

Register of Companies no. 05630590965
Economic and Administrative Index no. 1835547

CENTREX ITALIA SPA

Single-member company

Registered Office in VIA LORENZINI 4 - 20139 MILAN (MI)
Share capital € 5,000,000.00 fully paid-in

Financial statements for the year ended as at 31/12/2012

Balance sheet - assets	31/12/2012	31/12/2011
A) Subscribed capital, unpaid	0	0
B) Fixed assets		
<i>I. Intangible assets</i>		
1) Start-up and expansion costs	3,810	5,080
2) Research, development and advertising costs	0	0
3) Industrial patent and intellectual property rights	71,731	107,151
4) Concessions, licences, trademarks and similar rights	0	0
5) Goodwill	0	0
6) Fixed assets under construction and payments on account	85,000	0
7) Other	600	675
	<u>161,141</u>	<u>112,906</u>
<i>II. Tangible assets</i>		
1) Land and buildings	0	0
2) Plant and machinery	1,190	1,530
3) Industrial and commercial equipment	0	0
4) Other assets	54,823	20,999
5) Fixed assets under construction and payments on account	0	0
	<u>56,013</u>	<u>22,529</u>
<i>III. Financial</i>		
1) Equity investments in:		
a) subsidiaries	0	0
b) associates	0	0
c) Parent Companies	0	0
d) other companies	0	0
	<u>0</u>	<u>0</u>
2) Receivables		
a) due from subsidiaries		
- within 12 months	0	0
- after 12 months	0	0
	<u>0</u>	<u>0</u>

b) due from associates			
- within 12 months	0		0
- after 12 months	0		0
		0	0
c) due from Parent Companies			
- within 12 months	0		0
- after 12 months	0		0
		0	0
d) other receivables			
- within 12 months	0		0
- after 12 months	0		0
		0	
3) Other securities		0	0
4) Own shares		0	0
Total fixed assets		217,154	135,435

C) Current assets*I. Inventories*

1) Raw materials and consumables		0	0
2) Work in progress and semi-finished products		0	0
3) Contract work in progress		0	0
4) Finished products and goods for resale		32,450,032	16,234,343
5) Payments on account		0	0
		32,450,032	16,234,343

II. Receivables

1) Due from customers			
- within 12 months	59,428,643		27,221,552
- after 12 months	0		0
		59,428,643	27,221,552
2) Due from subsidiaries			
- within 12 months	0		0
- after 12 months	0		0
		0	0
3) Due from associates			
- within 12 months	0		0
- after 12 months	0		0
		0	0
4) Due from Parent Companies			
- within 12 months	10,000		206,329
- after 12 months	0		0
		10,000	206,329
4-bis) For tax credits			
- within 12 months	9,396		0
- after 12 months	0		1,321
		9,396	1,321

4-ter) For prepaid taxes			
- within 12 months	375,730		582,672
- after 12 months	0		0
		375,730	582,672
5) Other receivables			
- within 12 months	162,375		70,167
- after 12 months	0		0
		162,375	70,167
		59,986,144	28,082,041
III. Current financial assets			
1) Equity investments in subsidiaries		0	0
2) Equity investments in associates		0	0
3) Equity investments in Parent Companies		0	0
4) Other equity investments		0	0
5) Own shares		0	0
6) Other securities		0	0
		0	0
IV. Cash and cash equivalents			
1) Bank and postal deposits		2,357,260	4,373,859
2) Cheques		0	0
3) Cash at bank and in hand		42	1,579
		2,357,302	4,375,438
Total current assets		94,793,478	48,691,822
D) Accruals and deferrals			
- miscellaneous	48,540		57,007
		48,540	57,007
Total assets		95,059,172	48,884,264

Balance sheet - liabilities	31/12/2012	31/12/2011
A) Shareholders' equity		
I. Share capital	5,000,000	5,000,000
II. Share premium reserve	0	0
III. Revaluation reserve	0	0
IV. Legal reserve	45,268	0
V. Statutory reserves	0	0
VI. Reserve for own shares in portfolio	0	0
VII. Other reserves		

Capital payments	925		927
Euro rounding difference	(1)		0
		924	927
<i>VIII. Retained earnings (losses)</i>		860,088	0
<i>IX. Profit for the year</i>		1,072,677	905,356
Total shareholders' equity		6,978,957	5,906,283
B) Provisions for risks and charges			
1) Pension provisions and similar obligations		0	0
2) Provisions for taxes, including deferred		0	0
3) Other		0	0
Total provisions for risks and charges			
C) Employee severance indemnity			
		25,990	14,103
D) Payables			
1) Bonds			
- within 12 months	0		0
- after 12 months	0		0
		0	0
2) Convertible bonds			
- within 12 months	0		0
- after 12 months	0		0
		0	0
3) Payables for shareholder loans			
- within 12 months	0		0
- after 12 months	0		0
		0	0
4) Payables due to banks			
- within 12 months	50,154,378		27,929,667
- after 12 months	0		0
		50,154,378	27,929,667
5) Payables due to other lenders			
- within 12 months	0		0
- after 12 months	0		0
		0	0
6) Payments on account			
- within 12 months	0		0
- after 12 months	0		0
		0	0
7) Trade payables			
- within 12 months	34,328,450		10,921,972
- after 12 months	0		0
		34,328,450	10,921,972

8) Payables represented by credit instruments			
- within 12 months	0		0
- after 12 months	0		0
		0	0
9) Payables due to subsidiaries			
- within 12 months	0		0
- after 12 months	0		0
10) Payables due to associates			
- within 12 months	0		0
- after 12 months	0		0
		0	0
11) Payables due to Parent Companies			
- within 12 months	2,886,923		2,757,453
- after 12 months	0		0
		2,886,923	2,757,453
12) Tax payables			
- within 12 months	262,650		1,054,003
- after 12 months	0		0
		262,650	1,054,003
13) Payables due to welfare and social security institutions			
- within 12 months	48,726		43,103
- after 12 months	0		0
		48,726	43,103
14) Other payables			
- within 12 months	368,232		257,680
- after 12 months	0		0
		368,232	257,680
Total payables		88,049,359	42,963,878
E) Accruals and deferrals			
- miscellaneous	4,866		0
		4,866	0
Total liabilities		95,059,172	48,884,264

Memorandum accounts	31/12/2012	31/12/2011
1) Risks assumed by the company	0	0
2) Commitments assumed by the company	21,366,894	5,572,683
3) Third-party assets held by the company	0	0
4) Other memorandum accounts	2,826,873	2,198,079
Total memorandum accounts	24,193,767	7,770,762

Income statement	31/12/2012	31/12/2011
A) Value of production		
1) Sales and service revenues	235,099,203	60,685,044
2) Change in inventories of work in progress, semi-finished and finished products	0	0
3) Changes in contract work in progress	0	0
4) Own work capitalised	0	0
5) Other revenues and income		
- miscellaneous	40,560	339,608
	40,560	339,608
Total value of production	235,139,763	61,024,652
B) Costs of production		
6) Raw materials, consumables and goods for resale	235,995,688	70,468,942
7) Services	11,759,628	4,881,371
8) Use of third-party assets	254,460	231,169
9) Personnel		
a) Salaries and wages	930,488	690,532
b) Social security costs	249,423	209,651
c) Employee severance indemnity	23,257	17,942
d) Pension and similar obligations	49,923	33,817
e) Other costs	23,958	6,334
	1,277,049	958,276
10) Amortisation, depreciation and write-downs		
a) Amortisation of intangible fixed assets	38,759	5,880
b) Depreciation of tangible fixed assets	13,510	6,324
c) Other write-downs of fixed assets	0	0
d) Write-downs of current assets and cash and cash equivalents	0	0
	52,269	12,204
11) Changes in inventories of raw materials, consumables and goods for resale	(16,215,689)	(16,234,343)
12) Provisions for risks	0	0
13) Other provisions	0	0
14) Sundry operating expenses	48,166	25,835
Total costs of production	233,171,571	60,343,454
Difference between the value and costs of production (A-B)	1,968,192	681,198

