current, taxes or tax rates on energy trade or consumption, which may affect the expected business results of Enovos Group. Furthermore, the huge imbalances in public budgets may negatively affect growth and investment climate not only in the so called "peripheral states" but throughout Europe.

### ***Risks related to the regulatory environment***

The political, legal, and regulatory environment in which Enovos Group operates is also a source of risks. In particular, Creos operates in a regulated environment, meaning that the activity of grid transport and distribution is subject to extensive regulations and in particular that the income paid to Creos by grid users (“tolls”) is determined by national regulators. Any changes to this regulatory environment may lead to uncertainty or changes with regard to Enovos Group’ revenues, corporate structure, investment planning, global business development and service offerings and thus may have an impact on the business operations and revenues of Enovos Group.

Until now, network access tariffs have been defined on the basis of a “rate of return regulation” approach ensuring a certain financial return on investments made in networks. Different rates are fixed, such as an average weighted cost of capital (nominal pre-tax) of 8.50%, based on an equity portion limited to up to 50%. The method of calculating regulatory depreciation is also defined by the *Institut Luxembourgeois de Régulation* (“ILR”) (the applicable regulations date from February 2009). As a consequence, the income stream generated by Creos Luxembourg has constituted a stable income source and this is expected to continue in the future.

As from 1<sup>st</sup> January 2013 a new approach for the calculation of grid fees will be implemented according to the principle of an incentive regulation, based on an indexation of controllable operational charges and new calculation procedures in relation to capital investments. The new regulation will provide opportunities to network operators to increase their profits if they manage to reduce their operational costs below the amounts resulting from indexation but with the risk of lower profit in the opposite case.

The detailed modalities of the new regulation have been published in “Règlement E12/05/ILR du 22 mars 2012” for electricity and “Règlement E12/06/ILR du 22 mars 2012” for gas. These new regulations are applicable for the first regulation period from 2013 to 2016.

The remuneration rates on investments have been revised downwards, i.e. an average weighted cost of capital of (nominal pre-tax) 7.60% (instead of 8.50% in the current regulation). This decrease of return rates had been announced last year by the ILR as a consequence of the evolution of financial markets.

As far as the operations of Creos Deutschland are concerned, the German regulator (*Bundesnetzagentur*) already applies an incentive based regulation. This regulation foresees a recurring, 5-year benchmark analysis, which measures operative efficiency and cost level and takes into account invested capital and operating expenses. The better an operator’s efficiency and cost level compared to the “best of class” among its peers, the higher the amount of cost-pass-through granted by the *Bundesnetzagentur*. Creos Deutschland’s challenge is to maintain a low level of operational costs (as defined by the *Bundesnetzagentur*).

Recent developments have required Creos Deutschland to supplement its investment program with a proactive response plan to address revised technical requirements, which are expected to have extensive influence on the design of the grid in its currently envisaged final stage of development – the so-called “*Target-Grid*”. In order for the permitted revenue level being sufficient to cover Creos Deutschland’s capital costs and allow for an appropriate return, it will be necessary to obtain recognition by the *Bundesnetzagentur* in accordance with the German Incentive Regulation Ordinance (*AnreizRegulierungsVerordnung*) of the investment budgets annually applied for by Creos Deutschland.

These imposed technical requirements concerning the design of Creos Deutschland’s grid increase the risk that the German regulator might fail to recognize additional capital costs expenditures connected with said requirements.

More generally, the system now existing in Germany and the forthcoming system of regulated energy grid tariffs in Luxembourg, represent a risk of declining margins for these activities in case regulated tariffs will not cover operational costs and capital expenditure costs to the same extent as they do currently and did in the past, which would have a negative impact on the results of the Group in case the Group would not be able to compensate the impact from lower tariffs by an improved efficiency allowing it to lower its operational costs and capital expenditure.

Enovos Group generally faces uncertainty about the impact of future regulations.

The third European Union Directives package for electricity (2009/72/EC) and gas (2009/73/EC) affects the entire value chain and grants national and European regulatory agencies far-reaching new authority to intervene in markets. Risks result not only from the increased scope of intervention options, but also from the legislation which the Member States will enact to implement this third legislative package into national law and which could go beyond the minimum standards of the EU electricity and gas directives. In Luxembourg, draft bills of law n° 6316 and 6317 which will respectively amend the law dated 1<sup>st</sup> August 2007 on the organization of the electricity market and the law dated 1<sup>st</sup> August 2007 on the organization of the natural gas market have been put before Parliament.

Whilst Enovos Group does not expect this new legislation to materially affect the corporate structure of the Group or to substantially limit Enovos Group' ability to continue to be able to provide all of its current service offerings to customers, and shared services, such as IT and HR, to its subsidiaries, Enovos Group cannot rule out that there could be amendments during the legislative process which may require it to modify its group structure, the offering of shared services to its subsidiaries or its service offerings to its customers, which may in turn adversely affect its revenues, cost base and financial position.

The EU also passed the so-called green legislative package whose purpose is to enable the EU to achieve its climate targets. By 2020, energy from renewable sources is intended to meet 20 percent of the EU's energy consumption, while greenhouse-gas emissions are to be reduced by 20 percent from 1990 levels. Emissions Trading System ("ETS") emission allowances have so far been allocated at no cost to the industry. No-cost allocation will gradually be replaced by the auctioning of allowances and starting in 2013, power producers will have to acquire all of their allowances through auctions. Details regarding the organization of and rules applicable to these auctions are not yet available and the number of allowances will be reduced each year.

Another regulatory impact will be that an increasing portion of the fuels used to satisfy the needs of private users (e.g. heating, transport) will need to come from renewable sources. Furthermore, the EU and Member States may provide financial support for the development of carbon-capture and carbon-storage technology and other technologies that may change the energy landscape. The entire legislative green package being currently discussed at the political level including the aforementioned aspects and their implementation will have a profound impact on the future generation mix, network infrastructure, and market rules. These and other changes to the legal and regulatory framework resulting from environmental or other policies may materially affect the energy sector. Whilst it can not be excluded that these changes may include potential risks, Enovos Group believes that they will support the success of Enovos Group's business model.

### ***Legal Risks***

Enovos Group's operations may be affected from time to time by legal proceedings and/or litigation. These could in particular concern non-compliance with energy market regulation, permitting and/or licensing regulations, unlawful behaviour under competition regulations such as market concentration or anticompetitive practices, claimed liability for non fulfilment of contractual obligations or liability under tort. Although Enovos Group has not in the past experienced and is not currently involved in any such proceedings which are material (except for those mentioned under the heading "*legal and arbitration proceedings*" below), it is generally understood that the energy sector may face them from time to time. Should Enovos Group become involved in such proceedings, they could, if they are material, divert the focus of management and, if determined adversely, may have an adverse effect on the business financial position and results of Enovos Group.

### ***Personnel Risks and the Funding of Pensions***

There is a remuneration risk in case of renegotiation of existing collective wage agreements compared to budgeted personnel expenses. The uncertainty concerns the amount and term of the collectively bargained wages and salaries compared to the assumptions underlying budgetary planning. In addition, there is a risk that the human resources needed for the business development may not be available at the expected terms and conditions. This could result in material adverse effects on Enovos Group development and its financial position.

The Group operates various defined unfunded benefit pension plans. The amount reported in the balance sheet is based on actuarial assumptions and actuarial gains and losses are recognized in full in the period

in which they occur. In case the basic actuarial assumptions currently made prove to be incorrect, this could adversely affect the business plan and financial results of Enovos Group.

### ***Insurance***

Enovos Group evaluates potential identified risks related to its activities and estimates possible financial consequences in case such risks materialise. Subject to the availability of the relevant insurance product and prevailing market conditions, Enovos Group aims to hedge the majority of such risks with institutions operating in the insurance market. However, where Enovos Group considers it to be appropriate, some of the risks are hedged only partially or are subject to a franchise. If a material non-covered risk occurs, the financial position and results of Enovos Group may be adversely affected.

## **RISK FACTORS REGARDING THE BONDS**

### ***Bonds may not be a suitable investment for all investors***

Each potential investor in Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference into this Prospectus or any supplement hereto;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;
- (iv) understand thoroughly the terms and conditions of the Bonds; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

### ***An active market for the Bonds may not develop***

Although application has been made for the Bonds to be admitted to listing on the official list and trading on the Luxembourg Stock Exchange's Euro MTF market, there can be no assurance that an active trading market for the Bonds will develop, or, if one does develop, that it will be maintained. If an active trading market for the Bonds does not develop or is not maintained, the market or trading price and liquidity of the Bonds may be adversely affected. Enovos Group is entitled to purchase Bonds, as described in Condition 5(e), and Enovos Group may issue further Bonds, as described in Condition 13. Such transactions may favourably or adversely affect the price development of the Bonds. If additional and competing products are introduced in the markets, this may adversely affect the value of the Bonds.

### ***The Bonds may be redeemed prior to maturity on imposition of new withholding taxes***

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Bonds due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Luxembourg or any political subdivision thereof or any authority therein or thereof having power to tax other than those withholding taxes described under "Taxation", the Issuer may redeem all outstanding Bonds in accordance with the Conditions.

### ***Market Value of the Bonds***

The market value of the Bonds will be affected by the creditworthiness of the Group and a number of additional factors, including market interest, yield rates and the time remaining to the maturity date.

The value of the Bonds depends on a number of interrelated factors, including economic, financial and political events in the Grand Duchy of Luxembourg or elsewhere. The price at which a Bondholder will

be able to sell the Bonds prior to maturity may be at a discount, which could be substantial, from the Issue Price or the purchase price paid by such purchaser.

The market for debt securities is influenced by economic and market conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in the Grand Duchy of Luxembourg, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Bonds or that economic and market conditions will not have any other adverse effect.

### ***Inflation Risk***

Inflation risk is the risk of the future depreciation of money. The real yield from an investment in the Bonds is reduced by inflation. The higher the rate of inflation, the lower the real yield on a Bond. If the inflation rate is equal to or higher than the nominal yield, the real yield will be zero or even negative.

***Since the Issuer conducts its operations through subsidiaries, investors' right to receive payments on the Bonds is subordinated to the other liabilities of the Issuer's subsidiaries.***

The Issuer is a holding company which is dependent on the earnings and cash flows of, and dividends and distributions from, its operating subsidiaries to meet its debt servicing obligations. The Issuer's subsidiaries are not guarantors of the Bonds and are not bound by obligations under the Bonds. Moreover, these subsidiaries are not required and may not be able to pay dividends to the Issuer. Claims of the creditors of the Issuer's subsidiaries have priority as to the assets of such subsidiaries over the claims of the Issuer's creditors. Consequently, holders of the Bonds are in effect structurally subordinated, on insolvency to the prior claims of the creditors of the Issuer's subsidiaries.

***The Issuer's ability to make debt service payments depends on its ability to transfer income and dividends from its subsidiaries.***

The Issuer is a holding company with no significant assets other than direct and indirect interests in the subsidiaries through which it conducts operations.

Furthermore, the continued transfer to the Issuer of dividends and other income from its subsidiaries may in some cases be limited by various credit or other contractual arrangements and/or tax constraints, which could limit or make such payments costly. If in the future these restrictions are increased or if the Issuer is otherwise unable to ensure the continued transfer of dividends and other income to it from these subsidiaries, its ability to make debt payments will be impaired.

***No right of redemption in case of disposal of assets.***

Enovos Group' main business activities are (i) the procurement, production, distribution, storage and commercialisation of power and natural gas and related development and trading activities ("**Energy Production and Commercialisation Business**") and (ii) the development and operation of grid infrastructures for the distribution of power and gas ("**Grid Activities**").

Enovos Group has no current plans and is not required by any regulatory obligation to dispose or cease to operate its Grid Activities alongside its Energy Production and Commercialisation Business. However, in case Enovos Group will in the future decide, or as a result of regulatory changes, become obliged, to separate its Grid Activities or its Energy Production and Commercialisation Business from its other businesses via a sale or contribution in whole or in part or otherwise, there will be no acceleration of maturity under the Bonds and Bondholders will have no right under the Conditions to require the Issuer to redeem their Bonds as a result of such action.

### ***Credit Risk***

Any person who purchases the Bonds is relying upon the creditworthiness of the Issuer and has no rights against any other person. Holders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments that the Issuer is obliged to make under the Bonds. The worse the creditworthiness of the Issuer, the higher the risk of loss.

A materialisation of the credit risk may result in partial or total failure of the Issuer to make interest and/or redemption payments.

### ***Purchase on Credit – Debt Financing***

If a loan is used to finance the acquisition of the Bonds by a holder and the Bonds subsequently go into default, or if the trading price of the Bonds diminishes significantly, the holder may not only have to face a potential loss on its investment, but it will also have to repay the loan and pay interest thereon. A loan may significantly increase the risk of a loss. Potential investors should not assume that they will be able to repay the loan or pay interest thereon from the profits of a transaction. Instead, potential investors should assess their financial situation prior to an investment, as to whether they are able to pay interest on the loan, repay the loan on demand, and that they may suffer losses instead of realising gains.

***Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer***

The Bonds will be represented by the Global Notes. The Global Notes will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg. Investors will not be entitled to receive definitive Bonds. Euroclear and Clearstream, Luxembourg will maintain records of the interests in the Global Notes. Investors will be able to trade their interests only through Euroclear and Clearstream, Luxembourg.

In accordance with the Conditions, the Issuer will discharge its payment obligations by making payment to, or to the account of, the holder of the Global Note. In practice, this means that the Issuer will discharge its payment obligations under the Bonds by making payments to or to the order of the common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of an interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, interests in the Global Notes.

***There will be limited trading activity for the Employee Tranche Bonds prior to the Tranche Consolidation***

On the date where the Temporary Global Notes are exchanged for the Permanent Global Note, which is expected to be 40 days after the Issue Date and upon certification as to non-U.S. beneficial ownership, the Employee Tranche Bonds will be consolidated into the Public Tranche Bonds (the "**Tranche Consolidation**"). After the Tranche Consolidation, the Employee Tranche Bonds will form a single tranche with the Public Tranche Bonds and will be fungible in all respects with the Public Tranche Bonds. Prior to the Tranche Consolidation, the liquidity of any trading market for the Employee Tranche Bonds will be limited, in particular if the proportion subscribed by Subsidiaries of the Issuer, as described under "*Subscription and Sale*", is significant.

***Employees may not be able to trade Employee Tranche Bonds immediately after the Issue Date***

The interests of Employees in Employee Tranche Bonds may credit to the account of the relevant Employee several days after the Issue Date. Until the Employee Tranche Bonds are credited to the account of the relevant Employee, such Employee will not be able to sell or trade his/her Employee Tranche Bonds.

***Risk of withdrawal/cancellation of the Offering***

Subsequent to the date of this Prospectus and prior to the Issue Date of the Bonds, the offering of the Bonds may be wholly or partially withdrawn, in accordance with the provisions of the Placement Agreement, subject to prior notification to the Issuer and subsequently to the public, in which cases the offering of the Bonds will be deemed cancelled.

In this event, investors who have paid the subscription price for the Bonds before the notice of withdrawal or cancellation of the offering, will not be able to benefit from interest on the sums paid that they may otherwise have earned if they had not paid those sums by way of payment for the subscription of the Bonds.

***Since the Bonds are unsecured, investors' rights to receive payments may be adversely affected in case of default***

The Bonds will be unsecured. If the Issuer defaults on the Bonds, to the extent the Issuer or one of its subsidiaries has granted security over its assets, the assets that secure that entity's debts will be used to satisfy the obligations under that secured debt before the Issuer can make payment on the Bonds. There may only be limited assets available to make payments on the Bonds in the event of an acceleration of the Bonds. If there is not enough collateral to satisfy the obligations of the secured debt, then creditors of the remaining amount of secured debt would share equally with all unsubordinated unsecured indebtedness.

***Change of Law***

These Terms and Conditions will be governed by Luxembourg law, as in effect as at the date of this Prospectus. No assurance can be given as to the impact thereon or on their construction as a result of a judicial decision or change to Luxembourg law (or law applicable in Luxembourg) or administrative practice in Luxembourg after the date of this Prospectus.



## TERMS AND CONDITIONS OF THE PUBLIC TRANCHE BONDS

*The following is the text of the Terms and Conditions of the Public Tranche Bonds which subject to the possible amendment of the aggregate principal amount of Public Tranche Bonds issued, will be endorsed on the Bonds (the "Conditions"):*

The minimum EUR 95,000,000 3.75 per cent. bonds due 2019 (the "**Bonds**", which expression includes any further bonds issued pursuant to Condition 13 (*Further issues*) and forming a single series therewith) of Enovos International S.A., a *société anonyme* organised under the laws of Luxembourg, registered with the *Registre de Commerce et des Sociétés à Luxembourg* under number B11.723 and having its registered office at 66, rue de Luxembourg, Domaine Schlassgoart, Bâtiment 9, L-4221 Esch-sur-Alzette, (the "**Issuer**") are the subject of an agency agreement dated on or about 14 May 2012 (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer and Banque Internationale à Luxembourg SA as paying agent (the "**Paying Agent**", which expression includes any successor paying agent appointed from time to time in connection with the Bonds). Certain provisions of these Conditions are summaries of the Agency Agreement and subject to its detailed provisions. The holders of the Bonds (the "**Bondholders**") are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection by the Bondholders during normal business hours at the Specified Office(s) (as defined in the Agency Agreement) of the Paying Agent, the initial Specified Office of which is set out below in Condition 10.

Any reference to the Bonds shall be construed as a reference (i) to each unit of EUR 1,000, in relation to the Bonds represented by a Temporary Global Note (as defined below) or a Permanent Global Note (as defined below) (the Temporary Global Note and the Permanent Global Note being referred to as the "**Global Notes**" and each a "**Global Note**"); and (ii) to such Global Note.

Unless the context requires otherwise or unless otherwise specified, words and expressions defined in the Agency Agreement shall have the same meaning as those used in these Conditions.

### 1. Form, Denomination and Title

The Bonds are in bearer form in the denomination of EUR 1,000 each. The Bonds shall initially be represented by a temporary global note issued in new global note form ("**NGN Form**") (the "**Temporary Global Note**"). Interests in the Temporary Global Note will be exchangeable for interests in a permanent global note issued in NGN Form (the "**Permanent Global Note**") on or after a date that is expected to be 40 days after the Issue Date and upon certification as to non-U.S. beneficial ownership.

On the Issue Date, the Temporary Global Note will be deposited with a common safekeeper (the "**Common Safekeeper**") for the account of Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") and Euroclear Bank SA/NV ("**Euroclear**").

The interests of the Bondholders in the Bonds shall be registered in the records of Clearstream, Luxembourg and Euroclear and interests in the Global Note shall only be transferable in accordance with the rules and procedures of Clearstream, Luxembourg and/or Euroclear.

The holder of the Global Notes shall be treated by the Issuer and the Paying Agent as the owner of the Bonds in accordance with the terms of the respective Global Note and the terms "Bondholders" and "holders of Bonds" shall be construed accordingly. For purposes of payment of interest and principal related to the Bonds, the holder of the Global Note shall be treated by the Issuer as the sole owner and holder of the Bonds represented by the Global Note.

### 2. Status

The Bonds constitute direct, general, unsubordinated, unsecured and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

### 3. Negative Pledge

So long as any Bond remains outstanding (as defined in the Agency Agreement) the Issuer shall not and shall procure that none of its Material Subsidiaries will, create or permit to subsist any Security Interest (other than a Permitted Security Interest) upon any of its Assets to secure any Relevant Indebtedness or any Guarantee of any Relevant Indebtedness incurred or granted by the Issuer or one of its Material Subsidiaries (on or after 14 May 2012) unless the obligations of the Issuer under the Bonds are at the same time or prior thereto (i) equally and rateably secured with such Relevant Indebtedness or the Guarantee of any Relevant Indebtedness or (ii) benefit from any other Security or arrangement as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Bondholders in a general meeting.

In these Conditions:

"**Asset(s)**" means, in relation to any Person, all or any part of its business, undertaking, property, assets, revenues (including any right to receive revenues) and uncalled capital, wherever situated, whether present or future;

"**Material Subsidiary**" means, at any time, a Subsidiary of the Issuer:

whose gross assets or pre-tax profit contributions (excluding intra-Group items) is then equal or exceeds 10 per cent. of the consolidated gross assets or pre-tax profits of the Group, such percentages to be calculated on the basis of the most recent audited consolidated accounts of the Group; and

For this purpose:

- (a) the gross assets or pre-tax profits of a Subsidiary of the Issuer will be determined from its financial statements (unconsolidated if it has Subsidiaries) upon which the latest audited consolidated financial statements of the Group have been based;
- (b) if a company becomes a member of the Group after the date on which the latest audited consolidated financial statements of the Group have been prepared, the gross assets or pre-tax profits of that Subsidiary will be determined from its latest financial statements;
- (c) the gross assets or pre-tax profits of the Group will be determined from its latest audited consolidated financial statements, adjusted (where appropriate) to reflect the gross assets or pre-tax profits of any company or business subsequently acquired or disposed of; and
- (d) if a Material Subsidiary disposes of all or substantially all of its assets to another Subsidiary of the Issuer, it will immediately cease to be a Material Subsidiary and the other Subsidiary (if it is not already) will immediately become a Material Subsidiary; the subsequent financial statements of those Subsidiaries and the Group will be used to determine whether those Subsidiaries are Material Subsidiaries or not.

