

International Power plc
Interim Report for the six months ended 30 June 2011

(London – 9 August 2011) International Power today announces its interim results for the six months ended 30 June 2011 and reports on key developments to date.

Dirk Beeuwsaert, Chairman of International Power, said “I am pleased to report that performance in the first half is up on last year, benefiting from a higher contribution from Latin America and North America, together with outperformance on committed synergies from the combination. The Board is pleased to announce an interim dividend of 4.40 euro cents per share.

Several projects under construction have successfully commenced operation in 2011 and we are on track to deliver over 2GW of new capacity in the full year. We have a strong pipeline of committed projects and continue to develop a range of new opportunities, positioning us to deliver sustained growth in shareholder value.”

Pro Forma¹ Financial Highlights

- Revenue €8,104 million (2010: €7,660 million) – up 6%
- EBITDA² €2,170 million (2010: €1,973 million) – up 10%
- Adjusted Current Operating Income² €1,471 million (2010: €1,350 million) – up 9%
- Underlying Earnings Per Share²
 - Before purchase price allocation adjustments 13.9 cents per share, 12.1 pence per share (2010: 13.4 cents per share, 11.7 pence per share) – up 4% (up 4% at constant currency)
 - After purchase price allocation adjustments 13.3 cents per share (2010: 12.9 cents per share) – up 3% (up 3% at constant currency)
- Free cash flow³ of €1,048 million (2010: €1,336 million)
 - working capital outflow of €335 million in H1 2011
- Interim dividend 4.40 cents per share – 3.82 pence per share
- Synergies of €46 million delivered in H1 2011 and full-year target increased by €13 million to €103 million

Outlook

We continue to expect growth in 2011 with performance in the second half anticipated to be similar to the first half, despite the current economic backdrop. Overall our construction programme is progressing well and is on plan to deliver the anticipated EBITDA growth in 2013, despite the delay at our Jirau hydro project in Brazil. Greater integration in our merchant markets, in particular through LNG and retail activities, provides more resilience to our portfolio. We are confident of delivering sustained growth in shareholder value from our significant pipeline of development projects in emerging markets, coupled with our strong competitive position and future recovery in merchant markets.

-
- Note 1 The pro forma results presented within this interim report assume that the Combination of GDF SUEZ Energy International and International Power, which completed on 3 February 2011, occurred at the beginning of each respective six month reporting period ended 30 June 2010 and 30 June 2011. The financial information is presented including the impacts of purchase price allocation adjustments in both the current and prior periods and excludes the impacts of exceptional items and specific IAS 39 mark to market movements, unless otherwise stated. A reconciliation of the pro forma consolidated income statement, including exceptional items and specific IAS 39 mark to market movements, to the pro forma consolidated income statement, excluding exceptional items and specific IAS 39 mark to market movements, is included in Appendix 1 to the interim report on pages 56 to 57.
- Note 2 EBITDA and Adjusted Current Operating Income are defined in note 3 to the condensed interim financial statements as set out and reconciled on pages 36 and 37. The explanation and definition of underlying earnings per share (which excludes exceptional items and specific IAS 39 mark to market movements) are set out in notes 4 and 8 of the condensed interim financial statements on pages 38, 39 and 43. The reconciliation of pro forma earnings per share to pro forma underlying earnings per share excluding exceptional items and specific IAS 39 mark to market movements is set out in Appendix 1 on pages 56 and 57. A reconciliation of reported earnings per share (including exceptional items and specific IAS 39 mark to market movements) to earnings per share (excluding exceptional items and specific IAS 39 mark to market movements) is set out in note 8 to the condensed interim financial statements on page 43.
- Note 3 Pro forma free cash flow is set out on page 58. A reconciliation of pro forma cash flow from operating activities to pro forma free cash flow is set out in Appendix 1 on page 58. A reconciliation of reported cash flow from operating activities to free cash flow is set out in note 12 to the condensed interim financial statements on page 47.
-

Group Overview - Reported

Reported⁴ Financial Highlights

- Revenue €7,771 million (2010: €5,377 million)
- EBITDA €2,056 million (2010: €1,187 million)
- Adjusted Current Operating Income €1,401 million (2010: €841 million) – up 67% (up 67% at constant currency)
- EPS of 13.7 euro cents per share (2010: 18.6 cents) excluding exceptional items and specific IAS 39 mark to market movements – down 26% (down 26% at constant currency)
- EPS of 16.6 euro cents per share (2010: 19.5 cents) including exceptional items and specific IAS 39 mark to market movements – down 15% (down 15% at constant currency)
- Free cash flow of €1,084 million (2010: €758 million)

Note 4 The reported results have been prepared in accordance with IAS 34 – Interim Financial Reporting which reflects the reverse acquisition of International Power by GDF SUEZ Energy International on 3 February 2011. Accordingly, the reported results represent the continuation of the financial statements of GDF SUEZ Energy International, and reflect the acquisition of International Power by applying the ‘acquisition method’ of accounting to the International Power identifiable assets acquired and liabilities assumed. The reported results for the period under review comprise those of the former GDF SUEZ Energy International business for the six months ended 30 June 2011, and the results of the former International Power business, from the date of the Combination for the five months ended 30 June 2011, which reflect the impacts of the purchase price allocation adjustments. The comparative financial information presented relates only to the former GDF SUEZ Energy International business.

Reported Adjusted Current Operating Income and EPS

Adjusted Current Operating Income and earnings per share for the six months ended 30 June 2011 are as follows:

Reported Adjusted Current Operating Income and EPS	Six months ended 30 June		Total Change ⁵	Fx Change ⁵	Scope Change ⁵	Organic Change ⁵
	2011 €m	2010 €m				
Latin America	663	504	32%	3%	-%	29%
North America	264	155	70%	(2)%	17%	55%
UK-Europe	122	39	213%	-%	273%	(60)%
META	169	94	80%	(5)%	88%	(3)%
Asia	160	88	82%	1%	79%	2%
Australia	77	-	-%	-%	-%	-%
Regional total	1,455	880	65%	-%	41%	24%
Corporate costs	(54)	(39)	(38)%	-%	(124)%	86%
Adjusted COI	1,401	841	67%	-%	38%	29%
	€ cents	€ cents				
EPS	16.6	19.5	(15)%	-%		
EPS excluding exceptional items and specific IAS 39 mark to market movements	13.7	18.6	(26)%	-%		

The principal reason for the significant increase in reported revenue, EBITDA, Adjusted Current Operating Income and net income between periods is the scope change, which principally relates to the contribution of the former International Power business from the date of the Combination⁶ to 30 June 2011. The reported results in H1 2011 also benefited from strong organic growth in Latin America and higher profitability in the LNG business in North America, partially offset by lower results between periods in UK-Europe.

Reported earnings per share in H1 2010 is based solely on the former GDF SUEZ Energy International business as set out in the Circular to shareholders. Reported earnings per share fell from 19.5 cents to 16.6 cents principally reflecting the significant cash contributions made by the wider GDF SUEZ group to the business in accordance with the Merger Deed, the relative profitability of the two legacy businesses and the premium paid.

Note 5 The total change between periods is divided into: 'FX change' which reflects the impact of different foreign exchange rates between periods; 'scope change' which reflects impact of acquired and divested businesses; and 'organic change' which reflects the movement in underlying performance.

Note 6 The Combination of International Power and GDF SUEZ Energy International, which completed on 3 February 2011.

Group Overview - Pro Forma

The financial information within the remainder of this financial review of the business is presented on a pro forma basis, as defined above, unless otherwise stated. Throughout this text net capacity represents International Power's ownership and gross capacity represents 100% of plant capacity irrespective of the level of International Power's ownership.

Pro Forma Adjusted Current Operating Income and EPS

Pro forma Adjusted Current Operating Income and earnings per share for the six months ended 30 June 2011 are as follows:

Pro forma Adjusted Current Operating Income and EPS	Six months ended 30 June		Total Change ⁶	Fx Change ⁶	Scope Change ⁶	Organic Change ⁶
	2011 €m	2010 €m				
Latin America	663	504	32%	3%	-%	29%
North America	264	173	53%	(4)%	-%	57%
UK-Europe	149	269	(45)%	-%	-%	(45)%
META	179	185	(3)%	(5)%	-%	2%
Asia	178	161	11%	(2)%	2%	11%
Australia	97	126	(23)%	9%	-%	(32)%
Regional total	1,530	1,418	8%	-%	-%	8%
Corporate costs	(59)	(68)	13%	-%	-%	13%
Adjusted COI	1,471	1,350	9%	-%	-%	9%
	€ cents	€ cents				
Underlying EPS	13.3	12.9	3%	-%		
Underlying EPS (excluding the impact of purchase price allocation adjustments)	13.9	13.4	4%	-%		

Total Adjusted COI in H1 2011 increased 9% from last year, driven by a strong increase in Latin America and North America, which benefited from organic growth and higher profitability in the LNG business respectively. As expected, Adjusted COI in UK-Europe reflects the lower achieved spreads in the UK. In META (Middle East, Turkey and Africa) and Asia, the portfolios of largely long-term contracted assets performed in line with expectations with Asia also benefiting from an improved performance at Senoko in Singapore. In Australia, Adjusted COI decreased, principally reflecting lower demand for power due to mild weather. Corporate costs, at €59 million, were 13% lower than last year. Overall, the portfolio has delivered a solid operational and financial performance with 4% growth in EPS (excluding the impact of purchase price allocation adjustments).

Combination update

The Combination of International Power and GDF SUEZ Energy International on 3 February 2011, has created a leading global independent power generator that is well positioned to expand in fast growing emerging markets and to benefit from a recovery in the merchant markets. The enlarged Group has strong positions across all major regional markets, a large development pipeline of committed projects, and the financial strength, local presence and expertise to develop further projects to deliver sustained growth in shareholder value.

In addition to significant growth opportunities, the Combination is generating operational and financial synergies. Progress towards achieving these synergies is ahead of schedule and additional synergies have also been identified. As a result, the 2016 target is now at €215 million, up from the previous target of €197 million. In H1 2011 €46 million of synergies have been achieved and the total target for 2011 is now estimated to be €103 million (up from €90 million) and for 2012 €167 million, up from €154 million. The cost of implementing these synergies remains €155 million.

Construction programme

Of the 7.6GW (net) construction programme announced in August 2010, a number of new projects have successfully commenced operation and overall we are on track to deliver the 2013 EBITDA estimate of £872 million (€1,042 million) included in our August 2010 disclosure.

Update on Jirau

International Power owns 50.1% of the project company Energia Sustentavel do Brasil (ESBR) that is building a 3,450MW (46 units of 75MW each) hydro project on the Madeira river in Brazil. International Power's net ownership in the project represents 1,728MW of capacity. The asset is expected to be transferred to Tractebel Energia.

Following the incident in March, negotiations are underway with the construction contractor on project timing and costs. The phased commissioning of units at this major project is now expected to start in H2 2012, with the project reaching its maximum assured energy level in H2 2013. The EBITDA contribution from this project is expected to be reduced by some €100 million in 2012, but we do not expect a material impact on 2013 projected EBITDA.

70% of the project's total assured energy (of 1,975MW corresponding to 44 units) has been sold under a long-term regulated contract and the balance will be sold in the free market, principally to industrial customers ("free market"). Two further units (75MW each) committed for build have recently been allocated a minimum assured energy level of 69.8MW with a potential for this level to be increased. In addition, another four units (75MW each) that are under investment analysis have also been allocated 139.5MW of minimum assured energy.

In the longer term there are several factors and actions which are expected to contribute

positively to the project: the potential to optimise the uncontracted capacity through the strong commercial track record of Tractebel Energia, a potential increase in the level of assured energy for the new units, the potential for expansion of the free market, and Clean Development Mechanism (CDM) revenues. In addition, demand growth in Brazil remains strong and is expected to put upward pressure on pricing. This is accentuated by the continued importance of thermal generation in Brazil, which has a higher marginal cost of production.

Update on other construction projects

Several new projects totalling 3,159MW gross (998MW net) have commenced operation to date in 2011 (the following MW numbers are presented on a net ownership basis):

- in Latin America,
 - two units at the Estreito hydro plant in Brazil (74MW)
 - the Monte Redondo extension wind farm in Chile (10MW)
 - the CT Andina (79MW) and CT Hornitos (47MW) coal fired plants in Chile
 - the repowering of Bahia las Minas in Panama (4MW incremental capacity)
 - part of the Dos Mares hydro plant (19MW) in Panama
- in North America, the Astoria Energy II plant (173MW)
- in Europe, the Crimp wind farm in the UK (2MW), and the T Power CCGT plant in Belgium (140MW) and the Elecgas gas-fired plant in Portugal (210MW)
- in META, the Ras Laffan C gas-fired plant in Qatar (179MW) is in final stages of commissioning
- in Asia, the HUBCO Narowal oil-fired plant in Pakistan (37MW)
- in Australia, the Synergen gas/distillate plant (24MW incremental capacity)

By the end of 2011, a further 1.1GW of new capacity is expected to be commissioned taking the total for 2011 to just over 2GW.

New projects and further growth

In addition to the programme outlined in August 2010, we have won and started construction on further projects with total capacity of 1,426MW gross (1,181MW net ownership). Total projected capex for these projects is €1.6 billion.

- a 375MW gross (375MW net ownership) gas/oil CCGT plant in Pakistan – Uch 2.
- a 524MW gross (324MW net ownership) dual fuel OCGT plant being developed by Enersur in Ilo, Peru
- a 145MW gross (100MW net ownership) wind farm being developed by Tractebel Energia in Brazil
- 184MW gross (184MW net ownership) wind farms in Canada (Cape Scott 1 99MW, Pointe-Aux-Roches 58MW and Plateau 27MW)

- Most recently, we have been awarded two new 20-year PPAs for the 99MW gross (99MW net ownership) Erieau and the 99MW gross (99MW net ownership) East Lake St. Clair projects in Ontario, Canada.

The Combination has further strengthened our development teams and expanded our development pipeline to more than 17GW gross. The majority of these development projects are located in Latin America, META, Asia and North America.

Purchase Price Adjustments

As a result of the Combination, the assets acquired and liabilities assumed of the pre-Combination International Power have been fair valued. Overall, step-up adjustments have been made principally to the carrying amounts of property, plant and equipment, intangible assets and debt. Goodwill on consolidation amounts to approximately €2.6 billion.

In comparison with projected pre-acquisition earnings, the actual post-Combination earnings are adversely impacted by the total step-up adjustments to intangible assets and property, plant and equipment due to increased amortisation and depreciation.

Conversely, the post-Combination earnings are improved by the fair value step-up adjustments to debt through reduced interest expense.

Derivatives on the balance sheet at the date of the Combination principally comprise in-the-money derivative commodity contracts and out-of-the money interest rate swaps. The favourable derivative commodity contracts have a negative impact on post-Combination underlying earnings as they unwind, because the commodity prices are effectively reset to market prices at the date of the Combination. This has a more significant impact in 2011 than in future periods.

Out-of-the-money interest rate swaps will reduce post-Combination underlying interest expense and improve underlying earnings as they unwind. This is because forward curves for interest rates were generally lower at the date of the Combination than at the date of inception for these instruments. The underlying earnings reflect the 'resetting' of the interest rates under these agreements to market rates at the date of the Combination.

In the pro forma income statement results presented, the fair value adjustment impacts are reflected in both periods, resulting in minimal impact between periods.

Uncertainty remains in Australia as to the outcome of the Climate Change Plan and its impact, in particular, on the valuations of Hazelwood and Loy Yang B. The fair value adjustments of these and all other assets and liabilities are provisional and will be finalised during H2 2011.

Regional Review

Latin America

Revenues in Latin America increased 29% to €1,843 million compared to €1,426 million for the same period last year (up 29% at constant currency). EBITDA in Latin America increased 33% to €863 million compared to €649 million for the same period last year (up 31% at constant currency).

Adjusted Current Operating Income in Latin America increased 32% to €663 million compared to €504 million for the same period last year (up 29% at constant currency). The region benefited from strong organic growth in Brazil, Chile and Panama, together with the first time contributions from projects in Brazil, Chile and Central America.

In Brazil, higher power sales prices were achieved due to long-term contract price escalation in line with inflation and the renewal of expiring contracts at higher prices. In addition, costs fell due to portfolio optimisation and lower purchases of power from external sources as new plants came on line.

In Chile, performance has benefited from a full six months of contribution from the GNLM LNG terminal, which commenced operation in April last year.

In Central America, the 108MW (gross) (55MW net) BLM coal conversion project in Panama restarted commercial operation in March 2011, following an extended outage that began in March 2010. Liquidated damages of US\$36 million relating to the delays are included in the results for the current period.

In Peru, performance improved following contract sales price indexation and marginally higher volumes sold.

The region continues to experience strong growth in demand driven by a growing population and increasing residential and industrial demand for power. The majority of expected output from our Latin American assets has been contracted in the medium to long-term with contracts that benefit from inflation protection.

North America

Revenues in North America increased 1% to €2,540 million compared to €2,523 million for the same period last year (up 6% at constant currency). EBITDA in North America increased 21% to €502 million compared to €415 million for the same period last year (up 26% at constant currency).

Adjusted Current Operating Income in North America increased 53% to €264 million compared to €173 million for the same period last year (up 57% at constant currency). This increase was

primarily driven by higher profitability in the LNG business and a stronger performance in the retail business.

The LNG business benefited from higher volumes than last year and an increase in the gas price differential between Henry Hub and New England. In addition, the diversion of LNG cargoes contributed to improved performance, with twelve diversions to higher priced markets primarily in Europe and Asia in the first half of 2011 compared to two in the first half of 2010.

The retail operation also performed well, with high delivered volumes and lower costs due to lower volatility in the wholesale power market and lower ancillary costs.

In ERCOT, results improved with higher load factors at our CCGTs and higher availability at Coletto Creek, which underwent a planned outage in H1 2010. Peak heat rates have increased in the period, offsetting lower gas prices and resulting in higher power prices and spark spreads. For the balance of the year, our expected output in ERCOT is largely hedged.

In PJM, our peaking plants benefited from higher volatility as a result of extreme weather conditions, particularly in June where price spikes of US\$900/MWh were recorded. Although the profit impact of this in H1 2011 is marginal, when taken with higher capacity prices, the outlook for this region has improved. The forward capacity auction price for the period June 2014 to May 2015 in the RTO region cleared at the significantly higher price of US\$125.99/MW-day compared to US\$27.73/MW-day for the previous year.