C) Financial income and expenses

15) <i>Income from equity investments</i>		0	0
16) <i>Other financial income</i>			
a) from receivables recorded under fixed assets	0		0
b) from securities recorded under fixed assets	0		0
c) from securities recorded in current assets	0		0
d) other income:			
- other	14,385		4,912
		14,385	4,912
-		14,385	4,912
17) <i>Interest and other financial expenses</i>			
- from Parent Companies	1,862		12,961
- other	595,692		222,667
		597,554	235,628
17-bis) <i>Exchange gains (losses)</i>		0	0
Total financial income and expenses		(583,169)	(230,716)

D) Value adjustments of financial assets

18) <i>Revaluations</i>	0	0
19) <i>Write-downs</i>	0	0

Total value adjustments of financial assets**E) Extraordinary income and expenses**

20) <i>Income</i>			
- miscellaneous	13,580		10,006
- Euro rounding difference	1		1
		13,581	10,007
21) <i>Expenses</i>			
- miscellaneous	4,233		110,500
- Euro rounding difference	0		0
		4,233	110,500
Total extraordinary items		9,348	(100,493)

Pre-tax result (A-B±C±D±E)	1,394,371	349,989
<i>22) Income taxes for the year: current, deferred and prepaid</i>		
a) Current taxes	114,752	27,305
b) Deferred taxes	0	0
c) Prepaid taxes	206,942	(582,672)
	321,694	(555,367)
23) Profit (loss) for the year	1,072,677	905,356

The Chief Executive Officer

Michele Libutti

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Report on Operations of the Financial Statements for year ended as at 31/12/2012

Dear Shareholders,

the financial statements for the year ended as at 31 December 2012 posted a net profit of € 1,072,677.
This result was determined after having allocated amortisation/depreciation of € 52,269, current taxes for the year of € 114,752, and deferred and prepaid taxes of € 206,942.

Operating conditions and business development

As is well-known, your company's purpose is the creation and use of energy and gas production plants, strategic structuring of energy and gas supply contracts, as well as the creation of distribution structures, sale and distribution of oil and natural gas products, and the purchase and sale of energy and natural gas.

Pursuant to art. 2428, business activities are conducted at the registered office of Via Lorenzini no.4 in Milan.

Operating performance

General economic trend

In 2012, the international economic context recorded a deceleration in both industrialised and emerging nations, and still appears to be some distance from a reversal in the trend. For the whole of 2012, if we exclude the huge reduction in 2009, global trade would record the most modest performance of the entire decade, in terms of volumes. Central banks focused on maintaining expansive monetary conditions both in Europe and in the United States, while in the majority of countries, restrictive fiscal policies will continue to pursue the objective of consolidating the public budgets. The slowdown in advanced economies spread to emerging nations through a deterioration in the climate of confidence and substantial deceleration in global trade. Also in China, economic activity slowed considerably, with exports and investments decelerating. In Italy, a 2.3% decrease in GDP is forecast for 2012, while for 2013, despite the alleviation of unfavourable influences and a modest recovery in economic activities in the second half of the year, the average annual decrease would be slightly negative (-0.5%). Net foreign demand would be the main source of support for growth, while the contribution from domestic demand net of stocks is expected to remain negative in 2012 and 2013. Private consumer spending would fall by 3.2% in 2012, while gross investments would drop by 7.2% due to a sharp reduction by companies and public administrations. A significant increase in the rate of unemployment is forecast for 2012 (10.6%). The phase of extreme weakness in domestic demand is reflected in a reduction in the inflationary contribution of basic components of inflation: the inflationary trend in the summer months, measured on the basis of the consumer price index for the entire community was, in fact, determined essentially by increases in the prices of oil products and a recovery in the growth of the prices of foodstuffs.

Development of demand and performance of the markets in which the company operates

- European market

Against the backdrop of an ongoing economic crisis, in 2012 the energy prices of crude oil and its derivatives remained essentially stable at around the all-time highs, and the markedly increasing in trend in gas prices recorded in the previous two-year period was confirmed.

In particular, the Brent stood at around 112 \$/barrel, registering a fluctuating performance in the year, which led to prices reaching their annual high of 125 \$/barrel in March, before rapidly falling to 95 \$/barrel in June, then recovering to around 113 \$/barrel in August, with prices settling around the latter in the last 4-month period. Within this context, it is worth noting the considerable loss of the Euro's purchasing power against the US dollar: in fact, you need to go back to 2006 to find a Euro/Dollar exchange rate that was lower than the value recorded in 2012, standing at 1.29 €/€ (-7.6%). The depreciation favours a marked upward revision in the prices of fuels converted to Euro, determining a worsening in the annual variations of crude oil and oil products (+8%/13%). The two-year growth in prices, by contrast, highlights the strengthening on the main central-northern European gas hubs, where prices settled at around 25 €/MWh, among the highest values recorded in the 2008-2012 five-year period, recording increases of 10/13%. These increases are concentrated, in particular, in the final four months of the year, in which central-continental prices were realigned to the PSV (virtual exchange point), which are usually higher. In fact, the latter, positioned at around 29 €/MWh in 2012, after a January-February period which recorded decidedly higher levels, saw a drastic decrease in value over the months in question, closing the year with growth of just 1.6%. The main effect of the different trends in Italian and central-European prices is the contraction in their differential which, calculated with respect to the Dutch TTF, falls to a all-time low of 3.7€ MWh.

- Italian market

In 2012, natural gas consumption in Italy fell for the second time in succession, down to 74,372 million m³, a decrease of 4.2% over 2011. Consumption in the thermoelectric sector registered a net decrease, down to 24,418 million m³ (-12.2%). Consumption in the industrial sector, at 13,379 million m³ (-1.5%), and civil sector, at 33,889 million m³ (+0.5%), recorded smaller variations. Exports rose, standing at 2,686 million m³ (+6.6%). A total of 9,328 million m³ was injected into storage systems. In terms of supply, domestic production rose to 8,277 million m³ (+2.8%), while natural gas imports fell to 67,596 million m³ (-4.1%). The decrease in purchases of gas from abroad concerned all entry points, with the exception of Gela (+175%), which had been inhibited between the end of March and the middle of October 2011, as a result of the civil war in Libya. A total of 7,827 million m³ was provided by storage systems (-3%). Low demand meant the accumulation of gas in storage, which amounted to 8,938 m³ on the last day of the year (+17.3%, compared to the same day in 2011)¹.

Competitors' behaviour

These figures, combined with the fall in demand, are proof of the gas sector's difficulty in re-establishing a growth trend. Consequently, the market now presents a clear situation of oversupply, resulting from the ongoing stagnation of demand, which creates competitive pressures on the markets, giving rising to problems for operators that operate at an intermediate position in the supply chain.

Main legislative references and most significant changes in the year of the financial statements

December 2011 saw the introduction, in Italy, of the regulation for the financial balancing of natural gas, by means of resolution ARG/gas 45/11 of 14 April 2011 and subsequent additions and amendments made by resolutions ARG/gas 81/11, 145/11, 155/11 and 32/2012/R/GAS.

This regulation requires sector operators to make unused modulation storage resources available to the system.

Social, political and trade union climate

The phase of cyclical weakness of the Italian economy would lead to an overall deterioration in job market conditions. The first half of 2012 recorded essentially stable employment figures, together with a decrease in

¹ GME (Italian electricity market operator) Newsletter no.56 January 2013

hours worked (also through use of the Cassa integrazione guadagni, 'Wages Guarantee Fund'), even though negative signs emerged in September. The increase in the number of job-seekers which started at the end of 2011 is central to the significant rise in the forecast unemployment rate for 2012 (10.6%). The forecast scenario is characterised by various aspects of uncertainty relating to both the international context and to internal political factors. Greater confidence in the effectiveness of the European protection mechanism, following the statements from the ECB and the decision of the German constitutional court, led to an easing of tensions on the financial markets in the summer months, accompanied initially by a reduction, then stabilisation, of the yield differential between Italian and German government bonds. A fresh widening in this differential driven by internal factors would have an adverse impact on public finances, private investments and the climate of confidence².