If there is a dispute as to whether or not a company is a Material Subsidiary, a certificate of the auditors of the Issuer will be, in the absence of manifest error, conclusive and binding on the Issuer and the Bondholders;

"**Group**" means the Issuer and the Subsidiaries of the Issuer, taken as a whole;

"**Guarantee**" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (a) any obligation to purchase such Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Indebtedness; and

- (d) any other agreement to be responsible for such Indebtedness;

**"Indebtedness"** means any indebtedness, other than the Bonds and any moneys borrowed by a member of the Group (not being the Issuer or a Material Subsidiary) from another member of the Group, of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (a) amounts raised by acceptance under any acceptance credit facility;
- (b) amounts raised under any note purchase facility;
- (c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases; and
- (d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 180 days, after delivery of the relevant assets or services.

**"Permitted Security Interest"** means:

- (a) (i) any Security Interest granted by the Issuer or any Material Subsidiary over its Assets in respect of any Relevant Indebtedness in existence on 14 May 2012, (ii) any Security Interest which has been granted by a Person over its Assets at the time such Person becomes a Material Subsidiary or at the time where such Person's business and/or activities, in whole or in part, are assumed by or vested in the Issuer or a Material Subsidiary after 14 May 2012 (other than any Security Interest created in contemplation thereof) and (iii) any substitute Security Interest created over the Assets (or any part thereof) of the Issuer or any Material Subsidiary in connection with the refinancing of the Relevant Indebtedness previously secured on such Assets provided that the principal, nominal or capital amount secured on any such Security Interest may not be increased, including in each case where the maturity of the Relevant Indebtedness is extended; and
- (b) any Security Interest arising by operation of law and in the ordinary course of business of the Issuer or any of its Material Subsidiaries which does not (either alone or together with any one or more other such Security Interests) materially impair the operation of such business and which has not been enforced against the Assets to which it attaches;

**"Person"** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

**"Relevant Indebtedness"** means any present or future Indebtedness (whether being principal, premium, interest or other amounts), in the form of or evidenced by notes, bonds, debentures, loan stock or other similar debt instruments (*valeurs mobilières*), whether issued for cash or in whole or in part for a consideration other than cash, and which are, or are capable of being, quoted, listed or ordinarily dealt in or traded on any stock exchange or other securities market (whether regulated or unregulated including any over the counter market);

**"Security Interest"** means any mortgage, charge, pledge, lien or other security interest or collateral arrangement of any nature whatsoever; and

**"Subsidiary"** means, in relation to any Person (the **"first Person"**) at any particular time, any other Person (the **"second Person"**):

- (a) whose affairs and policies the first Person alone or through or with a Subsidiary controls or has the power to control, whether by (i) ownership of more than 50 per cent (50%) of the voting share capital of the second Person, (ii) contract, or (iii) the power to appoint or remove all or a majority of the members of the governing body of the second Person; or

- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles and in particular in accordance with article 309 of the Luxembourg law on commercial companies dated 10 August 1915, as amended (the "**Company Law**"), consolidated with those of the first Person.

#### 4. Interest

Each Bond bears interest on its outstanding principal amount from and including 15 June 2012 (the "**Issue Date**"), at the rate of 3.75 per cent. per annum, (the "**Rate of Interest**") payable in arrear on 15 June in each year commencing 15 June 2013 (each, an "**Interest Payment Date**"), subject as provided in Condition 6 (*Payments*).

Each Bond will cease to bear interest from the due date for redemption thereof unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest in accordance with Condition 6(e) (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder and (b) the day which is seven days after the Paying Agent has notified the Bondholders that it has received all sums due in respect of the Bonds up to such seventh day (except to the extent that there is any subsequent default in payment).

The amount of interest payable on each Interest Payment Date shall be EUR 37.50 in respect of each Bond. If interest is required to be paid in respect of a Bond on any other date, it shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction and rounding upwards the resulting figure to the nearest cent, where:

"**Calculation Amount**" means EUR 1,000;

"**Day Count Fraction**" means, in respect of any period, the number of days in the relevant period, from (and including) the first day in such period to (but excluding) the last day in such period, divided by the number of days in the Regular Period in which the relevant period falls; and

"**Regular Period**" means each period from (and including) the Issue Date or any Interest Payment Date to (but excluding) the next Interest Payment Date.

#### 5. Redemption and Purchase

- (a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 15 June 2019, subject as provided in Condition 6 (*Payments*).
- (b) *Redemption for tax reasons*: The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable), at their principal amount, together with interest accrued to the date fixed for redemption, if:
  - (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*); and
  - (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;

*provided, however, that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Bonds were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Paying Agent:

- (A) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (B) an opinion of external legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts.

Upon the expiry of any such notice as is referred to in this Condition 5(b), the Issuer shall be bound to redeem the Bonds in accordance with this Condition 5(b).

- (c) *No other redemption*: The Issuer shall not be entitled to redeem the Bonds otherwise than as provided in paragraphs (a) (*Scheduled Redemption*) and (b) (*Redemption for tax reasons*) above.
- (d) *Exchange*: Nothing in these Conditions shall prevent the Issuer from making any offers to the Bondholders to exchange their Bonds for other bonds or notes issued by the Issuer or any other Person.
- (e) *Purchase*: The Issuer or any of its Subsidiaries may at any time purchase Bonds in the open market or otherwise and at any price, subject to compliance with applicable law.
- (f) *Cancellation*: All Bonds purchased by the Issuer or any of its Subsidiaries may be held or resold at the option of the Issuer or relevant Subsidiary or surrendered to the Paying Agent for cancellation, which shall be final.

## 6. Payments

- (a) Payments of principal and interest in respect of Bonds represented by a Global Note shall be made in the manner specified in the Global Note. A record of each payment made, distinguishing between payments of principal and payments of interest, shall be recorded *pro rata* upon the instruction of the Paying Agent, in the records held by Clearstream, Luxembourg and/or Euroclear and such registration in the record held by Clearstream, Luxembourg and/or Euroclear shall be evidence that the payment has been made.
- (b) The holder of the Global Note shall be the only person entitled to receive payments in respect of the Bonds represented by a Global Note and the Issuer shall be discharged by payment to, or to the account of, the holder of the Global Note in respect of each amount so paid.
- (c) Each of the persons shown in the records of Clearstream, Luxembourg or Euroclear as the beneficial owner of a particular amount of Bonds represented by a Global Note must look solely to Clearstream, Luxembourg and Euroclear, as the case may be, for his share of each payment so made by the Issuer to or to the account of, the holder of the Global Note.
- (d) If the date of payment of any amount of principal or interest on a Bond is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day (and shall not be entitled to any interest or other payment in respect of such delay).

For the purpose of these Conditions, "**Business Day**" means any day, not being a Saturday or a Sunday, (i) on which commercial banks and foreign exchange markets are open for general business in the relevant city and (ii) which is a TARGET Business Day; "**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer System or any successor thereto; and "**TARGET Business Day**" means any day on which the TARGET System is open.

- (e) Any amount owed by the Issuer and remaining unpaid on the due date shall automatically bear interest at the Rate of Interest plus two per cent (2%), without any formal notice being required, which interest (the "**Default Interest**") shall be calculated on the basis of a year of three hundred and sixty five (365) days and the exact number of days elapsed from the due date of the unpaid amount until the day of actual payment.

## 7. **Taxation**

All payments of principal and interest in respect of the Bonds by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Luxembourg or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Bondholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond presented for payment:

- (a) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of its having some connection with Luxembourg other than the mere holding of the Bond including for the avoidance of doubt pursuant to the law of 23 December 2005 (as amended); or
- (b) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to (i) European Council Directive 2003/48/EC on the taxation of savings income (as it may be amended and / or replaced) or any other directive implementing the conclusion of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such directive, or (ii) the bilateral agreements concluded between the European Union member states and several third countries or dependent or associated territories of the European Union pursuant to article 17.2 of the European Council Directive 2003/48/EC (as such agreements may be amended and/or replaced); or
- (c) more than 30 days after the Relevant Date except to the extent that the holder of such Bond would have been entitled to such additional amounts on presenting such Bond for payment on the last day of such period of 30 days.

In these Conditions, "**Relevant Date**" means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received in Luxembourg by the Paying Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Bondholders.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 7 (*Taxation*).

## 8. **Events of Default**

If any of the following events occurs:

- (a) Non-payment: the Issuer fails to pay any amount of principal or interest in respect of the Bonds on the due date for payment thereof and such failure is not remedied within a period of seven days; or
- (b) *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its other material obligations, covenants, agreements or undertakings under or in respect of the Bonds and such default remains unremedied for 20 days after written notice thereof, addressed to the Issuer by any Bondholder, has been delivered to the Issuer or to the Specified Office of the Paying Agent; or

- (c) *Cross-default of Issuer or Material Subsidiary:*
- (i) any Indebtedness of the Issuer or any of its Material Subsidiaries is not paid when due in accordance with its terms or (as the case may be) within any originally applicable grace period;
  - (ii) any such Indebtedness becomes due and payable prior to its stated maturity in accordance with its terms otherwise than at the option of the Issuer or (as the case may be) the relevant Material Subsidiary or (*provided that* no event of default, howsoever described, has occurred) any person entitled to such Indebtedness; or
  - (iii) the Issuer or any of its Material Subsidiaries fails to pay when due or, as the case may be, within any originally applicable grace period, in accordance with its terms any amount payable by it under any Guarantee of any Indebtedness;

unless (a) the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above individually or in the aggregate does not exceed EUR 25,000,000 (or its equivalent in any other currency or currencies) or (b) the Issuer or any such Material Subsidiary, as the case may be, is legally entitled to set off the Indebtedness with a claim it has against the creditor of the Indebtedness which results out of the Indebtedness or any other relationship with such creditor or (c) in respect of any Indebtedness borrowed by the Issuer or a Material Subsidiary from any member of the Group, such Indebtedness is not paid when due and payable solely as a result of a technical or procedural problem and not as the result of the inability of the Issuer or a Material Subsidiary, as relevant, to make the relevant payment when due and payable; or

- (d) *Unsatisfied judgment:* one or more judgment(s) or order(s) for the payment of an amount of at least EUR 8,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer or any of its Material Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date it becomes enforceable ("*exécutoire*"), including provisionally ("*par provision*") and payment thereunder is due; or
- (e) *Security:* a secured party of the Issuer or any of its Material Subsidiaries is or becomes entitled to enforce any Security Interest (which for the avoidance of doubt does not include any Guarantee of Indebtedness granted by the Issuer to any of its Material Subsidiaries) over any undertaking, assets or revenue of the Issuer or of any of its Material Subsidiaries and starts enforcement proceedings on such Security Interest **provided that** the amount due by the Issuer or the relevant Material Subsidiary (but which remains unpaid) for which such Security Interest is subject to enforcement proceedings is equal to or greater than the higher of (a) 5% of the total assets of the Issuer or the relevant Material Subsidiary, as applicable, as determined on the basis of the latest annual accounts available on the date of such event and (b) EUR 10 million; or
- (f) *Insolvency, etc:* an Insolvency Event occurs in respect of the Issuer or any of its Material Subsidiaries; or
- (g) *Unlawfulness:* it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Bonds; or
- (h) *Listing:* the Bonds cease to be listed on a regulated market or a multilateral trading facility (MTF) market (each as defined in the Markets in Financial Instruments Directive 2004/39/EC of the European Parliament and of the Council) in Belgium or Luxembourg, for a period of more than 30 Business Days, where such cessation of listing is due to an act, omission or default of the Issuer,

then any Bond may, by written notice addressed by the holder thereof to the Issuer and delivered to the Issuer or to the Specified Office of the Paying Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its principal amount together with accrued interest without further action or formality, unless prior to the receipt of such notice by the Issuer or the Paying Agent the relevant Event of Default is no longer continuing, where:

"Insolvency Event" means that the Issuer or any of its Material Subsidiaries:

- i. is in cessation of payments (*cessation de paiements*) or is declared by a court of competent jurisdiction to be bankrupt (*en faillite*) or presents a request for controlled management (*gestion contrôlée*) or is granted a moratorium on payments (*sursis de paiement*) or a moratorium of any indebtedness or enters into a composition with its creditors (*concordat préventif de la faillite*), or is declared in liquidation under a compulsory liquidation procedure (*liquidation judiciaire*); or
- ii. takes any corporate decision to apply for, or is the subject of any proceeding commenced against it for (other than where the relevant proceeding is discharged or dismissed within 40 Business Days of filing), a suspension of payments, a moratorium of any indebtedness or implement a winding-up or dissolution (including solvent dissolution or liquidation but excluding dissolution as a result of a merger or similar corporate restructuring); or
- iii. suspends or threatens to stop or suspend payment of all or a material part of its debts within the meaning of any applicable law, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or a substantial part of its debts (or any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or any arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts; or
- iv. a moratorium is agreed or declared in respect of or affecting all or any part of the debts of the Issuer or any Material Subsidiary; or
- v. in case of the appointment of a liquidator under a compulsory liquidation procedure (*liquidateur judiciaire*), receiver (*curateur*), administrative receiver, administrator (*commissaire à la gestion contrôlée*), compulsory manager or other similar officer under any laws of any jurisdiction in respect of the Issuer any Material Subsidiary or all or a substantial part of its assets;
- vi. any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the foregoing events.

## 9. Prescription

Any actions brought against the Issuer for the payment of principal on the Bonds shall be time barred after ten (10) years from the appropriate Relevant Date.

Any actions brought against the Issuer for the payment of interest on the Bonds shall be time barred after five (5) years from the appropriate Relevant Date.

## 10. Paying Agent

In acting under the Agency Agreement and in connection with the Bonds, the Paying Agent acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any of the Bondholders.

The initial Paying Agent and its initial Specified Office is listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agent and to appoint a successor paying agent; *provided, however, that* the Issuer shall at all times maintain a paying agent in Luxembourg;



The Specified Office of the Paying Agent as at the date hereof is: Banque Internationale à Luxembourg SA, 69, route d'Esch L-2953 Luxembourg. Notice of any change in the Paying Agent or in its Specified Office shall promptly be given to the Bondholders.

**11. Representation of Bondholders**

The Bondholders and their representation (if any) shall be organised in accordance with articles 86 to 94-8 of the Company Law.

**12. Minor Amendments and Corrections**

The Issuer and the Paying Agent may, without the consent of the Bondholders, amend:

- (a) the Agency Agreement regarding provisions not detrimental to the Bondholders, or
- (b) the Conditions or the Agency Agreement with regard to any amendment to the format, minor amendments or amendments of a purely technical nature or to correct manifest errors or to observe Luxembourg legal and/or regulatory provisions.

Such amendments shall be enforceable against Bondholders and shall be notified to the Bondholders as soon as possible in accordance with Condition 14 (*Notices*).

**13. Further Issues**

The Issuer may (i) from time to time, without the consent of the Bondholders, create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Bonds; (ii) issue maximum EUR 5,000,000 3.75 per cent. bonds due 2019 on or about the Issue Date (the "**Employee Tranche Bonds**"); and (iii) merge the Employee Tranche Bonds with the Bonds, at a date that is expected to be 40 days after the Issue Date and upon certification as to non-U.S. beneficial ownership.

**14. Notices**

Any requirement for notice or notification may be validly met by the delivery of the relevant notice to (i) Clearstream, Luxembourg and Euroclear for communication by them to the Bondholders and (ii) as long as the Bonds are listed on the Official List and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange (and as long as the relevant provisions so require), any notice or notification sent to Bondholders shall be deemed to have been validly made if also published (i) in a widely circulated daily newspaper in the Grand Duchy of Luxembourg or (ii) on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

The date of publication of a notice to Bondholders shall be the date of its first publication and in case of publication of a notice to Bondholders in several daily newspapers, the date of publication shall be the date of the first publication of the notice in one of those daily newspapers.

**15. Governing Law and Jurisdiction**

- (a) *Governing law*: The Bonds and these Conditions and any non-contractual obligations arising out of or in connection with the Bonds and these Conditions are governed by Luxembourg law.
- (b) *Jurisdiction*: The courts of Luxembourg have exclusive jurisdiction to settle any dispute arising out of or in connection with the Bonds and these Conditions (including any non-contractual obligation arising out of or in connection with the Bonds and these Conditions).

## TERMS AND CONDITIONS OF THE EMPLOYEE TRANCHE BONDS

The conditions of the Employee Tranche Bonds are identical to the Conditions of the Public Tranche Bonds except for the following:

1. The principal amount of the Employee Tranche Bonds is maximum EUR 5,000,000.
2. Condition 13 of the Employee Tranche Bonds reads as follows:

13. Tranche Consolidation

The Issuer may issue a minimum EUR 95,000,000 3.75 per cent. bonds due 2019 on or about the Issue Date (the "**Public Tranche Bonds**") and merge the Bonds into the Public Tranche Bonds at a date that is expected to be 40 days after the Issue Date and upon certification as to non-U.S. beneficial ownership.

## SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM

The Bonds will initially be in the form of the Temporary Global Notes which will be deposited on or around the Issue Date with a common safekeeper for Euroclear and Clearstream, Luxembourg.

The Bonds will be issued in NGN Form. On 13 June 2006, the European Central Bank (the "ECB") announced that notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "Eurosystème"), **provided that** certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystème operations if the NGN form is used.

The Temporary Global Notes will be exchangeable in whole or in part for interests in the Permanent Global Note not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Bonds cannot be collected without such certification of non-U.S. beneficial ownership.

Payments of principal and interest in respect of Bonds represented by a Global Note shall be made in the manner specified in the Global Note. A record of each payment made, distinguishing between payments of principal and payments of interest, shall be recorded pro rata upon the instruction of the Paying Agent, in the records held by Clearstream, Luxembourg and/or Euroclear and such registration in the record held by Clearstream, Luxembourg and/or Euroclear shall be evidence that the payment has been made. The holder of a Global Note shall be the only person entitled to receive payments in respect of the Bonds represented by such Global Note and the Issuer shall be discharged by payment to, or to the account of, the holder of the Global Note in respect of each amount so paid. Each of the persons shown in the records of Clearstream, Luxembourg or Euroclear as the beneficial owner of a particular amount of Bonds represented by a Global Note must look solely to Clearstream, Luxembourg and Euroclear, as the case may be, for his share of each payment so made by the Issuer to or to the account of, the holder of the Global Note.

If the date of payment of any amount of principal or interest on a Bond is not a Business Day (as defined in the Terms and Conditions of the Public Tranche Bonds), the holder thereof shall not be entitled to payment until the next following Business Day (and shall not be entitled to any interest or other payment in respect of such delay).

Any requirement for notice or notification may be validly met by the delivery of the relevant notice to (i) Clearstream, Luxembourg and Euroclear for communication by them to the Bondholders and (ii) as long as the Bonds are listed on the Official List and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange (and as long as the rules and regulations of the Luxembourg Stock Exchange so require), any notice or notification sent to Bondholders shall be deemed to have been validly made if also published (i) in a widely circulated daily newspaper in the Grand Duchy of Luxembourg or (ii) on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). The date of publication of a notice to Bondholders shall be the date of its first publication and in case of publication of a notice to Bondholders in several daily newspapers, the date of publication shall be the date of the first publication of the notice in one of those daily newspapers.

## **USE OF PROCEEDS**

The net proceeds of the issue of the Bonds, expected to amount to EUR 99,400,000 (assuming an issue of the minimum EUR 95,000,000 Public Tranche Bonds and of EUR 5,000,000 Employee Tranche Bonds) after deduction of the placement fee and arrangement fee and the other expenses incurred in connection with the issue of the Bonds, will be used by the Issuer for financing general capital expenditure programs, including external growth opportunities in renewable and conventional energy, distribution and grid activities.

## DESCRIPTION OF THE ISSUER

### General Information about the Issuer:

Enovos International S.A. (the “**Issuer**”) together with its subsidiary undertakings (“**Enovos Group**” or the “**Group**”), is operating within the European utility sector. The Group is active in power and gas infrastructures and as well in the production, procurement and commercialisation of gas and power to commercial, municipal and residential customers at reliable and competitive prices.