In New England, performance was affected by continued weak market conditions, together with low rainfall that reduced output at our hydro plant. This was offset by receipt of an initial US\$30 million insurance payment for the 2010 outage at Northfield Mountain pumped storage plant. As anticipated, the New England Forward Capacity Auction for the June 2014 to May 2015 period cleared at the floor at \$3.21/kW-month. For the balance of the year our expected output in New England and New York is almost fully hedged.

Our other contracted thermal plants performed well due to favourable fuel costs at West Windsor, Canada and high energy sales in Mexico, although these improvements were offset by an unplanned outage at our Red Hills plant in Mississippi. Our Canadian wind portfolio benefited from high load factors and an additional 49MW of new capacity that entered service since H1 2010. Construction will shortly commence at Cape Scott 1, a 99MW wind farm in British Columbia with a 20-year contract with British Columbia Hydro and Power Authority. The project is estimated to cost approximately CAD\$300 million and is anticipated to be in operation in 2013. In addition, we have secured 20-year PPAs with the Ontario Power Authority for all of the output from the 99MW Erieau and the 99MW East Lake St. Clair wind projects in southwestern Ontario. Each project is estimated to cost approximately CAD\$300 million, with commissioning of both facilities expected in 2013.

On 30 June 2011 we completed the sale of our 17.6% equity interest in Noverco, which owned 71% of Gaz Metro Limited Partnership, to Caisse de depot et placement de Quebec for cash proceeds of CAD\$272 million along with loan repayment proceeds of CAD\$99 million.

On 1 July 2011 the 575MW gross (173MW net) Astoria Energy II plant in New York City commenced commercial operation, with 100% of its output sold to the New York Power Authority under a 20-year contract.

UK-Europe

Revenues in Europe decreased 6% to €1,758 million compared to €1,867 million for the same period last year (down 6% at constant currency). EBITDA in Europe decreased 19% to €336 million compared to €416 million for the same period last year (down 19% at constant currency).

Adjusted Current Operating Income in UK-Europe decreased 45% to €149 million from €269 million in the same period for 2010 (down 45% at constant currency). As expected, performance in the region was reduced by weaker achieved spreads in the UK.

In the UK, performance at Saltend and Rugeley was lower following the roll-off of contracts signed in the higher price environment prior to 2010, partially offset by lower carbon purchase requirements across the portfolio as the load factor at Rugeley reduced. First Hydro profitability was marginally below H1 2010 reflecting lower supply/demand tension and therefore lower volatility in the UK market.

As a result of the weak UK market conditions, we have temporarily reduced the declared capacity of the Teesside CCGT from 1,875MW to 45MW. However, the plant can be brought back online to capture upside when the market recovers.

For 2011 we have forward contracted 95% of our expected output at Rugeley and Saltend and 70% at Deeside and Shotton.

The UK Retail Business, supplying the Commercial and Industrial market, has seen increases in the volume of gas delivered and stable electricity volumes. Strong contributions from green related products resulted in a performance marginally ahead of the first half in 2010.

On 12 July the UK Government published a White Paper outlining its proposed Electricity Market Reform. The Paper brought greater clarity to a number of widely anticipated initiatives to promote low carbon generation. We are encouraged by the capacity payment mechanism proposals, and the Government's recognition of the importance of supporting a liquid wholesale trading market. We await further detail regarding the implementation of these proposals and will continue to engage with the UK Government throughout its consultation and implementation process.

In Continental Europe, overall our thermal plants continue to perform in line with our expectations, although lower wind yields have reduced the contribution from our wind assets in Italy. The contribution from ISAB in the first half was lower than that achieved in H1 2010, which included insurance recoveries.

In May, we agreed the sale of our 33.3% equity interest in the 420MW T-Power CCGT power plant in Belgium for €48 million to Itochu. Completion of this sale will satisfy the undertakings made to the European Commission as part of gaining clearance from the European Commission for International Power's Combination with GDF SUEZ Energy International.

Middle East, Turkey and Africa

Revenues in the Middle East, Turkey and Africa increased 16% to €591 million compared to €508 million for the same period last year (up 22% at constant currency). EBITDA in the Middle East, Turkey and Africa decreased 13% to €158 million compared to €182 million for the same period last year (down 8% at constant currency).

In the META region, Adjusted Current Operating Income decreased 3% to €179 million, down from €185 million last year (up 2% at constant currency). The region had a good operational performance, first time contribution from new projects and an improved performance from the gas business in Turkey. However, these improvements were more than offset by a reduction in development fees following the receipt of the Riyadh IPP fee in H1 2010.

In Turkey lower temperatures during the winter months have driven gas sales higher, contributing to an improved contribution from Izgas.

Further development activity continues across the region with bids for greenfield opportunities in the Middle East as well as Morocco, South Africa and Turkey.

Asia

Revenues in Asia increased 6% to €831 million compared to €784 million for the same period last year (up 5% at constant currency). EBITDA in Asia increased 9% to €172 million compared to €158 million for the same period last year (up 9% at constant currency).

Adjusted Current Operating Income in Asia increased by 11% to €178 million from €161 million for the same period in 2010 (up 13% at constant currency). Our assets in the region continued to deliver a strong operational performance in primarily long-term contracted markets.

In Singapore, Senoko delivered a strong performance compared to 2010 due to improved retail pricing and favourable spot market prices in Q2.

Glow Energy's performance was reduced by the declaration of 2011 as a drought year for its Houay Ho hydro subsidiary in Laos and a lower electricity tariff for industrial customers in

Thailand for the first four months of the year. This was partially offset by the first-time contribution from the 115MW CFB3 coal plant that was commissioned in November.

In Indonesia, Paiton Energy improved its performance following higher availability and dispatch in the first six months of 2011.

In June, we announced that the Thai National Power plant, which was wholly owned by International Power, will be transferred to Glow Energy for US\$55 million, thereby consolidating our electricity generation activities in one entity. Following this transaction, International Power will continue to own 69% of the enlarged Glow Energy.

Australia

Revenues in Australia decreased 2% to €541 million compared to €552 million for the same period last year (down 11% at constant currency). EBITDA in Australia decreased 9% to €196 million compared to €215 million for the same period last year (down 18% at constant currency).

Adjusted Current Operating Income was down 23% at €97 million compared to €126 million in the previous year (down 32% at constant currency). Overall performance has been affected by an unplanned outage at Hazelwood, as well as a low pricing environment due to a mild summer and an end to the drought, which has increased hydro capacity on the system. The reduction in contribution also reflects the disposal of the SEA Gas pipeline in November 2010.

In June, Hazelwood Unit 5 returned to service following an extended unplanned outage following a generator failure. The loss of contribution from this unit was largely offset by insurance proceeds. For the full year, we have forward contracted 95% of Hazelwood's expected output.

Pelican Point delivered lower performance primarily due to lower prices driven by the mild summer. Similarly, performance at Synergen has also been impacted by lower price volatility compared to the first half of 2010.

On 10 July the Government of Australia announced its long-awaited Climate Change Plan (Plan), which is expected to commence on 1 July 2012. International Power announced on 11 July that the proposed Plan is expected to be cash flow positive and broadly earnings neutral over the initial five year period. However, beyond this period the cash flow and profitability of the region could be significantly impacted unless power prices increase substantially or the emission intensity of our plants is reduced.

In September, we expect the Australian Government to commence a voluntary 'contract for closure' process which is targeting 2,000MW of higher emission power plant to close by 2020 and this could include Hazelwood. This could provide more certainty and reduce the overall impact of the Plan on the business.

Depreciation, Amortisation and Provisions

Depreciation, amortisation and provisions at €833 million for H1 2011 is €96 million higher than H1 2010. This is mainly due to the commissioning of new projects, principally the LNG terminal in Chile, Estreito in Brazil and also CFB3 in Thailand. The assets in Northern Chile were fair valued in 2010 which has also increased depreciation.

Interest

Net interest expense of €317 million is €12 million lower than H1 2010. This is mainly due to planned principal repayments and refinancing variable rate loans at lower margins at IPA Central and Coleto Creek.

Tax

The Group tax charge (including share of associates' tax) for the six months ended 30 June 2011 is €306 million. The effective tax rate for the period is 26% compared with 22% for H1 2010 which benefited from the resolution of some historic tax issues.

Exceptional items and specific IAS 39 mark to market movements included in reported results

Presented in the consolidated income statement on page 22, are mark to market on commodity contracts other than trading instruments amounting to a net gain of €158 million before tax (2010: net loss of €24 million) which primarily relates to the Saltend gas supply agreement.

During 2011, the Group recognised restructuring costs of €19 million (2010: €nil), principally relating to the integration of International Power with GDF SUEZ Energy International.

Changes in scope of consolidation during the period amount to a net gain of €55 million before tax (2010: gain of €184 million). This net gain includes the profit on disposal of the investment in Noverco.

Pro Forma Cash Flow

A reconciliation of pro forma EBITDA to pro forma cash flow from operating activities, and to pro forma free cash flow is as follows:

Pro Forma Cash Flow	Six months ended	
	30 June 2011 €m	30 June 2010 €m
EBITDA	2,170	1,973
Change in working capital requirements	(335)	165
Payments relating to long term employee benefits	(42)	(13)
Restructuring costs	(46)	-
Tax paid	(294)	(303)
Dividends received from associates	46	29
Other items	-	(6)
Cash flow from operating activities	1,499	1,845
Interest paid on net debt	(263)	(344)
Maintenance capex	(214)	(198)
Other financial items – cash impact	26	33
Free cash flow	1,048	1,336

EBITDA is up €197 million year-on-year mainly driven by the strong operational performance of Latin America and North America, partly offset by low prices and wind conditions in UK-Europe and low prices and volumes due to mild and wet weather conditions in Australia.

Working capital movements were €335 million adverse for the half year compared to €165 million favourable for the same period last year. The adverse movement during 2011 predominately relates to Latin America, Asia and Australia. Latin America was impacted by additional capital requirements due to the start of operations in Bahia Las Minas in Panama and the timing of fuel payments across the region. Asia had adverse working capital movements of €85 million relating mainly to the timing of receivables collection in Thailand. Australia had a negative movement of €68 million resulting primarily from timing differences on contracts with the Sydney Futures Exchange.

Tax paid is in line with last year. The majority of the tax paid was in Latin America, primarily by Tractebel Energia.

Dividends from associates at €46 million are up €17 million year-on-year. Interest paid on net debt is €81 million lower than in the first half of 2010 principally due to repayments of debt. Maintenance capex is €16 million up year-on-year.

Reported Cash Flow

Reported cash flow from operating activities is €512 million up year-on-year due to the inclusion of the cash generated by assets acquired as part of the Combination. Similarly, interest paid on net debt and maintenance capex has increased by €76 million and €105 million respectively.

Free cash flow on a reported basis of €1,084 million is up €326 million year-on-year.

Statement of financial position

The Group's net assets are analysed as follows:

	As at 30 June 2011 €m	As at 31 December 2010 (pro forma) €m	As at 31 December 2010 (reported) €m
Goodwill and intangibles	4,785	5,011	2,122
Property, plant and equipment	26,888	28,137	16,675
Investments	1,393	1,672	373
Long-term receivables and others	3,260	3,424	1,613
Non-current assets	36,326	38,244	20,783
Net current assets excluding net debt items	458	187	799
Non-current liabilities excluding net debt items	(4,137)	(4,467)	(2,317)
Net debt excluding the impact of derivative instruments, cash collateral and amortised cost	(12,111)	(12,864)	(6,246)
Net assets	20,536	21,100	13,019
Gearing	59%	61%	48%
Debt capitalisation	37%	38%	32%
	€m	€m	€m
Net debt – associates	3,653	3,812	2,110

The decrease in property, plant and equipment primarily arises on retranslation due to the weakening of the euro against the US dollar and Brazilian real, offset by capex in excess of depreciation in the period.

Investments have decreased from €1,672 million to €1,393 million, mostly reflecting the disposal of the equity interest in Noverco.

Net debt has fallen from €12,864 million to €12,111 million following strong cash generation by the business.

The Group's assets and liabilities are predominately larger in the pro forma statement of financial position, as at 31 December 2010, in comparison with the reported statement of financial position, as at 31 December 2010, due to the inclusion of the International Power assets acquired and liabilities assumed within the pro forma statement, even though the Combination was not effected until 3 February 2011.

Presentation currency

As previously announced, International Power has changed the currency in which it reports to the euro. Reporting in euros has aligned our presentation currency with GDF SUEZ following completion of the Combination.

Hedging policy

The Group's current foreign currency hedging policy is to hedge transactional exposures as they arise. In addition, the Group hedges its investments in foreign operations by funding borrowings in the same currency as the underlying investment. Following the Combination, the Group has considered utilising foreign exchange derivatives and other financial instruments to further hedge its net investment in foreign operations into euro. However, the Board has decided not to extend its hedging programme beyond funding borrowings in the same currency as the underlying investment. This policy will be kept under review, particularly in relation to those currencies considered to be at risk of depreciation.

Dividend policy

The Directors have approved an interim dividend for 2011 of 4.40 cents per ordinary share (3.82 pence per ordinary share). This is equal to 35% of the Company's preceding full year dividend of 10.91 pence per ordinary share, using a euro to sterling exchange rate of 1.1506, determined on 8 August 2011. The dividend will be paid in sterling on 27 October 2011 to members on the register at the close of business on 23 September 2011.

The latest date for making an election in respect of the Company's DRIP (Dividend Reinvestment Plan) is 7 October 2011.

Principal risks and uncertainties

Section 4.2.7R of the Disclosure and Transparency Rules, requires an indication of important events that have occurred during the first six months of the financial year, their impact on the condensed interim financial statements and a description of the principal risks and uncertainties for the remaining six months of the year.

An indication of important events and their impacts are outlined on pages 1 to 17 of the Interim Report and the description of principal risks and uncertainties for the remaining six months are set out below. The principal risks and uncertainties for the remaining six months of the year continue to be those identified earlier in the year, and are set out under the heading 'Our approach to risk and risk management' on pages 18 to 31 of the 2010 Annual Report (available on www.iprplc-gdfsuez.com).

In summary, International Power's principal activities are the development, acquisition and operation of power generation plants together with closely related activities, such as LNG, desalination and retail. These principal activities are supported by our network of local, regional and corporate offices which carry out activities such as trading, financial management and treasury operations. All of these activities have inherent risks.

In order to compare risks across the Group on a systematic basis, the key principal risks to the

Group are categorised as detailed below. However, in reality, certain risk exposures interact and other exposures apply to more than one category. Such cross-category risks are assessed in each of the areas in which they occur.

- Financial risks
- Market and trading risks
- Fuel supply risks
- Country, political and regulatory risks
- Construction and operational risks
- Health, safety and environmental risks
- Staffing and human resources risks
- Information technology and information management risks
- Combination Integration risks

Disclaimer

This announcement includes certain forward-looking statements. These statements are based on current expectations and projections of the Group about future events. However, by their nature forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will or may occur in the future. Actual results may differ from those expressed in such statements, depending on a variety of factors including, but not limited to, the economic and business circumstances occurring from time to time in the countries in which the Group operates, changes in trends in the general, global or regional economies, changes in trends in the global energy sector, changes in regulation and natural disasters or other calamities. The Company undertakes no obligation to update any forward-looking statements.

For further information please contact:

Investor Contact:

Aarti Singhal

+44 (0)20 7320 8681

Media Contact:

Sally Hogan

+44 (0)20 7320 8678

About International Power

International Power plc is a leading independent electricity generating company with 70,196MW (gross) (41,550MW net) in operation and 17,249MW (gross) (6,826MW net) under construction. International Power has power plants in operation or under construction in six core regions worldwide. International Power is listed on the London Stock Exchange with ticker symbol IPR. Company website: www.iprplc-gdfsuez.com

International Power plc

Disclosure and Transparency Rules

For the six months ended 30 June 2011

Responsibility statement of the Directors in respect of the Interim Report

We confirm that to the best of our knowledge:

- The Condensed Interim Financial Statements have been prepared in accordance with IAS 34 (Interim Financial Reporting) as adopted by the EU;
- The Interim Report includes a fair review of the information required by:
 - a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the Condensed Interim Financial Statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Group during that period; and any changes in the related party transactions to those described in the last set of annual financial statements.

On behalf of the Board

Philip Cox
Chief Executive Officer
8 August 2011

Mark Williamson
Chief Financial Officer
8 August 2011

Independent review report to International Power plc

We have been engaged by the Company to review the Condensed Interim Financial Statements in the Interim Report for the six months ended 30 June 2011 which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and related notes 1 to 18. We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the Condensed Interim Financial Statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The Interim Report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Interim Report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in Note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The Condensed Interim Financial Statements included in this Interim Report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the Condensed Interim Financial Statements in the Interim Report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Condensed Interim Financial Statements in the Interim Report for the six months ended 30 June 2011 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
8 August 2011

International Power plc

Condensed Interim Financial Statements

Consolidated Income Statement

For the six months ended 30 June 2011

	Note	Six months ended	
		30 June 2011 €m	30 June 2010 €m
Revenue	3	7,771	5,377
Purchases		(4,766)	(3,726)
Personnel costs		(347)	(218)
Depreciation, amortisation and provisions		(777)	(368)
Other operating income and expenses		(593)	(248)
Current operating income	3	1,288	817
Mark to market on commodity contracts other than trading instruments	4	158	(24)
Impairment of goodwill, property, plant and equipment, intangible assets and financial assets	4	-	(133)
Restructuring costs	4	(19)	-
Changes in scope of consolidation	4	55	184
Other non-recurring items	4	6	(1)
Income from operating activities		1,488	843
Financial expenses	5	(476)	(356)
Financial income	5	200	139
Net financial loss	5	(276)	(217)
Income tax expense	6	(329)	(153)
Share in net income of associates	3, 7	113	24
Net income		996	497
Net income Group share	8	786	396
Non-controlling interests		210	101
Basic earnings per share (euro cents)	8	16.6	19.5
Diluted earnings per share (euro cents)	8	15.6	19.5
Underlying basic earnings per share (euro cents)	8	13.7	18.6
Underlying diluted earnings per share (euro cents)	8	13.3	18.6

All results are from continuing operations.