Operating performance in the sectors in which the company operates

Despite the contraction of the national and international economic system, financial tensions in the Eurozone and the increasingly more competitive context, Centrex Italia confirmed its strong growth trend and its capacity to generate profits, generating a significant increase in turnover.

Increased competition and the economic situation means the wholesale gas market is increasingly characterised by a contraction in profit margins.

The company reacted to this market situation through intensive activity involving a considerable rise in the number of eligible counterparties, by signing partnership agreements with a number of national and international operators. From an internal point of view, the company continued to invest in the growth of the organisation, by targeting efficiency and the implementation of portfolio management systems for the purpose of the analysis, control and handling of risk management.

	31/12/2012	31/12/2011
Value of production	235,139,763	61,024,652
Gross operating profit	1,979,901	353,794
Pre-tax result	1,394,371	349,989

Main income statement figures

The company's reclassified income statement, compared with the one from the previous year, is shown below (in Euro):

	31/12/2012	31/12/2011	Change
Net revenues	235,099,203	60,685,044	174,414,159
External costs	231,842,253	59,372,974	172,469,279
Value added	3,256,950	1,312,070	1,944,880
Cost of labour	1,277,049	958,276	318,773
Gross Operating Profit	1,979,901	353,794	1,626,107
Amortisation/depreciation, write-downs and other provisions	52,269	12,204	40,065
EBIT	1,927,632	341,590	1,586,042
Other revenues and income	40,560	339,608	(299,048)
Financial income and expenses	(583,169)	(230,716)	(352,453)
Ordinary profit	1,385,023	450,482	934,541
Net extraordinary items	9,348	(100,493)	109,841
Pre-tax profit	1,394,371	349,989	1,044,382
Income taxes	321,694	(555,367)	877,061
Net income	1,072,677	905,356	167,321

In 2012, the company generated sale volumes of 693.54 million m³, compared to 181.68 million m³ in the previous year, marking an increase of 282%. The growth in turnover is essentially linked to the significant process of expansion and an increase in the average sale price (roughly 3%).

² "Prospects for the Italian economy in 2012/2013" – Istat (National Institute of Statistics) "Forecasts" dated 5 November 2012

The value of production and gross operating profit recorded increases, due to the rise in volumes sold when compared to the previous year, despite a reduction in transaction opportunities as a result of the fall in geographic spreads.

Final inventories of gas stored at Stogit SpA, as at 31 December 2012 totalled 102.36 million m³ compared to 56.56 million m³ in the previous year. The Gross operating profit stood at around € 1.98 million, after deducting all external and personnel costs. Net income came to € 1.07 million after net financial expenses of € 0.583 million and income taxes of € 0.321 million.

Financial management was characterised by cautious use of short-term resources and self-liquidating instruments linked to the typical nature and seasonality of said business.

To aid a better description of the company's profitability, the table below shows certain profitability ratios compared with the same ratios relating to the financial statements for the previous year.

	31/12/2012	31/12/2011
Net ROE	0.18	0.18
Gross ROE	0.24	0.07
ROI	0.02	0.01
ROS	0.01	0.01

Operating profit ratios improved, especially the return on equity as a consequence of the return on investment and the low incidence of atypical operations. Net ROE in 2011 benefitted from the recognition in the financial statements of prepaid taxes relating to previous years.

Main balance sheet figures

The company's reclassified balance sheet, compared with the one from the previous year, is shown below (in Euro):

	31/12/2012	31/12/2011	Change
Net intangible fixed assets	161,141	112,906	48,235
Net tangible fixed assets	56,013	22,529	33,484
Net fixed assets	217,154	135,435	81,719
Warehouse inventories	32,450,032	16,234,343	16,215,689
Receivables due from customers	59,428,643	27,221,552	32,207,091
Other receivables	557,501	860,489	(302,988)
Accrued income and prepaid expenses	48,540	57,007	(8,467)
Short-term operating assets	92,484,716	44,373,391	48,111,325
Trade payables	34,328,450	10,921,972	23,406,478
Tax and social security payables	311,376	1,097,106	(785,730)
Other payables	3,255,155	3,015,133	240,022
Accrued expenses and deferred income	4,866	0	4,866
Short-term operating liabilities	37,899,847	15,034,211	22,865,636
Net capital for the year	54,584,869	29,337,859	25,247,010
Employee severance indemnity	25,990	14,103	11,887
Medium/long-term liabilities	25,990	14,103	11,887
Invested capital	54,776,033	29,460,512	25,315,521
Shareholders' equity	(6,978,957)	(5,906,283)	(1,072,674)
Net medium/long-term financial position	0	0	0
Net short-term financial position	(47,797,076)	(23,554,229)	(24,242,847)
Own equity and net financial debt	(54,776,033)	(29,460,512)	(25,315,521)

The reclassified balance sheet shows the company's capital strength, i.e. its capacity to maintain financial equilibrium in the medium/long-term. The increase in the net financial position is strictly related to the considerable increase in business and IS mainly connected with the rise in quantities of gas stored for customers and the lengthening in collection terms on the market. The Company avails itself, nonetheless, of the proper credit lines that allow it to finance growth by exploiting available financial resources without burdening its debt structure and the natural cyclical nature of the gas business.

Bucking the trend in the credit market, and as confirmation of its credit standing, Centrex Italia increased its bank credit facilities, managing to maintain a pricing level with no particular increases, also thanks to the reduction in reference interest rates.

For the purposes of a better description of the company's capital strength, the table below shows certain financial statement ratios relating to (i) the methods of financing medium/long-term investments and (ii) to the composition of sources of financing, compared to the same financial statement ratios in the previous year.

	31/12/2012	31/12/2011
Fixed asset / equity margin	6,761,803	5,769,527
Fixed asset / equity ratio	32.14	43.19
Fixed assets / liabilities and equity margin	6,787,793	5,783,630
Fixed assets / liabilities and equity ratio	32.26	43.29

Main financial figures

The net financial position as at 31/12/2012 was as follows (in Euro):

	31/12/2012	31/12/2011	Change
Bank deposits	2,357,260	4,373,859	(2,016,599)
Cash at bank and in hand	42	1,579	(1,537)
Own shares			
Cash and cash equivalents and own shares	2,357,302	4,375,438	(2,018,136)
Current financial assets			
Payables due to banks (within 12 months)	50,154,378	27,929,667	22,224,711
Short-term financial payables	50,154,378	27,929,667	22,224,711
Net short-term financial position	(47,797,076)	(23,554,229)	(24,242,847)
Net medium/long-term financial position	0	0	0
Net financial position	(47,797,076)	(23,554,229)	(24,242,847)

For a better description of the financial situation, the following table shows some financial statement ratios, compared with the same financial statement ratios in the previous year.

	31/12/2012	31/12/2011
Primary liquidity	0.71	0.76
Secondary liquidity	1.08	1.13
Debt	12.62	7.28
Rate of coverage of fixed assets	32.26	43.29

The quick ratio stands at 0.71. The company's financial position is considered sound.

The current ratio stands at 1.08. The value of net working capital is satisfactory in relation to the amount of current payables.

The debt ratio stands at 12.66. The amount of payables, cyclical and short-term, is considered to be strictly related to the company's growth.

In light of the rate of coverage of fixed assets of 32.17, the amount of own equity and consolidated payables is considered more than appropriate in relation to the amount of fixed assets. The latter relate mainly to the company's information technologies.