Enovos International S.A. is a *société anonyme* (public limited company), incorporated on 5<sup>th</sup> February 1974 under the Luxembourg law on commercial companies of 10<sup>th</sup> August, 1915, as amended, with registered offices at 66 rue de Luxembourg, Domaine Schlassgoart - Bâtiment 9, L-4221 Esch/Alzette (tel.: 00352-2737-1). Enovos International S.A. is incorporated for an unlimited period and is registered with the Luxembourg Trade and Companies’ Register under number B11723.

The corporate purpose of the Issuer is, as further developed under Article 3 of its Articles of Association in its coordinated version dated 6<sup>th</sup> January 2011 (“**Articles of Association**”), to be a strong regional energy player providing efficient and secure delivery and supply of natural gas, other fuels and electricity to the energy markets of Luxembourg and the neighbouring regions.

The Enovos Group has subsidiaries established in Luxembourg, Germany, France, Belgium and Italy, and its activities encompass the following:

- Power – procurement, production, transmission, as well as distribution and commercialisation to commercial, municipal, and residential customers.
- Gas – procurement, production, transmission, as well as distribution, storage and commercialisation to commercial, municipal and residential customers.
- Development and operation of own conventional energy assets in the form of lignite-fired power plants, combined cycle gas turbines, gas exploration and pump storage.
- Development and operation of renewable energy assets in the form of photovoltaics, biomass, wind power (on & offshore), hydro power and biogas facilities.
- Portfolio management and trading of power, gas, oil & petroleum, coal, emission quotas for optimisation of supply sources.
- Proprietary trading for own speculative gain.
- Development and operation of grid infrastructures.

The Enovos Group holds participations in, amongst others, wind power plants, photovoltaic generation, mid-range commercial resellers, pump storage turbines, regional resellers, municipalities, biogas plants and grid operators.

The Issuer’s issued share capital amounts to EUR 90,962,900 consisting of 909,629 fully paid shares, each of them giving the same proportional right in the Issuer’s assets and profits.

The shares of the Issuer are not listed on the Luxembourg stock exchange or any other stock exchange. The Issuer is not rated by any rating agency.

### Introduction

The Enovos Group results from the combination of three formerly separate utilities in the Saar-Lor-Lux region:

- Cegedel S.A., incorporated under Luxembourg law, which was active for 80 years in the area of electricity, supplying mainly household customers and small and medium-sized enterprises in Luxembourg. Cegedel S.A. owned grid assets (amongst others) of ca. 7300 km of cables and various participations in e.g. cogeneration. It employed a staff of ca. 500 people and its shares were listed on the Brussels and Luxembourg stock exchanges;
- Saar Ferngas AG, initially founded in 1928 under German law, which sold natural gas to municipalities and industries in Saarland and Rhineland-Palatinate. It held important participations in German municipalities (Stadtwerke) and operated a high-pressure gas grid of 1700 km in length. It employed 150 people;

- Soteg S.A., initially incorporated on 5<sup>th</sup> February 1974 under Luxemburg law, which sold both power and natural gas to municipalities, larger industries and power generation plants in Luxembourg and France. It held high-pressure gas grid assets of more than 400 km in length and employed 40 people.

In January 2009, the main shareholders of Cegedel S.A. and Saar Ferngas AG decided to contribute in kind their shares in these companies to Soteg S.A. in exchange for new Soteg shares. The remaining shares in Cegedel S.A. (representing the free float of Cegedel S.A.) listed on the Luxembourg and Brussels stock exchanges were acquired through a public takeover by Soteg S.A. in May 2009. Soteg S.A. changed its name to Enovos International S.A. on 1<sup>st</sup> July 2009.

As an outcome of these transactions, Enovos International S.A., heads the Enovos Group since 1<sup>st</sup> July 2009, uniting under one roof all the functions of an internationally active energy utility. The Group currently markets both gas and power in Luxembourg, Germany, France and Belgium, and operates gas and power grids in Germany and Luxembourg.

Pursuant to EU unbundling regulations (EU Directives 2003/54/CE and 2003/55/CE superseded by EU Directives 2009/72/CE and 2009/73/CE), the Enovos Group separated its non-regulated activities (operating under the “Enovos” brand), i.e. the production, trade and sale of power and natural gas, from its grid-related activities (operating under the “Creos” brand) in Luxembourg (under Enovos Luxembourg S.A. and Creos Luxembourg S.A. respectively) and Germany (Enovos Deutschland AG and Creos Deutschland GmbH respectively).

As a first step to offer both natural gas and power to all customer segments, the Group acquired Luxgaz Distribution S.A. in April 2010. Luxgaz Distribution S.A. supplied mainly households with natural gas in Luxembourg, employed approximately 40 people and operated a low- and mid-pressure gas grid of some 1000 km length. The grid and non-regulated activities have been integrated into the Group in coherence with EU unbundling requirements. Luxgaz Distribution S.A. was merged into Creos Luxembourg S.A. The grid activities remained in Creos Luxembourg S.A. and the sales activities were contributed in July 2010 to a new subsidiary under Enovos Luxembourg S.A. named Luxgas S.à.r.l. which was subsequently absorbed by Enovos Luxembourg S.A. in June 2011.

In January 2011 a further strengthening of supply to final customers was carried out by the contribution in kind of the regulated grid activities of the Ville de Luxembourg and its commercial activities, which operate under the brand of “LEO (Luxembourg Energy Office) S.A.”. Close to 60000 clients in the power segment and more than 25000 customers in the natural gas segment were added to the portfolio of Enovos Luxembourg S.A. The grid of Creos Luxembourg S.A. increased by over 400 km of low- and mid-pressure gas pipelines and more than 1000 km of low- and mid-voltage power lines.

While the completion of the Luxembourg dual fuel offer and total client segment coverage was successfully achieved by the above transactions, in Germany, Enovos Deutschland AG widened its sales presence for natural gas to the entire German territory. In addition, the German sales activities of Switzerland-based Berner Kraftwerke AG were acquired by Enovos Luxembourg S.A. effective 1<sup>st</sup> January 2011, thereby enabling the Enovos Group to offer both power and gas to industrial and communal customers in all of Germany.

As part of above-mentioned commercial growth and in order to secure a complete presence in segments and products, the Enovos Group has significantly strengthened its presence in the areas of renewable energies. From 2009 to 2011, several photovoltaic installations, biogas plants and windparks were acquired or brought into operation in Belgium, France, Germany, Italy and Luxembourg.

In the domain of power generation, the Enovos Group added to its generation portfolio the equivalent of 50MW in a lignite-fired power plant in Germany, which is expected to start operations in 2013. In the same domain, Enovos Luxembourg S.A. acquired a right to off-take, from 2013 onward, 100MW in a pump-storage power plant in Vianden, Luxembourg.

On 6<sup>th</sup> December 2011 a regrouping of Luxembourg-based renewable activities took place under the umbrella structure of Soler S.A. Soler is envisaged to serve as a platform also for renewables project development in the Greater Region. Enovos Luxembourg S.A. holds 50% in Soler S.A..

The Issuer, acting as a holding company, holds 100% of Enovos Luxembourg S.A. (L) (“**Enovos Luxembourg**”), which in turn owns 100% of Enovos Energie Deutschland GmbH (D), and Leo S.A. (L), and 86.2% of Enovos Deutschland AG (D). The Issuer thus directly and indirectly holds 96.88% of Enovos Deutschland AG (D), including the indirect stake of 86.2% described above and a direct participation of 10.68%

Furthermore the Issuer owns a majority stake of 75.43% in Creos Luxembourg S.A. (L) (“**Creos Luxembourg**”) which holds 96.88% of Creos Deutschland GmbH (D) (“**Creos Deutschland**”). Creos Luxembourg and Creos Deutschland are jointly referred to as “**Creos**” or the “**Creos Companies**”.

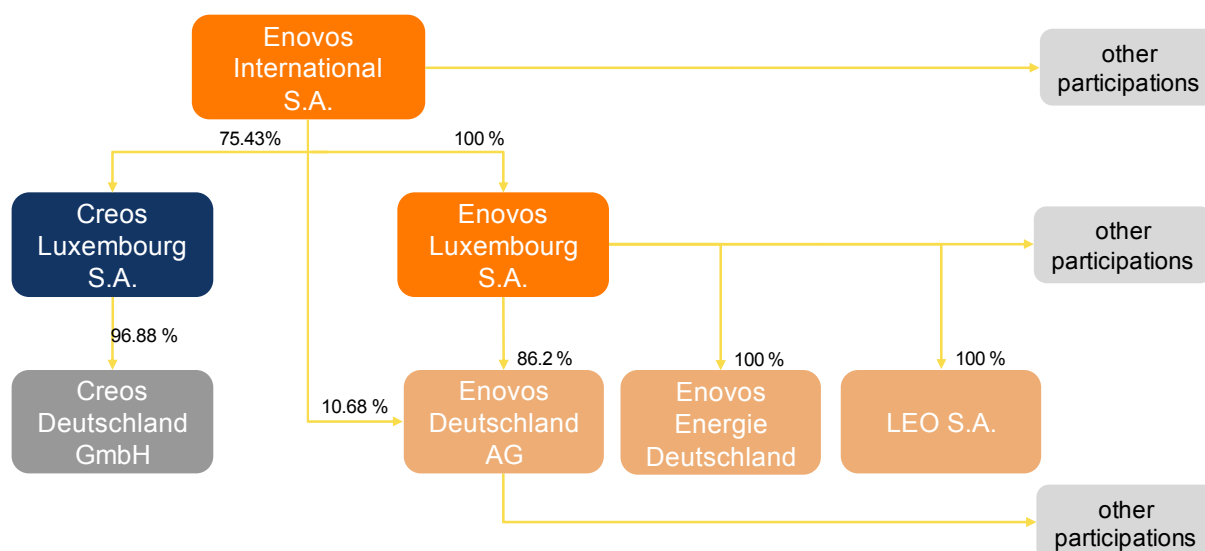
Finally, the Issuer holds several direct and indirect participations in companies active in the production and commercialisation of energy.

### Group Key Consolidated Figures

<b>(in EUR million)</b>	2011	2010	2009
Total Assets	2,043.6	1,566.7	1,377.8
Fixed Assets	1,339.3	955.5	786.0
Shareholders’ equity, group share	917.4	686.4	643.6
Shareholders’ equity, total	1,105.7	745.6	679.2
Amounts owed to credit institutions	225.4	197.8	182.9
Sales (excl. Trading)	2,485.5	1,534.3	1,572.4
EBITDA	216.5	177.5	189.6
EBIT	148.9	132.0	148.2
Net profit for the year	118.4	112.9	152.1
<i>Whereof minority interests</i>	18.3	7.3	7.1

### Group Structure

The Group structure with its main subsidiaries is the following as at the date of the Prospectus:



## Business description

Enovos Group has regulated and non-regulated activities. The non-regulated commercial activities under Enovos Luxembourg and its subsidiaries consist in the procurement, production and commercialisation of power and gas, the development and operation of own conventional and renewable energy assets and the portfolio management and trading (both for speculative and non-speculative purposes) of energy and related commodities. The regulated activities operated by Creos Luxembourg and its subsidiaries consist in the development and operation of grid infrastructures for transmission and distribution of gas and power.

### Enovos Luxembourg

As a major energy provider in the Luxembourg, German, French and Belgian energy markets, Enovos Luxembourg's mission is to procure, produce and provide electricity, natural gas and renewable energies to municipal suppliers, industries and private households. Enovos Luxembourg's strength is that all these services come from one single source at reliable and competitive prices.

By its integrated solutions, based on a combination of energy products and services, Enovos Luxembourg aims at fully satisfying its customers. Enovos Luxembourg's clients are served by an international team of experienced energy experts, fully dedicated to their customers' needs, with fast response times combined with effective communication.

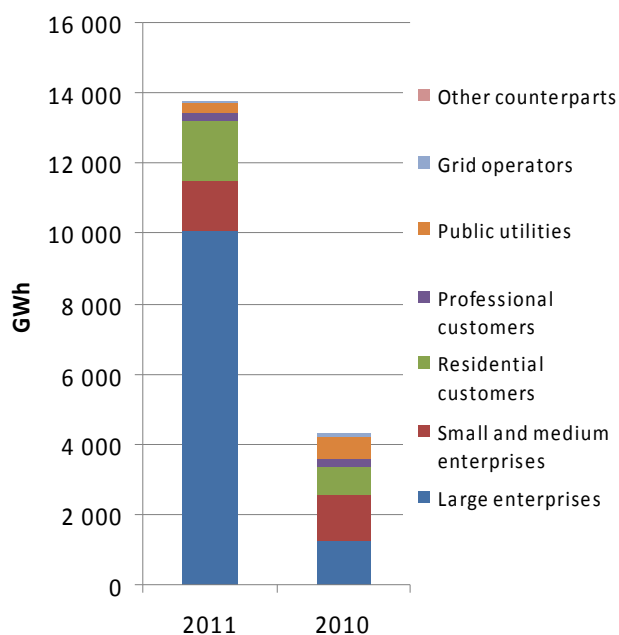
Enovos Luxembourg acts in a responsible manner by integrating economic, environmental and social elements into its operations. It seeks to establish lasting and stable relations with all customers, based on the quality of its service, its development of new innovative energy products and services and its efforts to ensure stable energy supply in the long term.

### *Departments*

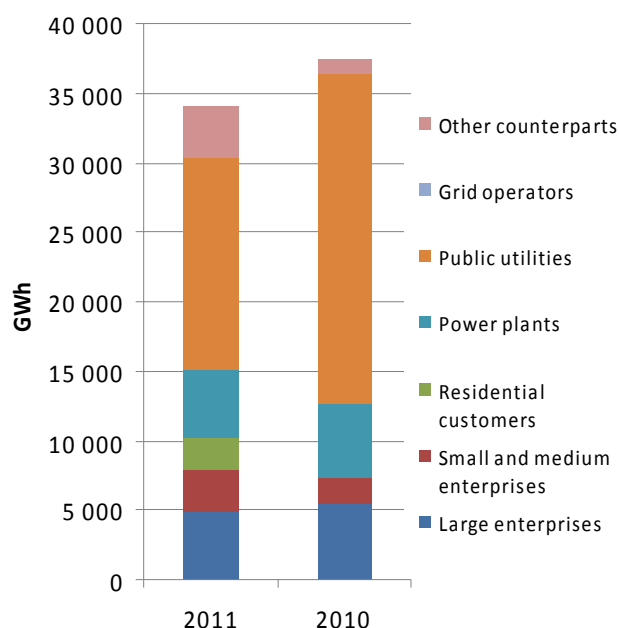
Enovos Luxembourg offers power and gas to a large range of customers at competitive prices. To that effect, Enovos Luxembourg has a "Sales" department, which includes country units (with the France and Belgium country units comprising B2M and B2B units, and the Luxembourg country unit comprising B2M, B2B and B2C units). Moreover the Sales department provides all necessary support services for the country units.

Consolidated sales volumes of gas and power in 2011 and 2010 have been as follows:

**Enovos Group Power Sales Volumes by Customer Segment (2011&2010)**



**Enovos Group Gas Sales Volumes by Customer Segment (2011&2010)**





Enovos Luxembourg's "*Portfolio Management & Energy Sourcing*" department is responsible for portfolio management of the Group's portfolio and ensures the procurement of power and gas via long-term contracts. It is also in charge of the logistics of energy supply.

Enovos Luxembourg's "*Trading and Origination*" department is the interface between the whole Group and the wholesale markets (over the counter and on exchanges), both for commodities and derivative products, with respect to electricity, natural gas, coal, crude oils and CO<sub>2</sub> emission quotas. It also enters into financial derivatives transactions such as swaps, options and spreads. The department's trading desk conducts trades for the Group's own use - both to optimise between/supplement various supply sources - and for speculative reasons (so-called "proprietary" trading).

This department has continued to develop its cross-commodity trading floor where it trades with more than 60 counterparts using industry standard framework contracts and is present on most European commodity exchanges. Moreover, it trades on the physical power markets and gas hubs in Germany, France, Belgium, The Netherlands, Austria and Luxembourg. Spot trading is performed on a daily basis (7/7). Market prices are provided to numerous departments internally, and externally, to trading customers or distributors. Enovos Luxembourg's trading desk is also responsible for the execution of all financial hedging transactions to cover purchase and sales exposure in formula-indexed contracts. Those products are mostly based on oil, coal and gas indices and may also require hedging foreign exchange exposure.

Besides the trading function, origination, financial engineering and asset structuring fall into the remit of this department.

Given the growing importance of including physical assets in optimisation strategies, asset structuring and origination techniques are used to leverage the value of own assets. This includes – but is not limited to – exploiting flexibilities inherent in assets and operational decisions. It is intended to further develop the trading function, both with regard to expanding to new trading places and dedicated competence centres for select commodities.

Additionally, portfolio management may be performed for third parties in an overarching cooperation between the three departments (the "*Sales*" department, the "*Portfolio Management & Energy Sourcing*" department and the "*Trading and Origination*" department).

Within the overall risk management policy approved by the Audit Committee of the Issuer, the Board of Directors of Enovos Luxembourg S.A. determines the general risk tolerance and risk management objectives for Enovos Luxembourg's credit management, trading and portfolio management departments. Exposure limits are authorized and stop-loss limits are fixed for electricity and related commodities, e.g. natural gas, oil, coal. The Risk Management Committee Markets within Enovos Luxembourg approves the detailed risk strategy and the risk management methods and tools. The general approach for the assessment of the market risk exposure is to use value-at-risk. In addition to value-at-risk, the various commodity portfolios are undergoing a continuous mark-to-market evaluation and open volumes survey, their results being benchmarked against the limits set out in the general risk tolerance defined by Enovos Luxembourg.

The strategy of the Issuer is to have a balanced mix between procurement and own energy production. Therefore, Enovos Luxembourg also hosts - besides the above-mentioned departments - two departments concerned with the development, acquisition and operation of own energy assets, in the industry segments of conventional and renewable energies.

With a rapidly increasing portion produced by renewable energies, energy supply faces a major problem during night-time or windless periods. Energy then has to be produced by conventional power plants, or needs to be sourced from large storage plants. That is why Enovos Luxembourg's "*Conventional Energies and Infrastructures*" department is developing and investing in Combined Cycle Gas Turbine (CCGT) projects, which are a highly flexible power production units with fast start-up and shutdown response times. As for the storage of electrical energy, which is more and more important in today's electric power production portfolio, Enovos Luxembourg participates in the extension of pump storage assets in Vianden, Luxembourg against entitlement to 100 MW power off-take capacity.

Enovos Luxembourg's "*Renewable Energy & Cogeneration*" department is currently expanding its portfolio of renewable energy assets throughout Europe, but with a focus on its core regions of

Luxemburg, Germany, Belgium and France. Key elements of its “green footprint” strategy are the further development of wind and solar power, small hydro, as well as biomass and biogas installations within and outside its traditional region of business. This department is staffed with competent staff with a sound track record especially in biogas and wind technologies and a proven experience in successful project development and acquisition, site construction & project management and plant operations.

Currently, besides various contractual arrangements for its own supply (procurement), the Group has access to the following physical generation assets:

- around 96 MW of renewables in operation (photovoltaic, biogas (incl. 5.1 MW heat), small hydro, offshore wind) in France, Germany, Italy and Luxembourg,
- more than 65 MW of renewables projects under development with commissioning expected in 2012,
- 286 MW of small cogeneration plants in Luxembourg (48 MW power, 238 MW heat),
- 100 MW in a CCGT in Luxembourg (long-term off-take contract),
- 100 MW in a pump storage power plant in Vianden, Luxembourg (long-term off-take contract starting 2013),
- 50 MW in a lignite power plant in Germany (long-term off-take contract starting 2013).

While the Group retains the procurement, production and sale of energy (conventional or renewable) under the Enovos brand, planning & management, development, construction and extension of power and gas grids are carried out under Creos Luxembourg and its subsidiaries and affiliates.

### Creos

Energy market organisation provides a strict separation of regulated activities (grid ownership and infrastructure management) and non-regulated activities like the production, sale and purchase of energy which is open to competition.

The principle is that infrastructures should remain a natural monopoly, but accessible to all suppliers under transparent and non-discriminatory conditions. In the Enovos Group, Enovos Luxembourg and its subsidiaries are responsible for the commercial activities which are subject to competition, while the Creos companies are responsible for the Group’s network management.

The Creos Companies’ assets include over 9 000 km of power grid and over 3 600 km of gas grid in Luxembourg and Germany. Creos boasts a solid performance record, having transported 40 330 GWh of gas and 4 888 GWh of power through its networks in 2011. Creos companies together employ over 750 people in Germany and Luxembourg.