The main changes in Group structure during the period are set out in Note 2.

International Power plc

Condensed Interim Financial Statements

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2011

	Note	Six months ended	
		30 June 2011 €m	30 June 2010 €m
Net income		996	497
Net investment hedges		89	(202)
Cash flow hedges (excluding commodity instruments)		(15)	(116)
Commodity cash flow hedges		38	28
Actuarial gains and losses		(10)	1
Reclassification adjustment relating to business combination achieved in stages		31	-
Reclassification adjustment relating to disposal of associate		(87)	-
Tax related to components of other comprehensive income		(13)	10
Translation adjustments		(852)	1,186
Share in other comprehensive income of associates		(66)	7
Other comprehensive income	13	(885)	914
Total comprehensive income		111	1,411
Group share		(4)	1,143
Non-controlling interests		115	268

International Power plc

Condensed Interim Financial Statements

Consolidated Statement of Financial Position

As at 30 June 2011

	Note	30 June 2011 €m	31 December 2010 €m
Non-current assets			
Intangible assets	10	989	817
Goodwill	10	3,796	1,305
Property, plant and equipment	10	26,888	16,675
Available-for-sale securities		106	52
Loans and receivables at amortised cost		2,472	996
Derivative instruments		449	284
Investments in associates	7	1,287	321
Other non-current assets		187	137
Deferred tax assets		152	196
Total non-current assets		36,326	20,783
Current assets			
Loans and receivables at amortised cost		185	747
Derivative instruments		554	280
Trade and other receivables		2,178	1,408
Inventories		720	346
Other current assets		937	641
Financial assets at fair value through income		20	19
Cash and cash equivalents	11	4,158	2,939
Total current assets		8,752	6,380
Total assets		45,078	27,163
Equity			
Shareholders' equity	13	17,933	11,179
Non-controlling interests	13	2,603	1,840
Total equity	13	20,536	13,019
Non-current liabilities			
Provisions		359	195
Long-term borrowings	11	13,706	8,315
Derivative instruments		1,135	750
Other financial liabilities		15	15
Other non-current liabilities		817	750
Deferred tax liabilities		1,753	573
Total non-current liabilities		17,785	10,598
Current liabilities			
Provisions		277	124
Short-term borrowings	11	2,683	982
Derivative instruments		641	418
Trade and other payables		1,727	1,229
Other current liabilities		1,429	793
Total current liabilities		6,757	3,546
Total equity and liabilities		45,078	27,163

International Power plc

Condensed Interim Financial Statements

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2011

	Paid in capital and combined reserves €m	Share capital €m	Share premium €m	Merger reserve €m	Consolidated reserves €m	Fair value adjustments and other €m	Cumulative translation adjustments €m	Shareholders' equity €m	Non-controlling interests €m	Total equity €m
Equity at 31 December 2010	10,697	-	-	-	-	(113)	595	11,179	1,840	13,019
Net income	-	-	-	-	786	-	-	786	210	996
Other comprehensive income	-	-	-	-	(7)	(60)	(723)	(790)	(95)	(885)
Total comprehensive income	-	-	-	-	779	(60)	(723)	(4)	115	111
Elimination of paid in capital and combined reserves prior to the Combination	(10,697)	-	-	-	10,697	-	-	-	-	-
Paid in capital of legal parent at date of Combination	-	902	551	-	(1,453)	-	-	-	-	-
Shares issued to GDF SUEZ at date of Combination	-	2,084	-	11,074	(13,158)	-	-	-	-	-
Pre-combination reserves of legal parent	-	-	-	-	7,353	-	-	7,353	752	8,105
Business combination achieved in stages	-	-	-	-	-	-	-	-	32	32
Contributions	-	-	-	-	1,659	-	-	1,659	15	1,674
Adjustment to capital contribution	-	-	-	-	(226)	-	-	(226)	-	(226)
Employee share issues and share-based payment	-	2	8	-	(5)	-	-	5	-	5
Distributions	-	-	-	-	(2,033)	-	-	(2,033)	(151)	(2,184)
Equity at 30 June 2011	-	2,988	559	11,074	3,613	(173)	(128)	17,933	2,603	20,536
Equity at 31 December 2009	4,363	-	-	-	-	(84)	(71)	4,208	897	5,105
Net income	396	-	-	-	-	-	-	396	101	497
Other comprehensive income	-	-	-	-	-	(236)	983	747	167	914
Total comprehensive income	396	-	-	-	-	(236)	983	1,143	268	1,411
Business combination achieved in stages	29	-	-	-	-	-	-	29	681	710
Contributions	40	-	-	-	-	-	-	40	26	66
Employee share issues and share-based payment	2	-	-	-	-	-	-	2	-	2
Distributions	(66)	-	-	-	-	-	-	(66)	(68)	(134)
Equity at 30 June 2010	4,764	-	-	-	-	(320)	912	5,356	1,804	7,160

Explanations of equity movements related to the Combination are set out in Note 13.

International Power plc

Condensed Interim Financial Statements

Consolidated Statement of Cash Flows

For the six months ended 30 June 2011

	Note	Six months ended	
		30 June	30 June
		2011	2010
		€m	€m
Net income		996	497
Share in net income of associates		(113)	(24)
Dividends received from associates		39	9
Net depreciation, amortisation and provisions		752	478
Changes in scope of consolidation and other disposal gains or losses and non-recurring items		(61)	(183)
Mark to market on commodity contracts other than trading instruments		(158)	24
Other items with no cash impact		(10)	1
Income tax expense		329	153
Net financial loss		276	217
Cash generated from operations before income tax and working capital requirements		2,050	1,172
Tax paid		(275)	(248)
Change in working capital requirements		(275)	64
Cash flow from operating activities	12	1,500	988
Acquisitions of property, plant and equipment and intangible assets		(1,160)	(1,084)
Acquisitions of entities net of cash and cash equivalents acquired		1,238	(158)
Acquisitions of investments in associates and joint ventures		(29)	-
Acquisitions of available-for-sale securities		(10)	(2)
Disposals of property, plant and equipment and intangible assets		-	5
Disposals of investments in associates and joint ventures		197	-
Disposals of available-for-sale securities		77	5
Interest received on non-current financial assets		26	25
Dividends received on non-current financial assets		-	2
Change in loans and receivables originated by the Group and other		193	26
Cash flow from/(used in) investing activities		532	(1,181)
Dividends paid		(2,214)	(134)
Repayment of borrowings and debt		(1,714)	(1,060)
Proceeds from disposal of financial assets at fair value through income		-	(15)
Interest paid		(273)	(178)
Interest received on cash and cash equivalents		45	26
Increase in borrowings and debt		1,294	1,712
Increase in capital		2,220	66
Proceeds from disposal of ownership interests in controlled entities		-	31
Cash flow (used in)/from financing activities		(642)	448
Effect of changes in exchange rates and other		(171)	241
Total cash flow for the period		1,219	496
Cash and cash equivalents at beginning of the period	11	2,939	2,949
Cash and cash equivalents at the end of the period	11	4,158	3,445

Refer to Note 12.1 for a reconciliation of cash flow from operating activities to free cash flow.

International Power plc

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2011

General information

International Power plc ('the Company') is a public limited company incorporated and domiciled in the United Kingdom. The address of its registered office is Senator House, 85 Queen Victoria Street, London, EC4V 4DP. The Company is listed on the London Stock Exchange.

On 3 February 2011, the Company acquired GDF SUEZ Energy International from Electrabel S.A. ('Electrabel'), a wholly owned subsidiary of GDF SUEZ S.A. ('GDF SUEZ'). GDF SUEZ Energy International comprises GDF SUEZ's Energy International Business Areas (outside Europe) and certain assets in the UK and Turkey. Information relating to GDF SUEZ Energy International was provided to the Company's shareholders in the Circular dated 19 November 2010 ('the Circular'), which can also be found on the Company's website: www.iprplc-gdfsuez.com.

The acquisition of GDF SUEZ Energy International was effected by the issue of 3,554,347,956 new ordinary shares in the Company to Electrabel (hereafter 'the Combination'). Following the closing of the Combination on 3 February 2011, GDF SUEZ owns, through Electrabel, approximately 70% of the issued share capital and voting rights of the enlarged International Power. The other 30% of the issued share capital remained with the shareholders of the Company immediately prior to the Combination. Those shareholders also benefited from a cash payment of 92 pence per ordinary share on 25 February 2011, by way of a special dividend, amounting in total to £1,413 million (€1,659 million) (refer to Note 2.1.1).

For accounting purposes, the Combination is treated as a reverse acquisition under IFRS 3, being the acquisition of the Company by GDF SUEZ Energy International on the basis that, after the Combination, the shareholders of GDF SUEZ Energy International have power over more than half of the voting power of the Company. Therefore, although these consolidated financial statements have been issued in the name of International Power plc, the Group's activity is, in substance, the continuation of that of GDF SUEZ Energy International.

These condensed interim financial statements are unaudited and do not constitute statutory accounts of the Group within the meaning of Section 434 of the Companies Act 2006. The auditors, Deloitte LLP, have reviewed the condensed interim financial statements and their report in respect of the six months ended 30 June 2011 is set out in the Independent review report on page 21.

The auditors of the Company for the year ended 31 December 2010 were KPMG Audit Plc. The consolidated financial statements of the Company for the year ended 31 December 2010 have been reported on by KPMG Audit Plc and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The combined financial statements of GDF SUEZ Energy International for the year ended 31 December 2010 prepared on the basis described in Note 1.1.2 do not constitute statutory accounts. These combined financial statements are available on International Power's website: www.iprplc-gdfsuez.com.

International Power plc

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2011

1. Summary of significant accounting policies

1.1. Basis of preparation

1.1.1. General principles

In accordance with the European Regulation on international accounting standards dated 19 July 2002, the Group's annual consolidated financial statements are prepared in accordance with International Financial Reporting Standards ('IFRS') as published by the International Accounting Standards Board (IASB) and adopted by the European Union ('EU').

The Group's condensed interim financial statements for the six months ended 30 June 2011 have been prepared in accordance with the provisions of IAS 34 – Interim Financial Reporting, as adopted by the EU, which allows entities to present selected explanatory notes. The condensed interim financial statements for the six months ended 30 June 2011 do not, therefore, incorporate all of the notes and disclosures required by IFRS for the annual consolidated financial statements. Accordingly, these condensed interim financial statements must be read in conjunction with the consolidated financial statements of GDF SUEZ Energy International and those of International Power plc for the year ended 31 December 2010, subject to specific provisions relating to the preparation of interim financial information as described hereafter.

For accounting purposes, the Combination is treated as a reverse acquisition under IFRS 3, being the acquisition of International Power by GDF SUEZ Energy International (refer to Note 2). Therefore, the comparative financial information presented in the condensed interim financial statements for the six months ended 30 June 2010, and as at 31 December 2010, relates only to GDF SUEZ Energy International. For the six months ended 30 June 2011, the condensed interim financial statements comprise the results of GDF SUEZ Energy International, and from the date of the Combination, the results of the former International Power business. The condensed interim financial statements represent the continuation of the financial statements of GDF SUEZ Energy International, and they reflect the acquisition of International Power by applying the 'acquisition method' of accounting to the International Power identifiable assets acquired and liabilities assumed.

1.1.2. Basis of combination prior to the Combination

Prior to the Combination GDF SUEZ Energy International comprised GDF SUEZ Energy North America, Energy Latin America and Energy Middle East, Asia & Africa entities ('Energy International Business Areas') together with entities in the United Kingdom and the distribution activities in Turkey which were part of GDF SUEZ Energy Europe (together 'GDF SUEZ Energy International'). Prior to the Combination, GDF SUEZ Energy International did not form a separate legal group.

IFRSs as adopted by the EU do not provide for the preparation of combined financial information, and accordingly in preparing the combined financial information for GDF SUEZ Energy International prior to the Combination ('the Combined Financial Information'), GDF SUEZ Energy International developed combination accounting policies referring to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The basis of preparation for the Combined Financial Information is set out in full in the GDF SUEZ Energy International combined financial statements for the year ended 31 December 2010 which are available on international Power's website (www.iprplc-gdfsuez.com).

A summary of the basis of combination is set out below:

- The principal accounting policies of GDF SUEZ have been applied to the Combined Financial Information and these are described in Note 1 to the GDF SUEZ Energy International combined financial statements for the year ended 31 December 2010.
- As GDF SUEZ Energy International was adopting IFRS after its parent GDF SUEZ, GDF SUEZ Energy International decided to measure its assets and liabilities according to the option in IFRS 1.D16(a) at the carrying amounts that were included in GDF SUEZ's consolidated financial statements, based on GDF SUEZ's date of transition to IFRSs (namely 1 January 2004).
- Subsidiaries and associates that are part of GDF SUEZ Energy International and were acquired directly or indirectly by GDF SUEZ Energy International have been included in the Combined Financial Information from the date control was obtained. Subsidiaries that are part of GDF SUEZ Energy International and were acquired by GDF SUEZ through entities other than the GDF SUEZ Energy International reporting entity and its subsidiaries, have been included in the Combined Financial Information from the date control was obtained by GDF SUEZ and as if the acquisition has been performed by GDF SUEZ Energy International and funded by a capital contribution from GDF SUEZ.
- Subsidiaries of GDF SUEZ Energy International scope that were disposed of by GDF SUEZ Energy International during the periods presented have been included in the Combined Financial Information up to the date control was lost.
- Subsidiaries of GDF SUEZ Energy International entities that do not form part of GDF SUEZ Energy International scope have been excluded from the Combined Financial Information since the beginning of the periods presented. All cash movements relating to the disposal of those entities by GDF SUEZ Energy International and/or equity contributions to those entities during the periods presented have been classified as contributions/distributions from/to GDF SUEZ.
- All cash and other movements in capital amounts, being shares cancelled, dividends and other distributions made from GDF SUEZ Energy International companies to GDF SUEZ and other GDF SUEZ companies have been reflected in the condensed interim statement of cash flows and in the condensed interim statement of changes in equity as 'distributions'.

International Power plc

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2011

1. Summary of significant accounting policies

1.1. Basis of preparation (continued)

1.1.2. Basis of combination prior to the Combination (continued)

- All cash and other movements in capital amounts, being share issues or GDF SUEZ contributions have been reflected in the condensed interim statement of cash flows and in the condensed interim statement of changes in equity as 'contributions'.
- As described above, the GDF SUEZ Energy International reporting entity, had no statutory capital; therefore, the computation of earnings per share could not be based on an actual number of issued shares. Instead, GDF SUEZ Energy International determined the number of shares by analogy to the guidance in paragraphs B26 and B27 of IFRS 3 relating to the computation of earnings per share in the context of a reverse acquisition. In this respect, the number of shares of GDF SUEZ Energy International is derived from the exchange ratio and corresponds to the number of ordinary shares that were to be issued by International Power in exchange for the contribution by GDF SUEZ of GDF SUEZ Energy International assets and liabilities excluding additional cash contributions which were not effective as of each reporting date. This number is adjusted for each period prior to the Combination to reflect GDF SUEZ Energy International equity contribution movements in each period. All computations are prepared based on the exchange ratio as determined on 9 August 2010, the date of approval by the GDF-SUEZ and International Power respective Board of Directors of the terms of the Combination.
- As of 31 December 2010, Electrabel incurred costs in connection with the above-mentioned Combination that will not be invoiced to GDF SUEZ Energy International Division. As these costs correspond to services provided by third parties to GDF SUEZ Energy International and paid by GDF SUEZ on behalf of GDF SUEZ Energy International, they are recognised as an expense by GDF SUEZ Energy International with the counterparty in equity representing a capital contribution from the parent company.
- GDF SUEZ has historically managed its financing needs and cash flow surpluses for GDF SUEZ Group through its financing vehicles (long-term and short-term) and its cash pooling vehicles. For the purposes of preparation of the Combined Financial Information, such centrally managed financing and cash pooling has been allocated to GDF SUEZ Energy International and reflected in the Combined Financial Information in line with existing balances within GDF SUEZ consolidated financial statements at the end of each period presented. The interest income and expense recorded in the Combined Income Statement have been affected by the financing arrangements within GDF SUEZ and are not necessarily representative of the interest income and expenses that would have been reported had GDF SUEZ Energy International been an independent group. They are not necessarily representative of the interest income and expenses that may arise in the future.
- Tax charges in this Combined Financial Information have been determined based on the tax charges recorded by GDF SUEZ Energy International companies in their local statutory accounts as well as certain adjustments made for GDF SUEZ consolidation purposes. The tax charges recorded in the Combined Income Statement have been affected by the taxation arrangements within GDF SUEZ and are not necessarily representative of the tax charges that would have been reported had GDF SUEZ Energy International been an independent group. Also, they are not necessarily representative of the tax charges that may arise in the future.

1.1.3. Going concern basis

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Circular and the Business and financial review of International Power's Annual Report 2010. In addition, the Annual Report 2010 includes the Group's objectives, policies and processes for financial risk management.

The financial position of the Group and its cash flows are set out in the primary statements of the condensed interim financial statements. Details of the Group's borrowing facilities are set out in Note 11.

During the six months ended 30 June 2011 the Group met its external funding requirements through a combination of non-recourse project finance debt secured on project companies' assets and other non-recourse and recourse debt at the project company level, together with corporate financing in the form of convertible debt, a high yield bond and a financing package provided by GDF SUEZ, all at the level of International Power plc ('the Company').

Following the Combination with GDF SUEZ Energy International on 3 February 2011, enlarged International Power benefits from a significant financing package provided by GDF SUEZ under the Financing Framework Agreement (the 'GDF SUEZ Facilities'). The GDF SUEZ Facilities initially comprised committed loans and facilities in excess of €3.4 billion (£3.1 billion) and are mostly in place until 31 December 2013, followed by a one year automatic renewal, with a requirement for fifteen months' advance notice of cancellation (refer to Note 11).

Following provision of the GDF SUEZ Facilities, the Company's US\$780 million corporate revolver facility was cancelled on 22 February 2011. Tranche B of the GDF SUEZ Facilities for £955 million (€1,058 million), provided to refinance certain project and subordinated debt, was partially drawn, to the extent of £488 million (€541 million) during the period and the remaining balance of €467 million (€517 million) expired on 2 August 2011. With the exception of £119 million (€132 million) of guarantees drawn from Tranche D, all other GDF SUEZ Facilities remain undrawn and available to International Power (refer to Note 11).