Cash flow from operations

	Amounts in Euro
Profit (loss) for the year	1,072,677
Amortisation/depreciation in the year	52,269
Capital (gains) losses from sale of fixed assets	-
Increase in TFR (employee severance indemnity)	11,887
Allocations to provisions for risks and charges	-
Use of provisions for risks and charges	-
Decrease for TFR paid	-
Write-downs (write-backs) of fixed assets	-
Total	1,136,833
Changes in inventories	-
Change in receivables	16,215,689
Change in current financial assets	31,904,103
Change in accrued income and prepaid expenses and accrued expenses and deferred income	-
Change in financial, trade and other payables due within 12 months	13,333
	45,085,480
Total	- 1,884,146

Cash flow statement

	Amounts in Euro
Opening cash available (deficit)	4,375,438
SOURCES	
Internal sources:	
- Net cash flow from operations	-
	1,884,146
- Sale value of fixed assets	-

Total	- 1,884,146
External sources:	
- Increases in medium/long-term payables and loans	-
- Capital grants	-
- Liquid contributions of own capital	-
- Other sources	-
Total	-
TOTAL SOURCES	- 1,884,146
INVESTMENTS	
Investments in fixed assets:	
- Intangible assets	86,994
- Tangible assets	46,996
- Financial	-
Total	133,990
Other investments:	
- Repayments of loans due after 12 months	-
- Distribution of profits and reserves	-
- Reimbursement of share capital	-
- Other investments	-
Total	-
TOTAL INVESTMENTS	133,990
Net change in cash available	2,018,136
Closing cash available (deficit)	2,357,302

Information on the environment and personnel

Taking into account the company's social role, as also outlined in the document on the report on operations of the National Institute of Chartered Accountants, it is deemed appropriate to provide the following information on the environment and on personnel.

Personnel

None of the following were verified or recorded during the year:

- workplace mortalities of personnel listed in the company's employee register,
- serious workplace accidents that involved serious or very serious injuries to personnel listed in the company's employee register

No charges were recorded during the year, regarding occupational illnesses, against employees or former

employees and cases of mobbing, for which the company was held to be definitively liable.

Environment

No environmental damage was recorded during the year, for which the company was held to be definitively at fault. No definitive sanctions or penalties were imposed on our company during the year for environmental offences or damages.

Investments

Investments were made in the following areas during the year:

Fixed assets	Acquisitions during the year
Plant and machinery	13,095
Other assets	33,899

Furthermore, the project to replace the already existing functionalities of the ETRM (Energy Trading Risk Management) system with new generation information technologies and more secure and higher performance technological platforms continued. The Company is also committed to the development of new business functionalities relating to the computerisation of the deal life cycle, the management of reference scenarios and the assessment of the impact of scenarios on the portfolio and on risk.

Relations with subsidiaries, associates, Parent Companies and sister companies

It should be noted that sole shareholder Centrex Europe Energy&Gas AG does not exercise management and coordination activities given that the company has full decision-making, management and operational autonomy.

The company held the following relations during the year with subsidiaries, associates, Parent Companies and sister companies:

The company held the following relations with Group companies.

Company	Financial payables	Financial receivables	Trade receivables	Trade payables	Sales	Purchases
Centrex Europe Energy & Gas AG	1,862	0	10,000	2,885,061	40,000	32,140,600
Total	1,862	0	10,000	2,885,061	40,000	32,140,600

These relations, which do not include atypical and/or unusual transactions, are regulated by normal market conditions.

In particular, in addition to the undersigned company, the latter and other companies that are subject to their control, relations are shown analytically below.

Trade and other relations

Company	Payables	Receivables	Costs	Revenues
Centrex Europe Energy & Gas AG	2,885,061	10,000	32,138,738	40,000
Total	2,885,061	10,000	32,138,738	40,000

Financial relations

Company	Payables	Receivables	Expenses	Income
Centrex Europe Energy & Gas AG	1.862	0	1.862	0

Total	1,862	0	1,862	0
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These relations, which do not include atypical and/or unusual transactions, are regulated by normal market conditions. Provided below are the reasons and interests whose evaluation affected the main decisions taken, also in consideration of the relevant Group's interest.

Information on risks and uncertainties pursuant to art. 2428, par. 2, point 6-bis of the Italian Civil Code

In accordance with art. 2428, par. 2, point 6-bis of the Italian Civil Code, information is provided below on the use of financial instruments, given relevant for the purposes of the evaluation of the company's financial position.

During 2012, the company entered into derivative contracts to hedge the risk of volatility in gas prices, usually indexed to the trend in the price of commodities. During the year, the company stipulated a currency forward contract to eliminate the exposure to changes in the exchange rate.

During the course of the year, the Centrex Group and, consequently, the company, availed itself of a Risk Management department to permit the full integration and sharing of guidelines governing the assumption of risk management as set out in the Risk Policy. This policy identifies the activities permitted, defines the methods for identifying and measuring risks, the implementation of a monitoring and reporting system with respect to said policy and the limits set.

The Local Risk Management department was also defined during the year. In reporting to the Group's Chief Risk Officer, this department is responsible for managing and monitoring the company's core portfolio and, in collaboration with the Finance area, also for managing and monitoring the financial position on an ongoing basis.

As regards the management of the risk of price volatility, the company enters into hedging transactions through Commodity Swaps with the leading national and international banks.

The Company operates in the natural gas supply sector and, consequently, the main categories of risk are linked to:

- the trend in the price of commodities, the exchange rate (euro/dollar in particular) and the demand for natural gas influenced by consumer consumption and temperatures (market risk);
- non-fulfilment of contractual obligations (credit/counterparty risk);
- inability to manage unforeseen negative cash balances (liquidity risk).
- inability to manage errors (operational risk).

In order to appropriately prevent problems connected with the inadequate management of risks, the company constantly monitors, with a high level of frequency, both its own global portfolio position and its cash flows over an ample time period of at least twelve months.

Market risk

The company manages the potential impacts on the income statement relating to currency and price risk variables through hedging transactions.

In relation to climate risk, the company avails itself of temperature forecasting systems in order to improve its consumption estimates to optimise storage management.

Credit risk

Also in consideration of the particular market situation in the year just ended, the company tightened its credit policy even more and intensified monitoring activities.

In order to supplement the use of external analyses provided by leading companies in the credit rating sector, the company intensified its procedures and actions as regards the analysis of the credit standing of its customers. The company constantly monitors the position of each counterparty, both during the phase of start-up of the business relationship and at subsequent stages.

In particular, if credit analysis shows that the credit lines are inadequate with respect to the exposure envisaged, the company's policy is to request collateral securities such as first demand bank guarantees or corporate sureties from the holding companies.

It should be pointed out that there were no bankruptcies or past due receivables as at the close of the financial year; consequently, no allocation to the write-down provision was needed.

Liquidity risk

The company has good credit capacity with an adequate pricing level which allows it to make best use of the available financial resources, especially in a significant phase of expansion.

The company was adversely impacted by collection terms, decidedly worse within the sector than payment terms. As a result, short-term debt to the banking system increased, which spiked at the end of December in conjunction with the end of the storage injection cycle.

Therefore, the net financial position for 2012, entirely short-term, increased in proportion to the considerable increase in business. In addition, at the end of 2012, in order to totally eliminate liquidity risk, especially in the winter month peaks, and in order to fully observe the gas supply payment date, the company has signed an intercompany loan agreement to be used when necessary.

Operational risk

In order to limit the possibility of errors and to make company business efficient and effective, the company employs a series of processes that coordinate the main activities performed within the company itself.

Policies related to the various hedging activities

In order to reduce to a minimum any possible exposure deriving from fluctuation in commodity prices and exchange rates, the company takes a cautious approach to hedging its portfolio.

Transactions are carried out for the exclusive purpose of hedging with a neutral impact on the income statement result since the effects of hedging are opposed to the results of the underlying physical contract.

Significant events after the close of the year

In 2013, the Company intends to continue on its path of development in the natural gas sector, in line with the provisions of its development plan.

The company is also adopting the necessary applicable procedures regarding privacy pursuant to Legislative Decree no. 196 of 30 June 2003, also known as the Privacy Code.

As regards the recruitment programme for 2013, the company has made provision for the hiring of professionals such as sales staff, traders and financial advisors.

Business outlook

Consistent with the strategic guidelines presented, the company will continue to pursue gradual growth in all segments of the gas chain. From a procurement standpoint, the company will attempt to achieve a balanced sales portfolio in terms of duration, supplier diversification, delivery points and price indexing. In terms of trading, currently performed in Italy, Austria and Germany, the company will continue its expansion in the main European hubs, by exploiting assets and the international positioning of the Group in Europe. On the sales front, the company will grow the volumes of sales to sellers, also through the acquisitions of equity investments already in the process of being evaluated and to industrial customers and small and medium businesses.