### Creos Luxembourg

Creos Luxembourg's mission is to ensure reliable and competitively priced transport and distribution of energy through its power transport and distribution networks and its natural gas pipelines in the Grand Duchy of Luxembourg. Network access is organised and supervised by a regulator, in this case the ILR. This independent body approves the network access tariffs or “tolls” Creos Luxembourg charges to the users of its networks.

The regulator’s task in particular is to ensure non-discrimination, effective competition and the efficient operation of the markets. Until now, network access tariffs have been defined on the basis of a “rate of return regulation” approach ensuring a certain financial return on investments made in networks. Different rates are fixed, such as an average weighted cost of capital (nominal pre-tax) of 8.50%, based equity portion limited to up to 50%. The method of calculating regulatory depreciation is also defined by the ILR (the applicable regulations date from February 2009). As a consequence, the income stream generated by Creos Luxembourg has constituted a stable income source and this is expected to continue in the future.

As from 1<sup>st</sup> January 2013, a new approach for the calculation of grid fees will be implemented according to the principle of an incentive regulation, based on an indexation of controllable operational charges and new calculation procedures with respect to capital investments. The new regulation will provide opportunities to network operators to increase their profits if they manage to reduce their operational costs below the amounts resulting from indexation, but with the risk of lower profit in the opposite case.

The detailed modalities of the new regulation have been published in "Règlement E12/05/ILR du 22 mars 2012" for electricity and "Règlement E12/06/ILR du 22 mars 2012" for gas. These new regulations are applicable for the first regulation period from 2013 to 2016.

The remuneration rates on investments have been revised downwards, i.e. an average weighted cost of capital of (nominal pre-tax) 7.60% (instead of 8.50% in the current regulation). This decrease of return rates had been announced last year by the ILR as a consequence of the evolution of financial markets.

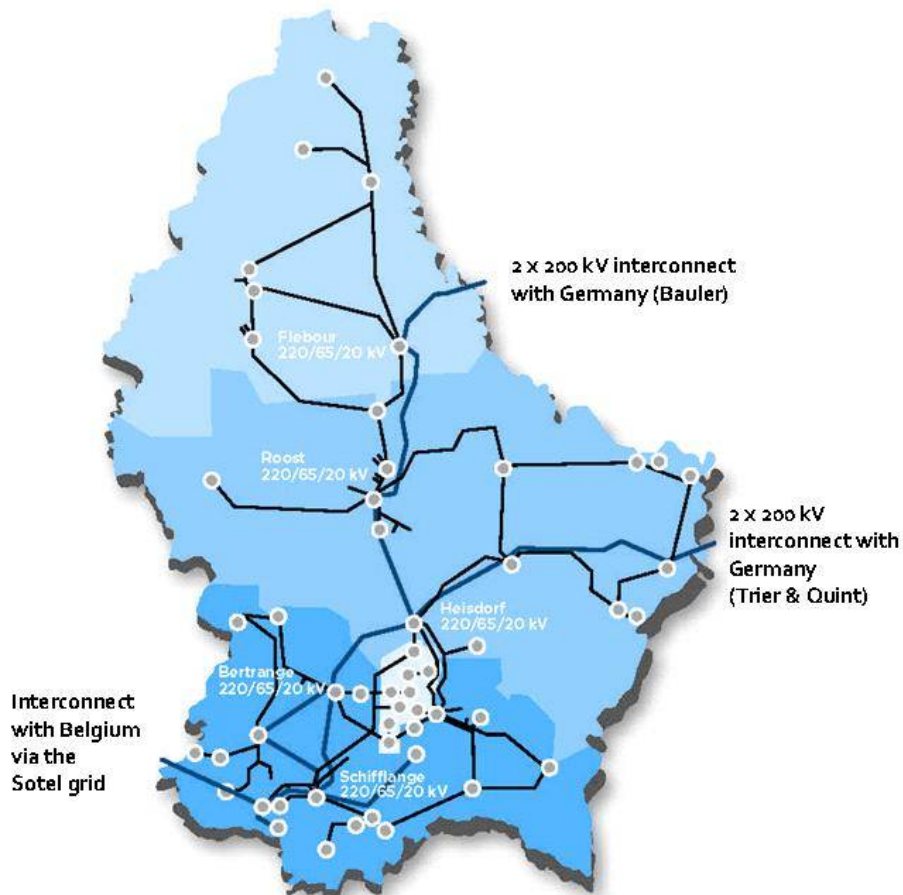
Creos Luxembourg is subdivided into an "Electricity Service" and a "Natural Gas Service":

#### The Electricity Service

Electricity is supplied to the Grand Duchy of Luxembourg via two connections to the 220 kV high tension network in Germany from substations at Quint and Bauler (Germany). Electricity is routed to 220/65 kV transformer substations at Flébour, Roost, Heisdorf, Bertrange and Schifflange (Luxembourg), for distribution at 65 kV to some 64 65/20 kV distribution substations and certain clients.

Remote control and management of the high and medium tension network is made by a dispatching unit, located in Heisdorf.

The majority of professional and residential clients in the Grand Duchy of Luxembourg are fed at 20 kV and 400 V. For proximity reasons and for speed of intervention, operation of the low and medium-tension networks (20 kV and 400 V) has been spread geographically between several regional centres: Schifflange for the south of the country, the 'Elektrizitéitswierk' centre for the City of Luxembourg, Heisdorf for the central region (except the City of Luxembourg) and Wiltz for the north of the Grand Duchy of Luxembourg. The tasks of these centres include the construction, operation, maintenance and breakdown service of the 20 kV and 400 V networks in their region of activity.



Power Grid of Creos Luxembourg

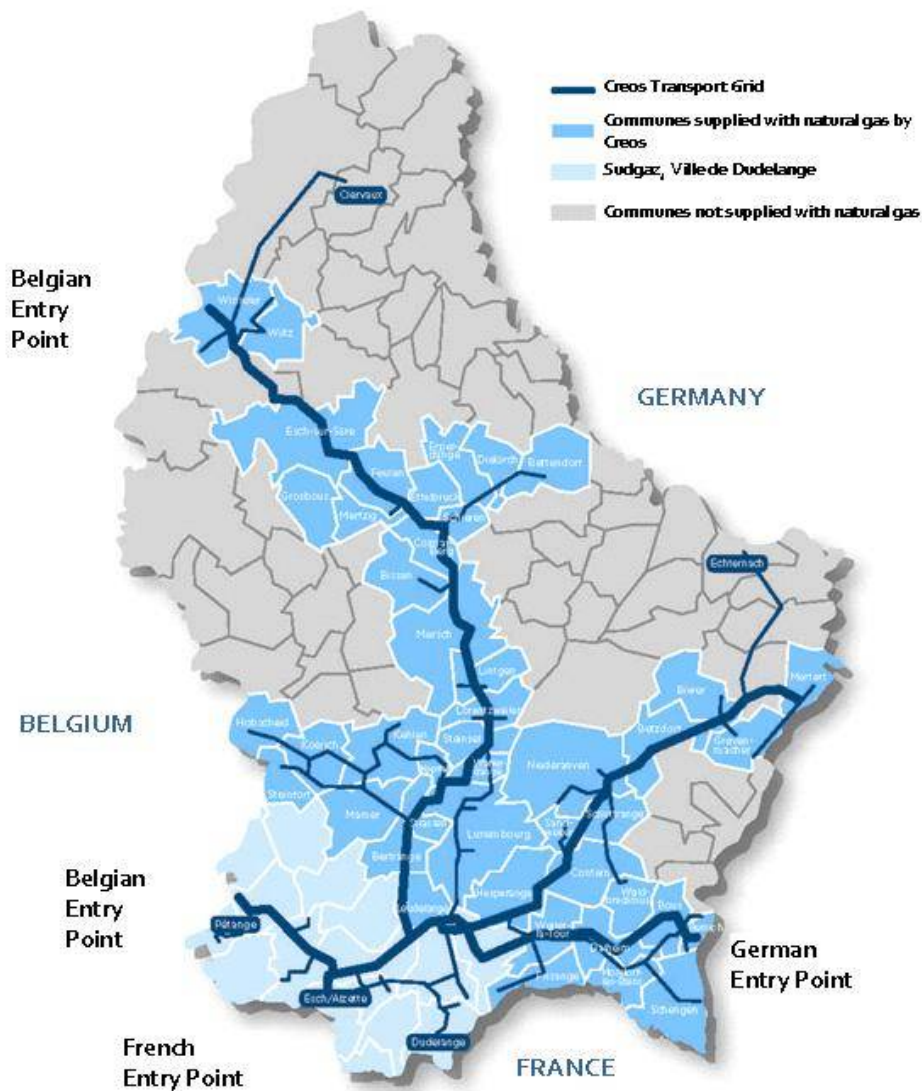
### The Natural Gas Service

The Grand Duchy of Luxembourg is supplied with natural gas via the interconnected network extending throughout Europe including Russia. The principal natural gas producers are Russia, Norway and The Netherlands. The Luxembourg network has connection points with Germany, Belgium and France. Remote control of the grid in Luxembourg is carried out by a dispatching unit located in Heisdorf.

Natural gas is distributed to forty-five communes in the Grand Duchy of Luxembourg by means of Creos Luxembourg high-pressure pipelines. Before being delivered to end users, the natural gas is reduced to medium or low pressure in Creos Luxembourg's pressure reducing stations at various locations in the country.

The low and medium-pressure services formerly operated by Luxgaz Distribution S.A. are now provided by Creos Luxembourg's Centre in Contern which is responsible for the planning, realisation, operation, maintenance and breakdown service of the natural gas distribution networks in 45 communes in the Grand Duchy of Luxembourg connected to the Creos Luxembourg network.

The Rue Bouillon Centre in Hollerich, City of Luxembourg, which has been integrated into Creos since 6 January 2011, is responsible for the planning, realisation, operation, maintenance and breakdown service of the Creos Luxembourg network in the City of Luxembourg and surrounding communes.



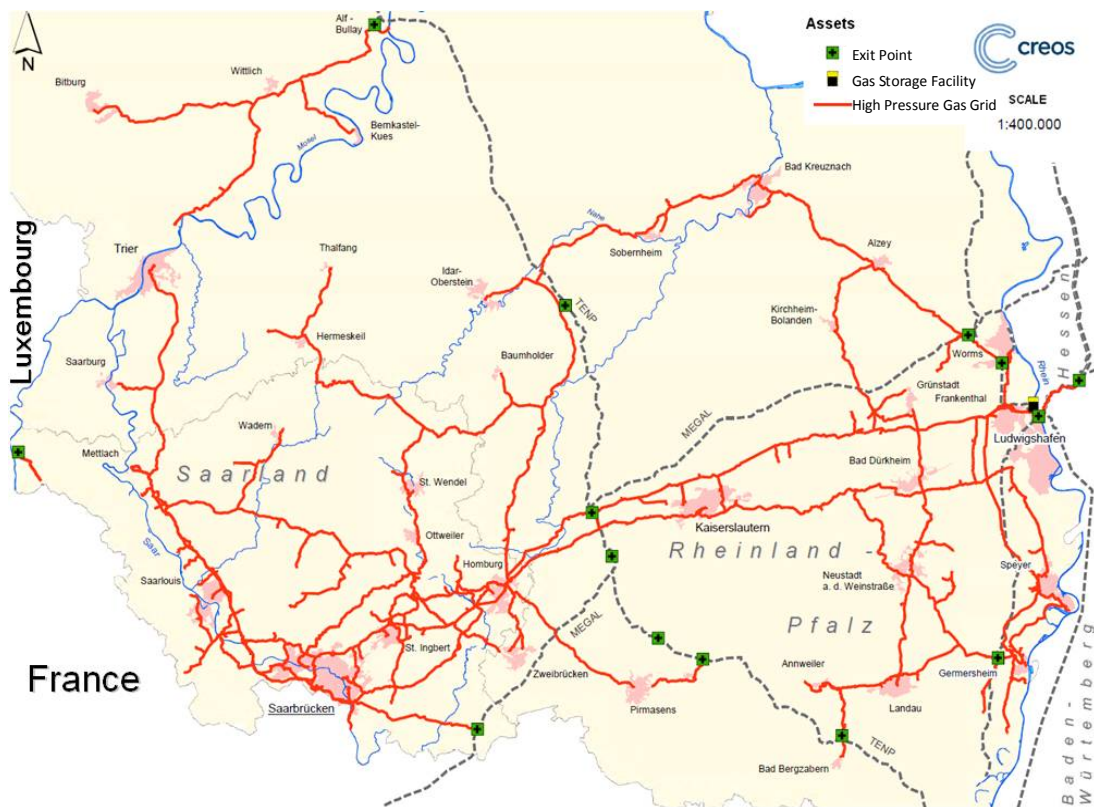
Natural Gas Grid of Creos Luxembourg

## Creos Deutschland

Creos Deutschland is a regional distribution system operator. The core competence of Creos Deutschland is the management of energy grids. Creos is entrusted with the transport, as well as the maintenance & operation of around 1 700 km of high-pressure gas grid, covering most of the Saarland and Rhineland-Palatinate. Creos Deutschland has considerable know-how related to the transport of natural gas and to the management of grids.

Creos Deutschland's gas grid features 16 entry points and approximately 400 exit points into 52 downstream local grids - covering a geographical area with 2.5 million inhabitants.

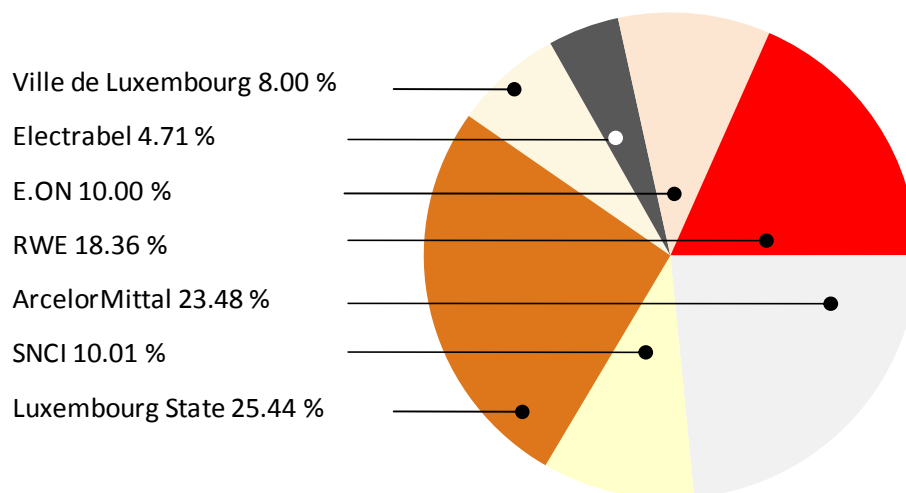
The grid activities of Creos Deutschland are regulated by the *Bundesnetzagentur*, the German grid regulator which applies an incentive based price regulation. This regulation a recurring, 5-yearly **benchmark** analysis, which measures operative efficiency and cost level and takes into account invested capital and operating expenses. The better an operator's efficiency and cost level compared to the "best of class" among its peers, the higher the amount of cost-pass-through granted by the *Bundesnetzagentur*. Creos Deutschland's challenge is to maintain a low level of operational costs (as defined by the *Bundesnetzagentur*).



Natural Gas Grid of Creos Deutschland

## Shareholders

The shareholder structure of the Issuer comprises both sovereign and non-sovereign investors. The detailed stakes held as at the date of this Prospectus are the following:



The Articles of Association contain provisions with respect to the exercise of pre-emption rights for all shareholders in the event of a transfer of shares of the Issuer by a shareholder. ArcelorMittal has announced on May 10<sup>th</sup>, 2012, that it has entered into an agreement to divest its 23.48% interest in the Issuer to a fund managed by Axa Private Equity. Please see “Recent Events”.

### **Board Practices / Corporate Governance**

The structure of the Enovos Group was defined according to the new European rules for the organisation of energy markets and implements a clear separation of regulated and unregulated activities.

As Enovos Group attaches considerable importance to corporate governance principles, it has adopted a corporate governance charter. This charter describes the main aspects of corporate governance of the Group and provides how the Group is managed and controlled.

As a *société anonyme* of Luxembourg law, the Issuer complies with the corporate governance regime of the law of 10 August 1915. The “Articles of Association” of the Issuer contain certain specific provisions on governance including:

The Articles of Association contain certain rules with respect to the appointment of directors to the Board of Directors. As more precisely set out in article 19 of the Articles of Association, the shareholder holding the highest number of shares in the Issuer, with the State of the Grand Duchy of Luxembourg (and/or any Affiliate thereof) (the “State”) and the *Société Nationale de Crédit et d’Investissement* (“SNCI”) being considered as one shareholder, shall be entitled to have five of its candidates elected to the Board of Directors. The shareholder holding the second highest number of shares in the Issuer (again with the State and SNCI being considered as one shareholder) is entitled to have three of its candidates elected to the Board of Directors. Three directors represent the employees of the Issuer and its subsidiaries. The remaining five directors shall be elected among the candidates proposed for election by the shareholders which hold each at least five percent of the shares in the Issuer other than the two shareholders holding the highest number of shares in the Issuer. In derogation to the foregoing, in the event of a transfer of the majority of the shares held by Electrabel S.A. to the State/ and SNCI, in case the State and SNCI (with the State and SNCI being considered as one shareholder) are the shareholder holding the highest number of shares in the Issuer, the number of candidates which this shareholder has the right to have elected to the Board of Directors shall be six (instead of five) and the numbers of candidates which the shareholders which hold at least five percent of the shares in the Issuer other than the two shareholders (the State and SNCI being considered as one shareholder) holding the highest number of shares in the Issuer have the right to have elected to the Board of Directors shall be four (instead of five).

As a general matter, the Articles of Association provide that directors are elected and removed by the general meeting of shareholders by a simple majority of votes validly cast. Except as described above, no shareholder has any specific rights to nominate, elect or remove directors.

All directors are elected by the general meeting of shareholders for a term of up to six years, except in the event of the replacement of a member of the Board of Directors during his or her mandate where the replacement director is appointed in accordance with the Articles of Association until the next general meeting of shareholders.

Except for the above, the Articles of Association provide for certain matters for which higher majorities than simple majority of the votes cast are required for decisions taken at the level of the Board of Directors, as more precisely described in article 20 of the Articles of Association.

The Board of Directors of the Issuer is composed of sixteen members whose mandate will expire in 2014 and an Executive Board (*comité de direction*) comprising three members who is in charge of daily business.

The Board of Directors of the Issuer defines the Group's general policy and strategic direction and ensures that these are implemented. The Board of Directors has set up an Audit Committee, a Nomination and Remuneration Committee and a Group Strategy Committee from among its members. The members of the Board of Directors and the Audit Committee are set out under Administrative, Management & Supervisory Bodies.

The Audit Committee, which consists of seven directors, assists the Board of Directors, with respect to financial information, internal controls and risk management, internal audit and with respect to the monitoring of the statutory audit of the financial statements. The Audit Committee verifies that the used accounting methods are appropriate and gives its opinion to the Board of Directors on the semi-annual and annual financial statements. It supervises the organisation of audits and internal controls and on the methods and resources used.

The Nomination and Remuneration Committee comprises six directors. Its duties include the submission of proposals to the Board of Directors regarding the appointment of new directors, and members of the executive committee and their remuneration.

The Group Strategy Committee consists of 12 members, including the members of the Executive Board. It deliberates, analyses and evaluates current strategic issues for the Group and overall group policy in strategic matters. The group strategy committee formulates propositions for the Group's strategy which are submitted to the Board of Directors, and assists the Board in overseeing the implementation of the strategy approved by the Board.

The Executive Board is in charge of daily business. It meets on a weekly basis to ensure that the group's strategy is consistently applied and takes the necessary decisions according to delegated powers.