International Power plc

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2011

1. Summary of significant accounting policies

1.1.3. Going concern basis (continued)

The Group does not have any material refinancings falling due until March 2012, when a €235 million recourse bank loan to Suez Energy Andino will fall due for repayment. In June 2012, the Hazelwood and Loy Yang B project loans of A\$692 million (€513 million) and A\$1,117 million (€828 million) respectively are due for repayment, but the Group's share of these project loans can, if necessary, be fully refinanced by drawing on the GDF SUEZ Facilities. In September 2012 a ¥30.9 billion (€267 million) syndicated loan facility of Senoko (of which our share is 30%, as Senoko is a joint venture) will fall due.

The Group's forecasts and projections, taking into account reasonably possible changes in trading performance, show that the Group has sufficient financial resources, together with assets that are expected to generate free cash flow to the Group due to the relatively inelastic demand for the Group's primary product, electricity. As a consequence the Directors have a reasonable expectation that the Company and the Group are well placed to manage their business risks and to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the condensed interim financial statements.

1.2. Accounting policies

The accounting policies used to prepare the Group's condensed interim financial statements for the six months ended 30 June 2011 are consistent with those used to prepare the combined financial statements of GDF SUEZ Energy International for the year ended 31 December 2010 (available on International Power's website: www.iprplc-gdfsuez.com), and in accordance with IFRS as published by the IASB and endorsed by the European Union, with the exception of the following items in Note 1.2.1.

1.2.1. IFRS standards, amendments and IFRIC interpretations applicable in 2011

- Revised IAS 24 – Related Party Disclosures; as authorised by the standard, the Group has elected to early adopt in its consolidated financial statements for the year ended 31 December 2010 provisions regarding exemptions to disclosures by government-related entities. Accordingly, the new definition of a related party per the revised standard will be applied in the consolidated financial statements for the year ended 31 December 2011.
- Amendment to IAS 32 – Classification of Rights Issues: this amendment has no impact on the condensed interim financial statements for the six months ended 30 June 2011.
- Improvements to IFRS 2010: among amendments, those related to IAS 34 impact financial instruments disclosures as of 30 June 2011.
- IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments: this interpretation has no impact on the condensed interim financial statements for the six months ended 30 June 2011.
- Amendment to IFRIC 14 – Prepayments of a Minimum Funding Requirement: this amendment has no significant impact on the condensed interim financial statements for the six months ended 30 June 2011.

1.2.2. IFRS standards effective after 2011 that the Group has elected not to early adopt in 2011

Standards and amendments applicable in 2012

- Amendments to IAS 12 - Deferred Tax: Recovery of Underlying Assets
- Amendments to IAS 1 - Presentation of Items of Other Comprehensive Income
- Amendment to IFRS 7 - Disclosures – Transfers of Financial Assets

Standards and amendments applicable in 2013

- IFRS 9 – Financial Instruments: Classification and measurement
- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- Amendment to IAS 27 – Separate Financial Statements
- Amendment to IAS 28 – Investments in Associates and Joint Ventures
- IFRS 13 – Fair Value Measurement
- Amendment to IAS 19 – Employee Benefits

The above standards are not yet endorsed by the European Union. The impact resulting from the application of these new or revised standards is currently being assessed.

International Power plc

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2011

1. Summary of significant accounting policies

1.3. Use of judgement and estimates

Management is required to exercise significant estimation and judgement in the application of its accounting policies. Areas which management believe require the most critical accounting estimation and judgement are as follows:

1.3.1. Estimates

The preparation of the condensed interim financial statements requires the use of estimates and assumptions to determine the value of assets and liabilities, and contingent assets and liabilities at the statement of financial position reporting date, as well as revenue and expenses reported during the period.

Due to uncertainties inherent in the estimation process, the Group regularly revises its estimates in light of currently available information. Final outcomes could differ from those estimates.

The key estimates used in preparing the Group's condensed interim financial statements mainly relate to:

- measurement of the fair value of assets acquired and liabilities assumed in a business combination;
- measurement of the recoverable amount of goodwill, intangible assets and property, plant and equipment;
- useful economic lives of property, plant and equipment;
- impairment analysis cash flows, including an assessment of the impacts of new environmental legislation;
- measurement of provisions including provision for dismantling obligations, disputes, pensions and other employee benefits;
- fair value of energy derivatives;
- recoverability of trade and other receivables; and
- measurement of recognised tax loss carry forwards assets.

Detailed information related to the use of estimates is provided in Note 1 to the GDF SUEZ Energy International combined financial statements for the year ended 31 December 2010 and the International Power plc consolidated financial statements for the year ended 31 December 2010.

1.3.2. Judgement

As well as relying on estimates, Group management also makes judgements to define the appropriate accounting policies to apply to certain activities and transactions, particularly when the effective IFRSs and interpretations do not specifically deal with related accounting issues.

In particular, the Group exercised its judgement in determining the accounting treatment applicable to: concession contracts; the classification of arrangements which contain a lease; the identification of commodity 'own use' contracts as defined by IAS 39; the recognition of acquisitions of non-controlling interests prior to 1 January 2010; assessment of whether a cash flow hedge transaction is highly probable and the hedge is effective; and the evaluation of levels of control and influence which determine whether an entity is an associate, joint venture or a subsidiary.

1.4. Interim financial reporting

1.4.1. Seasonality of operations

The Group's operations are intrinsically subject to seasonal fluctuations. Consequently, the interim results for the six months ended 30 June 2011 are not necessarily indicative of those that may be expected for the year ending 31 December 2011.

1.4.2. Income tax expense

Current and deferred income tax expense for interim periods is calculated at the level of each tax entity by applying the average estimated annual effective tax rate for the current year to income for the period.

International Power plc

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2011

2. Main changes in Group structure

2.1. Reverse acquisition of International Power plc

2.1.1. Description of the Combination

The reverse acquisition of the Company by GDF SUEZ Energy International, which was announced on 10 August 2010, was completed on 3 February 2011.

The main steps to achieve this Combination were as follows:

- 10 August 2010: a memorandum of understanding, detailing the main terms and conditions of the proposed merger between International Power and GDF SUEZ Energy International (excluding Europe) and certain assets in the UK and Turkey (collectively, 'GDF SUEZ Energy International') was signed by the Boards of Directors of GDF SUEZ and the Company;
- 13 October 2010: a Merger Deed and other major agreements governing relations between GDF SUEZ and the enlarged International Power after the Combination was signed by GDF SUEZ, Electrabel and the Company;
- 16 December 2010: approval of the Combination by the Company's shareholders at a general meeting;
- 3 February 2011: completion of the Combination following fulfilment of the conditions precedent, including receipt of certain anti-trust and regulatory approvals, the implementation of the necessary pre-closing reorganisation to combine the assets and businesses which comprise GDF SUEZ Energy International beneath separate holding companies to be contributed to International Power, the completion of GDF SUEZ cash contributions agreed upon, and the admission to listing on the Official List of the UK Listing Authority and to trading on the London Stock Exchange's main market of the new International Power ordinary shares which occurred on 3 February 2011.

The Combination took the form of the contribution by Electrabel, a wholly-owned subsidiary of GDF SUEZ, of GDF SUEZ Energy International to International Power in exchange for the issue of 3,554,347,956 new ordinary International Power shares in order to create an enlarged International Power.

Prior to the Combination, Electrabel carried out the cash contributions required by the Merger Agreement. Some of these contributions were made in 2010 (refer to Note 2.1.3 of the GDF SUEZ Energy International combined financial statements for the year ended 31 December 2010).

On 1 February 2011, Electrabel subscribed for ordinary shares in GDF SUEZ IP Limited, a newly incorporated Jersey company within the scope of GDF SUEZ Energy International, in an amount of £1,413 million (€1,659 million). The purpose of this cash injection was to fund the special dividend of 92 pence per ordinary share to the existing shareholders of International Power before the Combination. The special dividend was paid on 25 February 2011.

Following the issue of the new ordinary shares, GDF SUEZ, through Electrabel, owns approximately 70% of International Power's voting rights.

To comply with the requirements of the European Commission, International Power agreed to divest its interest in the 420MW T-Power CCGT project in Belgium during 2011. On 18 May 2011 International Power agreed to sell its equity interest in T-Power to Itochu, a leading Japanese conglomerate.

2.1.2. The Combination accounting treatment

For accounting purposes, this Combination is treated as a reverse acquisition under IFRS 3, being the acquisition of International Power by GDF SUEZ Energy International although International Power is the legal acquirer which has issued new ordinary shares to GDF SUEZ.

Therefore, these condensed interim financial statements of the enlarged International Power are the continuation of the financial statements of GDF SUEZ Energy International and thus reflect the acquisition of International Power by applying the IFRS 3 'acquisition method' of accounting to the International Power Group identifiable assets acquired and liabilities assumed.

International Power is fully consolidated in the financial statements of the enlarged International Power with effect from 3 February 2011.

International Power plc

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2011

2. Main changes in Group structure (continued)

2.1.3 Fair value of the consideration transferred

In accordance with IFRS 3, the fair value of the consideration transferred to acquire the existing ordinary shares of International Power is based on the share price of International Power's ordinary shares at the acquisition date. The fair value of the consideration transferred thus amounts to £6,269 million (€7,353 million based on the exchange rate prevailing at the time of the closing of the transaction) being the 1,537.9 million ordinary shares in International Power before the Combination multiplied by the share price of 407.63 pence per share on 3 February 2011.

2.1.4 Impact of the acquisition on the consolidated financial statements

The Group decided to measure the non-controlling interests at their fair value. The fair value of the 30% shareholding in the enlarged International Power has been fair valued on the basis of the share price of International Power on 3 February 2011. Non-controlling interests of subsidiaries of International Power have been determined based on value in use that has been determined either from discounted future cash flows or by using the discounted dividend model. For merchant plants, the fair value is determined based on market assumptions available at the acquisition date concerning the price of electricity and fuel, as well as long-term assumptions reflecting the expected trends in the price of commodities. For contracted plants, the fair value is calculated based on existing business plans and forecasts at the acquisition date. The discount rates applied are based on the specific characteristics and risk profiles of the operating entities concerned.

Prior to the acquisition, GDF SUEZ Energy International and International Power held 30% and 40% respectively, of Al Hidd, an independent power producer in the Middle East. This entity was previously accounted for using the equity method in the financial statements of both GDF SUEZ Energy International and International Power. Upon the reverse acquisition of International Power, the enlarged Group obtained control of Al Hidd and in accordance with IFRS 3, remeasured its previously held equity interests at fair value. The impact of this remeasurement as well as the effect of recycling to profit or loss the fair value gains and losses of cash flow hedges recognised in 'Other comprehensive income' amounted to US\$7 million (€5 million) and is presented as an expense under 'Changes in scope of consolidation' within income from operating activities.

At 30 June 2011, the accounting for the business combination is provisional and will be finalised during the second half of 2011.

The following table shows the provisional fair values of the identifiable assets acquired and liabilities assumed of International Power at the acquisition date:

International Power plc

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2011

2. Main changes in Group structure (continued)

2.1.4. Impact of the acquisition on the consolidated financial statements (continued)

	Provisional fair value to the Group recognised on acquisition €m
Non-current assets	
Intangible assets	152
Property, plant and equipment	10,421
Available-for-sale securities	131
Loans and receivables at amortised cost	1,718
Derivative instruments	104
Investments in associates	1,208
Other non-current assets	89
Deferred tax assets	44
Current assets	
Loans and receivables at amortised cost	56
Derivative instruments	149
Trade and other receivables and other current assets	1,041
Inventories	385
Cash and cash equivalents	1,238
Non-current liabilities	
Provisions	(94)
Long-term borrowings	(6,934)
Derivative instruments	(601)
Other non-current liabilities	(165)
Deferred tax liabilities	(1,231)
Current liabilities	
Provisions	(243)
Short-term borrowings	(691)
Derivative instruments	(49)
Trade and other payables and other current liabilities	(1,185)
Net assets acquired	5,543
Consideration transferred	7,353
Remeasurement of previously held equity interest in Al Hidd	32
Non-controlling interest	784
Goodwill	2,626

The provisional goodwill of €2,626 million represents the expected synergies on the operations (optimisation of central and regional costs and long-term overhaul and maintenance contracts, streamlining procurement and trading activities) finance (refinancing of certain loans at a lower cost through the benefit of the enlarged business's investment grade credit rating), and development capabilities and market share.

The acquisition results in an increase in equity of €8,132 million, of which €7,353 million is attributed to Group share and €784 million to non-controlling interests (refer to Note 13).

Prior to the Combination, International Power and GDF SUEZ Energy International held equity interests of 40% and 30% respectively in Al Hidd. Following the Combination, Al Hidd is fully consolidated within the results of International Power. The impact on net assets of the full consolidation of Al Hidd was to revalue the equity interest held by GDF SUEZ Energy International to €32 million and recognise a non-controlling interest of €32 million.

The Combination resulted in a net cash outflow of €421 million. The net impact includes cash and cash equivalents acquired of €1,238 million, the payment of the special dividend of £1,413 million (€1,659 million) and the payment of acquisition costs of €64 million. The majority of these acquisition costs were recognised in the second half of 2010.

The contribution of acquired International Power, including the effect of the additional 40% stake in Al Hidd, to revenue, current operating income, net income Group share including exceptional items and specific IAS 39 mark to market movements and net income Group share excluding exceptional items and specific IAS 39 mark to market movements during the six months ended 30 June 2011 are €1,784 million, €223 million, €220million and €135 million respectively.

If the acquisition had taken place on 1 January 2011, the consolidated revenue and net income Group share would have amounted to €8,104 million and €890 million respectively.

International Power plc

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2011

3. Segment information

3.1. Operating segments

The operating segments reflect the new organisation put in place following the Combination. Operating segments have been identified primarily on the basis of internal reports used by the Board to allocate resources to the segments and assess their performance. The comparative segment information as of 30 June 2010 has been restated to reflect the new post-combination segments.

The Group is managed as six separate geographic regions, namely Latin America; North America; UK - Europe; Middle East, Turkey and Africa; Asia; and Australia. Businesses in:

- Latin America produce electricity, sell electricity and/or natural gas and/or provide electricity transmission and distribution services mainly in Brazil, Chile and Peru. This segment is also involved in the import and re-gasification of LNG in Chile;
- North America produce electricity and sell electricity and natural gas in the United States, Canada and Mexico. They are also active in the LNG import and re-gasification business;
- UK - Europe produce and sell electricity, natural gas and/or provide electricity transmission and distribution services;
- Middle East, Turkey and Africa predominately produce and sell electrical capacity and energy as well as desalinated water under long-term contracts in the Arabian Peninsula and Turkey. Gas distribution services are also provided in Turkey;
- Australia produce electricity and sell electricity to wholesale customers participating in the National Electricity Market as well as under long-term contracts, and to retail customers; and
- Asia produce and sell electricity and/or provide electricity transmission in Pakistan, Indonesia, Thailand, Laos and Singapore.

The 'Other' line presented in the tables which follow include contributions and expenses from corporate holding companies and entities centralising the Group's financing requirements. It does not include holding companies acting as business line heads, which are allocated to the segment concerned.

The methods used to recognise and measure these segments for internal reporting purposes are the same as those used to prepare the condensed interim financial statements. Adjusted Current Operating Income and EBITDA are reconciled with the condensed interim financial statements in Notes 3.2.2 and 3.2.4. respectively.

3.2. Key indicators by operating segment

3.2.1. Revenue

	Six months ended	
	30 June 2011	30 June 2010
	€m	€m
Latin America	1,843	1,426
North America	2,511	2,093
UK – Europe	1,579	863
Middle East, Turkey and Africa	578	324
Asia	811	671
Australia	449	-
	7,771	5,377

International Power plc

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2011

3. Segment information

3.2. Key indicators by operating segment (continued)

3.2.2. Adjusted current operating income

Adjusted current operating income is an indicator used by the Group to present a level of operational performance that can be used as part of an approach to forecast recurring performance. It is a measure which helps management to better understand the Group's performance because it excludes elements which are inherently difficult to predict due to their unusual, irregular or non-recurring nature. These items are collectively described as 'exceptional items and specific IAS 39 mark to market movements' and include: mark to market on commodity contracts other than trading instruments; impairment of goodwill, property, plant and equipment, intangible assets and financial assets; restructuring costs; changes in the scope of consolidation; and other non-recurring items (refer to Note 4).

Adjusted current operating income includes depreciation, amortisation and provisions and charges related to share-based payments, and also includes the share in net income of associates excluding exceptional items and specific IAS 39 mark to market movements. Current operating income excludes the share in net income of associates (excluding exceptional items and specific IAS 39 mark to market movements).

	Six months ended 30 June 2011			Six months ended 30 June 2010		
	Current operating income		Adjusted current operating income	Current operating income		Adjusted current operating income
	Subsidiaries and joint ventures €m	Share in net income of associates €m	Total €m	Subsidiaries and joint ventures €m	Share in net income of associates €m	Total €m
Latin America	662	1	663	503	1	504
North America	259	5	264	144	11	155
UK – Europe	106	16	122	39	-	39
Middle East, Turkey and Africa	115	54	169	87	7	94
Asia	123	37	160	83	5	88
Australia	77	-	77	-	-	-
Corporate	(54)	-	(54)	(39)	-	(39)
	<u>1,288</u>	<u>113</u>	<u>1,401</u>	<u>817</u>	<u>24</u>	<u>841</u>
Less share in net income of associates excluding exceptional items and specific IAS 39 mark to market movements			<u>(113)</u>			<u>(24)</u>
Current operating income			1,288			817
Exceptional items and specific IAS 39 mark to market movements included in income from operating activities			<u>200</u>			<u>26</u>
Income from operating activities			1,488			843

International Power plc

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2011

3. Segment information

3.2. Key indicators by operating segment (continued)

3.2.3. Depreciation and amortisation

	<u>Six months ended</u>	
	<u>30 June</u> 2011	<u>30 June</u> 2010
	€m	€m
Latin America	199	142
North America	236	143
UK – Europe	185	17
Middle East, Turkey and Africa	34	17
Asia	40	34
Australia	84	-
Corporate	1	-
	<u>779</u>	<u>353</u>

Depreciation and amortisation relates to property, plant and equipment, intangibles assets and acquired derivatives.