Allocation of profit for the year

It is proposed that the shareholders' meeting allocate the profit for the year as follows:

Profit for the year as at 31/12/2012	Euro	1,072,677
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5% to the legal reserve	Euro	53,634
Retained earnings	Euro	1,019,043

We thank you for the confidence shown in us and invite you to approve the financial statements presented here.

Milan, 28 February 2013

The Chief Executive Officer

Michele Libutti

Register of Companies
no. 05630590965
Economic and
Administrative Index no. 1835547

CENTREX ITALIA SPA

Single-member company

Registered Office in VIA LORENZINI 4 - 20139 MILAN (MI) Share capital € 5,000,000.00 fully paid-in

Explanatory Notes to the Financial Statements for year ended as at 31/12/2012

Introduction

The financial statements, subject to your review and approval, post a profit for the year of € 1,072,677.

Business activities

As is well-known, your company's purpose is the creation and use of energy and gas production plants, strategic structuring of energy and gas supply contracts, as well as the creation of distribution structures, sale and distribution of oil and natural gas products, and the purchase and sale of energy and natural gas.

Drafting criteria

These financial statements conform to the provisions of articles 2423 et seq. of the Italian Civil Code, as shown by these explanatory notes, drafted in accordance with art. 2427 of the Italian Civil Code, which constitutes, pursuant to and in accordance with art. 2423, an integral part of the financial statements for the year.

The figures in the financial statements are stated in Euro, and the associated amounts are rounded up. Any rounding differences have been indicated in the item "Reserve for Euro rounding", included under items of Shareholders' Equity and "Euro rounding" in the item "extraordinary income and expenses" in the Income Statement.

Pursuant to art. 2423, par. 5 of the Italian Civil Code, the explanatory notes have been prepared in Euro.

Basis of measurement

(Ref. art. 2427, par. 1, no. 1 of the Italian Civil Code)

The criteria used to draft the financial statements for the year ended as at 31/12/2012 are the same as those used in the previous year, particularly as regards the valuations and continued use of the same standards.

The valuation of items in the financial statements is based on the general principles of prudence and accrual accounting, in the assumption of the company as a going concern, also taking into account the economic function of the asset or liability considered.

The application of the prudence principle involved the individual valuation of the individual asset and liability items, to avoid offsetting between losses to be recognised and profits not to be recognised given unrealised.

In compliance with the accrual principle, the effect of transactions and other events has been accounted for and allocated to the year in which said transactions and events refer, and not to the one in which the associated cash flows occur (collections and payments).

Continued application of the valuation criteria over time is a key element for the purposes of comparing the company's financial statements from different years.

Valuation of asset or liability components by taking into account their economic function embodies the principle of prevalence of substance over form, mandatory where not expressly contradicted by other specific regulations governing financial statements. It enables transactions to be reported according to the economic

situation underlying the formal aspects.

Exceptions

(Ref. art. 2423, par. 4, of the Italian Civil Code)

No exceptional cases were identified that required the use of the exceptions set forth under art. 2423, par. 4 of the Italian Civil Code.

Reclassification of financial statement items as at 31 December 2011

Closing gas inventories with respect to the previous year were reclassified in the Balance Sheet from item C I 1) "raw materials and consumables" to the item C I 4) "finished products and goods for resale", given they are products destined for resale which are not subject to any transformation or manufacturing process (accounting standard OIC – Italian Accounting Standards Setter - 12). Consequently, item A.2 of the income statement "Changes in inventories of work in progress, semi-finished and finished products" was also reclassified to item B.11 of the income statement "change in inventories of raw materials, consumables and goods for resale".

The costs of gas transportation and intercompany gas transportation were reclassified with respect to the previous year, from item B.6 of the income statement "costs for raw materials, consumables and goods for resale" to item B.7 of the income statement "Service costs" given that the costs relate to the acquisition of services connected with ordinary operations.

Costs relating to payments to supplementary pension funds were reclassified to item B 9 d) of the income statement "Pension and similar obligations".

As regards the reclassification of taxes for the year, please refer to the section "income taxes for the year" in the explanatory notes.

In particular, the following valuation criteria were adopted to draft the financial statements.

Fixed assets

Intangible assets

These are recorded at their historical acquisition cost and stated net of amortisation applied over the years and booked directly to the individual items.

Start-up and expansion costs with long-term benefits were recognised under assets with the consent of the Board of Statutory Auditors and are amortised over a period of 5 years.

Industrial patent and intellectual property rights, licences, concessions and trademarks are amortised according to an annual rate of 33%.

Improvements to third-party assets are amortised according to rates that depend on the duration of the contract.

If, regardless of the amortisation already accounted for, impairment is recorded, the fixed asset is written down accordingly. If the reasons for the write-down no longer exist in subsequent years, the original value is written back, adjusted solely for amortisation.

Tangible assets

These are booked at acquisition cost and adjusted by the corresponding accumulated depreciation.

The book value takes account of additional expenses and costs incurred in using the fixed asset, deducting trade and cash discounts of any significant amount from the cost.

Depreciation charges, booked to the income statement, were calculated on the basis of the type of use and technical-economic life of the assets, based on the residual useful life criteria, which we believe to be fully represented by the following rates, unchanged with respect to the previous year and calculated on a *pro-rata temporis* basis in the year the asset enters use.

- plant and machinery (office and electronic machines): 20%
- other assets: 20%

If, regardless of the depreciation already accounted for, impairment is recorded, the fixed asset is written down accordingly. If, in subsequent years, the reasons for the write-down no longer exist, the original value

is written back, adjusted solely for depreciation.

Receivables

These are stated at their presumed realisable value. The adjustment of the nominal value of receivables into line with the presumed realisable value is obtained using the appropriate bad debt provision, taking into consideration general economic and industry conditions and country risk.

Receivables originally due within one year and subsequently changed to long-term receivables were shown under long-term investments in the balance sheet.

Payables

These are recorded at their nominal value, amended in the event of returns or billing adjustments.

Accruals and deferrals

Accruals and deferrals were calculated on an accrual basis during the year.

For multi-year accruals and deferrals, the conditions that led to their original recognition were verified, where necessary, applying the necessary changes.

Warehouse inventories

Inventories of "Finished products and goods for resale" made up of quantities of stored gas, are recorded at the lower of the cost of acquisition or manufacture and the realisable value taken from market trends, by applying

- the average weighted cost method.

The value obtained is then adjusted, if necessary, by the appropriate "provision for inventory obsolescence", to take account of goods for resale whose sale value is expected to be below the cost.

For previously written down inventories, in relation to which reasons for which the value was reduced to the realisable value no longer exist, the original cost is written back.

Employee Severance Indemnity Provision

This refers to the actual amounts accrued due to employees in compliance with law and the applicable employment contracts, in consideration of any form of continuous pay.

The provision corresponds to the total of individual indemnities accrued by employees at the close of the financial year, net of any advances provided, and is equal to the amount that would have been due to employees if they had ended their employment on said date.

Income taxes

Income taxes are allocated on an accrual basis; therefore, they represent:

- the allocations for taxes paid or to be paid for the year, calculated according to the applicable rates and regulations;
- the amount of deferred or prepaid taxes in relation to the temporary differences that have arisen or been eliminated in the year;

Deferred and prepaid Ires (corporate income tax) is calculated on the temporary differences between the values of assets and liabilities determined in accordance with statutory criteria and the corresponding tax values with exclusive reference to the company.

Current, deferred and prepaid Irap (regional business tax) is calculated with exclusive reference to the company.

Revenue recognition

Revenues from product sales are recognised at the moment of the transfer of ownership, which normally corresponds to the delivery or shipment of the goods.

Financial revenues and those deriving from the provision of services are recognised on an accrual basis.

Revenues and income and costs and expenses relating to currency transactions are determined at the current exchange rate on the date the transaction is completed.

Income and expenses relating to repurchase agreements, including therein the difference between the forward price and the spot price, are recognised for the relevant amounts for the year.