### **Administrative, Management & Supervisory Bodies**

#### ***Board of Directors***

A full list of names, business addresses and important functions of each director of the Issuer:

<b>Family Name</b>	<b>First Name</b>	<b>Functions at Enovos International S.A.</b>	<b>Employment Affiliation</b>	<b>Other Relevant Activities</b>
Hoffmann	Marco	Chairman of the Board of Directors  Member of Audit Committee	Ministry of the Economy and Foreign Trade 19-21 Boulevard Royal L-2449 Luxembourg	- Chairman of the Board of Directors of Enovos Luxembourg
Felzinger	Fernand	Vice-chairman of the Board of Directors	43, rue Johnson F-78600 Maisons-Laffitte France	- Member of the Board of Directors of Enovos Luxembourg S.A. - Member of the Board of Directors of Creos Luxembourg S.A. - President of IFIEC Europe, the European Member of

				<p>the International Federation of Energy Intensive Consumers</p> <ul style="list-style-type: none"> <li>- Board Member of Uniden, the French Association of Industrial Energy Intensive Consumers</li> <li>- President of 3 E (Efficient Energy Engineering)</li> </ul>
Seywert	Claude	<p>Vice-chairman of the Board of Directors</p> <p>President of Audit Committee</p>	<p>ArcelorMittal Atlantique et Lorraine</p> <p>17, avenue des Tilleuls</p> <p>F-57190 Florange France</p>	<ul style="list-style-type: none"> <li>- Vice-chairman of the Board of Directors of Enovos Luxembourg S.A.</li> <li>- Member of the Board of Directors of Creos Luxembourg S.A.</li> </ul> <p><u>Dillinger Hütte Group:</u></p> <ul style="list-style-type: none"> <li>- Member of the board of DHS A.G.</li> <li>- Member of the board of DH A.G.</li> <li>- Member of the Audit Committee of DHS</li> <li>- Member of the Audit Committee of DH</li> <li>- Member of the board of Sotel S.C.</li> </ul> <p><u>Telindus Luxembourg S.A. :</u></p> <ul style="list-style-type: none"> <li>- Member of the board</li> <li>- Member of the Audit Committee of Telindus</li> </ul>
Frankenberg	Peter	<p>Member of the Board of Directors</p> <p>Member of Audit Committee</p>	<p>E.ON Ruhrgas International GmbH</p> <p>Brüsseler Platz 1, D-45131 Essen Germany</p>	<ul style="list-style-type: none"> <li>- Member of the Board of Directors of Enovos Luxembourg S.A.</li> <li>- Chairman of the board of Lietuvos Dujos</li> <li>- Vice-Chairman of the board of Latvijas Gaze</li> <li>- Member of the board of Eesti Gas</li> <li>- Member of the board of Gasum Oy</li> <li>- Member of the board of HEAG Südthessische Energie AG</li> <li>- Member of the board of HSE Netz AG</li> <li>- Member of the board of Ferngas Nordbayern GmbH</li> <li>- Member of the board of management of Deutsch-Baltische Handelskammer</li> <li>- Managing Director of E.On Ruhrgas International GmbH</li> <li>- Managing Director of RGE</li> </ul>



				Holding GmbH - Member of the Board of Directors of Gas-Union GmbH
Gilbertz	André	Member of the Board of Directors	CREOS Luxembourg S.A. 2, Bvd Roosevelt; L-2450 Luxembourg	- several executive memberships in union syndicates and organizations
Hartmann	Tim	Member of the Board of Directors	VSE AG Heinrich-Böcking-Strasse 10-14 D-66121 Saarbrücken Germany	- Member of the Board of Directors of Enovos Luxembourg S.A. - Chairman of the board of EWR AG - Chairman of the board of VOLTARIS GmbH - Chairman of the board of energies GmbH - Chairman of the board of artelis S.A. - Vice-chairman of the board of Stadtwerke Sulzbach GmbH - Vice-chairman of the board of Stadtwerke Völklingen Netz GmbH - Member of the board of FAMIS GmbH - Member of the board of IZESg GmbH - Member of the board of KEW Kommunale Energie- und Wasserversorgung AG - Member of the board of Pfalzwerke AG - Member of the board of prego services GmbH - Member of the board of Stadtwerke Saarbrücken AG
Hutmacher	Charles	Member of the Board of Directors	CREOS Luxembourg S.A. 2, Bvd Roosevelt; L-2450 Luxembourg	none
Knebler	Jean-Claude	Member of the Board of Directors	Ministry of the Economy and Foreign Trade 19-21 Bvd Royal; L-2449 Luxembourg	none
Administration Communale de la Ville de Luxembourg	Representative: Uwe Leprich	Member of the Board of Directors  Member of Audit	Administration Communale de la Ville de Luxembourg 42, Place Guillaume, L-1648	- Vice-chairman of the Supervisory Board of ABO Wind AG - Alternate board member of the European Agency for the Cooperation of Energy Regulators (ACER)

		Committee	Luxembourg	- Scientific director at the Institute for Future Energy Systems (IZESg GmbH)
Luchetta	Patrizia	Member of the Board of Directors	Ministry of the Economy and Foreign Trade 19-21 Boulevard Royal; L-2449 Luxembourg	- Chairman of the board of BioTechCube (BTC), Luxembourg - Board member at Integrated Diagnostics, USA - Vice-President of the board of Integrated Biobank of Luxembourg (IBBL)
Neudeck	Arnold	Member of the Board of Directors  Member of Audit Committee	Creos Deutschland GmbH Am Hallberg 4, D-66121 Saarbrücken Germany	none
Pichl	Peter	Member of the Board of Directors	RWE Deutschland AG Kruppstrasse 5; D-45128 Essen Germany	none
Reinesch	Gaston	Member of the Board of Directors  Member of Audit Committee	Ministry of Finance 3, rue de la Congrégation L-1352 Luxembourg	- Member of the Board of Directors of Enovos Luxembourg S.A.  - Board Member at BGL BNP Paribas - Board Member at SNCI - Board Member at SES - Board Member at EIB - Board Member at Paul Wurth - Board Member at P&T
Theves	Tom	Member of the Board of Directors	Ministry of the Economy and Foreign Trade 19-21 Boulevard Royal; L-2449 Luxembourg	- Board Member at BGL BNP Paribas
Von Scholz	Erik	Member of the Board of Directors	GDF SUEZ Energie Deutschland AG; Friedrichstrasse 200; D-10117 Berlin	- CEO of GDF SUEZ Energie Deutschland AG - Member of the supervisory board and of the executive committee of the supervisory board of GASAG Berliner Gaswerke AG - Member of the supervisory board of WSW Energie & Wasser AG - Chairman of the supervisory board of

				Energie SaarLorLux AG - Vice chairman of the supervisory board of Energieversorgung Gera GmbH - Member of the board of BDEW (German Federal Association of the energy and water business)
Wietor	Nico	Member of the Board of Directors	SOTEL S.C. 4, rue de Soleuvre; 4321 Esch-sur-Alzette	- Member of the Board of Directors of Enovos Luxembourg S.A. - Vice-chairman of the Board of Directors of Creos Luxembourg S.A. - Member of the Board of Directors of Twinerg

There is presently no conflict of interest of any members of the Board of Directors of the Issuer between their duties to the Issuer and their private interests or their other duties including those owed to companies of which they are also directors. However, it cannot be excluded that such conflicts may arise in the future, in which case the Board of Directors will deal with the relevant matter in accordance with the corporate governance charter of the Group in the best interest of the Issuer and its Group.

### **Social Responsibility**

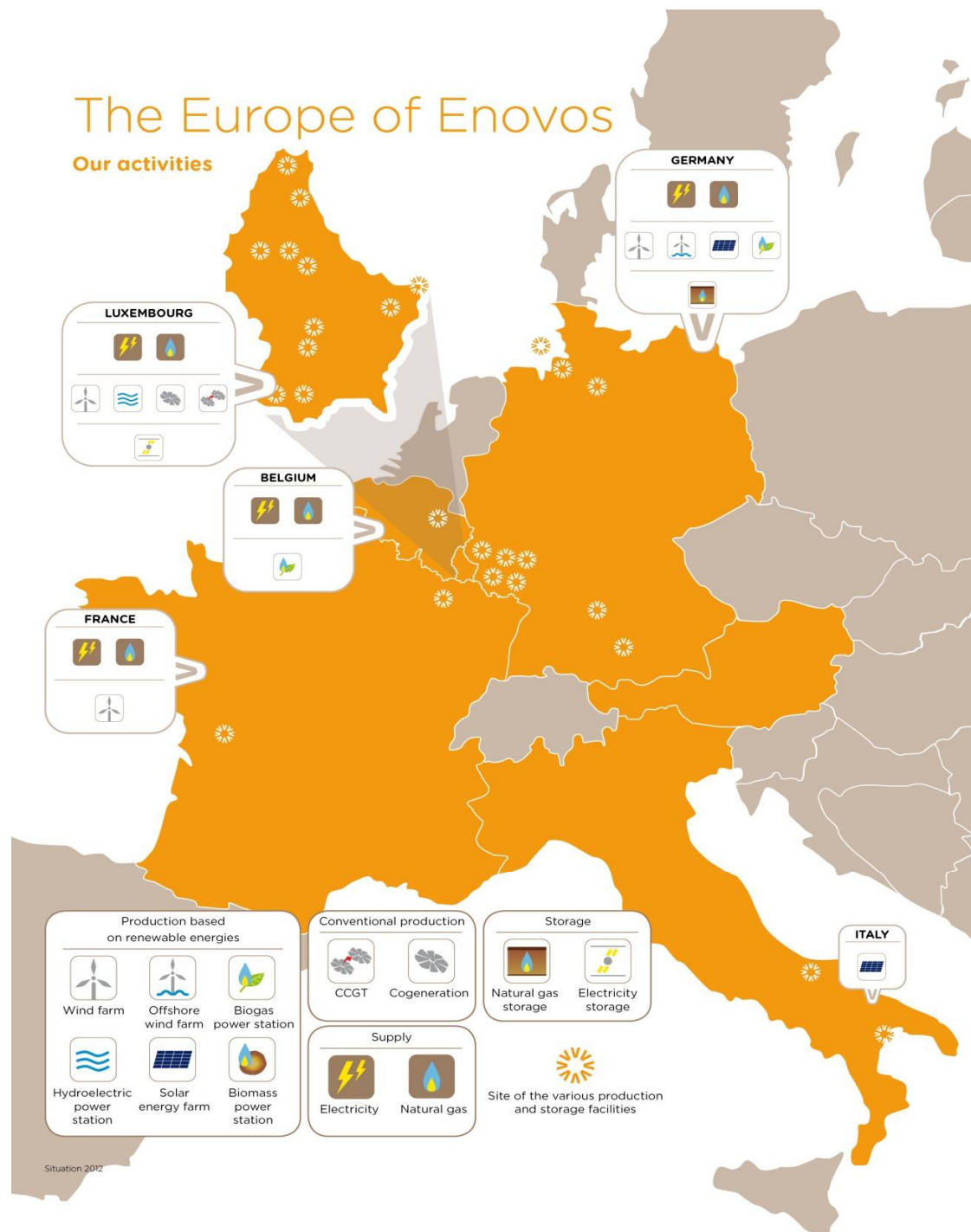
Enovos Group acts in full transparency and mindful of the principles of sound governance in order to create and maintain trust in its relations with institutional customers and other parties. Considering its shareholders, its good financial position in a developed market, Enovos Group is a recognised actor in the electricity and natural gas sector for an extensive region spread across four countries: Luxembourg, Belgium, France and Germany (also referred to as the Greater Region). As an energy company, Enovos Group is acutely aware of the particular social responsibilities resulting from its size and its importance for the Greater Region, not only to its customers, retail and industrial clients, but also to the communities it serves and the environment at large. It therefore attaches great importance to the quality of its relationship with all its stakeholders.

Acknowledging the environmental and social concerns of society, Enovos Group is particularly keen to offer its customers flexible supplies of green energy.

Enovos Group recently created Enovos Foundation (under the aegis of Fondation de Luxembourg) which puts into action the desire of Enovos Group to act as a responsible actor for present and future generations. Guided by the principle that economic participants must serve the community in which they operate, the Foundation is active in three fields:

- Enhancement and development of renewable energy sources in Luxembourg and the Greater Region,
- Active promotion of research in the fields of environmental studies and sustainable development by supporting scientific projects in the field of energy, particularly renewable energy,
- Social projects benefiting those members of society who need special support.

Through its “Förderung Neue Talente” (Support New Talents) programme, the Issuer also supports the creative and professional development of young artists, athletes and scientists.



## Strategy

Enovos Group has regulated and non-regulated activities. The non-regulated commercial activities under Enovos Luxembourg and its subsidiaries consist in the procurement, production and commercialisation of power and gas, the development and operation of own conventional and renewable energy assets and the portfolio management and trading (both for speculative and non-speculative purposes) of energy and related commodities. The regulated activities operated by Creos Luxembourg and its subsidiaries consist in the development and operation of grid infrastructures for transmission and distribution of gas and power.

## Commercial Activities

Enovos Group' commercial activities encompass the whole value chain from energy generation and storage (upstream) to the commercialisation of energy to corporate entities and retail clients (downstream). The Group has developed a firm standing in the downstream dual fuel supply of both "key account" commercial clients, as well as retail customers in Luxembourg and Germany. Its gas storage operations are focused on Germany. Currently, energy sales activities in France and Belgium are being expanded with considerable effort, in order to extend dual fuel offerings to these two countries in the medium to long term.

The strategy of the Issuer is to have a balanced mix between procurement and own energy production.

Current structural changes in the value chains for power and gas are increasingly engender adverse consequences for industry players whose activities are limited to intermediation in the chain and who do not conduct activities in several stages between upstream generation and downstream delivery (a process known as disintermediation). Moreover, the Group has identified the need to limit its dependency on gas-producing companies. Enovos Group via its *Conventional Energies & Infrastructures* department has therefore begun to develop a portfolio of independent and fully owned gas and power production assets. The Group's strategy is to strengthen its presence in the upstream sector.

Access to reactive and peak-capable generation assets, such as low-carbon CCGT (combined cycle gas turbine) technology is seen as strategically vital in that regard, especially as the landscape of energy generation is changing with the European energy mix shifting away from conventional baseload generation towards less constantly producing and weather-dependent renewables. The non-constant nature of the latter needs to be counterbalanced by conventional assets, which are equally responsive – but not weather-dependent.

Nevertheless, Enovos Group believes that to actively participate in this shift to renewables is of strategic importance. This has provided the rationale for Enovos Group' concentration on renewable energy assets and activities in a dedicated Renewable Energies department, which maintains a constant pipeline of projects, spanning on- & offshore wind, small hydroelectric, biogas, biomass and photovoltaics. Such projects encompass all phases from acquisition or development and upscaling to fully operational assets.

The Group's engagement throughout those segments reflects a conviction that integration throughout the entirety of the value chain for power and gas across a growing number of countries, is a process that will continue to affect the whole of the energy industry. Enovos Group intends to actively participate in the transition and play a part in shaping it in its favour.

## Grid Activities

Creos, focussed on the operation and maintenance of the Group's gas and power grids, is active in Luxembourg and in Germany, both in the transmission of gas and power, as well as the storage of gas (the latter applying to Creos Deutschland GmbH).

### *Creos Luxembourg*

A sure and reliable energy transport and distribution infrastructure is a key element guaranteeing the well-being of citizens and the sustainable development of a country's economy. That is why Creos Luxembourg invests all its efforts in designing future electricity and gas networks to achieve a long-term, stable level of availability and security of supply.

### *Electricity Network*

In coming years, Luxembourg will have to deal with major changes in the transport and distribution of electricity. The development of the telecommunication and electro-mobility sectors as well as demographic evolution in Luxembourg challenge Creos to develop additional grid capacities to source power from neighbouring countries in order to be able to transport the electricity volumes estimated for 2020.

At a European level, the European Commission has stated the need to more closely integrate electricity markets and to develop renewable energies. This strategic orientation combined with political decisions in some member states to cease nuclear production of electricity obliges European network operators to

adapt their networks accordingly. Major investments in networks will be necessary to meet the challenges of restructuring the energy sector in Europe. That is why Creos has collaborated with the operators of adjacent networks to launch a project dedicated to analysing the options of additional interconnection with Belgium or France. Members of the working party signed a White Paper in November 2011 signalling their desire to cooperate in this joint project. The University of Aachen was charged with making a market study and analysing the impact of a new interconnector on network security and market integration. The conclusions of the study enabling Creos to make its selection in relation to the interconnection variants analysed will be available in the second half of 2012. These conclusions are expected to form the basis for any potential investment decision on such matters.

#### *Natural Gas Networks*

Within the context of diversifying the supply of natural gas in Luxembourg and the integration of the energy markets as recommended by the European Commission, Creos launched a market consultation at the end of 2010 to evaluate interest in increased capacity – in order to allow the sourcing of increased volumes of gas - from France to Luxembourg. This new interconnector would be added to the existing points from Germany and Belgium, resulting in the availability of three supply routes to the Luxembourg market and increasing the country's security of supply. The consultation was made in close collaboration with GRTgaz, the French network operator responsible for carrying gas to the Luxembourg border, in line with the standardised “*Open Season*” procedure.

This procedure provides for an assessment of the interest of gas suppliers at various price levels offered, first of all non-committal and then, secondly, with suppliers making irrevocable commitments. The non-committal phase, launched in 2010, showed sufficient evidence of interest to lead Creos to continue the procedure.

Technically there are two possibilities, either a 9 GWh/day or a 40GWh/day capacity supply route. The choice between the two will depend on how much interest is expressed in the committal phase. This is done to determine the best possible match between supply and demand. In line with the above, the past year saw the preparation of different contracts between GRTgaz and Creos on the one hand and potential customers and Creos on the other, in close collaboration with the French and Luxembourg regulators. Similarly, economic viability calculations were launched for the two variants, reflecting on the results obtained in the non-committal Open Season phase.

The launch of the committal “*Open Season*” phase is planned for the end of the first half of the year 2012.

#### *“Smart Meters” – Towards the Development of “Smart Grids”*

A 2009 European Directive requires the installation, for all users, of so-called “smart energy meters”. As an element of intelligent networks, these meters offer new services: tele-statements, remote power changes and commissioning, invoicing on the basis of true consumption, reduced intervention times, and the facilitation of diagnosis in the event of breakdown.

The European Commission defines the smart meter as “an electronic device capable of measuring energy consumption, adding more information than a conventional meter, and capable of transmitting data using electronic means of communication. A key characteristic of the smart meter is its ability to communicate in both directions between the consumer and network managers or suppliers. It should also promote services facilitating energy management by the consumer”.

The combination of smart metering and the smart grid will extend the role of the grid from one, which purely carries energy, to one, which additionally carries information. It is hoped that this will not only permit the supply of energy, but will also allow the exchange of information on client needs and power consumption behaviour. This is expected to assist network operators in the future insofar as it permits the integration of decentralized micro-production and will be an important element in assisting demand management to grow to its full potential.

Creos is in the process of testing several types of meters and communication technologies (“PLC” or power line carrier, radio frequency and fibre optics). A large-scale test is planned for 2013 with a possible roll-out in 2014 in Luxembourg which will nevertheless be dependent on the choice of technology, including the establishment of a viable business plan to be validated by the bodies concerned (Ministry of Economy and the ILR).

### Creos Deutschland

The core expertise of Creos Deutschland is the technical, economic and commercial management of energy grids. The operation of energy grids is intrinsically connected with the long-term optimisation of the grid infrastructure, taking into consideration technical, commercial as well as economic aspects. Drawing upon this expertise, Creos Deutschland has newly emerging opportunities ranging from potential cooperation with other enterprises owning grids - to the potential acquisition of participations.

Creos Deutschland's recent efforts have led to it being successfully identified by the German regulator as a distribution system operator (DSO) and not as a transport system operator (TSO). This results in less stringent unbundling obligations. Moreover, it puts Creos Deutschland in a more favourable situation as concerns benchmark exercises, which serve to establish a comparison between Creos Deutschland's cost levels and average industry cost levels, as carried out by the *Bundesnetzagentur*.

The upcoming challenge for Creos Deutschland will be to try to present sufficient arguments to the *Bundesnetzagentur*, for it to recognise the full amount of grid costs applied for by Creos Deutschland. The goal is to achieve the highest possible accepted cost. In a further step, the regulator will apply an efficiency factor, which will be based on a best-in-peer-group benchmark, applied to the accepted cost level. This calculation will determine the basis for the initial grid fee level applicable during the 2<sup>nd</sup> incentive regulation period which will last from 2013 to 2017.

Creos Deutschland's strategy for the coming years is one of continuing investment. in order to *inter alia*, ensure a secure supply of gas in the region.

Recent developments have required Creos Deutschland to supplement its investment program with a proactive response plan to address revised technical requirements, which are expected to have extensive influence on the design of the grid in its currently envisaged final stage of development – the so-called "*Target-Grid*". In order for the permitted revenue level being sufficient to cover Creos Deutschland's capital costs and allow for an appropriate return, it will be necessary to obtain recognition by the *Bundesnetzagentur* in accordance with the German Incentive Regulation Ordinance (*AnreizRegulierungsVerordnung*) of the investment budgets annually applied for by Creos Deutschland.

### Investments and Off-Balance-Sheet Commitments

The Issuer has given customary guarantees or comfort letters to a limited number of energy providers and trading counterparties of Enovos Luxembourg.