3.2.4. EBITDA

EBITDA is an abbreviation for earnings before interest, taxes, depreciation and amortisation. It is a measure of income which excludes significant non-cash items, such as depreciation, amortisation, certain movements in provisions and charges for share-based payments. It also excludes those items that are inherently difficult to predict due to their unusual, irregular or non-recurring nature. EBITDA does not include the results of associates.

EBITDA includes the settlement amounts of derivative commodity contracts irrespective of whether the derivative contracts have a value at inception other than zero. EBITDA reflects the contracted revenue and expenses, being the spot price at settlement and the settlement of the derivative, irrespective of whether the contract is acquired in a business combination.

	<u>Six months ended</u>	
	<u>30 June</u> 2011	<u>30 June</u> 2010
	€m	€m
Latin America	863	649
North America	488	301
UK – Europe	287	56
Middle East, Turkey and Africa	153	103
Asia	165	116
Australia	161	-
Corporate	(61)	(38)
EBITDA	<u>2,056</u>	<u>1,187</u>
Depreciation and amortisation,	(779)	(353)
Movement in provisions, and share-based payment and other	11	(17)
Current operating income	<u>1,288</u>	<u>817</u>
Exceptional items and specific IAS 39 mark to market movements included in income from operating activities (refer to Note 4)	200	26
Income from operating activities	<u>1,488</u>	<u>843</u>

3.2.5. Capital expenditure

Capital expenditure represents additions to property, plant and equipment and intangible assets in the period (excluding acquisitions related to business combinations).

	<u>Six months ended</u>	
	<u>30 June</u> 2011	<u>30 June</u> 2010
	€m	€m
Latin America	700	695
North America	161	49
UK – Europe	49	8
Middle East, Turkey and Africa	7	2
Asia	204	355
Australia	52	-
	<u>1,173</u>	<u>1,109</u>

International Power plc

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2011

4. Exceptional items and specific IAS 39 mark to market movements

The Directors consider that items of income or expense which are material by virtue of their unusual, irregular or non-recurring nature should be disclosed separately if the consolidated financial statements are to fairly present the financial position and underlying business performance.

In order to allow a better understanding of the financial information presented within the condensed interim financial statements, and specifically the Group's underlying business performance, the effect of exceptional items and specific IAS 39 mark to market movements are shown separately.

Explanations of exceptional items and specific IAS 39 mark to market movements, which the Directors believe should be excluded from measures of underlying business performance, are as follows:

- 'mark to market on commodity contracts other than trading instruments' corresponds to changes in the fair value (mark to market) of financial instruments relating to commodities, gas and electricity, which do not qualify as either proprietary trading or hedging instruments. These contracts are used in economic hedges of operating transactions in the energy sector. The Group considers these economic hedges to be those which are asset backed, i.e. where the Group is either forward selling electricity from its own generation capacity or forward buying fuel for its own generation capacity. Since changes in the fair value of these instruments – which must be recognised through income in IAS 39 – can be material and difficult to predict, they are presented on a separate line of the consolidated income statement to assist the reader's understanding of underlying business performance and to provide a more meaningful presentation.

For economic hedges of commodities, where fair value gains and losses are recorded in the income statement, in the period in which the economically hedged transaction settles, the settlement amount of the derivative, being the cumulative fair value gains and losses recognised in the current and prior periods, is presented in current operating income (within revenue or purchases) so that the transaction is measured at its contracted price (i.e. the spot price less the fair value gain or loss on the derivative contract at that date).

As the cumulative mark to market movements have already been recognised in the line 'mark to market on commodity contracts other than trading instruments' in the current and prior periods, an equal but opposite amount is presented in the line 'mark to market on commodity contracts other than trading instruments' so that cumulatively the amount recognised in the line 'mark to market on commodity contracts other than trading instruments' in respect of such economic hedges is zero.

By presenting fair value gains and losses in this manner underlying business performance is not affected by mark to market movements of economic hedges and therefore reflects the underlying business performance at contracted prices.

The amortisation of commodity contract derivatives, which are acquired with a fair value other than zero, is recorded in current operating income within the line 'depreciation, amortisation and provisions' and is included in other measures of underlying business performance.

Ineffectiveness in qualifying cash flow hedges under IAS 39 can arise from business combinations, where the fair value of the derivatives at acquisition is not equal to zero, or as a result of the difference between the contractual profile of the economic hedge and the profile of transactions defined as the hedged item. IAS 39 requires ineffectiveness in qualifying cash flow hedges to be recorded in the income statement. The Group records this ineffectiveness, when it relates to hedges of revenue, purchases and transactions recognised in current operating income, in 'mark to market on commodity contracts other than trading instruments'.

Note that mark to market movements relating to proprietary trading activities, and amortisation of commodity contract derivatives which are acquired with a fair value other than zero comprise part of the Group's underlying business performance and are appropriately, in the judgement of the Directors, included within current operating income and not within 'mark to market on commodity contracts other than trading instruments'.

- 'impairment of goodwill, property, plant and equipment, intangible assets and financial assets' is the line item used to record the recognition of impairments when the recoverable amount of an asset is lower than its carrying amount;
- 'restructuring costs' concern costs corresponding to a restructuring program planned and controlled by management that materially changes either the scope of a business undertaken by the entity, or the manner in which that business is conducted, based on the criteria set out in IAS 37;
- 'changes in the scope of consolidation' includes costs related to acquisitions of controlling interests, impacts of the re-measurement at fair value at acquisition date of previously held equity interests in the acquiree in the event of a business combination achieved in stages, subsequent changes in the fair value of contingent consideration and gains and losses from disposal of investments which result in a change in consolidation method as well as any impact of the re-measurement of retained interests;
- 'other non-recurring items' include capital gains and losses on disposals of non-current assets and available-for-sale securities which do not result in a change in consolidation method.

International Power plc

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2011

4. Exceptional items and specific IAS 39 mark to market movements (continued)

In addition to items excluded from current operating income outlined above, explanations of additional items which are considered unusual, irregular or possess a non-recurring nature, and which are excluded from underlying earnings per share include:

- mark to market on derivatives used as economic hedges of interest rate exposures on debt instruments, such as interest rate swaps;
- mark to market of the fair value of embedded derivatives in convertible bonds, which relate to conversion features where the functional currency of the parent company and other factors preclude the conversion feature being treated as equity in the consolidated financial statements. The Directors consider the fair value gains and losses of these embedded derivatives should be appropriately excluded from underlying business performance in order to exclude a non-cash movement which, if the conversion option is exercised, will ultimately be extinguished by the issue of equity;
- exceptional tax charges and the tax impacts of exceptional items and specific IAS 39 mark to market movements; and
- the Group's share of associates' exceptional items and specific IAS 39 mark to market movements and any tax thereon.

The amortisation of derivatives related to debt instruments, such as interest rate swaps, which are acquired with a fair value other than zero, is recorded in financial expenses and is included in underlying earnings per share.

A reconciliation of basic earnings per share to underlying earnings per share is presented in Note 8.

The following exceptional items and specific IAS 39 mark to market movements are recorded within the consolidated income statement:

	Note	Six months ended	
		30 June 2011 €m	30 June 2010 €m
Mark to market on commodity contracts other than trading instruments		158	(24)
Impairment of goodwill, property, plant and equipment, intangible assets and financial assets		-	(133)
Restructuring costs		(19)	-
Changes in scope of consolidation		55	184
Other non-recurring items		6	(1)
Amounts recognised in income from operating activities	4.1	200	26
Specific IAS 39 mark to market movements on:			
3.75% convertible US dollar bonds 2023		(3)	-
3.25% convertible euro bonds 2013		12	-
4.75% convertible euro bonds 2015		17	-
Other specific IAS 39 mark to market movements		(13)	(32)
Amounts recognised in financial expenses		13	(32)
Taxation on exceptional items		4	-
Taxation on specific IAS 39 mark to market movements		(57)	16
Amounts recognised in income tax expense	4.2, 6	(53)	16
Total impact of exceptional items and specific IAS 39 mark to market movements recognised in net income	8	160	10
Group share		136	18
Non-controlling interests		24	(8)

International Power plc

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2011

4. Exceptional items and specific IAS 39 mark to market movements (continued)

4.1. Amounts recognised in income from operating activities

Unusual, irregular and non-recurring items, excluded from current operating income, but included within income from operating activities, are as follows.

4.1.1 Mark to market on commodity contracts other than trading instruments

The gain on mark to market on commodity contracts other than trading instruments of €158 million for the six months ended 30 June 2011 (30 June 2010: loss of €24 million) can be explained as follows:

- Certain Group companies have implemented economic hedging strategies using forward contracts with the aim of reducing the sensitivity of margins to fluctuations in commodity prices. However, these contracts were either not designated as hedges under IAS 39 or were not eligible for hedge accounting under IAS 39. Changes in the fair value of these positions over the six month period ended 30 June 2011 resulted in a net gain of €144 million (30 June 2010: net loss of €10 million).
- Favourable changes in the fair value of derivatives embedded in commodity contracts, which are required to be accounted for separately under IAS 39, resulted in a net gain of €13 million in the six months ended 30 June 2011 (30 June 2010: net loss of €5 million).
- The impact of the ineffective portion of cash flows hedges contracted in respect of non-financial assets resulted in a loss of €2 million in the six months ended 30 June 2011 (30 June 2010: net gain of €2 million).
- Some Group entities have implemented economic hedging strategies in order to reduce their exposure to foreign currency risk relating primarily to purchases of equipment which could not be designated as hedges under IAS 39 resulting in a gain of €3 million at 30 June 2011 (30 June 2010: net loss of €11 million).

4.1.2 Impairment of goodwill, property, plant and equipment, intangible assets and financial assets

	Six months ended	
	30 June 2011 €m	30 June 2010 €m
Impairment of assets		
Goodwill	-	(133)
Property, plant and equipment and other intangible assets	-	(1)
Financial assets	-	(1)
		<u>(135)</u>
Reversals of impairments		
Financial assets	-	2
		<u>2</u>
Total net impairment and impairment reversals	<u>-</u>	<u>(133)</u>

In addition to the annual impairment test on goodwill and intangible assets with indefinite useful lives carried out in the second half of the year, the Group also tests goodwill, property, plant and equipment and intangible assets for impairment whenever there is an indication that the asset may be impaired.

There were no impairments recognised during the six months ended 30 June 2011. In the six months ended 30 June 2010 the Group recognised an impairment loss on goodwill of €133 million against a Turkish gas distribution entity.

4.1.3 Restructuring costs

Restructuring costs of €19 million for the six months ended 30 June 2011 principally arise from the integration of International Power with GDF SUEZ Energy International. There were no material restructuring costs in the six months ended 30 June 2010.

4.1.4 Changes in scope of consolidation

Changes in scope of consolidation of €55 million for the six months ended 30 June 2011 include the profit on disposal of the investment in Noverco on 30 June 2011 and a loss of €5 million related to Al Hidd. The Group obtained control of Al Hidd on the date of the Combination and the loss reflects the remeasurement of previously held equity interests to fair value and the effect of recycling to profit or loss of the fair value gains and losses of cash flow hedges recognised in other comprehensive income, as described in Note 2, 'Main changes in Group structure'.

International Power plc

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2011

4. Exceptional items and specific IAS 39 mark to market movements (continued)

4.1.4. Changes in scope of consolidation (continued)

For the six months ended 30 June 2010, €184 million represents the impact of re-measuring the interests previously held in the Chilean entities Electroandina, Distrinor, CTA and Edelnor as a result of the Group acquiring control over those entities as well as the recognition of the dilution gain on CTH (€164 million).

4.2 Amounts recognised in income tax expense

Taxation on exceptional items principally comprises tax credits on restructuring costs arising from the integration of International Power with GDF SUEZ Energy International partially offset by a taxation charge on the disposal of the investment in Noverco.

5. Net financial income/(loss)

5.1 Net finance income/(loss)

	Six months ended 30 June 2011			Six months ended 30 June 2010		
	Expenses	Income	Net	Expenses	Income	Net
	€m	€m	€m	€m	€m	€m
Net finance costs	(334)	83	(251)	(267)	27	(240)
Other financial income and expenses	(142)	117	(25)	(89)	112	23
Net finance income/(loss)	(476)	200	(276)	(356)	139	(217)

5.2 Net finance costs

Net finance costs include mainly interest expenses (calculated using the effective interest rate) on gross borrowings, foreign exchange gains/losses on borrowings and gains/losses on interest rate and currency hedges of gross borrowings, as well as interest income on cash and cash equivalents and changes in the fair value of financial assets at fair value through income.

	Six months ended 30 June 2011			Six months ended 30 June 2010		
	Expenses	Income	Net	Expenses	Income	Net
	€m	€m	€m	€m	€m	€m
Interest on gross borrowings	(461)	-	(461)	(319)	-	(319)
Capitalised borrowing cost	139	-	139	84	-	84
Foreign exchange gains/losses on borrowings and hedges	-	38	38	-	2	2
Gains and losses on hedges of borrowings	(12)	-	(12)	(32)	-	(32)
Gains and losses on cash and cash equivalents and financial assets at fair value through income	-	45	45	-	25	25
Net finance costs	(334)	83	(251)	(267)	27	(240)

Exceptional items and specific IAS 39 mark to market movements included within financial expenses are set out in Note 4.

Interest on gross borrowings for the six months ended 30 June 2011 is higher than for the six months ended 30 June 2010 due to additional interest arising from borrowings assumed as part of the Combination. Borrowing costs capitalised in the period principally comprise amounts related to the Jirau (Energia Sustentavel), Estreito (Tractabel Energia) and Gheco One (Glow Energy) plants.

International Power plc

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2011

6. Income tax expense

6.1. Effective tax rate excluding taxation on exceptional items and specific IAS 39 mark to market movements

The following table shows the effective tax rate for the Group (excluding taxation on exceptional items and specific IAS 39 mark to market movements) after adjusting for the presentation of share in net income of associates in the consolidated income statement:

	<u>Six months ended</u>	
	<u>30 June</u> <u>2011</u> €m	<u>30 June</u> <u>2010</u> €m
Income tax expense	329	153
Share of associates' tax expense	21	4
Income tax expense, including associates' tax expense	<u>350</u>	<u>157</u>
Taxation on exceptional items and specific IAS 39 mark to market movements recognised in:		
Income from operating activities, financial expenses and financial income – (charge)/credit	(53)	16
Share in net income of associates – (charge)/credit	<u>-</u>	<u>-</u>
Underlying income tax expense (excluding exceptional items and specific IAS 39 mark to market movements)	<u>297</u>	<u>173</u>
Net income	996	497
Add income tax expense, including associates' tax expense	<u>350</u>	<u>157</u>
Profit before tax, including share of associates' profit before tax	1,346	654
Exceptional items and specific IAS 39 mark to market movements recognised in:		
Income from operating activities, financial expenses and financial income – (gain)/loss	(213)	6
Share in net income of associates – (gain)/loss	<u>-</u>	<u>-</u>
Underlying profit before tax, including share of associates	<u>1,133</u>	<u>660</u>
Effective tax rate	26%	26%

7. Associates

7.1. Share in net income of associates

The share in net income of associates for the six months ended 30 June 2011 amounts to €113 million (30 June 2010: €24 million). The increase between periods principally arises from the additional contribution from associates of International Power, acquired as part of the Combination on 3 February 2011. The largest contributor is PT Paiton for €27 million (30 June 2010: €nil).

There are no exceptional items and specific IAS 39 mark to market movements recognised within the share in net income of associates for the six months ended 30 June 2011 (30 June 2010: €nil).

7.2. Carrying amounts of investments in associates

The carrying amount of investments in associates at 30 June 2011 was €1,287 million (31 December 2010: €321 million). The increase arises predominately from the Combination.

The largest carrying amount relates to PT Paiton for €523 million (31 December 2010: €nil).

International Power plc

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2011

8. Earnings per share

Earnings per ordinary share has been calculated by dividing profit attributable to equity holders of the parent by the average number of ordinary shares. The basis of the computation for the period prior to the Combination is outlined in Note 1.1.2.

In order to allow a better understanding of the Group's underlying business performance, earnings per share is also presented excluding exceptional items and specific IAS 39 mark to market movements (refer to Note 4).

Reconciliations of earnings per share to underlying earnings per share (i.e. including and excluding items of an unusual, irregular or non-recurring nature and the impacts of tax expense and non-controlling interests thereon) are as follows:

	Six months ended 30 June 2011		Six months ended 30 June 2010	
	€m	cents	€m	cents
Basic earnings per share				
Net income – Group share (including exceptional items and specific IAS 39 mark to market movements)	786	16.6	396	19.5
Exceptional items and specific IAS 39 mark to market movements recognised within:				
• (Income)/loss from operating activities	(200)	(4.2)	(26)	(1.3)
• Net financial (income)/loss	(13)	(0.3)	32	1.6
• Income tax expense/(credit)	53	1.1	(16)	(0.8)
• Non-controlling interests' share of exceptional items and specific IAS 39 mark to market movements	24	0.5	(8)	(0.4)
Underlying net income – Group share (excluding exceptional items and specific IAS 39 mark to market movements)	650	13.7	378	18.6
Diluted earnings per share				
Net income – Group share (including exceptional items and specific IAS 39 mark to market movements)	786	15.6	396	19.5
After tax dilutive effect of interest and specific IAS 39 mark to market movements on convertible bonds	3	-	-	-
Net income – Group share (including exceptional items and specific IAS 39 mark to market movements for the purposes of diluted EPS)	789	15.6	396	19.5
Exceptional items and specific IAS 39 mark to market movements (net of tax and non-controlling interests)	(136)	(2.7)	(18)	(0.9)
After tax dilutive effect of mark to market on convertible bonds	20	0.4	-	-
Underlying net income – Group share (excluding exceptional items and specific IAS 39 mark to market movements) for the purposes of diluted EPS	673	13.3	378	18.6

The weighted average number of ordinary shares for the basic earnings per share calculation for the six months ended 30 June 2011 is 4,733.3 million (30 June 2010: 2,028.9 million) and for the diluted earnings per share calculation for six months ended 30 June 2011 is 5,047.5 million (30 June 2010: 2,028.9 million). Refer to Note 1.1.2 and Note 13 on equity for further explanation of the derivation of the number of shares used in the calculations.