Guarantees, commitments, third-party assets and risks

Risks relating to personal guarantees or collateral granted for third-party payables were reported in the memorandum accounts for an amount equal to the guarantee given; the amount of the third-party payable secured at the reporting date, if lower than the guarantee granted, is indicated in these explanatory notes. Commitments have been indicated in memorandum accounts at their nominal value, taken from the relevant documentation.

Risks for which the occurrence of a liability is only possible are described in the explanatory notes, with no allocation made to the provision for risks according to the reference accounting standards. No account is taken of remote risks.

Assets

B) Fixed assets

I. Intangible fixed assets

Balance as at 31/12/2012	Balance as at 31/12/2011	Changes
161,141	112,906	48,235

This item includes not only start-up and expansion costs but software licences and management applications and those relating to the internal production of the ETRM (Energy Trading Risk Management) system.

Total changes in intangible fixed assets

(Ref. art. 2427, par. 1, no. 2 of the Italian Civil Code)

Description of costs	Value as at 31/12/2011	Increases in the year	Decreases in the year	Amortisation in the year	Value as at 31/12/2012
Start-up and expansion	5,080	0	0	(1,270)	3,810
Industrial patent rights	107,151	1,994	0	(37,414)	71,731
Fixed assets under construction and payments on account	0	85,000	0	0	85,000
Other	675	0	0	(75)	600
	112,906	86,994	0	(38,759)	161,141

Previous revaluations, amortisation and write-downs

(Ref. art. 2427, par. 1, no. 2 of the Italian Civil Code)

The historical cost at the start of the year is composed as follows:

Description of costs	Historical cost	Accumulated amortisation	Revaluations	Write-downs	Net value as at 31.12.2011
Start-up and expansion	8,728	(3,647)	0	0	5,080
Industrial patent rights	112,960	(5,809)	0	0	107,151
Other	901	(225)	0	0	675
	122,587	(9,681)	0	0	112,906

Composition of start-up and expansion costs, research and development costs and advertising expenses

(Ref. art. 2427, par. 1, no. 3 of the Italian Civil Code)

Start-up and expansion costs

Description of costs	Value as at 31/12/2011	Amortisation in the year	Value as at 31/12/2012
Incorporation expenses and costs of statutory amendments	5,080	1,270	3,810
	5,080	1,270	3,810

The costs recorded are reasonably correlated to long-term benefit over several years, and are systematically amortised in relation to their residual useful life. They are recorded with the consent of the Board of Statutory Auditors.

II. Tangible fixed assets

Balance as at 31/12/2012	Balance as at 31/12/2011	Changes
56,013	22,529	33,484

Plant and machinery

(Ref. art. 2427, par. 1, no. 2 of the Italian Civil Code)

Description of costs	Historical cost	Accumulated depreciation	Value as at 31/12/2011	Increases in the year	Decreases in the year	Depreciation in the year	Value as at 31/12/2012
Plant and machinery	1,700	(170)	1,530	0	0	(340)	1,190
	1,700	(170)	1,530	0	0	(340)	1,190

Other assets

(Ref. art. 2427, par. 1, no. 2 of the Italian Civil Code)

Description of costs	Historical cost	Accumulated depreciation	Value as at 31/12/2011	Increases in the year	Decreases in the year	Depreciation in the year	Value as at 31/12/2012
Furniture and fittings	373	(187)	187	0	0	(75)	112
Electronic machines	39,067	(18,255)	20,812	47,293	0	(13,394)	54,711
	39,440	(18,442)	20,999	47,293	0	(13,469)	54,823

C) Current assets**I. Inventories**

Balance as at 31/12/2012	Balance as at 31/12/2011	Changes
32,450,032	16,234,343	16,215,689

The reasons for use of the valuation criteria are explained in the first part of these Explanatory Notes. The Average Weighted Cost valuation carried out does not differ from the valuation performed using the current cost criteria.

FY 2012

Description	Natural gas	Other	Total
Finished products and goods for resale	32,450,032	0	32,450,032

FY 2011

Description	Natural gas	Other	Total
Finished products and goods for resale	16,234,343	0	16,234,343

The category "finished products and goods for resale" refers to stored natural gas at year-end. Gas inventories recorded an increase of € 16,215,689, brought about by the rise in volumes of warehouse stocks. Lastly, as at 31.12.2012, warehouse gas stocks totalled around 102 million m³, compared to roughly 56 million m³ last year.

II. Receivables

Balance as at 31/12/2012	Balance as at 31/12/2011	Changes
59,986,144	28,082,041	31,904,103

Description	Due within 12 months	Due after 12 months	Due after 5 years	Total
Due from customers	59,428,643	0	0	59,428,643
Due from Parent Companies	10,000	0	0	10,000
For tax credits	9,396	0	0	9,396
For prepaid taxes	375,730	0	0	375,730
Other receivables	162,375	0	0	162,375
	59,986,144	0	0	59,986,144

The item Receivables due from the Parent Company, amounting to € 10,000, includes trade receivables relating to service fee revenues, while the item Other receivables includes advances to suppliers of € 91,986 and receivables due from third parties totalling € 70,389.

The item prepaid tax assets, standing at € 375,730, refers to Ires receivables for prepaid taxes, detailed later in these explanatory notes.

By contrast, the item tax credits is comprised of the receivable for taxes withheld on interest income amounting to € 2,362, the IRPEF (personal income tax) receivable for the municipal surcharge and € 81 for the receivable for excise duty amounting to € 6,953, broken down as follows:

Description	Balance as at 31.12.2012
Excise duty receivable	29,560
Excise duty payable	(22,607)
Total	6,953

The Breakdown of receivables by geographic area is shown in the table below (art. 2427, par. 1, no. 6 of the Italian Civil Code).

Receivables by geographic area	Due from customers	Due from subsidiaries	Due from associates	Due from Parent Companies	Other receivables	Total
Italy	58,579,715	0	0	0	162,375	58,742,090
Abroad	848,928	0	0	10,000	0	858,928
Total	59,428,643	0	0	10,000	162,375	59,601,018

IV. Cash and cash equivalents

Balance as at 31/12/2012	Balance as at 31/12/2011	Changes
2,357,302	4,375,438	(2,018,136)

Description	31/12/2012	31/12/2011
Bank and postal deposits	2,357,260	4,373,859
Cash at bank and at hand	42	1,579
	2,357,302	4,375,438

The balance represents cash and cash equivalents and the existence of cash and assets at the close of the year.

The item bank deposits includes the amount of positive differentials accrued as at 31.12.2012 (€ 252,271) relating to Commodity Swap contracts, as better defined below in the appropriate section.

D) Accruals and deferrals

Balance as at 31/12/2012	Balance as at 31/12/2011	Changes
48,540	57,007	(8,467)

They measure income and charges whose accrual is early or deferred with respect to the actual date of payment and/or of the document; they disregard the date of payment or collection of the relative income and expense, common to two or more financial years and distributable on a time basis.

As at 31/12/2012, no accruals and deferrals had a duration of more than five years.

The breakdown of the item is detailed as follows (art. 2427, par. 1, no. 7, of the Italian Civil Code).

Description	Amount
Telephone expenses	15,881
Expenses for sureties	14,678
Subscriptions and car hire charges	17,981
	48,540

Liabilities**A) Shareholders' equity**

(Ref. art. 2427, par. 1, nos. 4, 7 and 7-bis of the Italian Civil Code)

Balance as at 31/12/2012	Balance as at 31/12/2011	Changes
6,978,957	5,906,283	1,072,674

Description	31/12/2011	Increases	Decreases	31/12/2012
Share capital	5,000,000	0	0	5,000,000
Legal reserve	0	45,268	0	45,268
Capital payments	925	0	0	925
Euro rounding difference	2	0	(3)	(1)
Retained earnings (losses)	0	860,088	0	860,088
Profit (loss) for the year	905,356	1,072,677	905,356	1,072,677
	5,906,283	1,978,033	905,353	6,978,957

Share capital is composed as follows (art. 2427, par. 1, nos. 17 and 18 of the Italian Civil Code).