During 2011, Enovos Luxembourg concluded a number of forward contracts for the purchase and sale of power and gas as part of its usual operations. The company thus has contracted purchase commitments for power and gas amounting to EUR 520 million as of 31<sup>st</sup> December 2011 (2010: EUR 251 million). The amount of the above forward purchase contracts only includes forward contracts signed with market counterparties. This amount does not include non-material contractual purchase commitments with certain local producers whose prices and / or volume are not known in advance and therefore are not yet quantifiable nor the commitment to buy an annual 100 MW band of electricity from a local producer until 31<sup>st</sup> December 2015.

Enovos Luxembourg has issued a counter-guarantee for Electrabel S.A.'s benefit in relation to the financing of the Twinerg combined turbine power plant for a total amount of EUR 10,262,187 as at 31<sup>st</sup> December 2011 (2010: EUR 9,945,468).

Enovos Luxembourg took on a commitment related to a Memorandum of Understanding signed with SEO S.A., RWE Power AG and the State of Luxembourg for the enlargement of the Vianden pumping station. Enovos Luxembourg will thus have the right to 100 MW on a virtual basis which corresponds to half of the production capacity of the new turbine to be built. Under an amendment dated 16<sup>th</sup> June 2011, Enovos Luxembourg committed to re-finance the bank loan contracted by SEO S.A. in an amount corresponding to the portion of its rights in the Vianden pumping station. In addition, under a contract signed with RWE related to the acquisition of a 50MW tranche in two pulverized coal fired power plants, one final instalment will be paid in 2012 (the "**RWE Agreement**"). In total for the two projects, Enovos Luxembourg is committed to pay a remaining principal amount of EUR 46,632,000.

Enovos Luxembourg further entered in three CO<sub>2</sub> swaps transactions in order to hedge the power procurement prices under the RWE Agreement. As at 31<sup>st</sup> December 2011, the net fair value of the swaps transactions represented an unrealised loss of EUR 1.16 million.

Enovos Luxembourg holds a call option enabling it to increase its stake in Biogas Tongeren NV from 24.9% to 45% until the end of a certain period which cannot be later than 1<sup>st</sup> January 2018.

Enovos Luxembourg has arranged for a number of bank guarantees to be issued in favour of its suppliers in the context of its regular business for a total amount as at 31 December 2011 of EUR 12,272,857 (2010: EUR 3,199,464).

The Issuer has provided customary parent company guarantees or comfort letters to a limited number of Enovos Luxembourg's energy providers and trading counterparts.

The Issuer has signed a bank guarantee for Solarkraftwerk Kenn GmbH, a 25.1% subsidiary of Enovos Deutschland, for an amount of EUR 6,505,314 as at 31 December 2011 (2010: EUR 6,869,070).

The Issuer has on 11 May 2009 entered in a medium term loan facility agreement with a syndicate of Luxembourg banks for a principal amount of EUR 150,000,000, which was entirely drawn for corporate purposes. As at 31 December 2011, the outstanding principal amount was EUR 90 million of which EUR 30 million principal amount will be repaid on its scheduled maturity date at the end of May 2012.

In 2010, the Issuer entered into a swap agreement in order to hedge the interest exposure under this medium term loan facility. As at 31 December 2011 the net fair value of this hedge represented an unrealised loss of EUR 758 293.

As of 23<sup>rd</sup> May 2011, the Issuer has entered into three interest rate swaps for an aggregate nominal amount of 200 million and with a final maturity in 2019, in order to hedge its interest rate exposure under the Bonds whose issue was initially planned for September 2011. The making of this swap was adjusted to the issue date of the Bonds. As of 31<sup>st</sup> December, 2011, the fair value of the three IRS represented an unrealised loss of EUR 16 709 100, 37. Due to the hedging nature of the investment, this net fair value has not been recorded in the profit and loss account as of 31<sup>st</sup> December, 2011 but will be deferred over the life time of the Bonds.

As of 30<sup>th</sup> December 2011, the Issuer entered into a swap agreement in order to hedge part of the credit facility for EUR 21,269,878 granted to Enovos Luxembourg for the refinancing of a bank loan of EUR 28,100,000 of one of its photovoltaic participations and to lock-in the interest rate for the interest payment due from 2012 to 2026.

Enovos Solar Investment I S.r.l. has leasing obligations in the context of operating its photovoltaic parks for a total amount of EUR 18.7 million (2010: 18.9 million) maturing in 2029.

There was a disagreement over the invoices that have been issued by Amprion GmbH (formerly RWE Transportnetz Strom GmbH) to Cegedel Net S.A. (merged in 2009 into Creos Luxembourg) since January 2006 corresponding to transport costs for the transit through the German grid of power supplied by Twinerg S.A. to Cegedel S.A.

In February 2011, Creos Luxembourg and Amprion GmbH have concluded an agreement according to which Creos Luxembourg paid EUR 3.8 million to settle the issue with Amprion for the transport costs accrued until the end of 2008.

As per an agreement signed on 12<sup>th</sup> November 2008 between Creos Luxembourg and Amprion GmbH, Amprion GmbH invoices to Creos Luxembourg the transport costs applicable as from 1<sup>st</sup> January 2009 in relation to the power supply by Twinerg S.A. to Cegedel S.A. (or Enovos Luxembourg as from July 2009 after sales activities of Cegedel S.A. were contributed to Enovos Luxembourg). Creos Luxembourg in turn re-invoices them to Twinerg S.A.

While in Creos Luxembourg's opinion Twinerg S.A. should finally bear these costs, no agreement has been reached until now for the payment of these costs by Twinerg S.A.

These transport costs amount to approximately EUR 2.4 million annually and will be borne by Creos Luxembourg until a technical and contractual arrangement can be found.



The management of Creos Luxembourg considers that the ultimate resolution of this issue will require further negotiations with all the parties involved but there is no certainty as to whether and if such an agreement can be found and whether its terms will allow Creos Luxembourg to recover all or part of the costs.

### **Legal and arbitration proceedings**

As at the date of this Prospectus and during the previous 12 months, the Group is not nor has it been engaged in any governmental, legal or arbitration proceedings, which may have or have had during such period a significant effect on the Issuer or the Group's financial position or profitability, nor as far as the Issuer is aware, are any such governmental, legal or arbitration proceedings pending or threatened.

Without prejudice to the foregoing, and as mentioned under *Investments and Off-Balance-Sheet commitments*, there is a remaining disagreement opposing Creos Luxembourg and Twinerg S.A. on the re-invoicing of power transport costs. The maximum exposure is expected to be EUR 2.4 million per annum.

The management of Creos Luxembourg is confident, that this exposure will cease latest at the end of 2015, which coincides with the end of the current term of the power supply agreement. In its opinion and in the opinion of the management of the Issuer, this issue is not expected to have a material adverse effect upon the financial condition of either Creos Luxembourg or of the Issuer.

### **Material Contracts**

Enovos Luxembourg is not dependent on one particular contract, but has – due to the diversity of its businesses – entered in diverse contracts of the following types:

Enovos Luxembourg has contracted about one third of Enovos Group's energy procurement needs through long-term forward contracts entered into with different counterparties.

Long-term contracts typically contain long-term off-take commitments supported by robust take or pay - obligations to ensure that producers/sellers receive a minimum guaranteed remuneration to underpin their capital investment and/or debt service obligations. Through long-term contracts the buyer, on the other hand, secures available capacity and consequently an either fix or flexible volume of supply for a long term period which may be up to 15 years or sometimes longer.

In addition, due to their long duration, long-term gas contracts typically contain price review clauses. Although the price determination formulas for gas will ensure, to a certain extent, that prices reflect the changes in market conditions, circumstances may arise when such formula(s) no longer adequately reflect(s) the changes in market conditions. This may lead to situations where a divergence between the gas price determined under such a formula and the price on the spot market will result in it no longer being economically attractive for a party to continue to sell or for the other party to continue to buy gas at the price calculated under the formula. Long-term gas contracts entered into by Enovos Luxembourg therefore usually provide for the right of each party to periodically request a review of the gas price determined under the contractual formula.

Enovos Group has several partnership agreements with other energy providers or generation-related suppliers or service companies, jointly holding, operating or building generation assets.

Other material contracts are described under *Investments and Off-Balance Sheet Commitments*.

### **Recent Events**

ArcelorMittal has announced on May 10th, 2012, that it has entered into an agreement to divest its 23.48% interest in the Issuer to a fund managed by Axa Private Equity, for a purchase price of EUR 330 million. Closing of the divestment transaction is subject to customary closing conditions and is expected by ArcelorMittal to occur prior to June 30th, 2012.

Axa Private Equity is a diversified private equity firm with \$28 billion of assets managed or advised.

The Issuer has no reasons to believe that this change of ownership would materially and adversely affect the business and financial position of the Issuer.

### **Trend Information**

Except as disclosed in the section with the heading "*Recent Events*" of this Prospectus, there has been no significant change in the financial or trading position of the Issuer or the Group since 31 December 2011 and no material adverse change in the financial position or prospects of the Issuer since 31 December 2011.

Moreover, the Issuer recognises the following as currently perceivable trends in the European energy markets.

1. Following the incident at the Fukushima nuclear power plant, several European countries, notably Germany, have decided to phase out power generation from nuclear power plants. In those countries the current debate centres heavily around potential alternative sources to replace nuclear generation over the medium term.
2. There is a perceivable trend towards renewable and more intermittent energy generation. This is partly motivated by EU legislation foreseeing CO2 emission caps and goals.
3. Concurrently with the trend towards reducing greenhouse gases due to energy production, efficiency measures are being introduced on the consumption side in many countries in Western Europe. These measures include, amongst others, lower consumption heating systems and more efficient building insulation standards. The gross effect in the medium term of these changes will be a gradual lowering of energy demand, particularly by residential customers.
4. CO2 emissions trading schemes are changing with the intent to limit the supply of CO2 certificates available to current and potential certificate holders, thereby giving preference to more energy-efficient generation plants.

## Glossary

B2B	“Business-to-Business” – a commercial (sales) relation between two private corporate actors
B2C	“Business-to-Consumer” – a commercial (sales) relation between a private corporate actor and an individual (retail-type) end consumer
B2M	“Business-to-Municipality” – a commercial (sales) relation between a private corporate actor and a commune, a municipality or other communal supplier.
Band	A contract over an amount of power, which is stable over time. It is usually purchased from an energy provider/generator to cover a baseload requirement over a given time period.
Baseload	A constant, stable output of energy, used to supply those parts of consumers’ energy requirements that are almost always demanded from the grid. They are the opposite to peakload.
Biogas/Biogas Facilities	Refers to a gas produced by the biological breakdown of organic matter in the absence of oxygen. Organic waste such as dead plant and animal material, animal feces, and kitchen waste can be converted into a gaseous fuel called biogas. Biogas originates from biogenic material and is a type of biofuel.
Biomass	Biomass is a renewable energy source using biological material from living, or recently living organisms. As an energy source, biomass can either be used directly, or converted into other energy products such as biofuel.
Cogeneration	Cogeneration is the use of a heat engine or a power plant to simultaneously generate both electricity and usable heat.
Combined Cycle Gas Turbine (CCGT)	A gas-fired electricity generation plant, which also uses excess heat to power a steam turbine. CCGT plants produce electricity with high conversion efficiencies and low emissions.
Conventional Baseload-Generating Plants	Energy-producing facilities that produce a constant, stable output of energy, except for short periods of time (for maintenance, etc). They are used to supply those parts of consumers’ energy requirements that are almost always demanded from the grid. They are the opposite to peak-generating plants, which cover only the peaks in energy demand.
Downstream	Those segments of the energy value chain located further away from the exploration, recovery and production of energy and closer to the end consumer of energy.
Dual Fuel	Both electric power and gas.
Electromobility (or Electro-mobility)	The concept and use of electric power as energy use for travel and mobility. In the present context, it is used to describe the automobile (e.g. hybrid, e-car, e-bike), the

	automotive equipment and charging infrastructure for electrically driven automobiles to form a stable and considerable part in the mobility mix.
Energy	The ability a physical system has to do work on other physical systems. Here: electric or heat energy, measured in kilowatt-hours.
Fuel	Fuel is any material that stores energy that can later be extracted to perform mechanical work in a controlled manner. Here: standard commodities, often traded, such as: gas, crude oil, heating oil, biomass, etc.
Grid	Here: the electrical or gas (-pipeline) network for delivering power or gas from producer to supplier to consumer.
Grid operator	The public or privately commercial entity managing (and sometimes owning) the gas or power grid.
Hydropower	Power that is derived from the force or energy of falling or flowing water, which may be harnessed mechanically.
ILR	Institut Luxembourgeois de Régulation – the Luxembourg regulator for power and gas grid operators.
Lignite-fired Power Plant	A fossil-fuel power station, which burns brown coal to produce electricity.
Photovoltaics	A method of generating electrical power by converting solar radiation into direct current electricity using solar panels composed of a number of solar cells, which contain a photovoltaic material.
Portfolio Management	Portfolio Management is a structured approach to categorize, evaluate, prioritize, purchase, and manage an organization's energy assets - be they of physical provenance or traded on the relevant exchanges - which is based on current and future economic drivers and on the visible balance of value/risk desired by the organization.
Position Closing Contract	A commercial transaction, by means of which an open position taken by a trader (e.g. buying or selling commodities) is modified – and a profit or a loss realised. A “long” position (i.e. a buy) can be closed by a contract “shortening out” (i.e. selling) the same quantity of commodities and vice versa. Until a position is “closed out” by a contract reversing the original position, profits or losses will remain hypothetical - as the price of the traded good is still fluctuating.
Power	here: industry term for electricity
Pumped-Storage Power Plant/Turbine (Hydroelectric Power Plant)	A production site for electricity, obtained through the use of the gravitational force of falling water. This method produces electricity to supply high peak demands by moving water between reservoirs at different elevations. At times of low electrical demand, excess generation capacity is used to pump water into the higher reservoir. When there is higher demand, water is released back into the lower reservoir through a turbine.

RAB	“Regulated Asset Base” – all assets, acknowledged by the Luxembourg regulator, ILR, for TSO and DSO operation as eligible for reimbursement of cost of capital.
Renewable Energy	Energy which comes from natural resources such as sunlight, wind, rain, tides, biomass and geothermal heat, which are naturally replenished.
Upstream Exploration & Production	The part of the energy value chain concerned with the exploration and recovery of primary fuels (such as gas, biomass or oil) from pre-existing resources.
Upstream Generation	The part of the energy value chain concerned with the production of energy (usually electrical power) from primary fuels (such as gas, biomass or oil).
Upstream Procurement	The purchase of energy-storing materials, fuels or power from segments of the energy value chain located before the segment, in which oneself is active.

## **EMPLOYEE TRANCHE BONDS**

On the date where the Temporary Global Notes are exchanged for the Permanent Global Note, which is expected to be 40 days after the Issue Date and upon certification as to non-U.S. beneficial ownership (the "**Tranche Consolidation Date**"), the Employee Tranche Bonds will be consolidated into the Public Tranche Bonds (the "**Tranche Consolidation**"). After the Tranche Consolidation, the Employee Tranche Bonds will form a single tranche with the Public Tranche Bonds and will be fungible in all respects with the Public Tranche Bonds.

## TAXATION

*The information provided below does not purport to be a complete summary of current tax law and practice. Potential purchasers of Bonds are advised to consult their own tax advisers as to the tax consequences of transactions involving the Bonds.*

### **EU Savings Directive on the Taxation of Savings Income in the Form of Interest Payments (Directive 2003/48/EC) (the "Savings Directive")**

Under the Savings Directive, each Member State of the European Union ("**Member State**") is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a paying agent within the meaning of the Savings Directive (the "**Paying Agent**") to or collected by such a person for an individual resident or certain types of entities called "residual entities", (within the meaning of article 4.2 of the Savings Directive) (the "**Residual Entities**") established in that other Member State. However, for a transitional period, Austria and Luxembourg were permitted to apply an optional information reporting system whereby if a beneficial owner, within the meaning of the Savings Directive, does not comply with one of the procedures for information reporting, the relevant Member State will levy a withholding tax on payments to such beneficial owner. The withholding tax is 35 per cent. Since 1 July 2011 and will apply for a transitional period. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments upon request or under the OECD model relative to such payments.

A number of non-EU countries (Switzerland, Andorra, Liechtenstein, Monaco and San Marino) and certain dependent or associated territories or certain member states have agreed to adopt similar measures (either provision of information or transitional withholding) in relating to payments made by a Paying Agent within its jurisdiction to, or collected by such a Paying Agent for, an individual resident or a Residual Entity established in a Member State. In addition, Luxembourg has entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories (Jersey, Guernsey, Isle of Man, Montserrat, British Virgin Islands, the former Netherlands Antilles, Turks and Caicos Islands, Anguilla, Cayman Islands and Aruba) in relation to payments made by a Paying Agent in a Member State to, or collected by such a paying agent for, an individual resident or a Residual Entity established in one of those territories.

On 13 November 2008, the European Commission published a proposal for amendments to the Savings Directive, which included a number of suggested changes. The aim of this proposal is to reinforce the scope and the perimeter of application of the Savings Directive. The European Parliament approved an amended version of this proposal on 24 April 2009. If implemented, the proposed amendments would, inter alia, (i) extend the scope of the Savings Directive to payments made through certain intermediate structures (whether or not established in an EU Member State) for the ultimate benefit of EU resident individuals, and (ii) provide for a wider definition of interest subject to the Savings Directive.

Bondholders should consult their own tax advisers regarding the implications of the Savings Directive in their particular circumstances.

### **Luxembourg Taxation**

*The following is a general description of certain Luxembourg tax considerations relating to the Bonds. It does not purport to be a complete analysis of all tax considerations relating to the Bonds whether in those countries or elsewhere. Prospective purchasers of Bonds should consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Luxembourg of acquiring, holding and disposing of Bonds and receiving payments of interest, principal and/or other amounts under the Bonds. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.*

*Also investors should note that the appointment by an investor in Bonds, or any person through which an investor holds Bonds, of a custodian, collection agent or similar person in relation to such Bonds in any jurisdiction may have tax implications. Investors should consult their own tax advisers in relation to the tax consequences for them of any such appointment.*

The residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) as well as personal income tax (*impôt sur le revenu*) generally. Corporate taxpayers may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

#### *Withholding Tax*

##### *(i) Non-resident holders of Bonds*

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005, as amended, implementing the Savings Directive and several agreements concluded with certain dependent or associated EU Member States (the "**Territories**") (the "**2005 Laws**"), there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Bonds, nor on accrued but unpaid interest in respect of the Bonds, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Bonds held by non-resident holders of Bonds.

Under the 2005 Laws, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual or a residual entity, as defined by the 2005 Laws, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent (within the meaning of the 2005 Laws). Payments of interest under the Bonds coming within the scope of the 2005 Laws are currently subject to a withholding tax of 35%.

##### *(ii) Resident holders of Bonds*

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended by the law of 17<sup>th</sup> July 2008 (the "**Luxembourg Withholding Tax Law**"), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Bonds, nor on accrued but unpaid interest in respect of Bonds, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Bonds held by Luxembourg resident holders of Bonds.

Under the Luxembourg Withholding Tax Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg (within the meaning of the Luxembourg Withholding Tax Law) to or for the benefit of an individual beneficial owner who is resident of Luxembourg or to certain foreign entities securing the interest payments for such individual beneficial owner will be subject to a withholding tax of 10%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

Under the Luxembourg Withholding Tax Law, Luxembourg resident individuals can opt to self declare and pay a 10 per cent. tax on interest payments made by paying agents (the "**Non-Resident Paying Agents**") located outside of Luxembourg in a Member State of the European Union, a Member State of the European Economic Area or in a State or territory which has concluded an agreement directly relating to the Savings Directive on the taxation of savings income (the "**Self Declaration Option**"). This 10% tax is calculated on the same basis as the withholding tax on payments made by Luxembourg resident paying agents (within the meaning of the Withholding Tax Law). The option for this 10% tax must cover all interest payments made by the Non-Resident Paying Agents to the Luxembourg resident beneficial owner



during the entire calendar year. This 10 per cent. tax is final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

#### *Income Taxation*

##### *(i) Non-resident holders of Bonds*

A non-resident holder of Bonds, not having a permanent establishment or permanent representative in Luxembourg to which/whom such Bonds are attributable, is not subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Bonds, or on gains realised on the sale or disposal, in any form whatsoever, of the Bonds.

A non-resident corporate holder of Bonds or an individual holder of Bonds acting in the course of the management of a professional or business undertaking, who has a permanent establishment or permanent representative in Luxembourg to which/whom such Bonds are attributable, is subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Bonds and on any gains realised upon the sale or disposal, in any form whatsoever, of the Bonds.

##### *(ii) Resident holders of Bonds*

Holders of Bonds who are residents of Luxembourg will not be liable for any Luxembourg income tax on repayment of principal.