International Power plc

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2011

8. Earnings per share (continued)

Due to the Combination being treated as a reverse acquisition, the convertible bonds were acquired on 3 February 2011 as part of the assets acquired and liabilities assumed of the International Power Group.

In the accounting periods presented, the dilutive impact of the Group's convertible bonds has been treated as follows when calculating diluted earnings per share after exceptional items and specific IAS 39 mark to market movements.

	Six months ended	
	30 June 2011	30 June 2010
3.75% convertible US dollar bonds 2023	Dilutive	Not applicable
3.25% convertible euro bonds 2013	Dilutive	Not applicable
4.75% convertible euro bonds 2015	Dilutive	Not applicable

The treatment of whether potential ordinary shares are dilutive or anti-dilutive in the calculation of diluted underlying earnings per share (i.e. excluding exceptional items and specific IAS 39 mark to market movements) is applied consistently with its determination in the calculation of diluted earnings per share including exceptional items and specific IAS 39 mark to market movements.

9. Dividends

At the Company's Annual General Meeting held on 17 May 2011 shareholders approved the payment of a final dividend for the year ended 31 December 2010 of 6.52 pence per ordinary share to members on the register at the close of business on 27 May 2011. This dividend amounted to £324 million (€374 million) in total and it was paid on 23 June 2011.

Following the completion of the Combination, a special dividend of 92 pence per ordinary share was paid on 25 February 2011 to members on the register at the close of business on 11 February 2011 (other than holders of the new ordinary shares that were created on the Combination); this equated to a total of £1,413 million (€1,659 million).

The Directors have approved an interim dividend for 2011 of 4.40 cents per ordinary share (3.82 pence per ordinary share). This is equal to 35% of the Company's preceding full year dividend of 10.91 pence per ordinary share, using a euro to sterling exchange rate of 1.1506, determined on 8 August 2011. The dividend will be paid in sterling on 27 October 2011 to members on the register at the close of business on 23 September 2011.

The latest date for making an election in respect of the Company's DRIP (Dividend Reinvestment Plan) is 7 October 2011.

There are no tax consequences to the Company arising from the final, special or interim dividends.

10. Goodwill, property, plant and equipment and intangibles

As set out in Note 2, during the six months ended 30 June 2011, the Group acquired intangible assets of €152 million and property, plant and equipment of €10,421 million relating to the reverse acquisition of International Power. Goodwill arising on consolidation was €2,626 million. During the six months ended 30 June 2010 goodwill arising from acquisitions was €6 million.

In the six months ended 30 June 2011 additions to property, plant and equipment relate notably to the construction in progress of different power plants, with major expenditure occurring at Jirau (Energia Sustentavel) €394 million (30 June 2010: €283 million) and Estreito (Tractebel Energia) €100million (30 June 2010: €169 million) in Brazil, and at Gheco One €34 million (30 June 2010: €261 million) and Glow Energy €35 million (30 June 2010: €82 million) in Thailand.

Additions to property, plant and equipment arising from acquisitions in the six months ended 30 June 2010 mainly reflect the acquisition of Astoria (€751 million) and the fact that Group acquired control over the Chilean entities (€517 million) (see Note 4.1.4).

International Power plc

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2011

11. Net debt and capital management

11.1. Analysis of net debt by type

	30 June 2011			31 December 2010		
	Non-current €m	Current €m	Total €m	Non-current €m	Current €m	Total €m
Outstanding borrowings and debt ⁽¹⁾	13,648	2,622	16,270	8,281	923	9,204
Impact of measurement at amortised cost	58	57	115	34	35	69
Cash collateral	-	4	4	-	24	24
Borrowings and debt	13,706	2,683	16,389	8,315	982	9,297
Derivative instruments hedging borrowings under liabilities	436	65	501	305	42	347
Gross debt	14,142	2,748	16,890	8,620	1,024	9,644
Financial assets at fair value through income	-	(1)	(1)	-	(19)	(19)
Cash collateral	-	(19)	(19)	-	-	-
Cash and cash equivalents ⁽²⁾	-	(4,158)	(4,158)	-	(2,939)	(2,939)
Derivative instruments hedging borrowings under assets	(123)	(64)	(187)	(153)	(10)	(163)
Net cash	(123)	(4,242)	(4,365)	(153)	(2,968)	(3,121)
Net debt	14,019	(1,494)	12,525	8,467	(1,944)	6,523
Outstanding borrowings and debt	13,648	2,622	16,270	8,281	923	9,204
Financial assets at fair value through income	-	(1)	(1)	-	(19)	(19)
Cash and cash equivalents	-	(4,158)	(4,158)	-	(2,939)	(2,939)
Net debt excluding the impact of derivative instruments, cash collateral and amortised cost	13,648	(1,537)	12,111	8,281	(2,035)	6,246

(1) Included in the above 'Outstanding borrowings and debt' were borrowings from GDF SUEZ which totalled €850 million as at 30 June 2011 and €306 million at 31 December 2010.

(2) Included in the above 'Cash and cash equivalents' were cash and cash equivalents held under cash pooling arrangements with GDF SUEZ which totalled €997 million as at 30 June 2011 and €897 million at 31 December 2010.

11.2. Changes in gross debt during the period

The change in gross debt between 30 June 2011 and 31 December 2010 is mainly due to:

- the changes in the scope of consolidation arising from the Combination. Gross debt acquired amounted to €7,625 million (refer to Note 2);
- advances of €188 million at Jirau (Energia Sustentavel), €575 million at GDF SUEZ CC (B) and €63 million at Uch 2;
- repayment of €575 million at Coletto Creek, €227 million at IPA Central and €352 million at Tractebel Energia;
- an increase due to the impact of full consolidation of Al Hidd's gross debt of €623 million as at 30 June 2011; and
- a decrease due to foreign currency translation of €643 million.

International Power plc

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2011

11. Net debt and capital management (continued)

11.3. Debt/equity ratio

	30 June 2011 €m	31 December 2010 €m
Net debt	12,525	6,523
Total equity	<u>20,536</u>	<u>13,019</u>
	%	%
Debt/equity ratio	<u>61.0</u>	<u>50.1</u>
	€m	€m
Net debt (excluding the impact of derivative instruments, cash collateral and amortised cost)	12,111	6,246
Total equity	<u>20,536</u>	<u>13,019</u>
	%	%
Debt/equity ratio (excluding the impact of derivative instruments, cash collateral and amortised cost)	<u>59.0</u>	<u>48.0</u>

11.4. Capital management

The Group's objectives when managing capital are to ensure that all entities within the Group will be able to continue as going concerns, while maximising the return to shareholders through the optimisation of the debt and equity balance. The capital structure is regularly reviewed and adjusted as appropriate in order to achieve these objectives.

The nature of the Group's business model is to regularly invest in growth projects, which are funded via internal cash flow, debt/equity raising or disposals and this can give rise to changes to the Group's capital structure. Identification of total funding and phasing is achieved via a detailed cash flow forecast which is reviewed and updated on a monthly basis.

Short and medium-term funding requirements are provided by a variety of loan facilities with a range of maturities and counterparties, including GDF SUEZ. Longer term funding or funding for a particularly large transaction may be sourced from a combination of these facilities and suitable long-term instruments, such as bonds, or equity.

Project development activities can, on occasion, require credit support in the normal course of business. This is provided by established funding facilities or via additional bilateral facilities with related project banks. At the individual business level projects are in many cases financed with non-recourse debt in order to insulate the Group from adverse events at the project level, limiting collateral exposure to a given project to the loss of the equity in that project.

The capital structure of the Group is presented in the statement of financial position. This note provides further details on debt and borrowing facilities and Note 13 provides further detail on equity.

11.5. Borrowing facilities

On 22 February 2011 the existing US\$780 million Corporate Revolver facility, which was due to expire in October 2012 and which was the primary corporate bank facility of International Power plc, was cancelled due to the availability of the GDF SUEZ Facilities.

Under the Financing Framework Agreement (refer to Note 16.2) International Power is the beneficiary of the GDF SUEZ Facilities which at inception totalled in excess of £3.1 billion (€3.4 billion) and most of which are in place until 31 December 2013, followed by a 12 month automatic renewal, with 15 months' advance notice of cancellation required. The facilities comprise the following key components:

- Tranche A – Long-term debt funding up to budgeted financing needs in each fiscal year. No fixed limit.
- Tranche B – Long-term debt funding of £955 million (€1,058 million), to refinance existing project and subordinated debt which is intended to be repaid in the near term, of which £467 million (€517 million) remains undrawn at 30 June 2011. As a consequence of high liquidity levels (including cash on hand) available to International Power, the balance of this facility is not required. As a consequence, it expired undrawn on 2 August 2011, when the availability period ended.
- Tranche C – Long-term debt funding of £1,197 million (€1,326 million) to refinance existing project debt which is intended to be repaid at maturity. This tranche remains undrawn at 30 June 2011.
- Tranche D – Guarantees and letters of credit of £550 million (€609 million), of which £431 million (€477 million) remains undrawn at 30 June 2011.

International Power plc

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2011

11. Net debt and capital management (continued)

11.5 Borrowing facilities (continued)

The Group has issued three convertible bonds and a high yield bond. The first convertible bond, of which US\$228 million remains outstanding, matures in August 2023 but with bond holders having the right to 'put' the bond back to the Group in August 2013 and 2018. The second convertible bond of €230 million matures in July 2013. The third convertible bond of €700 million has a maturity date of June 2015. The bondholders have the right to convert all bonds into shares at any time. A €250 million senior unsecured note due in 2017 was issued during May 2010 to further diversify funding sources.

At 30 June 2011 bank loans accounted for €11,227 million or 66% (31 December 2010: €6,464 million or 67%) of gross debt, borrowings from GDF SUEZ amounted to €850 million or 5% (31 December 2010: €306 million or 3%) of gross debt, €3,554 million or 21% (31 December 2010: €2,033 million or 21%) of gross debt was raised on capital markets in bonds, while the remaining amount of €1,259 million or 8% (31 December 2010: €841 million or 9%) of gross debt comprise of finance lease payables, loans from non-controlling interests, loans from non-financial institutions and impact of measurement at amortised cost, cash collateral and derivative instruments hedging borrowings under liabilities.

GDF SUEZ manages cash requirements and cash surpluses for the Group through financing vehicles (refer to Note 16.2.2).

The confirmed undrawn credit facility programs available to the Group at 30 June 2011 amount to €713 million (31 December 2010: €218 million). In addition, the Group had committed and uncommitted bilateral credit lines from various banks at its disposal at the corporate level.

12. Cash flows

12.1 Free cash flow

A reconciliation of EBITDA to cash flow from operating activities, and from cash flow from operating activities to free cash flow is as follows:

	<u>Six months ended</u>	
	<u>30 June 2011</u>	<u>30 June 2010</u>
EBITDA	2,056	1,187
Change in working capital requirements	(275)	64
Payments relating to long-term employee benefits	(13)	(8)
Restructuring costs	(32)	(1)
Tax paid	(275)	(248)
Dividends received from associates	39	9
Other items	-	(15)
Cash flow from operating activities	1,500	988
Interest paid on net debt	(228)	(152)
Maintenance capex	(214)	(109)
Other financial items – cash impact	26	31
Free cash flow	1,084	758

Free cash flow for the six months ended 30 June 2011 benefits from the post-Combination contribution of the acquired International Power businesses.

International Power plc

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2011

13. Equity

13.1 Impact of reverse acquisition on shareholders' equity

Prior to the Combination, the Group did not in the past form a separate legal group and therefore for the period prior to the Combination it was not possible to show share capital or an analysis of reserves for the Group. The net assets of the Group were represented by the cumulative investment of GDF SUEZ in the Group (shown as 'paid-in capital and combined reserves').

For the purposes of the Combined Financial Information prior to the Combination it was assumed that Suez Tractebel Energy International Reporting Unit ('STSA SEI') as it was historically managed by GDF SUEZ was the parent company of the Group.

STSA SEI equity represented the historical allocation of Suez Tractebel SA ('STSA') net assets by GDF SUEZ management. Accordingly the capital structure presented in the Combined Financial Information does not reflect the capital structure that would have been reported, had the Group been an independent group.

Since the Combination qualifies as a reverse acquisition of International Power plc by GDF SUEZ Energy International, the shareholders' equity of the former GDF SUEZ Energy International forms the basis of the enlarged Group's shareholders' equity. However, the capital structure of the enlarged International Power Group must represent the number of shares and share capital of International Power plc, the acquirer of GDF SUEZ Energy International for legal purposes. Accordingly, to reconcile the legal capital structure of the former GDF SUEZ Energy International with the legal capital structure of the new enlarged International Power Group, the conversion of GDF SUEZ Energy International 'Paid in capital and combined reserves' is presented in the line item 'Elimination of paid in capital and combined reserves prior to the Combination'. This presentation for the purposes of the consolidated financial statements has no impact on shareholders' equity.

Shares issued during the period ended 30 June 2011 principally arose from the Combination, as approved by shareholders in the General Meeting of 16 December 2010, based on a ratio of approximately 70 new ordinary shares to GDF SUEZ for every 30 existing ordinary shares of International Power. The effective date of the Combination was 3 February 2011, when 3,554,347,956 shares were issued to Electrabel, a subsidiary of GDF SUEZ.

Ordinary shares rank equally between each other with regard to voting rights, the right to receive dividends and also in a distribution of assets on the winding up of the Company. On a show of hands every shareholder who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative shall have one vote, and on a poll, every shareholder present in person or proxy has one vote in respect of every share held.

The merger reserve arises from the Combination, being the difference between the nominal value of the ordinary shares issued and the market value of those ordinary shares on the date of the Combination.

13.2. Contributions

Contributions during the six months ended 30 June 2011 predominately represent the cash injection of €1,659 million by the wider GDF SUEZ Group for the purposes of funding the special dividend of 92 pence per ordinary share which was paid on 25 February 2011.

Contributions during the six months ended 30 June 2010 mainly represent the acquisition price of entities within the carved out businesses that were acquired, during the periods presented, by GDF SUEZ or by GDF SUEZ subsidiaries that are not part of the carved out businesses. The acquisition of these entities has been accounted for in the Combined Financial Information as if the acquisition was performed by the Group and funded by a capital contribution from GDF SUEZ.

In order to maintain the level of net debt as it was historically managed, the cash received by Group companies from GDF SUEZ companies as part of internal reorganisations, have been presented as capital contributions from GDF SUEZ. These transactions represent mainly the transfer of:

- entities that were managed by the Group and not included in the carved out businesses. These entities have been excluded from the Combined Financial Information. The cash received when these entities were transferred by the Group to GDF SUEZ have been considered as a contribution from GDF SUEZ;
- entities that are part of the carved out businesses and were transferred by the Group to GDF SUEZ or its subsidiaries that are not owned by the Group during the period. The gain or loss on disposal of these entities has been eliminated in the Combined Financial Information. The cash received at the disposal date has been considered to be a contribution from GDF SUEZ.

The 'adjustment to capital contribution' of €226 million recognised in the six months ended 30 June 2011 comprises two items.

€113 million relates to an adjustment required to the capital contribution made by GDF SUEZ S.A. to GDF SUEZ Energy International, prior to the Combination.

At 31 December 2010, GDF SUEZ Energy International held a €113 million receivable from the wider GDF SUEZ group relating to unpaid capital of GDF SUEZ CC (B) Division. During the period between 1 January 2011 and Completion, on 3 February 2011, the unpaid capital liability of the wider GDF SUEZ group was assumed by GDF SUEZ Energy International, resulting in a requirement to eliminate the receivable and capital in the consolidated financial statements.

International Power plc

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2011

13. Equity (continued)

13.3. Distributions

Distributions presented in the consolidated statement of changes in equity for the six months ended 30 June 2011 represent the payment of the special dividend of 92 pence per ordinary share to the shareholders of the Company immediately prior to the Combination, and the payment of a final dividend, for the year ended 31 December 2010, of 6.52 pence per ordinary share to shareholders registered on the Company share register on 27 May 2011 (refer to Note 9).

Distributions also include dividends paid by the Group companies to non-controlling interests.

Distributions presented in the consolidated statement of changes in equity for the six months ended 30 June 2010 represent mainly dividends transferred by STSA SEI to its parent company. These dividends do not mirror dividends paid by STSA (the legal company) to its parent company. They represent the distributions decided by the Group Management Committee for STSA SEI. Distributions also include capital contributions to entities that are outside the Group perimeter and dividends paid by the Group companies to non-controlling interests.

13.4 Note to the Statement of Comprehensive Income

	Six months ended 30 June 2011			Six months ended 30 June 2010		
	Before tax amount	Tax (expense)/ benefit	Net of tax amount	Before tax amount	Tax (expense)/ benefit	Net of tax amount
	€m	€m	€m	€m	€m	€m
Net investment hedges	89	-	89	(202)	-	(202)
Cash flow hedges (excluding commodity instruments)	(15)	(2)	(17)	(116)	25	(91)
Commodity cash flow hedges	38	(14)	24	28	(15)	13
Actuarial gains and losses	(10)	3	(7)	1	-	1
Reclassification adjustment relating to business combination achieved in stages	31	-	31	-	-	-
Reclassification adjustment relating to disposal of associate	(87)	-	(87)	-	-	-
Share in other comprehensive income of associates	(66)	-	(66)	7	-	7
Translation adjustments	(852)	-	(852)	1,186	-	1,186
Movements in other comprehensive income for the period	(872)	(13)	(885)	904	10	914

International Power plc

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2011

14. Commitments

14.1. Commitments relating to commodity purchase and sale contracts entered into within the ordinary course of business

In the ordinary course of their activities, some Group operating companies enter into long-term contracts, some of which include "take-or-pay" clauses. These consist of firm commitments to purchase (sell) specified quantities of gas, electricity and steam and related services, in exchange for a firm commitment from the other party to deliver (purchase) said quantities and services. These contracts were documented as falling outside the scope of IAS 39. The table below shows the main future commitments arising from contracts entered into by the Group.

	30 June 2011			
	Total TWh	Within 1 year TWh	1 to 5 years TWh	More than 5 years TWh
Firm purchases of commodities, fuel and services	1,709	384	657	668
Firm sales of gas, electricity, steam, oil and services	1,428	211	366	851

	31 December 2010			
	Total TWh	Within 1 year TWh	1 to 5 years TWh	More than 5 years TWh
Firm purchases of commodities, fuel and services	1,503	240	618	645
Firm sales of gas, electricity, steam, oil and services	1,395	136	376	883

The Group is also committed to purchasing and selling future services in connection with the performance of long-term contracts.