Shares/Holdings	No.	Nominal value in Euro
Ordinary shares	5,000,000	1
Total	5,000,000	

Items of shareholders' equity are distinguished according to origin, possibility of use, distributability and use in the three previous years (art. 2427, par. 1, no. 7-bis of the Italian Civil Code).

Type / Description	Amount	Possibility of use (*)	Available share
Share capital	5,000,000		
Legal reserve	45,268	B	
Other reserves	924	A, B,	
Retained earnings (losses)	860,088	A, B, C	
Profit for the year	1,072,677	A, B, C	
Total	6,978,957		
Undistributable portion	46,192		
Residual distributable portion	1,932,765		

(*) A: for share capital increase; B: to cover losses; C: for distribution to shareholders

C) Employee severance indemnity

(Ref. art. 2427, par. 1, no. 4 of the Italian Civil Code)

Balance as at 31/12/2012	Balance as at 31/12/2011	Changes
25,990	14,103	11,887

The change is composed as follows.

Changes	31/12/2011	Increases	Decreases	31/12/2012
Changes in TFR (Employee Severance Indemnity) in the year	14,103	11,887	0	25,990

The provision allocated represents the actual amount owed by the company, as at 31/12/2012, to employees in the workforce at said date, net of advances paid.

D) Payables

(Ref. art. 2427, par. 1, no. 4 of the Italian Civil Code)

Balance as at 31/12/2012	Balance as at 31/12/2011	Changes
88,048,887	42,963,878	45,085,009

Payables are valued at their nominal value and their maturities are broken down as follows (art. 2427, par. 1, no. 6 of the Italian Civil Code)

Description	Due within 12 months	Due after 12 months	Due after 5 years	Total
Payables due to banks	50.154.378	0	0	50.154.378
Trade payables	34.328.450	0	0	34.328.450
Payables due to Parent Companies	2.886.923	0	0	2.886.923
Tax payables	262.650	0	0	262.650
Payables due to social security institutions	48.726	0	0	48.726
Other payables	368.231	0	0	368.231
	88.049.358	0	0	88.049.358

Payables due to banks as at 31/12/2012, amounting to € 50,154,378 – maturing within one year – include loans for commercial transactions totalling € 42,373,825, and a documentary advance stated in the financial statements for € 7,663,001.

Trade payables, amounting to € 34,328,450, are recorded net of trade discounts; by contrast, cash discounts are recognised at the time of payment. The nominal value of these payables was adjusted due to returns and rebates (billing adjustments), consistent with the amount defined with the counterparty.

Payables due to the Parent Company Centrex Energy & Gas AG, standing at € Euro 2,886,923, include trade payables of Euro 2,885,051 and interest expenses on intercompany loans totalling € 1,872.

The item "Tax payables" only includes liabilities for certain and specific taxes.

The item tax payables include payables for IRAP (regional business tax) of € 87,447, net of advances paid in the year totalling € 27,305; payables for taxes withheld on employee income amounting to € 37,317 and VAT payables of € 137,886.

The Breakdown of payables by geographic area is shown in the table below (art. 2427, par. 1, no. 6 of the Italian Civil Code).

Payables by geographic area	Trade payables	Due from subsidiaries	Due from associates	Due from Parent Companies	Other payables	Total
Italy	26,238,620	0	0	0	368,187	26,606,807
Abroad	8,089,830	0	0	2,886,923	0	10,976,753
Total	34,328,450	0	0	2,886,923	368,187	37,583,560

E) Accruals and deferrals

Balance as at 31/12/2012	Balance as at 31/12/2011	Changes
4,886	0	4,886

Accruals and deferrals represent the adjusting entries for the year, accounted for using the accrual principle. The criteria adopted for the valuation and conversion of amounts stated in foreign currency for these items are reported in the first part of these explanatory notes.

As at 31/12/2012, no accruals and deferrals had a duration of more than five years.

Accrued expenses amounted to € 4,866 and refer to the coverage of risks on the CHF (Swiss franc) exchange rate.

Memorandum accounts

(Ref. art. 2427, par. 1, no. 9 of the Italian Civil Code)

Description	31/12/2012	31/12/2011	Changes
Commitments assumed by the company	21,366,894	5,572,683	15,794,211
Other memorandum accounts	2,826,873	2,198,079	628,794
	24,193,767	7,770,762	16,423,005

The commitments assumed summarise the sureties issued by banks in the interest of the company to guarantee the company's obligations to trade suppliers and as a result of the conclusion of contracts for storage services and for the gas transport service.

Other memorandum accounts also include the fair value of Commodity Swap contracts stipulated to hedge gas price risk, which are amply detailed in the appropriate section of this document to which reference should be made.

Income statement**A) Value of production**

	Balance as at 31/12/2012	Balance as at 31/12/2011	Changes
	235,139,763	61,024,652	174,115,111
Description	31/12/2012	31/12/2011	Changes
Sales and service revenues	235,099,203	60,685,044	174,414,159
Change in inventories of products	0	0	0
Changes in contract work in progress	0	0	0
Own work capitalised	0	0	0
Other revenues and income	40,560	339,608	(299,048)
	235,139,763	61,024,652	174,115,111

The change is strictly related to the information shown in the Report on Operations.

Revenues by business sector

(Ref. art. 2427, par. 1, no. 10 of the Italian Civil Code)

The breakdown of revenues by business sector is not significant.

Revenues by geographic area

(Ref. art. 2427, par. 1, no. 10 of the Italian Civil Code)

Other revenues and income include revenues for service fees of € 40,000 with the Austrian Parent Company Centrex Europe Energy&Gas AG.

B) Costs of production

	Balance as at 31/12/2012	Balance as at 31/12/2011	Changes
	233,171,517	60,343,454	172,828,117
Description	31/12/2012	31/12/2011	Changes
Raw materials and goods for resale	235,995,688	70,468,942	165,526,746
Services	11,759,628	4,881,371	6,878,257
Use of third-party assets	254,460	231,169	23,291
Salaries and wages	930,488	690,532	239,956
Social security costs	249,423	209,651	39,772
Employee severance indemnity	23,257	17,942	5,315
Pension and similar obligations	49,923	33,817	16,106
Other personnel costs	23,958	6,334	17,624
Amortisation of intangible fixed assets	38,759	5,880	32,879
Depreciation of tangible fixed assets	13,510	6,324	7,186
Change in inventories of raw materials	(16,215,689)	(16,234,343)	18,654
Sundry operating expenses	48,166	25,835	22,331
	233,171,571	60,343,454	172,828,117

Costs for raw materials, consumables and goods for resale and Service costs

They are strictly related to the information shown in the Report on Operations.

Personnel costs

The item includes all expenses for employees, including therein merit pay increases, promotions, automatic cost-of-living increases, the cost of holidays accrued but not taken and legal provisions and collective contracts.

Depreciation of tangible fixed assets

Depreciation has been calculated on the basis of the useful life of the asset and its use in the production phase.

Please refer to section B) Fixed assets in the Explanatory Notes.

C) Financial income and expenses

	Balance as at 31/12/2012 (583,169)	Balance as at 31/12/2011 (230,716)	Changes (352,453)
Description	31/12/2012	31/12/2011	Changes
Other income	14,385	4,912	9,473
(Interest and other financial expenses)	(597,554)	(235,628)	(361,926)
	(583,169)	(230,716)	(352,453)

Other financial income

Description	Parent Companies	Subsidiaries	Associates	Other	Total
Bank interest	0	0	0	11,809	11,809
Other income	0	0	0	2,576	2,576
	0	0	0	14,385	14,385

Interest and other financial expenses

(Ref. art. 2427, par. 1, no. 12 of the Italian Civil Code)

Description	Parent Companies	Subsidiaries	Associates	Other	Total
Interest on loans	1,862	0	0	595,108	596,970
Other				584	584
	1,862	0	0	595,692	597,554

The rise in net financial expenses is strictly related to the increase in the short-term position due to the considerable increase in business, higher quantities of stored gas for customers and longer collection times on the market.