#### Luxembourg resident corporate holders of Bonds

A corporate holder of Bonds must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realised on the sale or disposal, in any form whatsoever, of the Bonds, in its taxable income for Luxembourg income tax assessment purposes.

A holder of Bonds that is governed by the amended law of 11 May 2007 on family wealth management companies, or by the law of 17 December 2010 on undertakings for collective investment, or by the amended law of 13 February 2007 on specialised investment funds, is neither subject to Luxembourg income tax in respect of interest accrued or received, any redemption premium or issue discount, nor on gains realised on the sale or disposal, in any form whatsoever, of the Bonds.

#### Luxembourg resident individual holders of Bonds

An individual holder of Bonds, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax at progressive rates in respect of interest received, redemption premiums or issue discounts, under the Bonds, except if (i) withholding tax has been levied on such payments in accordance with the Luxembourg Withholding Tax Law, or (ii) the individual holder of the Bonds has opted for the Self Declaration Option. A gain realised by an individual holder of Bonds, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of Bonds is not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after the Bonds were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax except if tax has been withheld on such interest or has been self-declared and falls under the Self Declaration Option in accordance with the Luxembourg Withholding Tax Law.

An individual holder of Bonds who acts in the course of the management of a professional or business undertaking must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realised on the sale or disposal, in any form whatsoever, of the Bonds, in its taxable income for Luxembourg income tax assessment purposes.

#### *Net Wealth Taxation*

A corporate holder of Bonds, whether it is a resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg to which/whom such Bonds are attributable, is subject to Luxembourg wealth tax on such Bonds, except if the holder of Bonds is governed by the amended law of 11 May 2007 on family wealth management companies, or by the law of 17 December 2010 on undertakings for collective investment, or by the amended law of 13 February 2007 on specialised investment funds, or is a securitisation company governed by the amended law of 22

March 2004 on securitisation, or is a capital company governed by the amended law of 15 June 2004 on venture capital vehicles.

An individual holder of Bonds, whether he/she is a resident of Luxembourg or not, is not subject to Luxembourg wealth tax on such Bonds.

#### *Other Taxes*

Neither the issuance nor the transfer, redemption or repurchase of Bonds will give rise to any Luxembourg stamp duty, value added tax, issuance tax, registration tax, transfer tax or similar taxes or duties.

Where a holder of Bonds is a resident of Luxembourg for tax purposes at the time of his/her death, the Bonds are included in his/her taxable estate for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of Bonds if embodied in a deed passed before a Luxembourg notary or recorded in Luxembourg.

#### **German Taxation**

*The following is a general description of certain German tax considerations relating to an investment in the Bonds. It does not purport to be a complete analysis of all tax considerations relating to the Bonds and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. Prospective purchasers of the Bonds should consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Germany of acquiring, holding and disposing of the Bonds and receiving payments of interest, principal and/or other amounts under the Bonds. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.*

To the extent the following information describes the taxation in the case of a disposal of the Bonds, such description applies accordingly to cases of a repayment, assignment or redemption of the Bonds as well as a transfer of Bonds into a corporation by way of a hidden contribution (*verdeckte Einlage in eine Kapitalgesellschaft*).

#### **Tax Residents**

Persons (individuals and corporate entities) who are tax resident in Germany (in particular, persons having a residence, habitual abode, seat or place of management in Germany) are subject to income taxation (income tax or corporate income tax, as the case may be, plus solidarity surcharge thereon plus church tax and/or trade tax, if applicable) on their worldwide income, regardless of its source, including interest from debt of any kind (such as the Bonds) and, in general, capital gains.

#### *Taxation if the Bonds are held as private assets (Privatvermögen)*

In the case of German tax-resident individual investors (*unbeschränkt Steuerpflichtige*) holding the Bonds as private assets (*Privatvermögen*), the following applies:

#### *Income*

The Bonds qualify as other capital receivables (*sonstige Kapitalforderungen*) in terms of section 20 para 1 no 7 German Income Tax Act ("**ITA**" – *Einkommensteuergesetz*). Accordingly, payments of interest on the Bonds qualify as taxable savings income (*Einkünfte aus Kapitalvermögen*) pursuant to section 20 para 1 no 7 ITA.

Capital gains / capital losses realised upon sale or other disposal of the Bonds, computed as the difference between the acquisition costs and the sales proceeds reduced by expenses directly and factually related to the sale, should qualify as positive or negative savings income in terms of section 20 para 2 sentence 1 no 7 ITA. Where the Bonds are acquired and/or sold in a currency other than Euro, the acquisition costs will be converted into Euro at the time of acquisition, the sales proceeds will be converted into Euro at the time of sale and the difference will then be computed in Euro. Losses from a sale or other disposal of Bonds can only be offset against other taxable savings income and, if there is not sufficient other positive

taxable savings income, carried forward in subsequent assessment periods; a loss carry-back is not permissible.

Pursuant to a tax decree issued by the German Federal Ministry of Finance dated 22 December 2009 as amended on 16 November 2010, a bad debt loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*), to the extent the waiver does not qualify as a hidden contribution, shall not be treated like a sale. Accordingly, losses suffered upon such bad debt loss or waiver shall not be tax-deductible.

If the Bonds are allocated to an activity of letting and leasing of property, the income from the Bonds qualifies, deviating from the above, as income from letting and leasing of property. In such a case, the taxable income is calculated as the difference between the income and income-related expenses (*Werbungskosten*).

#### *Taxation of income*

Savings income is, in principle, taxed at a separate tax rate for savings income (*gesonderter Steuertarif für Einkünfte aus Kapitalvermögen*), which is 26.375% (including solidarity surcharge (*Solidaritätszuschlag*)) plus, if applicable, church tax. When computing the savings income, the saver's lump sum amount (*Sparer-Pauschbetrag*) of EUR 801 (respectively EUR 1,602 in the case of jointly assessed husband and wife) will be deducted. The deduction of the actual income related expenses, if any, is excluded.

The taxation of savings income shall take place mainly by way of levying withholding tax (please see below). If and to the extent German withholding tax has been levied, such withholding tax shall, in principle, become definitive and replace the investor's income taxation. If no withholding tax has been levied other than by virtue of a withholding tax exemption certificate (*Freistellungsauftrag*) and in certain other cases, the investor is nevertheless obliged to file a tax return, and the savings income will then be taxed within the assessment procedure. However, the separate tax rate for savings income applies in most cases also within the assessment procedure. In certain cases, the investor may apply to be assessed on the basis of its personal tax rate if such rate is lower than the above tax rate.

If the income from the Bonds qualifies as income from letting and leasing of property, the investor has to report income and income-related expenses (*Werbungskosten*) in its tax return and the balance will be taxed at the investor's individual income tax rate of up to 47.475% (including solidarity surcharge) plus, if applicable, church tax.

#### *German withholding tax (Kapitalertragsteuer)*

With regard to savings income (*Kapitalerträge*), e.g. interest or capital gains, German withholding tax (*Kapitalertragsteuer*) will be levied if the Bonds are held in a custodial account which the investor maintains with a German branch of a German or non-German credit or financial services institution or with a German securities trading business or a German securities trading bank (a "**German Disbursing Agent**") and such German Disbursing Agent credits or pays out the earnings.

The tax base is, in principle, equal to the taxable gross income as set out above (i.e. prior to withholding). However, in the case of capital gains, the tax deduction is calculated on the basis of the capital gain only if the Bonds have been kept in a custodial account with such German Disbursing Agent since the time of issuance and acquisition, respectively; if that is not the case, the investor may prove the acquisition costs to the German Disbursing Agent only in a specific form required by law. Otherwise, the tax deduction is calculated on the basis of 30% of the proceeds from the disposal of the Bonds.

German withholding tax will be levied at a flat withholding tax rate of 26.375% (including solidarity surcharge) plus, if applicable, church tax.

Individuals who are subject to church tax may apply in writing for this tax to be withheld as a surcharge to the withholding tax. Individuals subject to church tax but declining to apply have to include their savings income in their tax return and will then be assessed to church tax.

In general, no German withholding tax will be levied by a German Disbursing Agent if the investor holding the Bonds as private assets has filed a withholding tax exemption certificate (*Freistellungsauftrag*) with the German Disbursing Agent, but only to the extent the interest income and

other taxable savings income do not exceed the exemption amount shown on the withholding tax exemption certificate. Currently, the maximum exemption amount is EUR 801 (respectively EUR 1,602 in the case of jointly assessed husband and wife). Similarly, no withholding tax will be deducted if an investor has submitted to the German Disbursing Agent a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the relevant local tax office.

#### *Taxation if the Bonds are held as business assets (Betriebsvermögen)*

In the case of German tax-resident corporations or individual investors (*unbeschränkt Steuerpflichtige*) holding the Bonds as business assets (*Betriebsvermögen*), interest payments and capital gains will be subject to corporate income tax (in case of an incorporated investor) at a rate of 15%, or income tax at an individual progressive tax rate of up to 45%, as the case may be (in each case plus 5.5% solidarity surcharge thereon). In addition, trade tax may be levied, the rate of which depends on the municipality where the business is located. Further, in the case of individuals, church tax may be levied.

The provisions regarding German withholding tax (*Kapitalertragsteuer*) apply, in principle, as set out above for Bonds held as private assets. However, investors holding the Bonds as business assets cannot file a withholding tax exemption certificate with the German Disbursing Agent. Instead, no withholding tax will be levied on capital gains from the redemption, sale or assignment or other disposal of the Bonds if, for example, (a) the Bonds are held by a company satisfying the requirements of section 43 para 2 sentence 3 no 1 ITA or (b) the proceeds from the Bonds qualify as income of a domestic business and the investor notifies this to the German Disbursing Agent by use of the officially required form. The tax withholding will not settle the (corporate) income tax liability. However, any withholding tax levied is credited as prepayment against the German (corporate) income tax amount. If the tax withheld exceeds the respective (corporate) income tax amount, the difference will be refunded within the tax assessment procedure.

#### **Non-residents**

Persons who are not tax resident in Germany are not subject to tax with regard to income from the Bonds unless (i) the Bonds are held as business assets (*Betriebsvermögen*) of a German permanent establishment (including a permanent representative) which is maintained by the investor or (ii) the income from the Bonds qualifies for other reasons as taxable German source income. If a non-resident person is subject to tax with its income from the Bonds, in principle, similar rules apply as set out above with regard to German tax resident persons (please see above).

If the income is subject to German tax as set out in the preceding paragraph, German withholding tax will be applied like in the case of a German tax resident person.

#### **Inheritance and Gift Tax**

Inheritance or gift taxes with respect to any Bond will, in principle, arise under German law if, in the case of inheritance tax, either the decedent or the beneficiary or, in the case of gift tax, either the donor or the donee is a resident of Germany or if such Bond is attributable to a German trade or business for which a permanent establishment is maintained or a permanent representative has been appointed. In addition, certain German expatriates will be subject to inheritance and gift tax.

#### **Other Taxes**

No stamp, issue, registration or similar taxes or duties are payable in Germany in connection with the issuance, delivery or execution of the Bonds. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany.

#### **EU Savings Tax Directive**

Concerning the EC Council Directive 2003/48/EC on the taxation of savings income, refer to the chapter on the European Union Savings Directive on page 67. By legislative regulations dated 26 January 2004, the Federal Government enacted provisions implementing the Directive into German law. These provisions apply from 1 July 2005.

### **No gross-up for German withholding tax (*Kapitalertragsteuer*)**

Purchasers of the Bonds should note that in accordance with the Conditions, the Issuer will neither assume any liability for German withholding tax (*Kapitalertragsteuer*) withheld from payments under the Bonds, nor make any additional payments in regard of German taxes, i.e. no gross-up will apply in case a German withholding tax is imposed.

### **Belgium Taxation**

The following is a general description of certain Belgian tax considerations relating to an investment in the Bonds. It does not purport to be a complete analysis of all tax considerations relating to the Bonds. Prospective purchasers of the Bonds should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Belgium of acquiring, holding and disposing of the Bonds. This summary is based upon the law as in effect on the date of this prospectus and is subject to any change in law that may take effect after such date.

For the purpose of the summary below, a Belgian resident is (i) an individual subject to Belgian personal income tax (i.e., an individual who has his domicile in Belgium or has his seat of wealth in Belgium, or a person assimilated to a Belgian resident), (ii) a company subject to Belgian corporate income tax (i.e., a company that has its registered office, its main establishment, its administrative seat or its seat of management in Belgium), or (iii) a legal entity subject to Belgian legal entities tax (i.e., an entity other than a company subject to corporate income tax having its registered office, its main establishment, its administrative seat or its seat of management in Belgium).

A non-resident is a person who is not a Belgian resident.

### **Belgian withholding tax**

The interest component of payments on the Bonds made by or on behalf of the Issuer and which is collected through a financial intermediary in Belgium is subject to Belgian withholding tax, currently at a rate of 21% on the gross amount. For Belgian resident individuals, an additional levy of 4% may apply to the interest on the Bonds.

For Belgian income tax purposes, interest includes (i) periodic interest income, (ii) any amounts paid by the Issuer in excess of the issue price (upon full or partial redemption whether or not at maturity, or upon purchase by the Issuer), and (iii) if the Bonds qualify as fixed income securities pursuant to Article 2, §1, 8 of the Belgian Income Tax Code 1992 (**ITC 1992**), in case of a sale of the Bonds between interest payment dates to any third party, excluding the Issuer, the pro rata of accrued interest corresponding to the detention period.

### ***Interest, capital gains and income tax***

#### ***Belgian resident individuals***

For Belgian resident individuals holding the Bonds as a private investment and who opt to submit the interest on the Bonds, in addition to the withholding tax of 21% to an additional levy of 4% withheld at source, the taxes withheld fully discharges them from their personal income tax liability with respect to these interest payments. This means that they do not have to declare the interest obtained on the Bonds in their personal income tax return.

For Belgian resident individuals holding the Bonds as a private investment and who do not opt to submit the interest on the Bonds, in addition to the withholding tax of 21%, to an additional levy of 4% withheld at source, the taxes withheld do not fully discharge them from their personal income tax liability with respect to these interest payments. In such case, the interest amount on the Bonds will be communicated to a special contact centre operated by the competent service of the Belgian tax administration who may exchange certain information to the Belgian tax authorities, and the individual will need to declare the interest amount in its personal income tax return. The interest amount so declared will normally be taxed at the interest withholding tax rate of 21% plus local surcharges (the Ministry of Finance has declared that the local surcharges would not be applicable, but this does not follow from the laws currently in force) or at the progressive personal income tax rates plus local surcharges taking into account the taxpayer's other declared income (whichever is lower).

If the gross amount of all interest and dividend income declared and/or communicated to the contact centre, exceeds EUR 20,020 on a yearly basis (threshold applicable for assessment year 2013, income year 2012), the interest declared on the Bonds exceeding this threshold will be subject to an additional levy of 4% in the personal income tax declaration. Certain specific categories of interest and dividends are exempt and not taken into consideration in order to calculate whether the threshold is exceeded. Some other categories of interest and dividends are exempt, but are taken into consideration in order to calculate whether the threshold is exceeded.

If the interest payment is declared, the withholding tax retained and, if applicable, the additional levy of 4%, may be credited.

Capital gains realised on the disposal of the Bonds are as a rule tax exempt, unless these Bonds are held for professional purposes or if the capital gain is realised outside the normal management of one's private estate. Capital losses realised upon the disposal of the Bonds held as non-professional investment are in principle not tax deductible. If the Bonds qualify as fixed income securities pursuant to Article 2, §1, 8 ITC 1992, in case of a sale of the Bonds between interest payment dates to any third party, excluding the Issuer, the pro rata of accrued interest corresponding to the detention period does not constitute a capital gain, but interest, which may be subject to withholding tax (see section "Belgian withholding tax").

Specific tax rules apply to Belgian resident individuals who do not hold the Bonds as a private investment.

#### *Belgian resident companies*

Holders of Bonds which are Belgian resident companies will be subject to Belgian corporate income tax on the interest payments made on the Bonds at the ordinary corporate income tax rate of in principle 33.99%. Capital gains realised in respect of the Bonds will be part of the company's taxable income. Capital losses realised upon the sale of the Bonds are in principle tax deductible.

#### *Belgian legal entities*

Any periodic coupon payment as well as any payment in excess of the issue price made upon redemption by the Issuer will be treated as interest for Belgian tax purposes and will be subject to a Belgian withholding tax of 21% if collected through a financial intermediary established in Belgium. If Belgian withholding tax has been withheld, the interest will not be taxed further. Holders of the Bonds who collect the payment abroad without Belgian withholding tax are required to declare this income and to pay the withholding tax on their own initiative.

Capital gains realised on the sale of the Bonds on the secondary market before maturity are generally not taxable for non-profit entities, except if the purchaser is the Issuer. In the latter case, capital gains are taxable as interest and subject to withholding tax if collected through a financial intermediary established in Belgium. The accrued interest part of a capital gain realised on a sale of Bonds which qualify as fixed income Bonds in the meaning of article 2, §1, 8° Belgian Income Tax Code are also taxable as interest. Capital losses realised on a sale of the Bonds are not tax deductible.

#### *Non-residents*

Payments of interest (including any payment by the Issuer in excess of the Issue Price) made to investors who are not residents of Belgium will not be subject to Belgian withholding tax if the payments are not collected through a Belgian financial intermediary (unless these investors have a permanent establishment in Belgium through which they hold the Bonds). Income collected through regulated financial intermediaries is exempt provided that the investor delivers to its financial intermediary an appropriate certificate of exemption.

#### **Tax on stock exchange transactions**

Secondary market trades in respect of the Bonds will give rise to a stock exchange tax (*Taxe sur les operation de bourse / Taks op de Beursverrichtingen*) if they are carried out in Belgium through a professional intermediary. The rate applicable for secondary sales and purchases is 0.09%. The tax is due separately from each party to any such transaction, *i.e.*, the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary. The amount of the transfer tax is, however, capped at EUR 650 per transaction per party.

However, the tax referred to above will not be payable by exempt persons acting for their own account including all non-residents of Belgium, subject to the delivery of an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors, as defined in article 126/1, 2° of the Code of various duties and taxes (*Code des droits et taxes divers / Wetboek diverse rechten en taksen*).

### **French Taxation**

*The following is a general description of certain French withholding tax considerations relating to the Bonds. It does not purport to be a description of general French tax considerations relating to the Bonds. Prospective investors are advised to consult their own professional advisors to obtain information about the tax consequences of the acquisition, ownership, disposition or redemption of the Bonds. Only personal advisors are in a position to adequately take into account special tax aspects of the particular Bonds in question as well as the investor's personal circumstances and any special tax treatment applicable to the investor. This summary is based on French law as in force when drawing up this Prospectus. The laws and their interpretation by the tax authorities may change and such changes may have retroactive effect.*

All payments of interest and principal by the Issuer (acting out of its head office or one of its non-French branches) under the Bonds can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by France or any political subdivision or taxing authority thereof or therein, in accordance with the applicable French law, subject to the possibility under certain conditions for French tax resident individuals holding the Bonds as part of their private assets to exercise an option, conditional on compliance with certain formalities, for the interest received under the Bonds to be subject to a final withholding tax (*prélèvement libératoire*) at the rate of 24%, the CSG of 8.2%, the *prélèvement social* of 3.4% (the law 2012-354 dated 14 March 2012 provides for an increase of the 3.4% rate to 5.4% as from 1<sup>st</sup> July 2012 and as a result, as from the entry into force of this law, the global tax rate of the final withholding tax will be increased to 39.5%.) and its *contributions additionnelles au prélèvement social* of 1.4% and the CRDS of 0.5%, resulting in a global tax rate of 37.5%. The possibility to exercise this option applies only where the interest is paid by the Issuer acting out of its head office in Luxembourg or one of its non-French branches situated in a European Union Member State, Iceland, Norway or Liechtenstein.

Please note that investors are required to provide information necessary to allow the paying agent to identify the beneficial owners of interest paid according to the provisions of the Council directive 2003/48/EC of 3 June 2003 on taxation of savings income implemented in France by the Amending Finance Act for 2003 (law n° 2003-1312 dated 30 December 2003).

## SUBSCRIPTION AND SALE

BGL BNP Paribas S.A., Luxembourg as Lead Manager and Bookrunner (the "**Lead Manager**"), Banque Internationale à Luxembourg SA and Banque et Caisse d'Epargne de L'Etat, Luxembourg as Managers and ING Luxembourg, Société Anonyme as Co-Manager (together with the Lead Manager and the Managers, the "**Managers**") have entered into a placement agreement with the Issuer on 14 May 2012 (the "**Placement Agreement**").