14.2. Contractual commitments to purchase property, plant and equipment

In the ordinary course of their operations, some Group companies have entered into commitments to purchase, and the related third parties to deliver, property, plant and equipment. These commitments relate mainly to orders of equipment, vehicles and materials required for the construction of energy production units (power and co-generation plants) and for long-term maintenance contracts with third parties.

Investment commitments made by the Group in this respect totalled €2,995 million at 30 June 2011 (31 December 2010: €2,175 million). The largest component relates to the Jirau project. The increase between periods primarily arises from the addition of firm commitments in connection with the construction of the IP Canada wind farms and Uch II CCGT extension, which both form part of the International Power business acquired on 3 February 2011.

15. Legal proceedings and contingent liabilities

15.1. Taxation

On 30 December 2010, Tractebel Energia received a tax assessment notice in the amount of R\$322 million (€140 million) for the period 2005 to 2007. The main item challenged by the Brazilian tax authorities relates to tax incentives (consideration for intangible assets in construction) regarding the Jacui project. Tractebel Energia is contesting the tax assessment notice as it believes that the Brazilian tax authorities' arguments are not justified.

The Company is aware of a number of issues which are or may be the subject of disputes with the tax authorities in the territories where the Group has operations, including its joint ventures and associates. The Directors are of the opinion, having regards to the professional advice received, that adequate provisioning has been made for the settlement of any tax liability that might arise.

15.2. Claims by current and former employees

The Company is aware of claims and potential claims, which involve or may involve legal proceedings against the Group, by or on behalf of current and former employees, including former employees of the Central Electricity Generating Board (CEGB) and contractors in respect of industrial illness and injury. RWE npower has agreed to indemnify International Power plc on an after tax basis to the extent of 50% of any liability that the Company may incur whether directly or indirectly as a consequence of those proceedings to the extent such liability is not insured by Electra Insurance Limited.

International Power plc

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2011

15. Legal proceedings and contingent liabilities (continued)

15.3. Collateral, bonds and guarantees

The Group has pledged financial assets with carrying amounts totalling €4,511 million as collateral as at 30 June 2011 (31 December 2010: €2,152 million). These comprise finance lease receivables, cash margining in support of commercial arrangements and trade receivables.

Various growth and expansion projects are supported by bonds, letters of credit and guarantees issued by the Group totalling €3,526 million (31 December 2010: €3,026 million). Energy trading activities relating to merchant plant are supported by bonds, letters of credit and guarantees issued by the Group totalling €1,130 million (31 December 2010: €1,345 million).

The Group's associates also have various growth and expansion projects that are supported by bonds, letters of credit and guarantees. The Group's share of these bonds, letters of credit and guarantees amount to €31 million (31 December 2010: €nil). These obligations are normally secured by the assets of the respective joint venture or associate. Any amounts guaranteed by International Power plc or any other Group subsidiary are included within bonds and guarantees disclosed above.

16. Related party transactions

16.1. Compensation of key management personnel

Following the Combination, the Remuneration Committee of the Board of Directors has been considering the remuneration policy and, in particular, the packages of the Executive Directors. The Committee has been focussing on harmonising the approach to executive pay, because the Executive Directors of the Company have different remuneration packages linked to the two legacy organisations.

Details of the remuneration policy and Directors' remuneration will be provided in the Remuneration Report contained in the 2011 Annual Report.

16.2 Relationship with GDF SUEZ Group

16.2.1 Framework of the relationship with GDF SUEZ

On completion of the Combination (as outlined in Note 2), the following principal agreements between the Company, GDF SUEZ S.A. and Electrabel took effect: the Relationship Agreement and the Financing Framework Agreement.

The Relationship Agreement records the terms of the agreement regarding the relationship between the wider GDF SUEZ Group and the enlarged International Power following completion and the governance of the enlarged International Power.

Amongst other things, the Relationship Agreement provides that Electrabel and each member of the wider GDF SUEZ Group shall not take any action which precludes or inhibits any member of the enlarged International Power Group from carrying on its business independently of Electrabel and the wider GDF SUEZ Group in a manner inconsistent with the Listing Rules. All transactions and relationships entered into between any member of the enlarged International Power Group and any member of the wider GDF SUEZ Group are required to be entered into or conducted on arm's length terms.

Any related party transaction between any member of the enlarged International Power Group and any member of the wider GDF SUEZ Group, as the related party, is to be approved by a simple majority of the enlarged International Power Board, including at least three independent Non-Executive Directors and otherwise in accordance with applicable law. Members of the wider GDF SUEZ Group are required to abstain from voting on any resolution of shareholders to approve such a related party transaction. There are no restrictions on how members of the wider GDF SUEZ Group who hold ordinary shares may vote in general meetings of International Power on resolutions in relation to which they are entitled to vote.

The Financing Framework Agreement sets out the principal terms and conditions of the financing arrangements between Electrabel, GDF SUEZ and the enlarged International Power Group.

Detailed summaries of these agreements were set out in the Circular.

International Power plc

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2011

16. Related party transactions (continued)

16.2.2. Financing transactions and balances

Prior to the reorganisation presented in Note 1.1.2, the centralisation of financing needs and cash flow surpluses for the Group was provided mainly through GDF SUEZ financing and cash pooling vehicles.

At 30 June 2011 the Group's cash deposits with GDF SUEZ entities amounted to €997 million (31 December 2010: €897 million). As of 30 June 2011 the Group's borrowings and debt with GDF SUEZ entities amounted to €850 million (31 December 2010: €306 million). €575 million is owed by GDF SUEZ CC (B) Division (31 December 2010: Teesside Power €164 million) to GDF SUEZ entities.

Finance costs incurred by the Group on borrowings from GDF SUEZ entities during the six months ended 30 June 2011 were €19 million (30 June 2010: €38 million). Financial income recognised by the Group during the six months ended 30 June 2011 amounted to €nil (30 June 2010: €4 million).

Moreover, for the six months ended 30 June 2011 the Group recognised an exchange loss on derivatives linked to net debt of €43 million (30 June 2010: €95 million) while changes in the fair value of economic hedges of borrowings not eligible for hedge accounting resulted in a gain of €1 million (30 June 2010: loss of €16 million).

In addition, several subsidiaries of the Group benefit from financial guarantees provided by entities of the GDF SUEZ Group. The outstanding amount of the guarantees related to financial debt of the Group as of 30 June 2011 were €1,833 million (31 December 2010: €1,566 million) of which €380 million (31 December 2010: €472 million) concerned associates.

The subsidiaries of the Group also benefit from GDF SUEZ guarantees to support the collateral requirements on commodities activities (portfolio management, risk management and trading). The related outstanding amount as of 30 June 2011 was €1,382 million (31 December 2010: €1,487 million). In addition, as at 30 June 2011 certain subsidiaries of the Group benefitted from GDF SUEZ performance and O&M guarantees for €1,056 million (31 December 2010: €489 million).

Expenses incurred during the six months ended 30 June 2011 related to these guarantees were €4 million (30 June 2010: €7 million).

16.2.3 Operating and service transactions

The Group's operational transactions with GDF SUEZ entities consist mainly of sales and purchases of energy. The Group sells gas to GDF SUEZ subsidiaries and recognised revenue therefrom for the six months ended 30 June 2011 of €163 million (30 June 2010: €38 million).

The Group purchases gas from GDF SUEZ subsidiaries. Expenses thereby incurred by the Group for the six months ended 30 June 2011 were €386 million (30 June 2010: €381 million).

The Group also sells electricity to GDF SUEZ entities and recognised revenue therefrom for the six months ended 30 June 2011 of €5 million (30 June 2010: €162 million). The Group purchases electricity from GDF SUEZ, mainly in the United Kingdom; expenses thereby incurred by the Group for the six months ended 30 June 2011 amounted to €111 million (30 June 2010: €255 million).

Furthermore, the Group charts vessels used for the transportation of LNG from a GDF SUEZ subsidiary. Base charter expenses for the six months ended 30 June 2011 amounted to €20 million (30 June 2010: €12 million) and related income €8 million (30 June 2010: €12 million).

Prior to the Combination, Suez Tractebel SA (STSA) and GDF SUEZ entered into shared services framework agreements. The companies agreed to cooperate mainly in the areas of strategy, internal control, audit and risk, finance, tax policy, IT services, human resources and communication. In this context, Suez Tractebel SA (and notably STSA SEI reporting unit) benefited from the centralised services provided by GDF SUEZ.

Expenses incurred by the Group for these services during the six months ended 30 June 2011 €18 million (30 June 2010: €7 million).

16.3. Transactions with investments in associates and investments in joint ventures

16.3.1. Joint ventures

In 2008 the Group, together with other partners, established Energia Sustentavel do Brasil SA and subscribed for a share capital of €385 million, of which €38 million was paid immediately, a second payment of €141 million was made in 2009, and a third payment of €229 million was made in 2010. The residual capital not yet paid at 30 June 2011 amounted to €481 million (31 December 2010: €90 million), the movement of the period being explained principally by a fourth payment of €51 million and a further capital increase of €438 million during 2011.

During the year 2009, the Brazilian development bank BNDES (Banco Nacional de Desenvolvimento Econômico e Social) approved a 20-year loan of BRL 7.2 billion (approximately €3.3 billion) for the Energia Sustentavel do Brasil consortium to finance the Jirau project, a new 3,450MW hydroelectric power station. Each partner is required to provide corporate guarantees to BNDES proportionally to its stake. The Group has a 50.1% interest in Energia Sustentavel do Brasil consortium.

International Power plc

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2011

16. Related party transactions (continued)

16.3. Transactions with investments in associates and investments in joint ventures (continued)

16.3.2. Associates

The Group manages the operations of different power plants in the Arabian Peninsula, in which the interest held by the Group is accounted for under the equity method. O&M fees were paid by the various associates to the Group for an amount of €135 million for the six months ended 30 June 2011 (30 June 2010: €45 million).

In the normal course of business the Group has contracted to provide power and gas to associates involved in retail supply. During the six months ended 30 June 2011 the Group derived income of €66 million (30 June 2010: €nil) from these arrangements.

In addition, the Group received success fees from associates for contracts won of €6 million in the six months ended 30 June 2011 (30 June 2010: €32 million).

17. Events after the reporting period

There are no events after the end of the reporting period to report.

18. Historical financial statements

Copies of the full Annual Report, including the consolidated financial statements of International Power plc for the year ended 31 December 2010, prior to the Combination, are available from the Company's website: www.iprplc-gdfsuez.com or by calling or writing to International Power plc, Senator House, 85 Queen Victoria Street, London EC4V 4DP or sending an email to ipr.relations@iprplc-gdfsuez.com. Telephone: +44 (0)20 7320 8600.

The combined financial statements of GDF SUEZ Energy International for the six months ended 30 June 2010 were included in the Circular. The Circular and GDF SUEZ Energy International's combined financial statements for the year ended 31 December 2010 are also available on the Company's website: www.iprplc-gdfsuez.com.

For periods ending after the date of the Combination with GDF SUEZ Energy International (as outlined in Note 2 to the consolidated financial statements), the largest group in which the results of the Company are consolidated is that of which GDF SUEZ S.A. is the parent company. The consolidated financial statements of GDF SUEZ S.A. may be obtained from GDF SUEZ S.A., 1 Place Samuel de Champlain, 92400 Courbevoie, Paris, France or from the Company's website: www.gdfsuez.com.

Appendix 1

International Power plc

Additional information for shareholders that does not form part of the Condensed Interim Financial Statements

Unaudited Pro Forma Combined Financial Information for the Enlarged International Power Group

1. Introduction

The pro forma financial information of the International Power Group following the Combination ('the Enlarged International Power') which follows is unaudited and does not constitute financial statements within the meaning of section 434 of the Companies Act 2006.

The pro forma financial information for the Enlarged International Power Group has been derived from the condensed interim financial statements of International Power for the six months ended 30 June 2011; the restated 2010 condensed interim financial information relating to International Power for the six month period ended 30 June 2010 as set out in the prospectus related to the proposed issue of 3,554,347,956 new ordinary shares in the Company in connection with the proposed combination with GDF SUEZ Energy International and application for the admission to listing on the Official List of the UK Listing Authority and to trading on the London Stock Exchange's main market for listed securities of the existing ordinary shares and the new ordinary shares, dated 21 December 2010 ('the Prospectus'); and the audited combined financial statements of GDF SUEZ Energy International for the six months ended 30 June 2010 as set out in the Circular. Both the Prospectus and Circular are available on the Company's website: www.iprplc-gdfsuez.com.

Pro forma combined income statements are presented including exceptional items and specific IAS 39 mark to market movements and excluding exceptional items and specific IAS 39 mark to market movements (as defined in Note 4 of the condensed interim financial statements).

All pro forma financial adjustments are directly attributable to the Combination. No pro forma adjustments have been made to reflect synergies or cost savings that may be expected to occur after the Combination.

Other than the number of ordinary shares, monetary amounts, unless otherwise stated, are presented in euros.

2. Assumptions related to the Pro Forma Combined Financial Information

The unaudited pro forma combined income statement for the six months ended 30 June 2011 assumes that the Combination occurred on 1 January 2011. The unaudited pro forma combined income statement for the six months ended 30 June 2010 assumes that the Combination occurred on 1 January 2010. The IFRS 3 'acquisition method' of accounting has been applied in both periods.

The unaudited pro forma combined income statements have been prepared on the following basis:

- the depreciation, amortisation and other impacts on earnings, arising from the fair value adjustments to assets and liabilities recognised at the date of the Combination, reported in the condensed interim financial statements for the period ended 30 June 2011 reflect the depreciation, amortisation and other impacts on earnings for the period from 3 February 2011 to 30 June 2011. The pro forma combined income statement for the six months ended 30 June 2011, reflects six months' depreciation, amortisation and other impacts on earnings by extrapolating the reported depreciation, amortisation and other impacts in the condensed interim financial statements on a pro rata basis;
- for the six months ended 30 June 2010, the impact of depreciation, amortisation and other impacts on earnings, arising from the fair value adjustments to assets and liabilities recognised at the date of the Combination are recognised as the same amounts as those included in the pro forma combined income statement for the six months ended 30 June 2011;
- the results of Hidd Power Company B.S.C.(c) ("Al Hidd") in Bahrain are consolidated for all periods, because following the Combination Al Hidd is a subsidiary of International Power plc. (In the periods prior to the Combination International Power and GDF SUEZ Energy International owned 40 per cent. and 30 per cent. of Al Hidd respectively, and both groups accounted for their interests in Al Hidd under the equity method, as an associate);
- for the purpose of the pro forma combined income statement for the six months ended 30 June 2010, intra-group loans of €5.7 billion have been assumed repaid as at 1 January 2010, funded by the cash injection (which are payments that Electrabel, a wholly owned subsidiary of GDF SUEZ, was obliged to make in accordance with the Merger Deed) and existing cash balances of €0.4 billion. Therefore, the pro forma combined income statement adjustment reflects the decrease in financial expenses which would have accrued on the intra-group loans, and the decrease in financial income which would have accrued on cash balances;

Appendix 1

International Power plc

Additional information for shareholders that does not form part of the Condensed Interim Financial Statements

Unaudited Pro Forma Combined Financial Information for the Enlarged International Power Group

2. Assumptions related to the Pro Forma Combined Financial Information (continued)

- in addition to the elements of the cash injection noted above, £1.413 billion was contributed by the wider GDF SUEZ Group for the purposes of funding the special dividend of 92 pence per ordinary share which was paid on 25 February 2011. This element of the cash injection is deemed to have decreased the net debt of the Enlarged International Power Group, with effect from 1 January 2010. This has the impact of decreasing the pro forma financial expenses for the six months ended 30 June 2010. This impact is offset by a symmetrical increase of the financial expenses as the payment of the special dividend is also deemed to have taken place on 1 January 2010;
- the Combination has been accounted for as a reverse acquisition of International Power by GDF SUEZ Energy International in accordance with IFRS 3 (Revised). Transaction costs incurred by both International Power and GDF SUEZ Energy International before the Combination are assumed to have been expensed in the period before 1 January 2010 and 1 January 2011 and are therefore not reflected in the pro forma combined income statements for the six months ended 30 June 2010 or the six months ended 30 June 2011 respectively;
- the pro forma combined statement of net assets as at 31 December 2010 gives effect to the same fair value adjustments to assets acquired and liabilities assumed arising from the purchase price allocation as those attributed to the carrying amounts of International Power's consolidated assets and liabilities as at 3 February 2011, the date of the Combination. The fair value adjustments are provisional and may be revised;
- for the purpose of the calculation of the basic pro forma earnings per share for the six months ended 30 June 2010, the historical weighted average number of ordinary shares outstanding has been adjusted to take into account the new ordinary shares that were issued on the date of the Combination;
- EPS for the six months ended 30 June 2011 has been calculated using the average number of shares in issue during the period. For the period from 3 February 2011, the date of the Combination, to 30 June 2011 this equates to approximately 5.09 billion shares, being the number of ordinary shares of the Company following the issue of 3.55 billion shares to GDF SUEZ on the date of the Combination; and
- in respect of results of periods prior to 3 February 2011 presented within the pro forma combined income statements for the six months ended 30 June 2010 and the six months ended 30 June 2011, the average number of shares is derived from the theoretical number of ordinary shares that would have been issued by the Company in exchange of the contribution by GDF SUEZ of the GDF SUEZ Energy International assets and liabilities, excluding additional cash contributions under the terms of the Merger Deed which had not been made as of each reporting date. For the six months ended 30 June 2010 the theoretical average number of ordinary shares equated to approximately 2.0 billion shares.

Appendix 1

International Power plc

Additional information for shareholders that does not form part of the Consolidated Financial Statements

3. Unaudited Pro Forma Combined Income Statement

Although sterling is the functional currency of the Company, the results of the Group are presented in euros following the reverse acquisition of the Company by GDF SUEZ Energy International. The pro forma consolidated income statements for the six months ended 30 June 2011 and for the six months ended 30 June 2010 have been presented in euros. For comparison purposes convenience translations to sterling are also presented.

These convenience translations have not been prepared in accordance with IFRS, but by simply multiplying the Group's results for the six months ended 30 June 2011 and for the six months ended 30 June 2010, as presented in euros, by 0.868 and 0.870 respectively.