E) Extraordinary income and expenses

(Ref. art. 2427, par. 1, no. 13 of the Italian Civil Code)

	Balance as at 31/12/2012 9,348	Balance as at 31/12/2011 (100,493)	Changes 109,841
Description	31/12/2012	Previous year	31/12/2011
Miscellaneous	13,581	Miscellaneous	10,007
Total income	13,581	Total income	10,007
Employees' wages in the previous year	0	Employees' wages in the previous year	(76,176)
Miscellaneous	(4,233)	Miscellaneous	(34,324)
Total expenses	(4,233)	Total expenses	(110,500)
	9,348		(100,493)

Income taxes for the year

	Balance as at 31/12/2012 321,694	Balance as at 31/12/2011 (555,367)	Changes 877,061
Taxes	Balance as at 31/12/2012	Balance as at 31/12/2011	Changes
Current taxes	114,752	27,305	87,447
IRES	0	0	0
IRAP	114,752	27,305	87,447
Deferred taxes (prepaid)	206,942	(582,672)	789,614
IRES	206,942	(582,672)	789,614
IRAP	0	0	0
	321,694	(555,367)	877,061

Taxes pertaining to the year were recorded.

A reconciliation between the tax charge in the financial statements and the theoretical tax charge is shown below:

Reconciliation between the tax charge in the financial statements and the theoretical tax charge (IRES)

FY 2011

Description	Amount	Taxes
Pre-tax result	349,989	
Theoretical tax charge (%)	27.5	96,247
Temporary differences taxable in subsequent years:		
Temporary differences deductible in subsequent years:	35,400	
Reversal of temporary differences from previous years	(93,058)	
Differences that will not carry forward to subsequent	147,886	

years		
Tax losses used	(440,197)	
Current income taxes for the year		0

FY 2012

Description	Amount	Taxes
Pre-tax result	1,394,035	
Theoretical tax charge (%)	27.5	383,360
Temporary differences taxable in subsequent years:		
Temporary differences deductible in subsequent years:	36,400	
Reversal of temporary differences from previous years	(35,400)	
Differences that will not carry forward to subsequent years	(47,344)	
Tax losses used	(1,347,691)	
Taxable income	0	
Current income taxes for the year		0

Calculation of taxable income for IRAP purposes

FY 2011

Description	Amount	Taxes
Difference between the value and costs of production	1,639,474	
Costs not relevant for IRAP purposes	6,151	
Tax wedge	(207,143)	
Revenues not relevant for IRAP purposes	(738,358)	
	700,124	
Theoretical tax charge (%)	3.9	27,305
Temporary differences deductible in subsequent years:		
Taxable income for Irap purposes	700,124	
Current IRAP for the year		27,305

FY 2012

Description	Amount	Taxes
Difference between the value and costs of production	3,245,241	
Costs not relevant for IRAP purposes	4,530	
Tax wedge	(307,418)	
	2,942,353	
Theoretical tax charge (%)	3.9	114,752
Temporary differences deductible in subsequent years:		
Taxable income for Irap purposes	2,942,353	
Current IRAP for the year		114,752

Pursuant to art. 2427, par. 1, no. 14 of the Italian Civil Code, the required information on deferred and prepaid taxes is shown below:

Deferred / prepaid taxes

Prepaid taxes of € 206,942 were released, deriving mainly from use of tax losses carried forward from previous years. The remaining tax losses relating to the company's first few years of operations amounted to € 681,614, while residual ACE (aid for economic growth) from previous years comes to € 93,888 and that for

the year amounts to € 176,861. Therefore, on the total value of € 952,363, the conditions required by the accounting standards are in place for the accounting of the future tax benefit, in particular, the reasonable certainty that the company will generate taxable income in the future that will make it possible to absorb said losses and ACE.

Information on the financial instruments issued by the company

(Ref. art. 2427, par. 1, no. 19 of the Italian Civil Code)

The company has not issued any financial instruments.

Information on the fair value of derivative financial instruments

(Ref. art. 2427-bis, par. 1, no. 1 of the Italian Civil Code)

The company has derivative financial instruments in its portfolio, in particular Commodity Swaps to hedge the volatility in gas sale prices.

In particular, the company stipulated hedging agreements with 3 different banks, directly and indirectly through Centrex Europe Energy & Gas AG, in order to hedge said risk.

These hedges allow the company to eliminate any possible changes in the sale price.

Information on the nature of the agreement entered into by the company is shown below:

Type of derivative contract: Commodity Swap;

Purpose: Hedging;

Underlying financial risk: gas price billing risk.

Information on fair value and the local entity is shown below:

Type of contract	Currency	Stipulation/negotiated on date	Term	Fair Value
Commodity Swap	EUR	19/01/2012	01/04/2013	-54,242
Commodity Swap	EUR	13/02/2012	01/10/2013	44,013
Commodity Swap	EUR	15/02/2012	01/10/2013	74,535
Commodity Swap	EUR	16/02/2012	01/10/2013	46,542
Commodity Swap	EUR	02/03/2012	30/09/2013	1,225,193.87
Commodity Swap	EUR	12/03/2012	01/10/2013	408,022.00
Commodity Swap	EUR	05/04/2012	01/10/2013	191,580
Commodity Swap	EUR	05/04/2012	01/10/2013	375,438
Commodity Swap	EUR	01/08/2012	01/10/2013	-14,585
Commodity Swap	EUR	02/08/2012	01/10/2013	-6,000
Commodity Swap	EUR	03/08/2012	30/09/2013	-3,258
Commodity Swap	EUR	06/09/2012	30/09/2013	53,792
Commodity Swap	EUR	13/02/2012	15/04/2013	-45,651
Commodity Swap	EUR	16/02/2012	15/10/2013	47,149
Commodity Swap	EUR	22/02/2012	15/10/2013	150,227
Commodity Swap	EUR	02/03/2012	15/10/2013	83,210
Commodity Swap	EUR	13/03/2012	01/10/2013	250,906

Information on allocated assets

No assets were allocated to a specific area of business pursuant to art. 2447-bis, par. 1, letter a) of the Italian Civil Code.

Information on allocated assets

No loans were allocated to a specific area of business pursuant to art. 2447-decies of the Italian Civil Code.

Financial lease transactions

The company holds the following asset under a financial lease agreement:

Car: amount of outstanding payments at the close of the year – principal – stands at € 17,049.

Parent Company shares or holdings - situation and changes

Pursuant to art. 2435-bis and art. 2428, paragraphs 3 and 4 of the Italian Civil Code, the company did not hold any own shares, nor any Parent Company shares or holdings during the year.

Related party transactions and “off-balance sheet” agreements

Pursuant to art. 2427, par. 1, points 22-bis and ter and art. 2435-bis, par. 6 of the Italian Civil Code, the following should be noted:

- **Transactions performed directly or indirectly with the majority shareholders**
The company entered into business relations with the Parent Company Centrex Europe Energy & Gas AG during the year, as part of ordinary operations, for the purchase of raw materials and are regulated under normal market conditions.
- **Transactions carried out with members of the administration and control body**
No significant transactions were performed and all transactions were carried out under normal market conditions.
- **Nature and objective of off-balance sheet agreements**
No agreements or other deeds exist that are not provided for in the balance sheet.

Information on fees due to administration and control bodies

Pursuant to law, the fees due to the independent auditors for services provided during the year are stated below:

- fees due for the legal audit of the annual accounts: € 34,020.
- fees due for other certification services (unbundling activities): € 3,150.

Pursuant to law, the fees due to the Board of Statutory Auditors for the year are as follows:

- fees due for statutory auditing activities: € 10,400.

By contrast, it should be noted that the Board of Directors did not receive any fees for the current year.

Employment figures

The average company workforce, broken down by category, underwent the following changes with respect to the previous year:

Workforce	31/12/2012	31/12/2011	Changes
Managers	5	4	1
Employees	3	2	1
	8	6	2

These financial statements, composed of the Balance Sheet, Income Statement and Explanatory Notes, give a true and fair view of the financial position and the result for the year and correspond to the accounting records.

Milan, 28 February 2013

The Chief Executive Officer

Michele Libutti