Pursuant to the Placement Agreement, each Manager, acting severally but not jointly, has agreed to use its best reasonable efforts to solicit and receive offers to subscribe for the Public Tranche Bonds during the Public Tranche Subscription Period at the Issue Price. The Lead Manager shall alone be authorised to solicit, receive and deal with offers for Public Tranche Bonds during the Public Tranche Subscription Period from qualified investors (as such term is defined in the Prospectus Law) ("**Qualified Investors**").

Pursuant to the Placement Agreement, each Employee (as defined below) shall be entitled to subscribe to a maximum nominal amount per person of EUR 25,000 (the "**ET Maximum Amount**") of Employee Tranche Bonds at the Issue Price from the Lead Manager and in accordance with a letter from the Issuer to be sent to the Employees on or about 16 May 2012 (the "**Employee Letter**").

"**Employee**" (i) means individuals who are on the day preceding the issuance of the Employee Letter in an employment relationship with undetermined duration (*contrat de travail à durée indéterminée*) with the Issuer or any of the following subsidiaries of the Issuer: Enovos Luxembourg S.A., Leo S.A., Luxenergie S.A., Creos Luxembourg S.A., Creos Deutschland GmbH, Enovos Deutschland AG, Enovos Energie Deutschland GmbH, EnergieSüdwest AG, ESW Netz GmbH, Enovos Services GmbH, Enovos Future GmbH and EnergieSüdwest Projektentwicklung GmbH, unless a notice of early termination of such employment relationship has been given to or by the relevant individual on or before such day, and (ii) further includes the individuals designated as "*Agents*" and "*Salariés*" of the City of Luxembourg as referred to in the "*Convention de mise à disposition*" and the "*Convention de prêt temporaire*", respectively, each dated 13 December 2010 entered into between Creos Luxembourg S.A and the *Administration Communale* of the City of Luxembourg, and as listed in the Annexe 1 to each convention, (a) provided these individuals are still seconded to (*mis à disposition de*, respectively, *prêté à*) Creos Luxembourg S.A. on the day preceding the issuance of the Employee Letter, or (b) unless a notice of early termination of employment relationship has been given to or by the relevant individual on or before the day preceding the issuance of the Employee Letter, as applicable.

Bonds not subscribed by Employees in the Employee Tranche Bonds may be subscribed by one or more Subsidiaries of the Issuer in connection with their initial distribution at the Issue Price. The relevant Subsidiary may decide to sell or transfer such Employee Tranche Bonds in the future in the secondary market or otherwise and such sales or transfers may be effected in varying amounts and on different dates.

The Issuer has agreed to reimburse the Managers for certain of their expenses incurred in connection with the management of the issue of the Bonds. The Managers are entitled in certain circumstances to be released and discharged from their obligations under the Placement Agreement prior to the closing of the issue of the Bonds.

The issuance of the Bonds remains subject to the conditions set out in the Placement Agreement.

### **Procedure for Subscription to Public Tranche Bonds**

The Public Tranche Bonds are offered to the public in Luxembourg by the Managers and in Belgium by the Lead Manager acting through Fortis Bank NV/SA (acting under its commercial name "BNP Paribas Fortis"), from 16 May 2012 at 9:00 CET until 11 June 2012 at 16:00 CET, subject to an early closing (the "**Public Tranche Subscription Period**"). The Public Tranche Bonds are offered on a first-come first-served basis. If all of the Public Tranche Bonds (as their aggregate amount may have been increased as specified below) are sold prior to the end of the Public Tranche Subscription Period, the offer of the Public Tranche Bonds will be closed and a notice of such closure will be published by the Issuer on its website.

After carefully reviewing this Prospectus, investors who wish to subscribe for Public Tranche Bonds are invited to subscribe for the Public Tranche Bonds at the branches of the Managers in Luxembourg and of BNP Paribas Fortis in Belgium. Investors may also subscribe for Public Tranche Bonds by visiting the branch or the internet site of banks other than the Managers. In such a case, investors should inquire with



the relevant bank regarding the subscription process and any fees which may be payable to such bank by the investor.

Subscriptions for Public Tranche Bonds are irrevocable, unless a supplement to this Prospectus is filed by or on behalf of the Issuer, in which case investors will have two business days to revoke their subscription.

The minimum subscription amount on the primary market for the Public Tranche Bonds is €1,000. There is no maximum subscription amount.

### **Procedure for Subscription to Employee Tranche Bonds**

The Employee Tranche Bonds are offered to Employees in Luxembourg, Belgium, France and Germany, from 16 May 2012 at 9:00 CET until 4 June 2012 at 16:00 CET, subject to an early closing (the "**Employee Tranche Subscription Period**") and together with the Public Tranche Subscription Period, each a "**Subscription Period**"). The offer of Employee Tranche Bonds to Employees is an offer of securities to the public (as defined in the Prospectus Law) in Luxembourg, Belgium and Germany, but not France where the Employee Tranche Bonds are offered in accordance with an exception under the Prospectus Directive as implemented by French law. While the offer of Employee Tranche Bonds to Employees is an offer of securities to the public (as defined in the Prospectus Directive) in Germany, the Employee Tranche Bonds may only be subscribed for by Employees.

The Employee Tranche Bonds are offered on a first-come first-served basis. If all of the Employee Tranche Bonds are sold prior to the end of the Employee Tranche Subscription Period, the offer of the Employee Tranche Bonds will be closed and a notice of such closure will be published by the Issuer on its website.

After carefully reviewing this Prospectus, Employees who wish to subscribe for Employee Tranche Bonds are invited to subscribe for the Employee Tranche Bonds by sending the subscription form, which was provided to such Employees on or about the date of this Prospectus by the Issuer with the Employee Letter and a copy of a national identification card or passport, by email, facsimile or post to the Lead Manager (in accordance with the instructions and contact details set out in the Employee Letter).

Subscriptions will only be considered as valid if the duly completed and signed subscription form has been received by the Lead Manager, and the related payment has been credited to the account of the Lead Manager indicated in the Employee Letter for value no later than the 4 June 2012.

Subscriptions for Employee Tranche Bonds are irrevocable, unless a supplement to this Prospectus is filed by or on behalf of the Issuer, in which case Employees will have two business days to revoke their subscription.

The minimum subscription amount for the Employee Tranche Bonds is €1,000. Each Employee may not subscribe for more than the ET Maximum Amount.

### **Issue Price of the Bonds**

The issue price for the Bonds is 101.875 per cent. of their principal amount (the "**Issue Price**"), which includes a placement fee equal to 1.875 per cent. Employees or individual investors who are not Qualified Investors must pay the Issue Price for Bonds, in full. In respect of Public Tranche Bonds only, Qualified Investors shall pay the Issue Price, subject to adjustment during the subscription period, mainly based on (i) the evolution of credit quality of the Issuer (credit spread), (ii) changes in interest rates, (iii) the success (or lack of success) of the placement of the Public Tranche Bonds and (iv) the amount of Public Tranche Bonds purchased by an investor as determined at the discretion of the Lead Manager.

The aggregate principal amount of the Public Tranche Bonds will be minimum EUR 95,000,000. Upon decision of the Issuer and the Lead Manager (taking into account the demand from investors), the final aggregate principal amount may be increased at the end (or upon the early closing) of the Public Tranche Subscription Period, but not beyond an amount that is greater than EUR 195,000,000. The Issuer reserves the right to issue Bonds for a lower aggregate principal amount.

The final aggregate principal amount of the Public Tranche Bonds shall be published as soon as possible after the end (or the early closing) of the Public Tranche Subscription Period on the following websites: [www.bgl.lu](http://www.bgl.lu); [www.bnpparibasfortis.be](http://www.bnpparibasfortis.be); [www.bourse.lu](http://www.bourse.lu), and [www.enovos-invest.eu](http://www.enovos-invest.eu).

#### **Date and payment details**

The date of payment of the Issue Price for the Public Tranche Bonds is the Issue Date. Payment of the Issue Price for the Public Tranche Bonds shall be made from the current account of the investor.

The Issue Price for the Employee Tranche Bonds shall be paid as from the time the Employee subscribing for the Employee Tranche Bonds sends his/her subscription form to the Lead Manager as described in the Employee Letter, and must at the latest be credited to the account of the Lead Manager for value 21 days after the Pricing Date. Subscriptions will only be considered as valid if the duly completed and signed subscription form has been received by the Lead Manager, and the related payment has been credited to the account of the Lead Manager indicated in the Employee Letter for value no later than the 4 June 2012.

The Public Tranche Bonds will on the Issue Date be delivered on instruction from the Managers to the securities accounts of participants in Clearstream, Luxembourg and Euroclear for delivery to subscribers.

The Issuer will on the Issue Date issue and deliver the Public Tranche Bonds to the Managers for onward distribution to the subscribers, in accordance with the usual operating rules of Euroclear and/or Clearstream, Luxembourg.

The Employee Tranche Bonds will be delivered to the Lead Manager on the Issue Date. The Lead Manager will no later than the Business Day following the Issue Date give credit instructions for the delivery of the Employee Tranche Bonds for Employees having validly subscribed such Bonds. The delivery will be made to the bank specified by the Employee in his/her subscription form, for value on the third business day in the location of such bank after the Issue Date. The relevant bank is responsible for accepting the Employee Tranche Bonds via the clearing systems and for crediting the security account of the Employee.

#### **Placement Fee / Costs of the issue of the Bonds**

The Issuer will pay to the Lead Manager an arrangement fee of 0.15% calculated on the aggregate principal amount of Bonds effectively placed with and paid up by investors. This arrangement fee (including VAT, if any) will be paid by the Issuer at the time of the issuance of the Bonds and will be deducted from the net proceeds to be paid by the Managers (via the Paying Agent) to the Issuer.

Legal fees, administrative, arrangement and other costs and expenses in connection with the issuance of the Bonds will be paid by the Issuer. In addition, a placement fee of 1.875 per cent. (the "**Placement Fee**") of the principal amount of the Bonds shall be paid by Employees and investors (other than Qualified Investors). The Placement Fee shall be included in the Issue Price, which is the price of Bonds in the primary market for investors.

With respect to Employees who subscribe for Employee Tranche Bonds, the member of the Group who is the employer of the relevant Employee, will reimburse its Employees requesting such reimbursement of the Placement Fee paid in respect of the Employee Tranche Bonds purchased by such Employees. Employees who have subscribed for Employee Tranche Bonds wishing to be so reimbursed must notify such request within thirty (30) calendar days of the Issue Date as further indicated in the Employee Letter. The relevant employer shall make the reimbursement within 2 months as from the receipt by the employer of the reimbursement request.

Any financial services for the Bonds (i.e., payment of interest and principal) will be provided free of charge by the Managers and BNP Paribas Fortis to their clients. The costs of the custody fee in respect of the Bonds while in the custody accounts will be charged by each Manager and by BNP Paribas Fortis to the subscribers of the Bonds based on the standard rates of each Manager and BNP Paribas Fortis. Investors should inform themselves on any potential additional costs/fees that may be charged to them by their financial intermediary in addition to the Placement Fee and the custody fee charged by the Managers and BNP Paribas Fortis.

#### **Early closing**

In the event of early closure of a Subscription Period, the allocation of the Bonds will be on a "first come, first served" basis. The priority will be determined on the basis of subscriptions received by the Managers. In case of early closing, investors will be informed of the number of Bonds that have been allocated to them as soon as possible after the early closing of the relevant Subscription Period. Any payments made in connection with the subscription of Bonds which are not allocated will be refunded by the relevant Manager within 7 business days after the early closing of the relevant Subscription Period.

### **Result of the offer**

The results of the offer of the Bonds (including the net proceeds of the Bonds) will be published promptly after the end of both the Public Tranche Subscription Period and the Employee Tranche Subscription Period, on the following sites: [www.bgl.lu](http://www.bgl.lu); [www.bnpparibasfortis.be](http://www.bnpparibasfortis.be); [www.bourse.lu](http://www.bourse.lu), and [www.enovos-invest.eu](http://www.enovos-invest.eu). The same method of publication will be used in case of early closing of the Public Tranche Subscription Period.

### **Schedule of the offer**

The below are the important dates in the schedule of the offer of the Bonds:

- 14 May 2012: Publication of this Prospectus
- 16 May 2012, 9:00 (CET): Opening of the Public Tranche Subscription Period and Employee Tranche Subscription Period
- 4 June 2012, 16:00 (CET): Closing of the Employee Tranche Subscription Period (subject to early closure)
- 11 June 2012, 16:00 (CET): Closing of the Public Tranche Subscription Period (subject to early closure)
- 4 June 2012: Last date of payment of the Bonds in the Employee Tranche
- As soon as possible after 11 June 2012 (or in case of an early closure, after that date): publication of the results of the offer (including the net proceeds from issuance of the Bonds)
- 15 June 2012: Date of payment of the Bonds in the Public Tranche
- 15 June 2012: Date of issue of Bonds and allocation of Bonds
- On or about 15 June 2012: Bonds admitted to trading on the Euro MTF market and listed on the official list of the Luxembourg Stock Exchange.

### **Public Offer Selling Restrictions Under The Prospectus Directive**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a "**Relevant Member State**"), each Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Bonds which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than the offers contemplated in the Prospectus in Luxembourg, Belgium and Germany from the time the Prospectus has been approved by the competent authority in Luxembourg and published and notified to the relevant competent authorities in accordance with the Prospectus Directive as implemented in Belgium and Germany until the Issuer may permit, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Bonds to the public in that Relevant Member State:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

- (c) to fewer than 100 natural or legal persons (other than Qualified Investors) subject to obtaining the prior consent of the Lead Manager; or
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

**provided that** no such offer of Bonds shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Bonds to the public**" in relation to any Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor or Employee to decide to purchase or subscribe the Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

### **United States of America**

The Bonds have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements. Subject to certain exceptions, Bonds may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Each of the Managers has agreed that, except as permitted by the Placement Agreement, it will not offer, sell or deliver the Bonds within the United States or to, or for the account or benefit of, U.S. persons. In addition, until 40 days after commencement of the offering, an offer or sale of Bonds within the United States by a dealer whether or not participating in the offering may violate the registration requirements of the Securities Act.

### **General**

Each Manager has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Bonds or possesses or distributes this Prospectus or any other offering material relating to the Bonds. Persons into whose hands this Prospectus comes are required by the Issuer and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Bonds or possess, distribute or publish this Prospectus or any other offering material relating to the Bonds, in all cases at their own expense.

## GENERAL INFORMATION

### Authorisation

1. The creation and issue of the Bonds has been authorised by a resolution of the Board of Directors of the Issuer dated 20 April 2012.

### Legal and Arbitration Proceedings

2. There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Prospectus, a significant effect on the financial position or profitability of the Issuer and its Subsidiaries.

### Significant/Material Change

3. There has been no significant change in the financial or trading position of the Issuer or the Group since 31 December 2011 and no material adverse change in the financial position or prospects of the Issuer since 31 December 2011.

### Auditors

4. The consolidated financial statements of the Issuer and its subsidiaries for the year ended December 31, 2010, prepared in accordance with Lux GAAP and incorporated by reference in this Prospectus, have been audited by Ernst&Young S.A. who rendered an unqualified opinion on the consolidated financial statements.

The consolidated financial statements of the Issuer and its subsidiaries for the year ended December 31, 2011, prepared in accordance with Lux GAAP and incorporated by reference in this Prospectus, have been audited by Ernst&Young S.A. who rendered an unqualified opinion on the consolidated financial statements.

Ernst&Young S.A. and the auditors employed by Ernst&Young S.A. are registered with the CSSF and with the IRE (*Institut des Réviseurs Luxembourgeois*) as a *cabinet de révision agréé* and as *réviseurs d'entreprises agréés*, respectively.

The address of Ernst&Young S.A. is:  
Ernst & Young  
7, rue Gabriel Lippmann - Parc d'Activité Syrdall  
L-5365 Munsbach

### Documents on Display

5. Copies of the following documents may be inspected during normal business hours at the offices of the paying agent, Banque Internationale à Luxembourg SA at 69, route d'Esch, L-2953 Luxembourg for 12 months from the date of this Prospectus:
  - the Articles of Association of the Issuer;
  - the Agency Agreement;
  - a copy of this Prospectus together with any supplement to this Prospectus; and
  - the audited consolidated financial statements of the Issuer for the years ended 2010 and 2011.

### Yield

6. On the basis of the issue price of the Bonds of 101.875 per cent. of their principal amount, the gross real yield of the Bonds is 3.444 per cent. on an annual basis.

### **Legend Concerning US Persons**

7. The Bonds will bear a legend to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

### **ISIN and Common Code**

8. The Public Tranche Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN is XS0780255146 and the common code is 078025514.
9. The Employee Tranche Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN is XS0780255062 and the common code is 078025506. After the Tranche Consolidation, the Employee Tranche Bonds will have the same ISIN and common code as the Public Tranche Bonds.

### **Passporting**

10. The Issuer has made applications for certificates of approval under Article 18 of the Prospectus Directive as implemented in Luxembourg to be issued by the CSSF to the competent authorities in Belgium and Germany.

## SELECTED FINANCIAL INFORMATION

Below are summaries of the Issuer's consolidated balance sheet and income statement for the 2011 and 2010 financial years. The full consolidated financial statements of the Issuer for the 2011 and 2010 financial years are available on [www.enovos-invest.eu](http://www.enovos-invest.eu) and [www.bourse.lu](http://www.bourse.lu) and at the specified offices of the Paying Agent. Please also see page 3 for information included by reference herein.

Balance sheet		
MEUR	December 2011	December 2010
<b>ASSETS</b>		
<b>Goodwill</b>	<b>65,5</b>	<b>40,4</b>
Intangible fixed assets	171,9	87,2
Tangible fixed assets	905,4	625,0
Financial fixed assets	262,0	243,4
<b>Total Fixed assets</b>	<b>1 339,3</b>	<b>955,5</b>
Inventories	41,7	32,0
Trade debtors	389,2	204,9
Amounts owed by undertakings with which the company is linked by virtue of participating interests	47,3	75,2
Other receivables	56,9	66,0
Cash at bank, cash in postal cheque accounts, cheques and cash in hand	91,2	165,9
<b>Total Current assets</b>	<b>626,3</b>	<b>544,1</b>
Deferred charges	12,5	26,6
<b>Total Assets</b>	<b>2 043,6</b>	<b>1 566,7</b>

<b>Balance sheet</b>		
	<b>December 2011</b>	<b>December 2010</b>
<b>LIABILITIES</b>		
Subscribed capital	91,0	84,5
Share premium	387,0	255,7
Consolidated reserves	339,3	240,6
Results brought forward	6,7	0,1
Consolidated result for the financial year, group share	100,1	105,6
Minority interests	188,3	59,3
<b>Total Capital and reserves</b>	<b>1 105,7</b>	<b>745,6</b>
<b>Capital investment subsidies</b>	<b>3,3</b>	<b>3,9</b>
<b>Provisions</b>	<b>181,6</b>	<b>190,3</b>
Amounts owed to credit institutions	225,4	197,8
Payments received on account of orders insofar as they are not shown separately as deductions from inventory	20,8	15,5
Debts to trade creditors	281,3	262,1
Amounts owed to undertakings with which the company is linked by virtue of participating interests	14,2	37,1
Tax and social security debts	48,9	11,1
Deferred income tax	47,5	41,9
Other creditors	86,4	18,4
<b>Total Non-Subordinated debt</b>	<b>724,5</b>	<b>583,9</b>
Deferred income	28,5	42,9
<b>Total Liabilities</b>	<b>2 043,6</b>	<b>1 566,7</b>



<b>Profit and Loss Account</b>		
<b>MEUR</b>	<b>Full Year 2011</b>	<b>Full Year 2010</b>
Sales	<b>2 485,5</b>	<b>1 534,1</b>
Other operating income	21,0	19,8
Own work capitalised	15,5	12,9
Cost of sales	-2 093,0	-1 237,4
Personnel expenses	-126,1	-88,6
Other operating expenses	-86,3	-63,4
<b>Ordinary operating profit (EBITDA)</b>	<b>216,5</b>	<b>177,5</b>
Depreciation	-67,6	-45,4
<b>Operating profit (EBIT)</b>	<b>148,9</b>	<b>132,0</b>
Financial income	4,7	6,3
Income from investments carried at cost	9,8	10,1
Share in result of companies accounted under the equity method	14,6	14,2
Financial expenses	-12,4	-9,9
<b>Earnings before taxes (EBT)</b>	<b>165,5</b>	<b>152,8</b>
Current income taxes	-41,9	-37,1
Deferred income tax	-5,2	-2,8
<b>Result for the financial year</b>	<b>118,4</b>	<b>112,9</b>
Minority interests	-18,3	-7,3
<b>Result for the financial year, group share</b>	<b>100,1</b>	<b>105,6</b>

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