3.1 Unaudited Pro Forma Combined Income Statement (including exceptional items and specific IAS 39 mark to market movements)

	Six months ended		Six months ended	
	30 June 2011 €m	30 June 2010 €m	30 June 2011 £m	30 June 2010 £m
Revenue	8,104	7,660	7,035	6,664
Purchases	(4,928)	(4,824)	(4,278)	(4,197)
Personnel costs	(372)	(362)	(323)	(315)
Depreciation, amortisation and provisions	(833)	(737)	(723)	(641)
Other operating income and expenses	(633)	(506)	(550)	(440)
Current operating income	1,338	1,231	1,161	1,071
Mark to market on commodity contracts other than trading instruments	306	24	266	21
Impairment of goodwill, property, plant and equipment, intangible assets and financial assets	-	(133)	-	(116)
Restructuring costs	(28)	-	(24)	-
Changes in scope of consolidation	55	184	48	160
Other non-recurring items	6	(1)	5	(1)
Income from operating activities	1,677	1,305	1,456	1,135
Financial expenses	(504)	(530)	(437)	(461)
Financial income	202	204	175	178
Net financial loss	(302)	(326)	(262)	(283)
Income tax expense	(372)	(211)	(323)	(184)
Share in net income of associates	133	95	115	83
Net income	1,136	863	986	751
Net income Group share	890	718	773	625
Non-controlling interests	246	145	213	126
	Cents	Cents	Pence	Pence
Earnings per share – basic	17.5	14.1	15.2	12.3
Number of shares for purposes of calculating earnings per share – basic (million)	5,090.0	5,077.1	5,090.0	5,077.1

Appendix 1

International Power plc

Additional information for shareholders that does not form part of the Consolidated Financial Statements

3.2. Unaudited reconciliation from net income Group share to net income Group share excluding exceptional items and specific IAS 39 mark to market movements

	Six months ended		Six months ended	
	30 June 2011 €m	30 June 2010 €m	30 June 2011 £m	30 June 2010 £m
Net income Group share	890	718	773	625
Exceptional items and specific IAS 39 mark to market movements				
Mark to market on commodity contracts other than trading instruments	306	24	266	21
Impairment of goodwill, property, plant and equipment, intangible assets and financial assets	-	(133)	-	(116)
Restructuring costs	(28)	-	(24)	-
Changes in scope of consolidation	55	184	48	160
Other non-recurring items	6	(1)	5	(1)
Financial expenses	(10)	(33)	(8)	(29)
Financial income	25	36	21	32
Income tax expense	(92)	(7)	(80)	(6)
Share in net income of associates	-	(24)	-	(21)
Non-controlling interests	(51)	19	(44)	17
Net income Group share excluding exceptional items and specific IAS 39 mark to market movements	679	653	589	568

3.3 Unaudited Pro Forma Combined Income Statement (excluding exceptional items and specific IAS 39 mark to market movements)

	Six months ended		Six months ended	
	30 June 2011 €m	30 June 2010 €m	30 June 2011 £m	30 June 2010 £m
Revenue	8,104	7,660	7,035	6,664
Purchases	(4,928)	(4,824)	(4,278)	(4,197)
Personnel costs	(372)	(362)	(323)	(315)
Depreciation, amortisation and provisions	(833)	(737)	(723)	(641)
Other operating income and expenses	(633)	(506)	(550)	(440)
Current operating income and income from operating activities	1,338	1,231	1,161	1,071
Financial expenses	(494)	(497)	(429)	(432)
Financial income	177	168	154	146
Net financial loss	(317)	(329)	(275)	(286)
Income tax expense	(280)	(204)	(243)	(178)
Share in net income of associates	133	119	115	104
Net income	874	817	758	711
Net income Group share	679	653	589	568
Non-controlling interests	195	164	169	143
	Cents	Cents	Pence	Pence
Earnings per share – basic	13.3	12.9	11.6	11.2
Number of shares for purposes of calculating earnings per share – basic (million)	5,090.0	5,077.1	5,090.0	5,077.1

Appendix 1

International Power plc

Additional information for shareholders that does not form part of the Consolidated Financial Statements

4. Unaudited Pro Forma Combined Statement of Cash Flows

	Six months ended	
	30 June 2011	30 June 2010
	€m	€m
Net income	1,136	863
Share in net income of associates	(133)	(95)
Dividends received from associates	46	29
Net depreciation, amortisation and provisions	773	842
Changes in scope of consolidation and other disposal gains or losses and non-recurring items	(61)	(183)
Mark to market on commodity contracts other than trading instruments	(306)	(24)
Other items with no cash impact	(1)	14
Net financial loss	302	326
Income tax expense	372	211
Cash generated from operations before income tax and working capital requirements	2,128	1,983
Tax paid	(294)	(303)
Change in working capital requirements	(335)	165
Cash flow from operating activities	1,499	1,845
Interest paid on net debt	(263)	(344)
Maintenance capex	(214)	(198)
Other financial items – cash impact	26	33
Free cash flow	1,048	1,336

In the above table, net income includes exceptional items and specific IAS 39 mark to market movements.

A reconciliation of EBITDA to cash flow from operating activities, and from cash flow from operating activities to free cash flow is as follows:

	Six months ended	
	30 June 2011	30 June 2010
EBITDA	2,170	1,973
Change in working capital requirements	(335)	165
Payments relating to long-term employee benefits	(42)	(13)
Restructuring costs	(46)	-
Tax paid	(294)	(303)
Dividends received from associates	46	29
Other items	-	(6)
Cash flow from operating activities	1,499	1,845
Interest paid on net debt	(263)	(344)
Maintenance capex	(214)	(198)
Other financial items - cash impact	26	33
Free cash flow	1,048	1,336

Appendix 1

International Power plc

Additional information for shareholders that does not form part of the Consolidated Financial Statements

5. Unaudited Pro Forma Combined Statement of Net Assets

	As at 30 June 2011 €m	As at 31 December 2010 €m
Goodwill and intangible assets	4,785	5,011
Property, plant and equipment	26,888	28,137
Investments	1,393	1,672
Other long-term assets (excluding net debt)	3,260	3,424
Net current assets (excluding net debt)	458	187
Non-current liabilities (excluding net debt)	(4,137)	(4,467)
Net debt excluding the impact of derivative instruments, cash collateral and amortised cost	(12,111)	(12,864)
Net assets	20,536	21,100

Appendix 1

International Power plc

Additional information for shareholders that does not form part of the Consolidated Financial Statements

6. Unaudited Pro Forma Combined Net Debt

	As at 30 June 2011			As at 31 December 2010		
	Non-current €m	Current €m	Total €m	Non-current €m	Current €m	Total €m
Outstanding borrowings and debt	13,648	2,622	16,270	16,613	1,403	18,016
Impact of measurement at amortised cost	58	57	115	(12)	99	87
Cash collateral	-	4	4	-	24	24
Borrowings and debt	13,706	2,683	16,389	16,601	1,526	18,127
Derivative instruments hedging borrowings under liabilities	436	65	501	506	136	642
Gross debt	14,142	2,748	16,890	17,107	1,662	18,769
Financial assets at fair value through income	-	(1)	(1)	-	(19)	(19)
Cash collateral	-	(19)	(19)	-	-	-
Cash and cash equivalents	-	(4,158)	(4,158)	-	(5,133)	(5,133)
Derivative instruments hedging borrowings under assets	(123)	(64)	(187)	(156)	(12)	(168)
Net cash	(123)	(4,242)	(4,365)	(156)	(5,164)	(5,320)
Net debt	14,019	(1,494)	12,525	16,951	(3,502)	13,449
Outstanding borrowings and debt	13,648	2,622	16,270	16,613	1,403	18,016
Financial assets at fair value through income	-	(1)	(1)	-	(19)	(19)
Cash and cash equivalents	-	(4,158)	(4,158)	-	(5,133)	(5,133)
Net debt excluding the impact of derivative instruments, cash collateral and amortised cost	13,648	(1,537)	12,111	16,613	(3,749)	12,864

Appendix 1

International Power plc

Additional information for shareholders that does not form part of the Consolidated Financial Statements

7. Unaudited Pro Forma Key Indicators by Operating Segment

7.1 Revenue

	Six months ended			Change	Constant Currency Change	Scope Change	Organic Change	Six months ended	
	30 June 2011	30 June 2010						30 June 2011	30 June 2010
	€m	€m	%					£m	£m
Latin America	1,843	1,426	29%	-%	2%	27%	1,600	1,241	
North America	2,540	2,523	1%	(5)%	-%	6%	2,206	2,195	
UK – Europe	1,758	1,867	(6)%	-%	-%	(6)%	1,526	1,624	
Middle East, Turkey and Africa	591	508	16%	(6)%	-%	22%	513	442	
Asia	831	784	6%	1%	5%	-%	721	682	
Australia	541	552	(2)%	9%	-%	(11)%	469	480	
Total revenue	8,104	7,660	6%	-%	-%	6%	7,035	6,664	

7.2 Current operating income

	Six months ended			Change	Constant Currency Change	Scope Change	Organic Change	Six months ended	
	30 June 2011	30 June 2010						30 June 2011	30 June 2010
	€m	€m	%					£m	£m
Latin America	662	503	32%	2%	-%	30%	574	438	
North America	259	162	60%	(4)%	-%	64%	225	141	
UK – Europe	130	237	(45)%	-%	-%	(45)%	112	207	
Middle East, Turkey and Africa	119	149	(20)%	(4)%	-%	(16)%	104	129	
Asia	130	122	7%	(1)%	7%	1%	113	106	
Australia	97	126	(23)%	9%	-%	(32)%	84	109	
Regional total	1,397	1,299	7%	1%	-%	7%	1,212	1,130	
Corporate	(59)	(68)	13%	-%	-%	13%	(51)	(59)	
Total current operating income	1,338	1,231	9%	1%	-%	8%	1,161	1,071	

7.3 Adjusted current operating income

	Six months ended 30 June 2011			Six months ended 30 June 2010		
	Current operating income	Adjusted current operating income	Total	Current operating income	Adjusted current operating income	Total
	Subsidiaries and joint ventures €m	Share in net income of associates €m	€m	Subsidiaries and joint ventures €m	Share in net income of associates €m	€m
Latin America	662	1	663	503	1	504
North America	259	5	264	162	11	173
UK – Europe	130	19	149	238	31	269
Middle East, Turkey and Africa	119	60	179	148	37	185
Asia	130	48	178	122	39	161
Australia	97	-	97	126	-	126
Corporate	(59)	-	(59)	(68)	-	(68)
	1,338	133	1,471	1,231	119	1,350
Less share in net income of associates excluding exceptional items and specific IAS 39 mark to market movements			(133)			(119)
Current operating income and income from operating activities			1,338			1,231

Appendix 1

International Power plc

Additional information for shareholders that does not form part of the Consolidated Financial Statements

7. Unaudited Pro Forma Key Indicators by Operating Segment (continued)

7.4 Adjusted current operating income

	Six months ended			Change %	Constant Currency Change %	Scope Change %	Organic Change %	Six months ended	
	30 June 2011 €m	30 June 2010 €m						30 June 2011 £m	30 June 2010 £m
	Latin America	663	504					32%	3%
North America	264	173	53%	(4)%	-%	57%	229	151	
UK – Europe	149	269	(45)%	-%	-%	(45)%	129	234	
Middle East, Turkey and Africa	179	185	(3)%	(5)%	-%	2%	155	161	
Asia	178	161	11%	(2)%	2%	11%	155	140	
Australia	97	126	(23)%	9%	-%	(32)%	84	110	
Regional total	1,530	1,418	8%	-%	-%	8%	1,327	1,234	
Corporate	(59)	(68)	13%	-%	-%	13%	(51)	(59)	
Total Adjusted COI	1,471	1,350	9%	-%	-%	9%	1,276	1,175	

7.5 EBITDA

	Six months ended			Change %	Constant Currency Change %	Scope Change %	Organic Change %	Six months ended	
	30 June 2011 €m	30 June 2010 €m						30 June 2011 £m	30 June 2010 £m
	Latin America	863	649					33%	2%
North America	502	415	21%	(5)%	-%	26%	437	361	
UK – Europe	336	416	(19)%	-%	-%	(19)%	292	362	
Middle East, Turkey and Africa	158	182	(13)%	(5)%	-%	(8)%	137	158	
Asia	172	158	9%	-%	7%	2%	149	138	
Australia	196	215	(9)%	9%	-%	(18)%	170	187	
Regional total	2,227	2,035	9%	-%	-%	9%	1,934	1,770	
Corporate	(57)	(62)	8%	-%	-%	8%	(50)	(53)	
Total EBITDA	2,170	1,973	10%	-%	-%	10%	1,884	1,717	
Depreciation and amortisation	(835)	(717)					(726)	(624)	
Movement in provisions, share-based payment and other	3	(25)					3	(22)	
Current operating income	1,338	1,231					1,161	1,071	

Appendix 2

International Power plc

Additional information for shareholders that does not form part of the Condensed Interim Financial Statements

Unaudited Reported Combined Financial Information for the Enlarged International Power Group

1. Unaudited Key Indicators by Operating Segment

The reported results have been prepared in accordance with IAS 34 – Interim Financial Reporting which reflect the reverse acquisition of International Power by GDF SUEZ Energy International on 3 February 2011. Therefore the comparative financial information presented relates only to GDF SUEZ Energy International. The reported results for the six months ended 30 June 2011 comprise those of GDF SUEZ Energy International, and from the date of the Combination, the results of the former International Power business, as impacted by the purchase price allocation adjustments. The reported results represent the continuation of the financial statements of GDF SUEZ Energy International, and reflect the acquisition of International Power by applying the ‘acquisition method’ of accounting to the International Power identifiable assets acquired and liabilities assumed.

1.1 Revenue

	Six months ended		Change	Constant Currency Change	Scope Change	Organic Change	Six months ended	
	30 June 2011	30 June 2010					30 June 2011	30 June 2010
	€m	€m	%	%	%	%	£m	£m
Latin America	1,843	1,426	29%	-%	2%	27%	1,600	1,241
North America	2,511	2,093	20%	(5)%	16%	9%	2,179	1,821
UK – Europe	1,579	863	83%	-%	87%	(4)%	1,371	751
Middle East, Turkey and Africa	578	324	78%	(6)%	50%	34%	501	282
Asia	811	671	21%	2%	18%	1%	704	584
Australia	449	-	-%	-%	-%	-%	389	-
Total revenue	7,771	5,377	45%	(2)%	33%	14%	6,744	4,679

1.2 Current operating income

	Six months ended		Change	Constant Currency Change	Scope Change	Organic Change	Six months ended	
	30 June 2011	30 June 2010					30 June 2011	30 June 2010
	€m	€m	%	%	%	%	£m	£m
Latin America	662	503	32%	2%	-%	30%	574	438
North America	259	144	80%	(3)%	18%	65%	224	126
UK – Europe	106	39	172%	-%	235%	(63)%	92	34
Middle East, Turkey and Africa	115	87	32%	(4)%	56%	(20)%	100	76
Asia	123	83	48%	1%	43%	4%	106	72
Australia	77	-	-%	-%	-%	-%	67	-
Regional total	1,342	856	57%	1%	30%	26%	1,163	746
Corporate	(54)	(39)	(38)%	-%	(124)%	86%	(47)	(34)
Total current operating income	1,288	817	58%	1%	25%	32%	1,116	712

1.3 Adjusted current operating income

	Six months ended		Change	Constant Currency Change	Scope Change	Organic Change	Six months ended	
	30 June 2011	30 June 2010					30 June 2011	30 June 2010
	€m	€m	%	%	%	%	£m	£m
Latin America	663	504	32%	3%	-%	29%	575	438
North America	264	155	70%	(2)%	17%	55%	229	135
UK – Europe	122	39	213%	-%	273%	(60)%	106	34
Middle East, Turkey and Africa	169	94	80%	(5)%	88%	(3)%	147	82
Asia	160	88	82%	1%	79%	2%	139	76
Australia	77	-	-%	-%	-%	-%	67	-
Regional total	1,455	880	65%	-%	41%	24%	1,263	765
Corporate	(54)	(39)	(38)%	-%	(124)%	86%	(47)	(34)
Total Adjusted COI	1,401	841	67%	-%	38%	29%	1,216	731

Appendix 2

International Power plc

Additional information for shareholders that does not form part of the Condensed Interim Financial Statements

1. Unaudited Key Indicators by Operating Segment (continued)

1.4 EBITDA

	Six months ended			Change	Constant Currency Change	Scope Change	Organic Change	Six months ended	
	30 June 2011	30 June 2010						30 June 2011	30 June 2010
	€m	€m	%					£m	£m
Latin America	863	649	33%	2%	-%	31%	749	564	
North America	488	301	62%	(5)%	38%	29%	424	263	
UK – Europe	287	56	413%	-%	427%	(14)%	249	49	
Middle East, Turkey and Africa	153	103	49%	(4)%	66%	(13)%	133	89	
Asia	165	116	42%	1%	36%	5%	143	101	
Australia	161	-	-%	-%	-%	-%	139	-	
Regional total	2,117	1,225	73%	-%	47%	26%	1,837	1,066	
Corporate	(61)	(38)	(61)%	-%	(152)%	91%	(53)	(32)	
Total EBITDA	2,056	1,187	73%	-%	43%	30%	1,784	1,034	
Depreciation and amortisation	(779)	(353)					(676)	(307)	
Movement in provisions, share-based payment and other	11	(17)					10	(15)	
Current operating income	1,288	817					1,118	712	

1.5 Volumetric data

	Six months ended			Change	Six months ended		
	30 June 2011	30 June 2010			30 June 2011	30 June 2010	Change
	Reported Electricity Sales TWh	Reported Electricity Sales TWh	%		Reported Gas Sales TWh	Reported Gas Sales TWh	%
Latin America	24.4	24.3	-%	7.6	3.7	105%	
North America	37.1	27.7	34%	42.7	34.3	24%	
UK – Europe	14.7	9.4	56%	13.6	13.4	1%	
Middle East, Turkey and Africa	10.6	3.9	172%	2.3	1.7	35%	
Asia	10.5	9.3	13%	1.3	-	-	
Australia	8.8	-	-	0.7	-	-	
	106.1	74.6	42%	68.2	53.1	28%	